

H-3120-1 - COMPETITIVE LEASES

Format for Notice of Competitive Lease Sale
Standard Introduction Information

UNITED STATES DEPARTMENT OF INTERIOR
BUREAU OF LAND MANAGEMENT
(NAME) STATE OFFICE
(ADDRESS)

(Date of Posting)

NOTICE OF COMPETITIVE LEASE SALE
Oil and Gas

SALE LOCATION ADDRESS, e.g.,
(NAME) HOTEL
12030 INTERSTATE 80 ACCESS ROAD NORTH
TULSA, OKLAHOMA 74444

Notice is hereby given that on (Date: MM/DD/YYYY), the U.S. Department of the Interior, Bureau of Land Management (BLM), (Name) State Office will offer for competitive sale, pursuant to 43 CFR Part 3120 and procedures herein, certain Federal lands for oil and gas leasing.

LOCATION: The sale will be held in the (Specify exact location and address). You must be present to bid.

TIME: The competitive oral auction will commence at (Time) on (Date). The sale room will be open to the public one hour prior to the time indicated above, to allow each interested party time to obtain a bidding number from authorized Bureau personnel.

REGISTRATION AND BIDDING NUMBERS: Bidders will be required to obtain a bidding number prior to making any bid. (SELECT ONE: Registration of bidders will not be required, except for the successful high bidder upon completion of bidding for parcels. /OR/ Registration of bidders will be required to speed paperwork and will begin at X:XX a.m., date of sale.)

LANDS OFFERED: The lands to be offered are described herein. Parcels will be offered for oral bid in the order indicated in this Notice of Competitive Lease Sale.

TERMS OF LEASE: Leases awarded as a result of this oral auction will be for a primary term of 10 years, and so long thereafter as there is production in paying quantities. The royalty will be at a flat rate of 12 1/2 percent of the value or the amount of production removed or sold from the lease. Other terms of the lease are specified on the standard lease form (Form 3100-11, June 1988 or more recent editions).

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OTHER CONDITIONS: Specific surface use stipulations, where applicable, are identified for each parcel in this Notice of Competitive Lease Sale. Such stipulations shall become part of the lease and shall supersede any inconsistent provisions of the lease form. General surface use requirements are contained in law and regulation. (SELECT ONE: The applicable stipulation(s) is indicated in the description of the parcel. /OR/ Parcels to which the stipulations apply are indicated with each stipulation.) (OPTIONAL: Further details regarding the stipulations can be obtained from the (Name) BLM State Office.) Maps (plats) showing the offered lands and adjacent leased lands are available in the (Name) State Office at the above address.

MINIMUM BID: The minimum acceptable bonus bid will be the lump sum equivalent of \$2 per acre or fraction thereof. All bids received shall be deemed submitted for an entire parcel.

METHOD OF BIDDING: All bids shall be made orally and be based (SELECT ONE: on a per-acre basis for the entire acreage in the parcel and not on the total bid amount /OR/ in terms of a total bid for the entire acreage in the parcel and not on a per-acre basis). The bid must be rounded up to the next whole acre if fractional acreage is involved, e.g., a parcel of 644.38 acres will require a minimum bid of at least \$1,290.00 (\$2 x 645 acres) to open the bidding process. (OPTIONAL: After all parcels have been offered, the auctioneer will announce and accept requests to reoffer any unsold parcels at the sale.)

(**MANDATORY, IF APPLICABLE:** The following paragraph is to be removed if all parcels on the list represent 100 percent U.S. oil and gas ownership:
FRACTIONAL INTERESTS: For some of the parcels indicated in this Notice of Competitive Lease Sale, the United States holds less than 100 percent of the oil and gas rights. Any lease issued will be only for the percentage or fraction indicated. However, the bonus bid and rental for each such parcel shall be based on the gross acreage in the parcel, not the net U.S. interest. Acreage chargeability and production royalty are, in contrast, calculated on the net U.S. interest.

RIGHT TO WITHDRAW PARCELS FROM SALE: The Bureau of Land Management reserves the right to withdraw any or all of the parcels from sale prior to or at the oral auction. In the event of cancellation of the sale, every effort will be made to give appropriate notice to all interested parties. If any individual parcels are withdrawn, notice thereof will be posted in the public room at (Address). (OPTIONAL: You may also obtain the numbers of withdrawn parcels by telephoning (Commercial area code and number) from X:XX a.m. to X:XX p.m., Monday through Friday, except Federal Holidays.)

DETERMINATION OF WINNING BID: A winning bid will be the highest oral bid, equal to or exceeding the statutory minimum acceptable bid of \$2 per acre or fraction thereof. The decision of the auctioneer shall be final.

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PAYMENT OF BONUS BID, RENTAL, AND ADMINISTRATIVE FEE: A bid shall not be withdrawn and shall constitute a legally binding commitment to execute the lease bid form and accept a lease, including the obligation to pay the bonus bid, first year's advance rental, and administrative fee. Winning bidders shall be required to make payment for the parcel on the day of the oral auction for a total amount consisting of: (1) a bonus bid deposit of at least \$2 per acre or fraction thereof; (2) the total amount of the first year's annual rental, at a rate of \$1.50 per acre or fraction thereof; and (3) an administrative fee of \$75 per parcel. (OPTIONAL: For future interest parcels, rental or royalty is not due to the United States prior to the vesting of the oil and gas rights in the United States. However, if the oil and gas rights vest in the United States in less than 1 year from the date of the oral auction, the first year's annual rental, at a rate of \$1.50 per acre or fraction thereof, may be paid on the day of the sale; otherwise the first year's advance rental must be paid on or before the day the oil and gas rights vest in the United States.)

A bidder who fails to pay the minimum deposit due on the day of the oral auction may be assessed civil penalties pursuant to the Federal Oil and Gas Royalty Management Act. This minimum amount must be tendered at the auction (OPTIONAL: or at the (Name) State Office) within (Number) hour(s) after the close of the oral auction (OPTIONAL: or by X:XX p.m., whichever is later). The entire amount due may be paid at this time. Any unpaid balance of the bonus bid must be received by the (Name) State Office by (Specify the exact time of the close of business on the tenth (10th) working day following the auction, e.g., 4:30 p.m., October 21, 1993, /OR/ if the State Office is uncertain on what date the oral auction will end (if sale may take more than one day): by X:XX p.m., on the tenth (10th) working day following the close of the oral auction), or all monies held by the BLM and the right to issuance of the lease shall be forfeited. Any entity who forfeits the right of issuance of a lease (failure to submit the remaining monies due) totaling three times in the (Name) State Office, shall be prohibited from bidding at any future sale in this State. Any parcel so forfeited may be reoffered by the BLM competitively at a later oral auction. (OPTIONAL: Information as to the date of the tenth (10th) working day may be obtained by calling (Area code and number) during normal business hours Monday through Friday, except Federal Holidays.)

FORM OF PAYMENT: Payment shall be made by personal check, certified check, or money order (such forms of payment must be made payable to the Department of the Interior - BLM) or by credit card (VISA or MASTERCARD accepted only). Payment by cash shall NOT be allowed.

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BID FORM REQUIRED-AVAILABILITY: Pursuant to 43 CFR 3120.5, successful high bidders will be required to submit, with the required payments for each parcel, on the day of the oral auction of such parcel, a properly signed current competitive lease bid form (Form 3000-2, October 1989 or more recent edition), which is a legally binding offer by the prospective lessee to accept a lease pursuant to the terms and conditions specified herein for the parcel and on the standard lease form (Form 3100-11, June 1988 or more recent edition). Form 3000-2 may be obtained and executed by the prospective lessee or an authorized representative PRIOR to the oral auction. If the bid form is fully completed before the oral auction, it cannot be modified; however, portions of the form may be left blank to be completed by the bidder at the auction. If the bid form is not executed prior to the oral auction, the prospective lessee shall be required to complete and sign the bid form at the auction when the payment is made. Form 3000-2, when completed, certifies compliance with lessee qualifications (see 43 CFR 3102.5-2) and also certifies compliance with 18 U.S.C. 1860, which prohibits unlawful combination of or intimidation of bidders and certifies that the bid was arrived at independently without unlawful collusion.

AWARD/ISSUANCE OF LEASES: Prospective lessees are advised that leases may be issued, upon signature by the authorized officer, without further action on their part, once all remaining bonus bid monies are timely received. The effective date of the lease shall be the first day of the month following execution of the lease form by the authorized officer, except that leases may, upon written request from the lessee received prior to signature on the lease by the authorized officer, be effective the first day of the month in which issued. (OPTIONAL: Successful bidders tendering the full amount of the bonus bid, the first year's advance rental, and the \$75 administrative fee may be issued a lease at the auction. If it is desired that such a lease become effective the first day of (the month and year in which the oral auction is held, e.g., November 1993), a specific written request from the lessee must be submitted with the completed Form 3000-2 and payment.)

UNSOLD PARCELS: Parcels contained in this Notice of Competitive Lease Sale for which no bids are received at the oral auction and no noncompetitive presale offers are pending, and which have not been withdrawn from the sale by the BLM shall be available for regular noncompetitive lease offer in accordance with 43 CFR Subpart 3110 for a 2-year period. The two-year period shall commence at (SELECT ONE: the hour the Public Room opens on the first business day after the auction /OR/ (Specify the hour and date, e.g., 9:00 a.m., January 11, 1994)). All noncompetitive offers received on that first business day following the auction will be considered simultaneously filed. Offers received thereafter shall receive priority as of the date and time of filing as specified at 43 CFR 1821.2-3(a).

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(OPTIONAL: A drop box will be available at the auction site (and/or the (Name) State Office) for noncompetitive offers for any parcel which has received no minimum acceptable bid. All offers placed in the box(es) shall be considered simultaneously filed during the first business day following the close of the oral auction. The drop box(es) will be available until (SELECT ONE): one hour following the close of the oral auction. /OR/ until X:XX x.m., whichever is later.)

PENDING NONCOMPETITIVE PRESALE OFFERS: A presale noncompetitive offer filed in accordance with 43 CFR 3110.1(a) for a parcel offered at the sale and for which no bid is received, has first priority over an offer filed after the sale. Parties are cautioned that any lands in a parcel not sold at the auction, which are subject to a pending noncompetitive presale offer, may not be available for further noncompetitive filings. Those lands will be issued to the party who submitted the presale offer, all else being regular. However, if it is announced at the beginning of the sale that the presale offer has been withdrawn, noncompetitive offers will be accepted after the sale for that parcel. Parcels with pending presale offers are identified in this Notice of Competitive Lease Sale (SELECT ONE: by an asterisk /OR/ by the notation "Pending Presale Offer No. -----" indicated after the parcel description).

Noncompetitive offers filed on the first business day following the close of the oral auction (OPTIONAL: or in the drop box(es)), or during the remainder of that month in which the sale is held, must describe the lands, as set forth at 43 CFR 3110.5-1, solely by the single parcel number appearing in this Notice of Competitive Lease Sale. Each offer must be for one parcel only and must be submitted on the current lease Form 3100-11 (June 1988 or more recent editions). Leases may be issued to an offeror without further notice. Any such offer constitutes consent by the offeror to the terms and conditions, including stipulations, set out for the parcel in this Notice of Competitive Lease Sale. All noncompetitive offers must be accompanied by the total of (1) the \$75 nonrefundable filing fee and (2) the first year's advance rental of \$1.50 per acre or fraction thereof for the parcel acreage as indicated in this Notice of Competitive Lease Sale. All filing fees are nonrefundable, whether or not a lease is ultimately issued to the offeror or any other party.

NOTE: SHOULD ASSISTANCE BE NEEDED FOR THE HEARING OR VISUALLY IMPAIRED, PLEASE CONTACT THE (Name) STATE OFFICE AT (Phone no. with area code) by (Date). THE SALE SITE IS ACCESSIBLE TO THE HANDICAPPED.