

H-3110-1 - NONCOMPETITIVE LEASES

KeywordsVII. Noncompetitive Presale OffersA. Noncompetitive - Presale Offers Filed on Public Domain or Acquired Lands MineralsPRESALE
OFFERS FILED
UNDER 43 CFR
3110.1(a)(1)

This portion of the Handbook provides guidelines for the proper description of lands in noncompetitive presale oil and gas lease offers (see Glossary of Terms). Regulation 43 CFR 3110.1(a)(1) specifies that after January 2, 1989, a noncompetitive (presale) offer may be filed on unleased lands except for: (1) those lands that are in the one-year period commencing upon the expiration, termination, relinquishment, or cancellation of the previous lease(s) containing the lands, and (2) those lands included in an officially posted Notice of Competitive Lease Sale. (See Section I, above, for further criteria concerning such presale offers.)

Noncompetitive presale offers shall be exposed to competitive bidding under 43 CFR Part 3120 and, if no bid is received, a noncompetitive lease shall be issued to the presale offeror, all else being regular.

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KeywordsB. Priority EstablishedPRIORITY
ESTABLISHED

The priority of a presale offer received shall be determined as of the time and date the offer is filed in the proper BLM State Office. Simultaneously filed presale offers are those filed on some or all of the same lands, and when such offers are received either in the State Office Receiving and Accounts mail slot prior to the Public Room hours, or by the first regular mail delivery of the day, or in the same courier mail delivery. Priority of the offers, to the extent of the conflicts between them, shall be determined by a drawing in accordance with 43 CFR 1821.2-3. If the first drawn offeror fails to comply with all requirements within the specified time, the offer must be rejected. Following the 30-day appeal period, if no appeal is filed, the next offer in priority is to be considered.

Presale offers may receive certain corrections submitted by the offeror or made at the request of the BLM authorized officer. Depending on the nature of the correction, priority either will be retained or is given at the time the correction has been made (see Manual Section 3110.43).

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C. Action on Presale Lease Offer

Responsible Official	Step	Action	Keywords
Receiving Official	1.	Receive offer Form 3100-11. Check that offer is on current form and correct number of copies (original and two) are filed, with sufficient rental and \$75 filing fee. (See 43 CFR 3103.2-1 and 3103.2-2, Manual Section 3110.42, and Section V, above.)	PRESALE OFFER RECEIVED
	2.	Date and time stamp at least one copy of offer form, preferably the copy with the original signature (see Section III.F, above).	
	3.	Assign serial number and validate filing fee.	
	4.	Prepare accounting advice and place two copies (green and goldenrod) in case file.	
	5.	Send case file through Docket to official responsible for ALMRS Entry.	
ALMRS Entry	6.	The following indicates the most common action code(s) to be utilized. Reference is to be made to the current Data Standards for Oil and Gas Lease Case Types and the current Data Element Dictionary for additional requirements.	AUTOMATED NOTATION
	6a.	Establish the case in ALMRS (Case Type 311121 for present interest public domain minerals or Case Type 311122 for present interest acquired lands minerals; for future interest minerals, use Case Types 311123 or 311124).	
	6b.	Enter Action Date (MANDATORY ACTION CODE): Date offer received; DE 1775 Action Code 001/DE 2910 Action Code 124; Action Remarks: Enter the time offer received, i.e., #0130 (optional).	

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Responsible Official	Step	Action	Keywords
	7.	Send case file to Title Records, as appropriate, for notation on oil and gas plats/status records.	
Title Records	8.	Note offer on oil and gas plats/status records (or other appropriate records).	RECORDS NOTATION
	9.	Route case file to Adjudication through Docket.	
ALMRS Entry	10.	If all or part of lands are a presale offer:	AUTOMATED NOTATION
	10a.	Enter Action Date (MANDATORY ACTION CODE): Date presale offer is received; DE 1775 Action Code 041/DE 2910 Action Code 128.	
		<u>NOTE:</u> This code is used only in conjunction with DE 1775 Action Code 001/DE 2910 Action Code 124.	
Adjudication	11.	Sort offers by township and range and determine if there is a conflict that requires a public drawing.	
	12.	Adjudicate offer, checking for the following:	ADJUDICATE PRESALE OFFER
	12a.	Proper lease offer form and sufficient number of copies, i.e., original and two copies, with each copy showing evidence of having been signed. An offer to lease must be made on the current BLM-approved Form 3100-11, or on unofficial copies of the current form. (See Manual Section 3110.74.)	
	12b.	Original offer form must be manually signed. Failure to date the lease offer is not a fatal deficiency.	

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	12c.	Proper rental was received in accordance with 43 CFR 3103.2. (See Manual Section 3110.42 and Section V, above.)	
	12d.	Ensure that lands are available and are described correctly. (See Sections I.A. and III.)	
	12e.	Apply the 640-acre rule. (See Sections II.A and II.B.)	
	12f.	Verify that the lands have not been through the competitive process within the past 2 years. (If the lands have been through the competitive process within the past 2 years, refer to Sections IX, X, or XI, as applicable.)	
	12g.	If the presale offer contains lands greater than the maximum acreage allowed for competitive lease as specified by the Federal Onshore Oil and Gas Leasing Reform Act (2,560 acres in the lower 48 states and 5,760 acres within Alaska), split the offer into parcels as compact as possible not exceeding the maximum allowable acreage.	
	12h.	Include lands in the offer in the next possible competitive sale notice in accordance with Handbook 3120-1. Indicate in sale notice those parcels with presale noncompetitive offers.	
	12i.	<u>OPTIONAL</u> : Acknowledge presale offeror by mail indicating which sale notice includes the parcel.	ACKNOWLEDGEMENT OF PRESALE OFFER

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Responsible Official	Step	Action	Keywords
	13.	After competitive oral auction has been held, if no bid is received for parcel, check the oil and gas plats/status records (or other appropriate records) for unit/communitization agreements (CA's) that may have been approved since the Notice of Competitive Lease Sale was officially posted.	CHECK FOR UNITS/CA'S
	13a.	If lands in the offer are within the boundaries of a unit, offeror must submit either evidence of joining the unit or a letter from the unit operator stating that the unit operator has no objection to lease issuance without unit joinder (see Illustrations 11 and 12).	LANDS WITHIN UNIT/UNIT JOINDER
	13b.	If lands in the offer are within the boundaries of a CA, offeror must submit evidence of joinder. Unlike Federal units, lessees cannot operate independently in a Federal CA.	LANDS WITHIN CA - JOINDER REQUIRED
	13c.	If part of lands in the presale offer are inside the boundary of a unit/CA that was approved after the sale notice was officially posted, segregate the offer and request joinder for the offer that is within the agreement boundaries.	
ALMRS Entry	14.	Enter Action Date: Date additional information requested; DE 1775 Action Code 112/DE 2910 Action Code 104; Action Remarks: Unit/CA joinder requested from offeror. Use in conjunction with DE 1775 Action Code 113/DE 2910 Action Code 103 when additional information is received.	AUTOMATED NOTATION

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<u>Responsible Official</u>	<u>Step</u>	<u>Action</u>	<u>Keywords</u>
Adjudication	15.	Issue noncompetitive lease to priority presale offeror, in accordance with the procedures described in Section X.B, if lands are not bid on at oral auction, (see Illustration 13 for example ALMRS Case Recordation Serial Register Page/Case Abstract).	
	16.	Reject any nonpriority offers in accordance with the procedures described in Section X.C.	REJECT OFFERS
Docket	17.	File case file for issued lease with active files.	

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