# H-3110 - Noncompetitive Leases

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Index by Keywords

Introduction
This Handbook Section provides procedures in accordance with the Mineral Leasing Act of 1920, including the Federal Onshore Oil and Gas Leasing Reform Act of 1987 (Reform Act), enacted on December 22, 1987, for noncompetitive oil and gas leasing of eligible lands (Automated Land and Mineral Record System (ALMRS) Case Recordation in the lower 48 States/Records System Release 1.0 in Alaska Case Types 311121 and 311122). Guidelines concerning the adjudication and issuance of future interest noncompetitive leases (ALMRS Case Types 311123 and 311124) also are provided. This Handbook should be used in conjunction with BLM Manual Section 3110.

Under the Reform Act, which significantly changed the BLM's oil and gas leasing program procedures, lands cannot be leased until they are first offered competitively at an oral auction (see Manual Section 3120 and Handbook 3120-1).

This Handbook Section is not intended for use in processing offers filed before the Reform Act. Guidelines for processing "grandfathered" noncompetitive over-the-counter oil and gas lease offers filed prior to December 22, 1987, are found in BLM Manual Section 3111 and Handbook 3111-1.

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Keywords

I. Lands Available for Noncompetitive Offer and Lease

A. Offers Filed Prior to Competitive Offering of PRESALE

Lands - Presale Offers OFFERS

An offer for a noncompetitive oil and gas lease may be filed for available lands prior to a competitive sale and after January 2, 1989, except for lands that are in the one-year period commencing from the date of expiration, termination, relinquishment, or cancellation of a lease, or that are included in an officially posted Notice of Competitive Lease Sale (see Glossary of Terms). A preliminary sale parcel list, which may be made available in the Public Room in some BLM State Offices, is not considered to be an officially posted sale notice. For expired, terminated, relinquished, and cancelled leases, the one-year period begins on the actual date of lease expiration, termination, relinquishment, or cancellation,
and not on the date when the records have been noted. Any noncompetitive offer filed during the one-year period following termination, expiration, relinquishment, or cancellation of a lease shall not be held in abeyance or pending status to await the end of the one-year period, but shall be rejected as an improper presale offer.

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Keywords

B. Lease Offers Filed After Competitive Offering of POSTSALE Lands - Postsale Offers

OFFERS

1. Beginning on the first business day following the last day of the competitive oral auction, only lands that have been offered competitively under 43 CFR Part 3120, and for which no bids were received, shall be available for a period of 2 years for noncompetitive leasing (see Glossary of Terms). Although some BLM State Offices provide a drop box on the day of the auction for the filing of noncompetitive offers at the conclusion of the sale for those parcels that received no bid (particularly if the auction is held in a city/State other than where the BLM State Office is located), all such offers placed in the drop box shall be considered as simultaneously filed during the first business day following the close of the auction. A noncompetitive lease may be issued for lands contained in such parcels in response to a complete and proper offer filed during this 2-year noncompetitive leasing period.
2. If a noncompetitive lease issues from a LANDS IN postsale offer, and the lease later terminates, is TERMINATED, relinquished, or is cancelled at any time during the RELINQUISHED, 2-year period from the date of the oral auction, the OR CANCELLED lands contained in such lease are available again only by POSTSALE LEASE competitive leasing under 43 CFR Part 3120. In accordance AVAILABLE with the Reform Act, such lands are not available for AGAIN ONLY BY noncompetitive leasing under 43 CFR 3110.1(a) during any COMPETITIVE remaining portion of the 2-year period. LEASING PROCESS

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Keywords

II. Lease Offer Size

A. Minimum Lease Offer Size

Where the lands have been surveyed under the rectangular PUBLIC DOMAIN survey system or are within an approved protracted survey, MINIMUM an offer for public domain minerals may not include less LEASE SIZE than 640 acres or one full section, whichever is larger, in the lower 48 States. In Alaska, offers for public domain minerals may not be less than 2,560 acres or four full contiguous sections, whichever is larger. This minimum lease offer size is required except where the offer includes all available lands within a section and no contiguous lands are available for lease in an adjoining section. Otherwise, the offer must be rejected. (See 43 CFR 3110.3-3(a).)

The term "contiguous lands" means two parcels of land CONTIGUOUS within the same section, in adjoining sections, or in LANDS
adjoining townships having a common boundary. Cornering is **not** considered to be "contiguous lands" (see Illustration 1).

The leasing regulations provide an exception to the minimum 640-ACRE acreage requirement where the offer includes all available MINIMUM RULE lands within the section and no contiguous lands are "available." Two categories of lands are "available," resale-type lands (43 CFR 3110.1(a)(1)) and postsale-type PRESALE-TYPE AND lands (43 CFR 3110.1(b)). The regulations at 43 CFR 3110.1 POSTSALE-TYPE allow, but do not require, a lease offeror to include LANDS AVAILABLE presale- and postsale-type lands in the same noncompetitive lease offer. Therefore, any noncompetitive lease offer that contains: (1) the minimum acreage of presale-type lands only; or (2) the minimum acreage of postsale-type lands only; or (3) the minimum acreage with a combination of some presale-type lands and some postsale-type lands, satisfies the minimum acreage requirement of the regulations at 43 CFR 3110.3-3(a). Inclusion of lands from both categories of "available" lands in one lease offer, however, will not necessarily result in issuance of a single lease, as discussed below.

The exception for offers containing less than the minimum acreage shall be applied as follows:

1. If the offer contains all presale-type lands PRESALE in one full section (four full contiguous sections in OFFERS Alaska) and no contiguous presale-type lands are available, the offer satisfies the exception even if postsale-type
lands are available in the section or are contiguous.

Keywords

2. The same applies to an offer containing all POSTSALE postsale-type lands in one full section (four full OFFERS contiguous sections in Alaska) even if presale-type lands are available in the section or are contiguous; and,

3. If the offer contains all the presale-type COMBINED and postsale-type lands in one full section (four full OFFERS - contiguous sections in Alaska) and no contiguous lands in PRESALE AND either category are available, the offer satisfies the POSTSALE exception. LANDS

No minimum lease offer size pertains to an acquired lands ACQUIRED LANDS minerals noncompetitive oil and gas lease offer. MINERALS MINIMUM LEASE SIZE

No minimum size requirement pertains to the filing of a CLASS III LEASE petition for a Class III reinstatement for issuance of a REINSTATEMENT noncompetitive lease for oil and gas covering an abandoned MINIMUM SIZE oil placer mining claim under the provisions of 43 CFR 3108.2-4. (See Manual Section 3108.24 and Handbook 3108-1.)

Keywords

B. Maximum Lease Configuration Limits

The lands in an offer for public domain minerals shall PUBLIC DOMAIN be entirely within an area of 6 miles square or within MAXIMUM LEASE an area not exceeding six surveyed sections in length CONFIGURATION
An offer to lease acquired lands minerals may exceed the ACQUIRED LANDS 6-mile square limit if: (1) the lands are not surveyed MINERALS under the rectangular survey system of public land surveys MAXIMUM LEASE and are not within the area of the public land surveys; CONFIGURATION and (2) the tract desired is described by the acquisition or tract number assigned by the acquiring agency and less than 50 percent of the tract lies outside the 6-mile square area. More than one tract may be included in the lease offer. However, less than 50 percent of only one tract in the offer may extend outside the 6-mile square area. (See Excelsior Exploration Corp., 91 IBLA 76 (1986).)

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Keywords

C. Maximum Lease Size

For either public domain or acquired lands minerals, an MAXIMUM LEASE offer may not include more than 10,240 acres. SIZE

If an offer exceeds the 10,240-acre maximum by not more LEASE OFFER than 160 acres, the offeror shall be granted 30 days from EXCESS ACREAGE notice, i.e., from receipt of the decision of the excess, to withdraw the excess acreage from the offer, and priority will be retained. The offer must be rejected and priority lost if the excess is not withdrawn (see Illustration 2).

If an offer exceeds the 10,240-acre maximum by more than 160 acres, the offer must be rejected. (See 43 CFR 3110.3-3(c).)
III. Description of Lands in Offer

This portion of Handbook 3110-1 provides guidelines for the proper description of lands in noncompetitive lease offers. DESCRIPTION

A. Postsale Offers Filed During Month of Sale

From the first day following the end of the competitive sale until the end of that same month (parcel integrity period; see Glossary of Terms), a noncompetitive lease offer for a parcel included in the sale for which no bid was received must be for the entire parcel, and must describe the lands by the single parcel number appearing in the sale notice. If a legal description also is included and a discrepancy exists between the parcel number and the legal description, the parcel number shall govern.

B. Offers Filed After Parcel Integrity Period and During 2-year Period

Any postsale lease offer made after the end of the month in which a sale is held cannot be filed by a parcel number. Such a postsale offer must be filed by the legal land in accordance with 43 CFR 3110.5-2 and PARCEL INTEGRITY 3110.5-3. Use of the parcel number by itself during the remainder of the 2-year period shall result in rejection of the offer. An offer filed during this timeframe may include all or a portion of a parcel or may include a combination of parcels and must be filed in accordance with...
43 CFR 3110.3-3 with respect to minimum lease offer size.

If any lands in the parcel are subject to a proper offer
filed under 43 CFR 3110.1(a)(1) that was filed prior to the
official posting of the Notice of Competitive Lease Sale
which includes the described lands, and if the parcel
receives no bid at the auction, such a presale offer shall
have priority for issuance of a lease on the affected lands
over any postsale offer filed after the oral auction.

Keywords

C. Public Domain Minerals

1. Surveyed Lands. If the lands have been PUBLIC DOMAIN
surveyed under the rectangular system of the public land SURVEYED LAND
surveys, the lands must be described by legal subdivision, DESCRIPTION
section, township, range, and (if needed) meridian. The
smallest legal subdivision that may be included in an offer
is a quarter-quarter section (40 acres), unless the offer
is for a lot or only a portion of a quarter-quarter section
is available.

2. Unsurveyed Lands. Lands not surveyed and/or PUBLIC DOMAIN
protracted under the rectangular system of surveys must be UNSURVEYED LAND
described by metes and bounds as set forth in 43 CFR DESCRIPTION
3110.5-2. A description by legal subdivision that excludes
a portion of the subdivision described by metes and bounds
is sufficient to satisfy the regulation governing land
description of surveyed public domain.

3. Protracted Surveys. Where protracted surveys PUBLIC DOMAIN
have been approved and the effective date thereof has been PROTRACTED
published in the Federal Register, all offers to lease SURVEY LAND
lands shown on the protracted surveys, filed on or after DESCRIPTION
the effective date, must describe the lands by legal
subdivision, section, township, range, and (if needed)
meridian.

4. Conforming Land Descriptions. Where CONFORMING LAND
unsurveyed lands covered by pending offers are surveyed DESCRIPTIONS
prior to lease issuance, the description of such lands
must conform to the approved protracted or public land
survey, whichever is appropriate. Likewise, the
description of lands in an existing lease must be conformed
by the BLM to a subsequent resurvey or amended protraction
survey, as may be appropriate.

5. Lands in Lakebeds and Riverbeds. Lands in LANDS IN
lakebeds and riverbeds are available for leasing if the LAKEBEDS AND
waters were determined to have been nonnavigable at the RIVERBEDS
time of admission of the State into the Union, and the
United States is the owner of the abutting uplands, or the
lands were patented with a reservation of the oil and gas
to the United States. The lands must be described by metes
and bounds in the same manner as other unsurveyed lands.
(See 43 CFR 3110.5-3(c).)

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Keywords
If the United States is the riparian or upland owner
bordering a nonnavigable river, the extent of ownership
extends to the medial line of the river. If ownership includes both sides of the riverbed, the United States administers the entire acreage across the river. If the U.S. mineral ownership is divided, i.e., 50 percent on one side and 100 percent on the opposite side, a separate metes and bounds description is required for leasing the portions that are affected by the fractional interests.

Federal leases may be issued for beds of lakes and rivers that invade school sections (e.g., sections 16 and 36 in some States) if the waters were nonnavigable at the time of admission of the State into the Union and if the State has used such lake or river beds as deficiency base for lieu selections. Leases cannot be issued for such beds if the State has not used the bed as base for lieu selections. If it has been determined that the State used the beds of nonnavigable lakes for lieu selection, the BLM State Office must assert its rights by preparing a letter or notice to the State Government Lands Department. However, if the State used the beds of nonnavigable rivers for lieu selection, no further action is necessary.

6. Conversion of Unpatented Oil Placer Mining CLASS III

Claims. A petition for a noncompetitive lease under 43 CFR REINSTATED 3108.2-4 must conform to the requirements of 43 CFR 3110.5 LEASE by specifying the proper description of the lands involved CONFIRM LAND in the abandoned unpatented oil placer mining claim. DESCRIPTION

Keywords
D. Acquired Lands Minerals

1. Surveyed Lands. If the lands have been ACQUIRED LANDS surveyed under the rectangular system of public land MINERALS surveys, the lands must be described by legal subdivision, SURVEYED LAND section, township, range, and meridian. In some BLM State DESCRIPTION Office jurisdictions, however, there may be only one meridian within a given State. In such a case, clarity of the description can be achieved without inclusion of the meridian, and rejection would not result from its omission.

Where the lease offer description cannot be conformed to the public land surveys, any boundaries of the offer that do not conform must be described in the offer by metes and bounds giving courses and distances between the successive angle points with appropriate ties to the nearest existing official survey corner (see 43 CFR 3110.5-3(b)). If the desired lands in the acquired tract are not surveyed under the rectangular system of public land surveys but are within an area of public land surveys, the lands must be described by metes and bounds, giving courses and distances between the successive angle points on the boundary of the tract, and connected, if possible, with an official corner of the public land surveys.

2. Unsurveyed Lands. If the lands have not been ACQUIRED LANDS surveyed under the rectangular system of public land MINERAL surveys, the lands must be described in the offer as in the UNSURVEYED LAND deed or other document by which the U.S. acquired title to DESCRIPTION the lands or minerals. (See 43 CFR 3110.5-3(b) and (c).)
The acreage in some tracts acquired by the U.S. may be larger than that permitted to be included in a single lease, or a portion of the minerals in the acquired tract may not be available for leasing. In that event, the available land must be described in the offer by courses and distances between successive angle points on its boundary, tying by course and distance into the description in the deed or other document by which the U.S. acquired title to the land. Enclosure with the offer of a clear copy of the deed or other acquiring document, as referenced in the offer as to the applied for land description, is acceptable although not required. Without loss of priority, the applicant subsequently may be required to submit the deed or conveyance document if it is needed to complete the processing of the offer. If the offeror submits a clear copy of the deed in lieu of providing a land description in the offer and clearly identifies the applied for lands on the deed, it is not necessary to require the offeror to redescribe in the offer that portion of the boundary contained and described in the deed by metes and bounds.12

Keywords

If an error exists in the land description on the deed or DEED OR conveyance document, the offeror cannot be held responsible CONVEYANCE for the error or its effect on the validity of the land DOCUMENT description in the lease offer. The offeror need not ERROR IN LAND correct any such error. If an error in the deed exists and DESCRIPTION
the offeror recognizes the error and does compensate for
the error in the deed description with an accompanying
explanation in the offer description, the offer shall be
acceptable, although further clarification may be required
by the BLM State Office without loss of priority to the
offeror. Because the BLM must rely on the deed, the
offeror must note in the offer that such an error has been
corrected. If the offeror fails to do so, or includes in
the offer an erroneous correction to the deed description
that does not conform to the land description in the deed,
the offeror is to be allowed 30 days, without loss of
priority, to furnish proper corrections to the deed
description and to explain how, in turn, the corrections
affect non-deed portions of the land description.

If an error is discovered in the land description for an LAND
offer filed on a portion of an acquired tract, the BLM DESCRIPTION
shall allow the offeror 30 days in which to correct the ERROR IN OFFER
error, without loss of priority. The time may be extended
by the BLM authorized officer for a reasonable period, to
allow the offeror to demonstrate that the error was in the
deed or conveyance document or solely attributable to it.
If this cannot be shown, the offer must be rejected.

An offeror is responsible for furnishing sufficient rental
as required by 43 CFR 3103.2-1(a), or the offer shall be
rejected.

If an offeror for an entire acquired lands minerals tract DEED OR
submits a copy of the deed with the offer and also CONVEYANCE
redescribes in the offer the lands in the deed, and in DOCUMENT doing so makes an error in transcription, the requirement SUBMITTED for an acceptable description is satisfied because the copy of the deed is included with the offer.

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Keywords

For lands not within a rectangular survey, the deed description is to be relied on to the extent possible when less than the entire acquired tract is applied for in the lease offer. Any new boundary created to separate the part of the tract applied for from the rest of the tract is to be described by metes and bounds, giving courses and distances between successive angle points and tied to the deed, as appropriate. The tie-ins must be properly described by courses and distances. The offeror is responsible for identifying the boundary of the lands applied for in the offer. It is not necessary to redescribe the deed portion of the boundary in the offer if a copy of the deed is included and the offer is clearly noted to indicate that the applied-for lands are as in the deed and the tie-ins are made clear in the offer or the attachment to the offer. If errors exist in the land description, the error must be shown to be in the deed or solely attributable to it, or the application will be rejected.

Meander lines are not acceptable in a land description MEANDER unless and except as they appear in the deed. In certain LINES
instances on nonnavigable bodies of water, a meander line could become a fixed boundary. In such a case, a description in the offer of this fixed boundary as shown on the survey plat may be needed in order to define the leasable acreage.

3. Acquisition or Tract Number. Where the ACQUISITION acquiring agency has assigned an acquisition or tract OR TRACT number covering the lands applied for, the BLM authorized NUMBER officer may require that number in addition to any description otherwise required in the offer without loss of priority to the offeror. If the authorized officer determines that the acquisition or tract number, together with identification of the State and county, constitutes an adequate description, the authorized officer may allow the description in this manner in lieu of other descriptions required in the offer. For the present, unit numbers, tract numbers, and parcel numbers shall all be considered acquisition numbers within the meaning of the regulations. Failure to include line numbers, case numbers, or any other such designations in the offer shall be considered a curable defect and shall not result in loss of priority of the offer. In any case, if the offeror submits written documentation that an acquisition number was requested from the acquiring agency and the offeror was advised that none existed, the offer shall be deemed to have met the regulatory requirements.14

Keywords
4. **Map Requirements.** Offers submitted in the MAP manner as discussed in Sections III.D.2 and 3, above, must REQUIREMENTS be accompanied by three copies of a map upon which the desired lands are clearly marked, showing the location of the lands with respect to the administrative unit or project of which they are a part. Failure to submit the maps, or sufficient quantities of the map, is a curable defect and priority of the offer is retained. Allow a 30-day compliance period for correct of this curable defect. Provided the acquisition or tract number is shown when required, if the map is in error (any or all copies) and the land description of the offer is proper or, conversely, when the land description is flawed but the description can be clearly noted based on the map and its annotations, the offeror has 30 days to correct the error or map omission.

When applying for any lease for acquired lands minerals, the offeror need not apply for only those lands within the acquired tract that are available for leasing. It is the responsibility of the lessor (BLM) to determine which lands within the acquired tract are available, to describe them on the lease, and reject the remaining. Lessees are responsible only for properly describing the outer boundary of the applied-for lands.

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**Keywords**

E. **Accreted Lands**
The description of lands by legal subdivision, including ACCRETED lots, does not include any land that may have accreted to LANDS the legal subdivision or lot. The accreted land must be described by metes and bounds, giving courses and distances between the successive angle points on the boundary of the tract, and connected by courses and distances to an angle point on the perimeter of the tract or subdivision to which the land has accreted.

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Keywords

F. Conflicting Description Among Copies of Offer

CONFLICTING DESCRIPTION

1. Controlling Offer Form. If the original and two copies of the offer form are not identical, that form marked with the date and time of receipt in the proper BLM office is controlling. The BLM Manual Section 1274.12 states: "Date and Time Stamping. The exact date and time received are stamped on the original of the filing that becomes the case file copy. If applicant supplies an extra copy, it may be date and time-stamped and returned to applicant." The correct legal description of the leased lands is to be inserted on all copies of the lease prior to execution (signature) by the BLM authorized officer.

2. Unsurveyed Land Description. If the land description provided by the offeror for unsurveyed lands is acceptable but inappropriately described, i.e., is not described by the current BLM standards, the offer is to be
properly redescribed by the BLM before approval for lease issuance.

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Keywords

IV. Lease Offer Requirements

The lease offer shall be made on the current BLM-approved CURRENT LEASE form (Form 3100-11), or on unofficial copies of the current OFFER FORM form (see Illustration 3). Copies shall be exact reproductions on one page of both sides of the official approved form, without additions, omissions, or other changes, or advertising. The original copy of each offer must be typewritten or plainly printed in ink and manually signed in ink by the offeror or the offeror's duly authorized agent. The offer shall be accompanied by the first year's advance rental and a nonrefundable filing fee of $75.

The original and two copies of each offer to lease with ORIGINAL AND each copy showing evidence of having been signed shall be TWO COPIES filed in the proper BLM State Office. Only the original of OF LEASE FORM the offer must be actually signed; the other two copies may REQUIRED show carbon reproductions or duplications of the signature.

The offer should be dated, but failure to date is not cause for rejection. The critical date of an offer is the date that it is filed in the proper BLM office.

The mineral status of the lands described by the offeror MINERAL STATUS in Item 2 on the lease offer form will control the type of BOX ON OFFER lands, either public domain minerals or acquired lands FORM - PUBLIC minerals, being requested. If the lands described in DOMAIN OR
Item 2 all have the same mineral status, and no box is ACQUIRED LAND checked, both boxes are checked, or the wrong box is MINERALS checked, the offer is be to viewed as acceptable with the BLM correcting the mineral status boxes. If, however, the land description in Item 2 on the form is a mix of public domain minerals and acquired lands minerals, and only one box is checked, both boxes are checked, or neither box is checked, the offer must be returned for correction with a loss of priority in accordance with 43 CFR 3110.4.

A lease offer may not include both public domain and IDENTIFICATION acquired lands minerals. There are instances when the OF ACQUIRING surface is acquired lands but contains public domain AGENCY minerals. The agency from which consent to lease is required should be named by the offeror on the form (see Illustration 4, Page 1, Item 2). However, inclusion of the agency information on the lease offer form is not mandatory for a noncompetitive offer and will not result in a loss of priority. (See Manual Section 3110.43A4.)

Keywords

Curative submissions will be accepted before final action CORRECTIONS OR is taken on a lease offer if the offeror amends, modifies, AMENDMENTS TO or takes other measures to correct or complete a defective OFFER BY filing. For example, the offeror may discover that a OFFEROR typographical error was made by describing the land as the W2E2, where the only land available for lease is the E2E2. If the offer has not yet been rejected by the BLM authorized officer, the offeror may file an amendment by
filing a complete new offer with the lease offer form marked "AMENDED OFFER." Priority shall be established when the amended offer is filed. No new filing fee needs to be submitted (see Departmental Decision A-30741, William A. Stevenson, May 29, 1957).

As ruled by the Interior Board of Land Appeals (IBLA) in Gian R. Cassarino, 78 IBLA 242, (91 I.D. 9 (1984)), if an offer has been rejected by the BLM, an offer cannot be cured or resuscitated with a new priority by the submission of new material.

The Mineral Leasing Act authorizes the issuance of leases WHO MAY HOLD to citizens of the United States, associations (including LEASES partnerships and trusts) of such citizens, and corporations organized under the laws of the U.S. or any State or Territory thereof (see 43 CFR 3102.1, Manual Section 3102, and Handbook 3102-1). A lease offer may be received showing more than one name with a percentage of unequal portions, e.g., John Doe with 60 percent and Jane Doe with 40 percent interest. An offer for a lease by two or more persons is prima facie an offer by an "association" within the meaning of Section 27 of the Mineral Leasing Act (see Edward Lee, 515 I.D. 299 (1925)). Thus, the offer is acceptable and is to be treated as an association.

However, both parties must sign the offer Form 3100-11 certifying as to qualifications by each to hold the lease as members of the association.

Another means of holding a lease is by joint tenancy, JOINT TENANTS
whereby the offerors call themselves "John Doe and Jane Doe, Joint Tenants." In this situation, the BLM recognizes each tenant as owning a proportionate share of the lease, as if each were a co-lessee. Again, each person must sign the lease offer Form 3100-11. (See Handbook 3102-1 and Turner C. Smith, Jr., Signe Smith, 89 I.D. 386 (1982).)

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Keywords

An offer received from an entity identified as "John Doe SOLE and Jane Doe, d/b/a Doe Enterprises" is indication of a PROPRIETORSHIP sole proprietorship. A sole proprietorship may not hold a MAY NOT HOLD lease. However, in the case of "Doe Enterprises," if the A LEASE lease offer Form 3100-11 was signed by both John Doe and Jane Doe, the offer is acceptable since it is possible to determine the full names of the offerors; the "Doe Enterprises" is surplusage (see McClain Hall, Arthur R. Frank, 61 IBLA 202 (1982)).

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Keywords

V. Rental Deficiency

A. Lease Issuance After Deficiency Paid

If the first year's advance rental for an offer is RENTAL deficient by not more than 10 percent or $200, whichever DEFICIENCY is less, the offer is acceptable and retains its original priority date, all else being regular. The rental deficiency shall be paid before the lease is issued. The
full payment of the first year's advance rental is required prior to issuance of the lease by the BLM in order to ensure that a valid lease is entered in the Minerals Management Service (MMS) Data Management Division (DMD) automated system. That is, do not send the lease account information to the MMS-DMD until the full first year's advance rental has been received.

When the first year's rental is deficient by not more than RETAIN 10 percent or $200, whichever is less, prepare a decision $75 FILING FEE advising that the rental deficiency must be paid within 30 days. If the deficient first year's rental is not paid within the time allowed, the offer is to be rejected without further notice with the $75 filing fee retained (see Illustration 5). Following the 30-day appeal period, if the lands were offered in a competitive lease sale and no bid was received and there are no other remaining offers, the lands remain available for noncompetitive leasing for the remainder of the 2-year period.

There may be some instances where a lease with a rental RENTAL PAYMENT deficiency has been issued under penalty of cancellation if RETURNED IF the rental deficiency is not timely paid in response to a DEFICIENCY NOT decision. However, in Arden R. Grover, John R. Schumacher, TIMELY PAID AFTER 73 IBLA 308 (1983), the IBLA ruled that the offer should LEASE ISSUANCE have been rejected and the rental returned in compliance AND CANCELLATION with Section 304(c) of the Federal Land Policy and Management Act because the lessees did not derive any benefit from possession of the lease.
Keywords

B. Rental Change Due to Acreage Miscalculation

When an increase in the parcel acreage results from an ACREAGE miscalculation by the BLM, causing the parcel acreage to be MISCALCULATION greater than that indicated in the Notice of Competitive BY BLM Lease Sale, send a decision to the lessee to request the additional monies to meet the minimum rental amount of $1.50 per acre or fraction thereof (see Illustration 6).

The decision shall include a provision that allows the lessee to request a rejection of the offer if the lessee does not want the lease due to the modified acreage. If the lessee requests rejection of the offer, a full refund of the rental and the $75 filing fee shall be authorized by the BLM since the error was the fault of the Government.

The regulations specify in 43 CFR 3103.2-1(b) that if the acreage in the Notice of Competitive Lease Sale is incorrectly indicated, payment of the additional rental based on the error is curable within 15 calendar days of receipt of the BLM notification.

Keywords

C. Rental Change Due to Resurvey and Acreage Adjustment

When a corrected acreage is due to a resurvey, any ACREAGE increase or decrease in the acreage shall require a change ADJUSTMENT in the rental amount, beginning with the next lease DUE TO
anniversary date. If the resurvey decreased the acreage, RESURVEY no rental refund shall be made since the acreage in the parcel when the competitive sale was held was based on the "correct" survey/status of the lands at that time and was not a BLM error when the oral auction was held. Similarly, if the resurvey increased the acreage, no additional first year's advance rental shall be requested. In such cases, transmit an accounting advice to the MMS-DMD to reflect the changed lease acreage because of the resurvey, to ensure that the MMS-DMD issues the courtesy billing notice for the changed acreage for the next annual rental cycle. The acreage for the parcel as indicated in the Notice of Competitive stands for the entire 2-year period unless a public notice is issued advising the public of the corrected acreage. Such a notice is to be posted in the BLM State Office Public Room for a period of at least 45 days.

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Keywords

VI. Priority of Offer

A. Presale Offers

If any lands in a parcel when officially posted for PRESALE OFFER competitive sale are subject to a proper presale PRIORITY noncompetitive offer and the parcel receives no bid at PROCEDURE the oral auction, the presale offer shall have priority for issuance of a lease on the affected lands over any
offers filed subsequent to the oral auction.

If more than one presale offer is filed on the same lands, the priority of such offers shall be as of the date and time of filing as specified in 43 CFR 1821.2-3(a).

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Keywords

B. Postsale Offers

1. Any postsale noncompetitive offers that are POSTSALE received during the first business day following a OFFER competitive sale for a parcel that received no bid at the PRIORITY sale shall be deemed simultaneously filed, and shall earn PROCEDURE priority in accordance with a public drawing as specified in 43 CFR 1821.2-3(b).

2. If a postsale noncompetitive offer was OFFER OMITTED properly filed during the first business day following the FROM DRAWING oral auction, but was inadvertently omitted from the drawing held for that parcel, a new drawing must be held to include the omitted offer. The new drawing must consist of the omitted offer and blank offers equal to the number of offers that were included in the first drawing. Post a notice in the State Office Public Room to serve notice of the omitted offer and to notify interested parties of the pending reselection (see Illustration 7).

2a. If No Lease Has Been Issued. Prepare a RESELECTION notice indicating the specific date the reselection will be PROCESS FOR held. Describe in the notice the process that will be used OMITTED OFFER to determine priority as a result of the reselection due to WHEN NO LEASE
the omitted offers. Post the notice in the State Office HAS YET ISSUED
Public Room. Also, file a copy of the notice with each
offer affected by the pending reselection (see Illustration
8). If no lease had been issued when the omitted offer was
discovered and the omitted offer is selected, the omitted
offer shall displace the offer that was selected in the
original drawing. If the omitted offer is not selected in
the reselection, the results of the original drawing shall
stand.

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Keywords

2b. Lease Has Been Issued. Prepare a RESELECTION
notice indicating the specific date the reselection will be PROCESS FOR
held. Describe in the notice the process that will be used OMITTED OFFER
to determine priority as a result of the reselection due to WHEN LEASE HAS
the omitted offers. Indicate in the notice that the lease ALREADY ISSUED
that already has been issued may be subject to cancellation
as a result of the reselection process. Post the notice in
the State Office Public Room. Also, file a copy of the
notice with each offer affected by the pending reselection
(see Illustration 8). Prepare a letter to the lessee
explaining the situation (see Illustration 9), enclosing a
copy of the notice. Send the letter via certified mail.
If the omitted offer is not selected in the reselection,
the results of the original drawing shall stand. However,
if the omitted offer is selected in the new drawing, it
shall displace the existing offer/issued lease that had
priority in the original drawing, excluding any rights held
by a bona fide purchaser under the Act of September 21,
1959 (30 U.S.C. 184(h)(2) (1982)). (See Manual Section
3108.4.) Prepare a decision to cancel the lease issued as
a result of the original drawing, allowing 30 days for
evidence to be submitted that a bona fide purchaser existed
prior to the discovery of the omitted offers (see Illustra-
tion 10). If evidence of a bona fide purchaser is not
submitted within the time allowed, cancel the lease without
further notice, and authorize a refund of the first-year's
advance rental.

3. If more than one postsale noncompetitive
lease offer is filed on the same lands subsequent to the
first business day after the sale and during the remainder
of the 2-year period, the priority of such offers shall be
as of the date and time of filing as specified in 43 CFR
1821.2-3(a).

Keywords

VII. Noncompetitive Presale Offers

A. Noncompetitive - Presale Offers Filed on Public PRESALE

Domain or Acquired Lands Minerals OFFERS FILED

UNDER 43 CFR

This portion of the Handbook provides guidelines for the 3110.1(a)(1)
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.

Keywords
B. Priority Established PRIORITY

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).

C. Action on Presale Lease Offer

Responsible

Official Step Action Keywords

Receiving 1. Receive offer Form 3100-11. Check that PRESALE OFFER Official offer is on current form and correct RECEIVED 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.)

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 AUTOMATED action code(s) to be utilized. NOTATION 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.

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).
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
records (or other appropriate records). NOTATION

9. Route case file to Adjudication through
Docket.

ALMRS Entry 10. If all or part of lands are a presale AUTOMATED
offer: NOTATION

10a. Enter Action Date (MANDATORY
ACTION CODE): Date presale offer
is received; DE 1775 Action Code

NOTE: 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 ADJUDICATE
following: 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.

Responsible Official Step Action Keywords

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 that 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. Includelands 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. **OPTIONAL:** Acknowledge presale ACKNOWLEDGEMENT offeror by mail indicating which OF PRESALE OFFER sale notice includes the parcel.

34 Responsible

**Official Step Action Keywords**
13. After competitive oral auction has been held, if no bid is received for parcel, UNITS/CA'S 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.

13a. If lands in the offer are within the boundaries of a unit, offeror UNIT/UNIT must submit either evidence of JOINDER 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).

13b. If lands in the offer are within the boundaries of a CA, offeror CA - JOINDER must submit evidence of joinder. REQUIRED Unlike Federal units, lessees cannot operate independently in a Federal CA.

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 after the sale notice was officially posted.
posted, segregate the offer and request joinder for the offer that is within the agreement boundaries.

ALMRS Entry 14. Enter Action Date: Date additional AUTOMATED information requested; DE 1775 Action NOTATION 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.

35 Responsible

Official Step Action Keywords

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 REJECT OFFERS accordance with the procedures described in Section X.C.

Docket 17. File case file for issued lease with active files.
VIII. Noncompetitive Postsale Offers Filed Day After the Sale

A. Action For Receiving Offer

Responsible

Official Step Action Keywords

Receiving 1. Receive offer Form 3100-11. Check that POSTSALE Official offer is on current form and correct OFFER FILED number of copies (original and two) are DAY AFTER filed, with sufficient rental and $75 SALE UNDER filing fee. (See 43 CFR 3103.2-1 and 43 CFR 3110.1(b) 3103.2-2, Manual Section 3110.42, and and Section V, above.)

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 reflects the most common AUTOMATED action code(s) to be utilized. NOTATION Reference is to be made to the current
Data Standards for Oil and Gas Lease

Cases and the current Data Element Dictionary for additional requirements.

6a. Establish the case in ALMRS (Case Types 311121 or 311122 for present interest; for future interest, 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 parcel number (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 records (or other appropriate records). NOTATION

9. Route case file to Adjudication through Docket.

Adjudication 10. All offers received the day after the PRIORITY sale shall be considered simultaneously ESTABLISHED filed as of the date specified in the sale notice. (See Section VI.B.1.)
11. Sort offers by parcel number and, if conflicting offers occur for any parcel, establish priority by public drawing.

ALMRS Entry 12. Enter Action Date (MANDATORY ACTION AUTOMATED CODE): Date offer received day after NOTATION sale; DE 1775 Action Code 016/DE 2910 Action Code 129; Action Remarks: Enter number of offers received for the parcel, including the offer that matures into an issued lease.

Adjudication 13. Adjudicate each priority offer, checking for the following:

13a. Proper lease offer form and ADJUDICATE OFFERS sufficient number of copies, RECEIVED DAY i.e., original and two copies, AFTER THE SALE 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.)

13b. Original offer form must be manually signed. Failure to date the lease offer is not a fatal deficiency.
Responsible

**Official Step Action Keywords**

13c. Proper rental was received in accordance with 43 CFR 3103.2. (See Manual Section 3110.42 and Section V, above.)

13d. Offer is for an entire single parcel and is described by the parcel number as it appeared in the sale notice. If a legal description also is included, and a discrepancy exists between the parcel number and the legal description, the parcel number shall govern (see Section III.A).

13e. Note that failure to check the public domain or acquired box on the lease form (Form 3100-11), or checking the wrong box is **not** a fatal deficiency (see Section IV).

13f. Check oil and gas plats/status CHECK FOR records for units/CA's that may UNITS/CA'S have been approved since the sale notice was officially posted.

13g. If lands in the offer are within LANDS WITHIN the boundaries of a unit, the UNIT/UNIT
offeror must submit either JOINDER 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).

13h. If lands in the offer are within LANDS WITHIN the boundaries of a CA, offeror CA - JOINDER must submit evidence of joinder. REQUIRED Unlike Federal units, lessees cannot operate independently in a Federal CA.

40 Responsible Official Step Action Keywords

ALMRS Entry 14. Enter Action Date: Date additional AUTOMATED information requested; DE 1775 Action NOTATION Code 112/DE 2910 Action Code 104; Action Remarks: Unit/CA joinder requested from offeror. Use in conjunction with for DE 1775 Action Code 113/DE 2910 Action Code 103 when additional information is received.

41 B. Action For Processing Offer for Approval

Responsible
Official Step Action Keywords

Adjudication 1. Prepare offer form (Form 3100-11) for PROCESS lease issuance. Add land description LEASE OFFER on lease form by typing it in Item 3, or by an attachment to the lease form.

2. Attach all required stipulations and the Notice to Lessee concerning Mineral Leasing Act (MLA) Section 2(a)(2)(A) restrictions with respect to assignments/transfers of oil and gas leases from certain Federal coal lease holders (see Illustration 14).

3. When a stipulation is added, deleted, STIPULATION or revised after the official posting CHANGES, of the sale notice but prior to the ADDITIONS, AND issuance of a noncompetitive lease, use DELETIONS the following steps:

3a. If the stipulation revision, addition, or deletion would increase the value of the parcel, withdraw the parcel from the sale notice and readvertise for offering at a future auction in a subsequent sale notice with all the correct stipulations.

3b. Return any postsale noncompetitive offer with all monies refunded
(first year's advance rental and filing fee).

3c. If it is determined that the stipulation change would **not** increase the value of the parcel, the lands continue to be available for noncompetitive offer during the 2-year period. However, **before** issuing a noncompetitive lease, post a notice for 45 days in the State Office Public Room and at the appropriate local BLM Field Office to advise the public of the specific stipulation change, addition, or deletion.

Responsible Official Step Action Keywords

3d. If no adverse public response is received during the 45-day period, send a notice to the offeror providing a 30-day period to sign the specific changed or added stipulation (see Illustration 15).

3e. If the offeror accepts the revised or added stipulation, continue to process the lease to issuance as described below.
3f. If the offeror refuses to sign the STIPULATION stipulation change, refund all CHANGE REFUSED - monies (first year's advance REFUND ALL MONIES rental and filing fee).

3g. If a second priority offer exists, provide that party 30 days by notice in which to sign and accept the revised or added stipulation.

3h. If all the remaining offerors refuse to accept the lease, the lands remain available for noncompetitive leasing with the changed stipulation for the remainder of the 2-year period.

3i. If adverse public response is received, handle the response as if it were a protest. That is, if the BLM agrees with the adverse response, the BLM is to withdraw the land. Refund to the offeror all monies, including the $75 filing fee, and give the offeror the right of appeal.

3j. If the adverse response (protest) is denied, offer the lease to the offeror with the changed stipulation as described above, and give
the protestant the right of appeal.

3k. If an appeal is filed, notify the offeror of the pending appeal.

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Responsible

**Official Step Action Keywords**

4. If a unit/CA is involved and notice has been received of acceptance of joinder, a lease may be issued.

4a. If part of lands in the offer are outside the boundary of a unit/CA that was approved after the sale notice was officially posted, segregate into two parcels and request joinder for the parcel that is within the agreement boundaries (see Step VIII.A.13g, above, and Illustration 11).

5. If additional rental is required (nominal rental deficiency), prepare a decision requesting the necessary amount (see Section V, above, and Illustration 5.)

ALMRS Entry 6. Enter Action Date: Date monies AUTOMATED requested; DE 1775 Action Code 082/DE NOTATION 2910 Action Code 106; Action Remarks:

Indicate amount and purpose.
7. Enter Action Date: Date monies received; DE 1775 Action Code 083/DE 2910 Action Code 392; Action Remarks:
Indicate amount and purpose.

Adjudication 8. Stamp "Original" or "File" on the LEASE COPIES originally signed lease offer form for DESIGNATED the case file.

8a. Stamp "Lessee" on the first copy of lease offer. Stamp second copy for the surface management agency (SMA), as appropriate.

9. After receipt of total first year's ACCOUNTING rental due, complete the accounting ADVICE advice (see Illustration 16). If COMPLETED lands are located in two or more counties, enter exact acreage located in each county.

10. Prepare routing slip and records worksheet. Route lease for signature by the BLM authorized officer.44 Responsible Official Step Action Keywords

Signing 11. Sign the original of lease form (Form Official 3100-11) and use signature stamp on lessee/SMA copies of lease form.

Adjudication 12. Make distribution in accordance with State Office procedures, e.g., one copy
to SMA, if any (mandatory), and one copy to Field Office Operations.

13. If, after a lease is signed, issued, STIPULATIONS and mailed to the lessee, it is INADVERTENTLY discovered that some or all of the NOT ATTACHED lease stipulations that were identified TO LEASE in the Notice of Competitive Lease Sale as being applicable to the parcel were not attached as part of the lease, send the stipulations by a notice to the lessee, ensuring that a copy of the notice and stipulations are placed in the case file. The notice to the lessee is simply a courtesy since the stipulations are binding, and the lessee filed the noncompetitive offer on the parcel as it was advertised in the sale notice with full awareness of the stipulations as identified. (See 43 CFR 3101.1-3.)

ALMRS Entry 14. Update lease issuance (see Illustration AUTOMATED 13): NOTATION


14b. Enter Action Date (MANDATORY
ACTION CODE, WHEN APPLICABLE FOR
FRACTIONAL U.S. INTEREST LANDS):
Enter date lease signed (or offer
was received); DE 1775 Action
Code 448/DE 2910 Action Code 527;
Action Remarks: Percentage of
Federal mineral ownership when
U.S. mineral interests are less
than 100%.

Responsible

Official Step Action Keywords

14c. Enter Action Date (MANDATORY
ACTION CODE IF LANDS ARE IN MORE
THAN ONE COUNTY): Enter date
lease signed and lands are in two
or more counties; DE 1775 Action
Code 417/DE 2910 Action Code 523;
Action Remarks: Enter acres and
State and county codes from
DE 0002.

14d. Enter Action Date (MANDATORY
ACTION CODE): Effective date of
lease; DE 1775 Action Code 225/DE
2910 Action Code 868.

14e. Enter Action Date (MANDATORY
ACTION CODE): Enter 12 1/2
percent royalty rate; DE 1775


14f. For acquired lands mineral lease: AUTOMATED

Enter Action Date (MANDATORY NOTATION - ACTION CODE FOR ACQUIRED LANDS FUND SYMBOL MINERALS): Enter fund symbol; FOR ACQUIRED DE 1775 Action Code 444/DE 2910 LANDS MINERALS Action Code 496; Action Remarks:

Fund symbol argument code from DE 3042; OPTIONAL: Also enter Treasury fund symbol, including proclaimed unit number (refuge code) in Action Remarks.

NOTE: See Appendix 1 for a listing of the Treasury Symbols.

14g. Enter Action Date (MANDATORY ACTION CODE): Date lease expires; DE 1775/2910 Action Code 763.

NOTE: See Appendix 2 for a listing of key action codes from the data standards which must be used in ALMRS Case Recordation and Record System Release 1.0 for noncompetitive leasing actions.46
Responsible

Official Step Action Keywords

Adjudication 15. Send case file to Title Records through Docket for notation of appropriate records.

16. Send accounting advice(s) to Accounts.

Title 17. Note oil and gas plat/status records RECORDS and historical index (HI) (or other NOTATION appropriate records).

18. Return case file to Docket.

Docket 19. File case file with active cases.

C. Rejection of Nonpriority Offers

Responsible

Official Step Action Keywords

Adjudication 1. Issue decision rejecting offers not POSTSALE receiving priority. A single decision OFFERS may include all offers filed by the REJECTED same entity (see Illustration 17).

2. Send case file with decision to signing official.

3. After decision is signed, send by certified mail.

4. If all postsale offers filed the first CLOSE CASE day after the sale were serialized (instead of serialization of parcel filed on), close the case file for
each rejected offer at the end of the 
30-day appeal period (plus a 10-day 
grace period for appeal) if no appeal 
is filed (see 43 CFR 4.401(a)).

5. Complete the accounting advice to 
refund first year's advance rental and 
send to Accounts.

6. When a refund represents an amount 
tendered by a nonguaranteed check, 
initiate the refund only after 15 days 
have elapsed from the date of deposit,
to ensure that the check cleared the 
banking system. It is important to 
note that the Department of the 
Treasury procedures require that all 
monies received for the first year's 
advance rentals and the $75 filing fees 
for all the unsuccessful offers must be 
deposited into the U.S. Treasury, i.e., 
the checks cannot be directly returned 
to the offerors.

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Responsible

Official Step Action Keywords

ALMRS Entry 7. If offers were individually serialized, AUTOMATED 
update entry showing offer rejection: NOTATION 

7a. Enter Action Date (MANDATORY
ACTION CODE): Date offer rejected;
DE 1775 Action Code 006/DE 2910
Action Code 125; Action Remarks:
Enter reason for the rejection.

7b. Enter Action Date (MANDATORY
ACTION CODE): Date case closed;
DE 1775/2910 Action Code 970.

Adjudication 8. Send case file to Title Records for
records notation, as applicable.

9. Route case file to Docket.

Docket 10. File case file with closed files.

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Keywords
D. Statistical Reporting Requirements

Summary information concerning noncompetitive offers filed STATISTICAL
on the first day following the oral auction for parcels REPORTING
that received no bid (and unsold presale offers) must be REQUIREMENTS
transmitted electronically to the Washington Office FOR WASHINGTON
(WO-610) and the Statistics Coordinator, Colorado State OFFICE
Office (CO-920) within 5 working days after the end of the
oral auction (see Illustration 18).

Those State Offices with jurisdiction over more than one
geographic State are not to separate the information by
geographic State. However, the summary information for
noncompetitive offers filed on future interest parcels must
be reported separately from the information for offers
filed on present interest parcels.
IX. Noncompetitive Postsale Offers Filed During Remainder of Parcel Integrity Period/Month of Sale

A. Action For Receiving Offer

Responsible

Official Step Action Keywords

Receiving 1. Receive offer Form 3100-11. Check that POSTSALE OFFER Official offer is on current form and correct FILED AFTER number of copies (original and two) are SALE DURING filed with sufficient rental and $75 REMAINDER filing fee. (See 43 CFR 3103.2-1 and OF PARCEL 3103.2-2, Manual Section 3110.42, and INTEGRITY Section V, above.) PERIOD

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 reflects the most common AUTOMATED action code(s) to be utilized. NOTATION
Reference is to be made to the current Data Standards for Oil and Gas Lease Cases and the current Data Element Dictionary for additional requirements.

6a. Establish the case in ALMRS (Case Types 311121 or 311122 for present interest; for future interest, 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 parcel number/sale date (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 records (or other appropriate records). NOTATION

9. Route case file to Adjudication through Docket.

Adjudication 10. Offers received subsequent to the first PRIORITY business day after the competitive sale ESTABLISHED and during the remainder of the month
of the sale have priority first
determined by the date and time the
offer is filed. Offers filed for the
same parcel and that are received in
at the same time will have priority
established in accordance with 43 CFR
1821.2-3(a) (see Section VI.B).
11. Sort offers by parcel number and, if
offers are received at the same time
for the same parcel, establish priority
by public drawing.
12. Adjudicate each priority offer, ADJUDICATE
checking for the following: OFFER FILED
DURING PARCEL
12a. Proper lease offer form and INTEGRITY MONTH
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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Responsible

Official Step Action Keywords

12c. Proper rental was received in accordance with 43 CFR 3103.2. (See Manual Section 3110.42 and Section V, above.)

12d. Offer is for an entire single parcel and is described by the parcel number as it appeared in the sale notice. If a legal description also is included, and a discrepancy exists between the parcel number and the legal description, the parcel number shall govern (see Section III.A).

12e. Note that failure to check the public domain or acquired box on the lease form (Form 3100-11), or checking the wrong box is not a fatal deficiency (see Section IV).

12f. Check oil and gas plats/status CHECK FOR records for units/CA's that may UNITS/CA'S have been approved since the sale notice was officially posted.

12g. If lands in the offer are within LANDS WITHIN
the boundaries of a unit, offeror UNIT/UNIT
must submit either evidence of JOINDER
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).

12h. If lands in the offer are within LANDS WITHIN
the boundaries of a CA, offeror CA - JOINDER
must submit evidence of joinder. REQUIRED
Unlike Federal units, lessees
cannot operate independently in
a Federal CA.

54
Responsible

Official Step Action Keywords
ALMRS Entry 13. Enter Action Date: Date additional AUTOMATED
information requested; DE 1775 Action NOTATION
Code 112/DE 2910 Action Code 104;
Action Remarks: Unit/CA joinder
requested from offeror. Use in
conjunction with for DE 1775 Action
Code 113/DE 2910 Action Code 103 when
additional information is received.

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B. Action for Processing Offer for Approval
Responsible

Official Step Action Keywords

Adjudication 1. Prepare offer form (Form 3100-11) for PROCESS lease issuance. Add land description LEASE OFFER on lease form by typing it in Item 3, or by an attachment to the lease form.

2. Attach all required stipulations and the Notice to Lessee concerning Mineral Leasing Act (MLA) Section 2(a)(2)(A) restrictions with respect to assignments/transfers of oil and gas leases from certain Federal coal lease holders (see Illustration 14).

3. When a stipulation is added, deleted, or revised after the official posting of the sale notice but prior to the issuance of a noncompetitive lease, use the following steps:

3a. If the stipulation revision, addition, or deletion would increase the value of the parcel, withdraw the parcel from the sale notice and readvertise for offering at a future auction in a subsequent sale notice with all the correct stipulations.

3b. Return any postsale noncompetitive
offer with all monies refunded
(first year's advance rental and filing fee).

3c. If it is determined that the stipulation change would not increase the value of the parcel, the lands continue to be available for noncompetitive offer during the 2-year period. However, before issuing a noncompetitive lease, post a notice for 45 days in the State Office Public Room and at the appropriate local BLM Field Office to advise the public of the specific stipulation change, addition, or deletion.

Responsible

Official Step Action Keywords

3d. If no adverse public response is received during the 45-day period, send a notice to the offeror providing a 30-day period to sign the specific changed or added stipulation (see Illustration 15).

3e. If the offeror accepts the revised or added stipulation, continue to process the lease to issuance as
described below.

3f. If the offeror refuses to sign the STIPULATION stipulation change, refund all CHANGE REFUSED - monies (first year's advance REFUND ALL MONIES rental and filing fee).

3g. If a second priority offer exists, provide that party 30 days by notice in which to sign and accept the revised or added stipulation.

3h. If all the remaining offerors refuse to accept the lease, the lands remain available for noncompetitive leasing with the changed stipulation for the remainder of the 2-year period.

3i. If adverse public response is received, handle the response as if it were a protest. That is, if the BLM agrees with the adverse response, the BLM is to withdraw the land. Refund to the offeror all monies, including the $75 filing fee, and give the offeror the right of appeal.

3j. If the adverse response (protest) is denied, offer the lease to the offeror with the changed stipula-
tion as described above, and give
the protestant the right of appeal.

3k. If an appeal is filed, notify the
offeror of the pending appeal.

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Responsible

Official Step Action Keywords

4. If a unit/CA is involved and notice has
been received of acceptance of joinder,
a lease may be issued.

4a. If part of lands in the offer are
outside the boundary of a unit/CA
that was approved after the sale
notice was officially posted,
segregate into two parcels and
request joinder for the parcel
that is within the agreement
boundaries (see Step VIII.A.13g,
above, and Illustration 11).

5. If additional rental is required
(nominal rental deficiency), prepare a
decision requesting the necessary
amount (see Section V, above, and
Illustration 5.)

ALMRS Entry 6. Enter Action Date: Date monies AUTOMATED
requested; DE 1775 Action Code 082/DE NOTATION
2910 Action Code 106; Action Remarks:
Indicate amount and purpose.

7. Enter Action Date: Date monies received; DE 1775 Action Code 083/DE 2910 Action Code 392; Action Remarks:

Indicate amount and purpose.

Adjudication 8. Stamp "Original" or "File" on the LEASE COPIES originally signed lease offer for DESIGNATED the case file.

8a. Stamp "Lessee" on the first copy of lease offer. Stamp second copy for the SMA, as appropriate.

9. After receipt of total first year's ACCOUNTING rental due, complete accounting ADVICE advice (see Illustration 16). If COMPLETED lands are located in two or more counties, enter exact acreage located in each county.

10. Prepare routing slip and records worksheet. Route lease for signature by the BLM authorized officer.58

Responsible

Official Step Action Keywords

Signing 11. Sign the original of lease Form 3100-11 Official and use signature stamp on lessee/SMA copies of lease form.

Adjudication 12. Make distribution in accordance with State Office procedures, e.g., one copy
to SMA, if any (mandatory), and one copy to Field Office Operations.

13. If, after a lease is signed, issued, STIPULATIONS and mailed to the lessee, it is INADVERTENTLY discovered that some or all of the NOT ATTACHED lease stipulations that were identified TO LEASE in the Notice of Competitive Lease Sale as being applicable to the parcel were not attached as part of the lease, send the stipulations by a notice to the lessee, ensuring that a copy of the notice and stipulations are placed in the case file. The notice to the lessee is simply a courtesy since the stipulations are binding, and the lessee filed the noncompetitive offer on the parcel as it was advertised in the sale notice with full awareness of the stipulations as identified. (See 43 CFR 3101.1-3.)

ALMRS Entry 14. Update lease issuance (see Illustration AUTOMATED 19): NOTATION

14b. Enter Action Date (MANDATORY
ACTION CODE): Date lease signed;
DE 1775 Action Code 176/DE 2910
Action Code 237.

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Responsible

Official Step Action Keywords

14c. Enter Action Date (MANDATORY
ACTION CODE, WHEN APPLICABLE FOR
FRACTIONAL U.S. INTEREST LANDS):
Enter date lease signed (or offer
was received); DE 1775 Action
Code 448/DE 2910 Action Code 527;
Action Remarks: Percentage of
Federal mineral ownership when
U.S. mineral interests are less
than 100%.

14d. Enter Action Date (MANDATORY
ACTION CODE IF LANDS ARE IN MORE
THAN ONE COUNTY): Enter date
lease signed and lands are in two
or more counties; DE 1775 Action
Code 417/DE 2910 Action Code 523;
Action Remarks: Enter acres and
State and county codes from
DE 0002.

14e. Enter Action Date (MANDATORY


14g. For acquired lands mineral lease: AUTOMATED Enter Action Date (MANDATORY NOTATION - ACTION CODE FOR ACQUIRED LANDS FUND SYMBOL MINERALS): Enter fund symbol; FOR ACQUIRED DE 1775 Action Code 444/DE 2910 LANDS MINERALS Action Code 496; Action Remarks:

Fund symbol argument code from DE 3042; OPTIONAL: Also enter Treasury fund symbol, including proclaimed unit number (refuge code) in Action Remarks.

NOTE: See Appendix 1 for a listing of the Treasury Symbols.

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Responsible

Official Step Action Keywords

14h. Enter Action Date (MANDATORY ACTION CODE): Date lease
expires; DE 1775/2910 Action

Code 763.

Adjudication 15. Send case file to Title Records through Docket for notation of appropriate records.

16. Send accounting advice(s) to Accounts.

Title 17. Note oil and gas plat/status records RECORDS Records and HI. NOTATION

18. Return case file to Docket.

Docket 19. File case file with active cases.

C. Rejection of Nonpriority Offers

Responsible

Official Step Action Keywords

Adjudication 1. If more than one offer was received POSTSALE on a parcel, reject by decision those OFFERS offers not in priority (see Illustra- REJECTED tion 17).

2. Send case file with decision to signing official.

3. After decision is signed, send by certified mail.

4. If postsale offers received during the CLOSE CASE remainder of parcel integrity period were serialized (instead of serialization of parcel filed on), close the case file for each rejected offer at
the end of the 30-day appeal period
(plus a 10-day grace period for appeal if no appeal is filed (see 43 CFR 4.401(a)).

5. Complete the accounting advice to refund first year's advance rental and send to Accounts.

ALMRS Entry 6. If offers were individually serialized, AUTOMATED update entry showing offer rejection: NOTATION

6a. Enter Action Date (MANDATORY ACTION CODE): Date offer rejected;
DE 1775 Action Code 006/DE 2910 Action Code 125; Action Remarks:
Enter reason for the rejection.

6b. Enter Action Date (MANDATORY ACTION CODE): Date case closed;
DE 1775/2910 Action Code 970.

Adjudication 7. Send case file to Title Records for RECORDS records notation, as applicable. NOTATION

8. Route case file to Docket.


X. Noncompetitive Postsale Offers Filed After Parcel Integrity Period and During 2-Year Period

A. Action for Receiving Offer

Responsible
Official Step Action Keywords

Receiving 1. Receive offer Form 3100-11. Check that POSTSALE OFFER
Official offer is on current form and correct FILED AFTER
number of copies (original and two) are PARCEL INTEGRITY
filed, with sufficient rental and $75 PERIOD AND DURING
filing fee. (See 43 CFR 3103.2-1 and 2-YEAR PERIOD
3103.2-2, Manual Section 3110.42, and
Section V, above.)

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 reflects the most common AUTOMATED
action code(s) to be utilized. NOTATION
Reference is to be made to the current
Data Standards for Oil and Gas Lease
Cases and the current Data Element
Dictionary for additional requirements.

6a. Establish the case in ALMRS (Case
Types 311121 or 311122 for present
interest; for future interest, 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 parcel number/sale date, if
such can be clearly identified
(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
records (or other appropriate records). NOTATION

9. Route case file to Adjudication through
Docket.

Adjudication 10. An offer received after the end of the PRIORITY
parcel integrity period, i.e., received ESTABLISHED
after the end of the month of the sale
and during the remainder of the 2-year
period must be filed by the legal land
description in accordance with 43 CFR
3110.5. Offers for the same lands
that are received in the same mail at
the same time will have priority established in accordance with 43 CFR 1821.2-3(a). If the first-drawn applicant fails to comply with all the requirements within the specified time, the offer shall be rejected. In such a case, go to next offer in priority, if any exists (see Section VI.B).

11. Sort offers by township and range, and establish priority by a public drawing for those received at the same time that are for the same lands.

12. Adjudicate offer, checking for the ADJUDICATE OFFER following: FILED DURING REMAINDER OF

12a. Proper lease offer form and 2-YEAR PERIOD 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.)

65 Responsible
Official Step Action Keywords

12b. Original offer form must be manually signed. Failure to date the lease offer is not a fatal deficiency.

12c. Proper rental was received in accordance with 43 CFR 3103.2. (See Manual Section 3110.42 and Section V, above.)

12d. Offer is described by legal land description. After the end of the parcel integrity period, any offer filed by the parcel number only, without the required legal land description, shall result in rejection of the offer (see Section III.B).

12e. Note that failure to check the public domain or acquired box on the lease form (Form 3100-11), or checking the wrong box is not a fatal deficiency (see Section IV).

12f. Check oil and gas plats/status for records for units/CA's that may have been approved since the sale notice was officially posted.

12g. If lands in the offer are within
the boundaries of a unit, offeror UNIT/UNIT

must submit either evidence of JOINDER

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).

12h. If lands in the offer are within LANDS WITHIN

the boundaries of a CA, offeror CA - JOINDER

must submit evidence of joinder. REQUIRED

Unlike Federal units, lessees

cannot operate independently in

a Federal CA.

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Responsible

Official Step Action Keywords

ALMRS Entry 13. Enter Action Date: Date additional AUTOMATED

information requested; DE 1775 Action NOTATION

Code 112/DE 2910 Action Code 104;

Action Remarks: Unit/CA joinder

requested from offeror. Use in

conjunction with for DE 1775 Action

Code 113/DE 2910 Action Code 103 when

additional information is received.

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B. Action for Processing Offer for Approval
Responsible

Official Step Action Keywords

Adjudication 1. Prepare offer form (Form 3100-11) for PROCESS lease issuance. If necessary, LEASE OFFER redescribe legal land description on lease form by typing it in Item 3, or by an attachment to the lease form.

1a. OPTIONAL: If the land description in Item 2 on lease form is correct, stamp "Same Land Description as Item 2" in Item 3 on lease form.

2. Attach required stipulations and Notice to Lessee concerning Mineral Leasing Act (MLA) Section 2(a)(2)(A) restrictions with respect to assignments/transfers of oil and gas leases from certain Federal coal lease holders (see Illustration 14).

3. When a stipulation is added, deleted, STIPULATION or revised after the official posting CHANGES, of the sale notice but prior to the ADDITIONS, AND issuance of a noncompetitive lease, DELETIONS use the following steps:

3a. If the stipulation revision, addition, or deletion would increase the value of the parcel, withdraw the parcel from the sale
notice and readvertise for
offering at a future auction in a
subsequent sale notice with all
the correct stipulations.

3b. Return any postsale noncompetitive
offer with **all** monies refunded
(first year's advance rental **and**
filing fee).

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Responsible

**Official Step Action Keywords**

3c. If it is determined that the stipula-
tion change would **not** increase
the value of the parcel, the lands
continue to be available for
noncompetitive offer during the
2-year period. However, **before**
issuing a noncompetitive lease,
post a notice for 45 days in the
State Office Public Room and at
the appropriate local BLM Field
Office to advise the public of
the specific stipulation change,
addition, or deletion.

3d. If no adverse public response is
received during the 45-day period,
send a notice to the offeror
providing a 30-day period to sign
the specific changed or added
stipulation (see Illustration 15).

3e. If the offeror accepts the revised
or added stipulation, continue to
process the lease to issuance as
described below.

3f. If the offeror refuses to sign the STIPULATION
stipulation change, refund all CHANGE REFUSED -
monies (first year's advance REFUND ALL MONIES
rental and filing fee).

3g. If a second priority offer exists,
provide that party 30 days by
notice in which to sign and accept
the revised or added stipulation.

3h. If all the remaining offerors
refuse to accept the lease, the
lands remain available for
noncompetitive leasing with the
changed stipulation for the
remainder of the 2-year period.

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Responsible

Official Step Action Keywords

3i. If adverse public response is
received, handle the response as
if it were a protest. That is, if
the BLM agrees with the adverse response, the BLM is to withdraw the land. Refund to the offeror all monies, including the $75 filing fee, and give the offeror the right of appeal.

3j. If the adverse response (protest) is denied, offer the lease to the offeror with the changed stipulation as described above, and give the protestant the right of appeal.

3k. If an appeal is filed, notify the offeror of the pending appeal.

4. If a unit/CA is involved and notice has been received of acceptance of joinder, lease may be issued.

4a. If part of lands in the offer are outside the boundary of a unit/CA that was approved after the sale notice was officially posted, segregate into two parcels and request joinder for the parcel that is within the agreement boundaries (see Step VIII.A.13g, above, and Illustration 11).

5. If additional rental is required (nominal rental deficiency), prepare a
decision requesting the necessary amount (see Section V, above, and Illustration 5).

ALMRS Entry 6. Enter Action Date: Date monies AUTOMATED requested; DE 1775 Action Code 082/DE NOTATION 2910 Action Code 106; Action Remarks:
Indicate amount and purpose.

7. Enter Action Date: Date monies received; DE 1775 Action Code 083/DE 2910 Action Code 392; Action Remarks:
Indicate amount and purpose.

Responsible Official Step Action Keywords

Adjudication 8. Stamp "Original" or "File" on the LEASE COPIES originally signed lease offer for DESIGNATED the case file.

8a. Stamp "Lessee" on the first copy of lease offer. Stamp second copy for the SMA, as appropriate.

9. After receipt of total first year's ACCOUNTING rental due, complete accounting ADVICE advice (see Illustration 16). If COMPLETED lands are located in two or more counties, enter exact acreage located in each county.

10. Prepare routing slip and records worksheet. Route lease for signature
by the BLM authorized officer.

Signing 11. Sign the original of lease Form 3100-11
Official and use signature stamp on lessee/SMA
copies of lease form.

Adjudication 12. Make distribution in accordance with
State Office procedures, e.g., one copy
to SMA, if any (mandatory), and one
copy to Field Office Operations.

13. If, after a lease is signed, issued STIPULATIONS
and mailed to the lessee, it is INADVERTENTLY
discovered that some or all of the NOT ATTACHED
lease stipulations that were identified TO LEASE
in the Notice of Competitive Lease Sale
as being applicable to the parcel were
not attached as part of the lease, send
the stipulations by a notice to the
lessee, ensuring that a copy of the
notice and stipulations are placed in
the case file. The notice to the
lessee is simply a courtesy since the
stipulations are binding, and the
lessee filed the noncompetitive offer
on the parcel as it was advertised in
the sale notice with full awareness of
the stipulations as identified. (See
43 CFR 3101.1-3.)
Responsible

Official Step Action Keywords

ALMRS Entry 14. Update lease issuance (see Illustration AUTOMATED
19): NOTATION

14a. Enter Action Date (MANDATORY
ACTION CODE) Date postsale
2-year offer received; DE 1775

14b. Enter Action Date (MANDATORY
ACTION CODE): Date lease signed;
DE 1775 Action Code 176/DE 2910
Action Code 237.

14c. Enter Action Date (MANDATORY
ACTION CODE, WHEN APPLICABLE FOR
FRACTIONAL U.S. INTEREST LANDS):
Enter date lease signed (or offer
was received); DE 1775 Action
Code 448/DE 2910 Action Code 527;
Action Remarks: Percentage of
Federal mineral ownership when
U.S. mineral interests are less
than 100%.

14d. Enter Action Date (MANDATORY
ACTION CODE IF LANDS ARE IN MORE
THAN ONE COUNTY): Enter date
lease signed and lands are in two
or more counties; DE 1775 Action
Code 417/DE 2910 Action Code 523;
Action Remarks: Enter acres and
State and county codes from
DE 0002.

14e. Enter Action Date (MANDATORY
ACTION CODE): Effective date of
lease; DE 1775 Action Code 225/DE
2910 Action Code 868.

14f. Enter Action Date (MANDATORY
ACTION CODE): Enter 12 1/2
percent royalty rate; DE 1775
Action Code 102/DE 2910 Action
Code 530.

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Responsible

Official Step Action Keywords

14g. For acquired lands mineral lease: AUTOMATED
Enter Action Date (MANDATORY NOTATION -
ACTION CODE FOR ACQUIRED LANDS FUND SYMBOL
MINERALS): Enter fund symbol; FOR ACQUIRED
DE 1775 Action Code 444/DE 2910 LANDS MINERALS
Action Code 496; Action Remarks:
Fund symbol argument code from DE
3042; OPTIONAL: Also enter
Treasury fund symbol, including
proclaimed unit number (refuge
NOTE: See Appendix 1 for a listing of the Treasury Symbols.

14h. Enter Action Date (MANDATORY ACTION CODE): Date lease expires; DE 1775/2910 Action Code 763.

Adjudication 15. Send case file to Title Records through Docket for notation of appropriate records.

16. Send accounting advice(s) to Accounts.

Title 17. Note oil and gas plat/status records RECORDS Records and HI. NOTATION

18. Return case file to Docket.

Docket 19. File case file with active cases.

C. Rejection of Nonpriority Offers

Responsible

Official Step Action Keywords

Adjudication 1. If more than one offer for the same POSTSALE land is received at the same time, OFFERS reject by decision those offers not in REJECTED priority. Reject any offers in whole or part for other reasons (see Illustrations 20 and 21).

2. Send case file with decision to signing
3. After decision is signed, send by certified mail.

4. If no appeal is filed, close case file CLOSE CASE at end of the 30-day appeal period, plus a 10-day grace period for appeal (see 43 CFR 4.401(a)).

5. Complete the accounting advice to refund first year's advance rental and send to Accounts.

ALMRS Entry 6. Update entry showing offer rejection: AUTOMATED NOTATION

6a. Enter Action Date (MANDATORY ACTION CODE): Date offer rejected;
DE 1775 Action Code 006/DE 2910
Action Code 125; Action Remarks:
Enter reason for rejection.

6b. Enter Action Date (MANDATORY ACTION CODE): Date case closed;
DE 1775/2910 Action Code 970.

Adjudication 7. Send case file to Title Records for RECORDS records notation, as applicable. NOTATION

8. Route case file to Docket.

A. Noncompetitive Offers - Public Domain or Acquired COMBINED OFFERS

FILED UNDER

43 CFR

This Handbook Section provides guidelines for processing 3110.1(a)(1) noncompetitive lease offers containing both presale lands AND 3110.1(b) available under 43 CFR 3110.1(a)(1) and postsale lands available under 43 CFR 3110.1(b).

Regulation 43 CFR 3110.1(b) provides that lands that have been offered competitively and that have received no bid at the oral auction, shall be available for noncompetitive lease. Such lands shall become available for a period of 2 years beginning on the first business day following the last day of the competitive oral auction, and ending on that same day 2 years later. A lease may be issued from an offer properly filed any time within this 2-year period.

Regulation 43 CFR 3110.1(a)(1) provides that after January 2, 1989, noncompetitive lease offers may be filed on unleased lands, except for those lands that are in the 1-year period commencing upon the expiration, termination, relinquishment, or cancellation of the leases containing the lands and those lands contained in an officially posted Notice of Competitive Lease Sale.

In conclusion, a lease offer may include lands from both regulation sections. However, as prescribed by regulation 43 CFR 3110.4(c), an offer must be limited to either public domain minerals or acquired lands minerals.
See also Section II.A, above, for lease offer size requirements.

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B. Action For Receiving Offer

Responsible

Official Step Action Keywords

Receiving 1. Receive offer Form 3100-11. Check that COMBINED Official offer is on current form and correct PRESALE AND number of copies (original and two) are POSTSALE filed, with sufficient rental and $75 OFFER FILED filing fee. (See 43 CFR 3103.2-1 and 3103.2-2, Manual Section 3110.42, and Section V, above.)

2. Date and time stamp at least one copy of offer form, preferably the copy with the original signature.

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 reflects the most common AUTOMATED action code(s) to be utilized. NOTATION Reference is to be made to the current Data Standards for Oil and Gas Lease
Cases and the current Data Element Dictionary for additional requirements.

6a. Establish the case in ALMRS (Case Types 311121 or 311122 for present interest; for future interest, 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 parcel number/sale date, if applicable.

7. Send case file to Title Records, as appropriate, for notation on oil and gas plats/status records.

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Responsible

Official Step Action Keywords

Title Records 8. Note offer on oil and gas plats/status RECORDS records (or other appropriate records). NOTATION

9. Route case file to Adjudication through Docket.

Adjudication 10. Priority of an offer received shall be PRIORITY determined as of the time and date the ESTABLISHED offer is filed in the proper BLM Office. Simultaneously-filed offers are those offers to lease some or all
of the same lands that are received
in the Receiving and Accounts mail slot
prior to Public Room hours; or received
by the first regular mail; or received
in the same courier mail delivery.
Priority of the offers, to the extent
of the conflicts between them, shall be
determined by a public drawing.

10a. If the first drawn applicant
fails to comply with all require-
ments within the specified time,
the offer is to be rejected. In
such a case, go to next offer in
priority, if any. (See Manual
Section 3110.43.)

11. Determine lands in the offer that have
been offered in an oral auction and
are still available during the 2-year
period after the sale, and determine
the open and available lands described
in the offer that have not been through
the competitive process, and sort the
latter presale-type lands by township
and range.

12. Determine if there is a conflict among
the offers that requires a public
drawing.
13. Adjudicate offer, checking for the ADJUDICATE OFFER following: CONTAINING BOTH PRESALE AND POSTSALE LANDS

Responsible

Official Step Action Keywords

13a. 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.)

13b. Original offer form must be manually signed. Failure to date the lease offer is not a fatal deficiency.

13c. Proper rental was received in accordance with 43 CFR 3103.2. (See Manual Section 3110.42 and Section V, above.)

13d. Offer is described by legal land description in accordance with
Section III, and conforms to the lease offer size requirements in accordance with Section II, above.

13e. Note that failure to check the public domain or acquired box on the lease form (Form 3100-11), or checking the wrong box is **not** a fatal deficiency (see Section IV).

14. Offers combining presale and postsale lands may be processed in either of two ways as indicated in the options described in Steps XI.B.15 and XI.B.17, below.

15. **OPTION 1:**

   15a. Segregate the offer (after SEGREGATE applying the minimum acreage OFFER rule).

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   Responsible

   **Official Step Action Keywords**

   15b. Issue lease immediately for postsale lands (even if such lands are less than the minimum acreage after the segregation).

   15c. Process the presale lands for posting for competitive sale.

   15d. Issue lease for presale lands if
 parcel receives no bid at oral auction (a second lease), OR

15e. Combine the presale lands in the segregated offer into the first lease as provided under 43 CFR 3110.8, but only if specifically requested to do so by the offeror.

Note that additional signed lease offer forms from the offeror are not required for a second lease.

ALMRS Entry 16. Update for lease issuance of portion of AUTOMATED lands and segregation and suspension of NOTATION remainder of lease offer:

16a. Enter Action Date (MANDATORY ACTION CODE): Date suspended lands are segregated to new case; DE 1775/2910 Action Code 011; Action Remarks: Enter "INTO" serial number of new case. (Use code only on parent case).

16b. Enter Action Date (MANDATORY ACTION CODE): Date suspended lands are segregated into new case; DE 1775/2910 Action Code 571; Action Remarks: Enter "OUT OF" serial number of parent case. (Use only on new case;

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Responsible

Official Step Action Keywords

Adjudication 17. **OPTION 2:**

17a. After applying the minimum PENDING acreage rule, put the issuance of POSTSALE a lease for the postsale lands in OFFER suspended status (the 60-day time limit for issuance of a lease will not apply for the lands in this case since "all else is not regular," due to the combination of the presale- and postsale-type lands in the offer).

17b. Issue a notice suspending the postsale-type portion of offer (see Illustrations 22 and 23).

17c. Post the presale lands for competitive sale.

17d. If no bid received at the auction, issue one lease to
include both presale and postsale lands.

17e. If the presale lands in the offer sold competitively, issue a lease only for the postsale lands.

**NOTE:** Option 2 should be used only if the offeror requests, or if the time and effort required to exercise this option in Adjudication is less than that involved in implementing Option 1.

18. Forward worksheet describing presale- PRESALE LANDS type lands, submitted as part of the PROCESSED FOR offer under 43 CFR 3110.1(a)(1), for COMPETITIVE inclusion in a future competitive sale SALE preliminary parcel list and sale notice.

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**Responsible**

**Official Step Action Keywords**

19. Configure lands into a parcel in accordance with Handbook 3120-1, but do **not** combine these lands with other available lands.

20. On Notice of Competitive Lease Sale,
note all sale parcels that have presale offers.

21. Hold competitive lease sale.

22. Issue noncompetitive leases, if no bid was received, using either Option 1 or Option 2 to process the lands (see Section X.B, above, to process toward lease issuance).

23. Reject nonpriority offers in accordance with Section X.C, above.

24. Check oil and gas plats/status records for units/CA's that may have been approved since the sale notice was officially posted.

25. 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).

26. If lands in the offer are within the boundaries of a CA, offeror must submit evidence of joinder. Unlike Federal REQUIRED units, lessees cannot operate independently in a Federal CA.
C. Action for Processing Offer for Approval

Responsible

**Official Step Action Keywords**

Adjudication 1. Prepare offer form (Form 3100-11) for PROCESS lease issuance using either Option 1 or LEASE OFFER Option 2 in Step XI.B.14, above. Show land description on lease form by typing it in Item 3, or by an attachment to the lease form, if land description of the lease is different than that indicated in Item 2 on the form.

2. Attach required stipulations and Notice to Lessee concerning Mineral Leasing Act (MLA) Section 2(a)(2)(A) restrictions with respect to assignments/transfers of oil and gas leases from certain Federal coal lease holders (see Illustration 14).

3. When a stipulation is added, deleted, STIPULATION or revised after the official posting CHANGES, or revised after the official posting CHANGES, of the sale notice but prior to the ADDITIONS, AND issuance of a noncompetitive lease, DELETIONS use the following steps:

3a. If the stipulation revision, addition, or deletion would increase the value of the parcel,
withdraw the parcel from the sale
notice and readvertise for
offering at a future auction in a
subsequent sale notice with all
the correct stipulations.
3b. Return any postsale noncompetitive
offer with all monies refunded
(first year's advance rental and
filing fee).
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Responsible
Official Step Action Keywords
3c. If it is determined that the stipu-
lation change would not increase
the value of the parcel, the lands
continue to be available for
noncompetitive offer during the
2-year period. However, before
issuing a noncompetitive lease,
post a notice for 45 days in the
State Office Public Room and at
the appropriate local BLM Field
Office to advise the public of
the specific stipulation change,
addition, or deletion.
3d. If no adverse public response is
received during the 45-day period,
send a notice to the offeror
providing a 30-day period to sign
the specific changed or added
stipulation (see Illustration 15).

3e. If the offeror accepts the revised
or added stipulation, continue to
process the lease to issuance as
described below.

3f. If the offeror refuses to sign the STIPULATION
stipulation change, refund all CHANGE REFUSED -
monies (first year's advance REFUND ALL MONIES
rental and filing fee).

3g. If a second priority offer exists,
provide that party 30 days by
notice in which to sign and accept
the revised or added stipulation.

3h. If all the remaining offerors
refuse to accept the lease, the
lands remain available for
noncompetitive leasing with the
changed stipulation for the
remainder of the 2-year period.

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Responsible

Official Step Action Keywords

3i. If adverse public response is
received, handle the response as
if it were a protest. That is, if
the BLM agrees with the adverse
response, the BLM is to withdraw
the land. Refund to the offeror
all monies, including the $75
filing fee, and give the offeror
the right of appeal.

3j. If the adverse response (protest)
is denied, offer the land to the
offeror with the changed stipula-
tion as described above, and give
the protestant the right of appeal.

3k. If an appeal is filed, notify the
offeror of the pending appeal.

4. If a unit/CA is involved and notice has
been received of acceptance of joinder,
lease may be issued.

4a. If part of lands in the offer are
outside the boundary of a unit/CA
that was approved after the sale
notice was officially posted,
segregate into two parcels and
request joinder for the parcel
that is within the agreement
boundaries (see Step VIII.A.13g,
above, and Illustration 11).

5. If additional rental is required
(nominal rental deficiency), prepare a
decision requesting the necessary
amount (see Section V, above, and
Illustration 5.)

ALMRS Entry 6. Enter Action Date: Date monies AUTOMATED
requested; DE 1775 Action Code 082/DE NOTATION
2910 Action Code 106; Action Remarks:
Enter amount and purpose.

7. Enter Action Date: Date monies
received; DE 1775 Action Code 083/DE
2910 Action Code 392; Action Remarks:
Enter amount and purpose. 85

Responsible

Official Step Action Keywords

Adjudication 8. Stamp "Original" or "File" on the LEASE COPIES
originally signed lease offer for the DESIGNATED
case file.

8a. Stamp "Lessee" on the first copy
of lease offer. Stamp second copy
for the SMA, as appropriate.

9. After receipt of total first year's ACCOUNTING
rental due, complete accounting ADVICE
advice (see Illustration 16). If COMPLETED
lands are located in two or more
counties, enter exact acreage
located in each county.

10. Prepare routing slip and records
worksheet. Route lease for signature
by the BLM authorized officer.

Signing 11. Sign the original of lease Form 3100-11
Official and use signature stamp on lessee/SMA
copies of lease form.

Adjudication 12. Make distribution in accordance with
State Office procedures, e.g., one copy
to SMA, if any (mandatory), and one
copy to Field Office Operations.

13. If, after a lease is signed, issued STIPULATIONS
and mailed to the lessee, it is INADVERTENTLY
discovered that some or all of the NOT ATTACHED
lease stipulations that were identified TO LEASE
in the Notice of Competitive Lease Sale
as being applicable to the parcel were
not attached as part of the lease, send
the stipulations by a notice to the
lessee, ensuring that a copy of the
notice and stipulations are placed in
the case file. The notice to the
lessee is simply a courtesy since the
stipulations are binding, and the
lessee is responsible for being fully
aware of the stipulations on the lands
in the parcel as advertised in the
sale notice. (See 43 CFR 3101.1-3.)
Responsible

Official Step Action Keywords

ALMRS Entry 14. Update lease issuance (see Illustration AUTOMATED 19): NOTATION

14a. For that portion of offer that has already been through the competitive sale process:

Enter Action Date (MANDATORY ACTION CODE): Date postsale 2-year offer received; DE 1775 Action Code 040/DE 2910 Action Code 135.

14b. For that portion of offer that must be processed through the competitive sale process:

Enter Action Date (MANDATORY ACTION CODE): Date presale offer received; DE 1775 Action Code 041/DE 2910 Action Code 128.


14d. Enter Action Date (MANDATORY ACTION CODE, WHEN APPLICABLE FOR FRACTIONAL U.S. INTEREST LANDS):

Enter date lease signed (or offer
was received); DE 1775 Action Code 448/DE 2910 Action Code 527;
Action Remarks: Percentage of Federal mineral ownership when U.S. mineral interests are less than 100%.

14e. Enter Action Date (MANDATORY ACTION CODE IF LANDS ARE IN MORE THAN ONE COUNTY): Enter date lease signed and lands are in two or more counties; DE 1775 Action Code 417/DE 2910 Action Code 523;
Action Remarks: Enter acres and State and county codes from DE 0002.

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Responsible

Official Step Action Keywords


14g. Enter Action Date (MANDATORY ACTION CODE): Enter 12 1/2 percent royalty rate; DE 1775 Action Code 102/DE 2910 Action Code 530.
14h. For acquired lands mineral lease: AUTOMATED
Enter Action Date (MANDATORY NOTATION -
ACTION CODE FOR ACQUIRED LANDS FUND SYMBOL
MINERALS): Enter fund symbol; FOR ACQUIRED
DE 1775 Action Code 444/DE 2910 LANDS MINERALS
Action Code 496; Action Remarks:
Fund symbol argument code from DE 3042; OPTIONAL: Also enter
Treasury fund symbol, including
proclaimed unit number (refuge
code) in Action Remarks.
NOTE: See Appendix 1 for a
listing of the Treasury Symbols.

14i. Enter Action Date (MANDATORY
ACTION CODE): Date lease expires; DE 1775/2910 Action
Code 763.

Adjudication 15. Send case file to Title Records through
Docket for notation of appropriate
records.

16. Send accounting advice(s) to Accounts.

Title 17. Note oil and gas plat/status records RECORDS
Records and HI. NOTATION

18. Return case file to Docket.

Docket 19. File case file with active cases.

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D. Rejection of Nonpriority Offers

Responsible

Official Step Action Keywords

Adjudication 1. If more than one offer for the same OFFERS land is received at the same time, REJECTED reject by decision those offers not in priority. Reject any offers in whole or part for other reasons (see Illustrations 20 and 21).

1a. If applicable, issue a notice suspending a portion of offer (see Illustrations 22 and 23).

2. Send case file with decision and/or notice to signing official.

3. When decision is signed, send by certified mail.

Adjudication 4. If no appeal is filed, close case file CLOSE CASE at end of the 30-day appeal period (plus a 10-day grace period for appeal (see 43 CFR 4.401(a)).

5. Complete the accounting advice to refund first year's advance rental and send to Accounts.

ALMRS Entry 6. Update entry showing rejection: AUTOMATED NOTATION

6a. Enter Action Date (MANDATORY ACTION CODE): Date offer rejected;
DE 1775 Action Code 006/DE 2910

Action Code 125; Action Remarks:

Enter reason for rejection.

6b. Enter Action Date (MANDATORY ACTION CODE): Date case closed;

DE 1775/2910 Action Code 970.

Adjudication 7. Send case file to Title Records for RECORDS records notation, as applicable. NOTATION

8. Route case file to Docket.


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Keywords

XII. Lease Terms

A. Duration of Lease

All noncompetitive leases are issued for a primary term of PRIMARY TERM 10 years. These leases are considered issued when signed NONCOMPETITIVE by the BLM authorized officer. LEASE

B. Dating of Leases

Leases, except future interest leases, are effective as of LEASE the first day of the month following the date the leases EFFECTIVE are issued. However, if a written request is received DATE from the offeror prior to the date that the BLM authorized officer signed the lease form, the authorized officer may make a lease effective the first day of the month within which it is issued.

Future interest leases are effective as of the date the FUTURE mineral interests vest in the United States. (See Manual INTEREST
XIII. Withdrawal of Offer

A. Requirements

An offer filed under 43 CFR 3110 may be withdrawn, in whole or in part, if received in the proper BLM Office as follows.

1. Presale Offer Under 43 CFR 3110.1(a)(1)

A presale offer filed prior to the competitive offering of lands available under 43 CFR 3110.1(a)(1) may be withdrawn at any time prior to signature of the noncompetitive lease by the BLM authorized officer. For example, if the offeror feels that the stipulations stated in the Notice of Competitive Lease Sale are too stringent, or has decided against obtaining a lease, the offeror may withdraw the presale offer.

2. Postsale Offer Under 43 CFR 3110.1(b)

A postsale offer filed on lands that have been offered competitively and received no bid may be withdrawn only after 60 days from the date of filing of such offer.

3. Partial Withdrawal - Public Domain Minerals

If a public domain minerals offer is partially withdrawn, the lands retained in the offer must total:
a. In the lower 48 States, 640 acres or MINERALS OFFER one full section, whichever is larger, or must include all available lands within a section where there are no contiguous lands available.

b. In Alaska, 2,560 acres or four full contiguous sections, whichever is larger, or must include all available lands within the four sections where there are no contiguous lands available.

B. Action on Offer Withdrawal

Responsible

Official Step Action Keywords

Receiving 1. Receive noncompetitive offer withdrawal WITHDRAWAL OF Official or partial offer withdrawal request. OFFER RECEIVED

2. Forward to Adjudication.

Adjudication 3. Request case file from Docket and verify that person signing the withdrawal request is the offeror or someone authorized to sign on behalf of the offeror.

3a. Note that postsale offers may be withdrawn only after 60 days from the date of filing of such offer. Withdrawal requests received prior to 60 days from receipt of the offer shall be rejected with the
offer remaining in force for processing toward lease issuance.

4. If withdrawal request is acceptable, process as follows:

4a. If a withdrawal of entire offer, ENTIRE verify the accuracy of the WITHDRAWAL withdrawn land.

4b. Prepare accounting advice to refund all advance rental. Note under "Remarks" on accounting advice, "Offer withdrawn and closed." Retain one copy of accounting advice in case file and forward one copy to Accounts.

4c. If a partial withdrawal of offer, PARTIAL verify that withdrawn lands and WITHDRAWAL retained lands and acreages are correct. Check that acreage to be retained in offer meets minimum acreage requirements.

4d. Authorize refund of first year's advance rental for withdrawn acreage if all else is regular.

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Responsible

Official Step Action Keywords

4e. Notify other surface managing OTHER SMA
agencies or BLM offices that offer INVOLVEMENT
has been withdrawn in whole or
part, and whether a report is
still required from that office
for the remaining lands, as
applicable.

4f. Note any conflicting oil and gas NOTE
case file(s) to reflect this CONFLICTING
withdrawal action. CASE FILE
ALMRS Entry 5. Update for entire offer withdrawal: AUTOMATED
NOTATION
Enter Action Date (MANDATORY ACTION
CODE): Date withdrawal filed; DE 1775
Action Code 009/DE 2910 Action Code
130.

5a. Enter Action Date (MANDATORY
ACTION CODE): Date Case Closed;
DE 1775/2910 Action Code 970.

6. Update for partial withdrawal:
Enter Action Date (MANDATORY ACTION
CODE): Date partial withdrawal filed;
DE 1775 Action Code 010/DE 2910 Action
Code 131. Also, update offer's land
description and acreage.

Title 7. Note oil and gas plat/status records RECORDS
Records (or other appropriate records), as NOTATION
appropriate.
8. Return case file to Docket if all of
the withdrawn lands have already been
offered competitively within the last
2 years.
Docket 9. If entire withdrawal, close case file.
Adjudication 10. OPTIONAL: Include lands that have **not**
been processed for competitive sale
within the past 2 years on the
preliminary list for future competitive
auction.

**Reverse Side Intentionally Blank**

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**Keywords**

XIV. Amendment to Lease

After the competitive leasing process has concluded in AMENDMENT
accordance with 43 CFR Part 3120, and a noncompetitive TO LEASE
lease is issued for only part of the lands described in a
lease offer filed in accordance with 43 CFR 3110.1, the
original lease may be amended to include any lands
erroneously omitted. The offeror/lessee may elect to
receive a separate lease in lieu of an amendment, unless a
withdrawal is properly received in writing in the proper
BLM office prior to issuance of the lease amendment. The
annual rental rate and the primary lease term for the lands
added by a lease amendment are to be the same as if the
lands had been included in the original lease when issued.

A. Processing an Amendment to a Lease
If the lands erroneously omitted from the lease are identified within the same lease year in which the original lease was issued, and the offeror does not request a separate lease, the BLM authorized officer is to execute an Oil and Gas Lease Amendment (see Illustration 24). No action or consent is required of the offeror with regard to the lease amendment. If more than one lease amendment is issued, the amendments shall be numbered consecutively.

Responsible

Official Step Action Keywords

ALMRS Entry 1. Enter Action Date (MANDATORY ACTION AUTOMATED CODE): Date suspended action is NOTATION lifted; DE 1775 Action Code 316/DE 2910 Action Code 678; OR


3. Enter Action Date (MANDATORY ACTION CODE): Date lease amendment issued;
DE 1775 Action Code 607/DE 2910 Action Code 238; Action or General Remarks:
Explanation for lease amendment.

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Keywords

B. Processing a Separate Lease in Lieu of a Lease Amendment

If the offeror elects to receive a separate lease for the SEPARATE LEASE lands omitted from the original lease, the election to IN LIEU OF
receive the separate lease in lieu of the lease amendment LEASE AMENDMENT
must be received in a signed statement from the offeror,
accompanied by a new lease offer submitted on the current
BLM-approved form. The new lease offer must describe the
omitted lands remaining in the original lease offer. No
new filing fee is to be required with such an offer, and
the first year's advance rental held in connection with
that portion of the original lease offer is to be applied
to the new offer. A new serial number is assigned and
is to be cross-referenced to the original lease. A copy of
the original lease offer and accounting advice are to be
placed in the new lease case file. When such a separate
lease is issued, it is dated in accordance with 43 CFR
3110.3-2 (see Section XII.B, above).

Responsible

Official Step Action Keywords

ALMRS Entry 1. Enter Action Date (MANDATORY ACTION AUTOMATED
CODE): Date separate lease NOTATION
established; DE 1775 Action Code 001/DE
2910 Action Code 387; Action Remarks:
Enter "AMENDMENT TO (serial number of
original lease).

2. Enter Action Date (MANDATORY ACTION
CODE): Date lease signed; DE 1775
Action Code 176/DE 2910 Action Code
237.

3. Enter Action Date (MANDATORY ACTION
CODE, WHEN APPLICABLE FOR FRACTIONAL
U.S. INTEREST LANDS): Enter date lease
signed; DE 1775 Action Code 448/DE 2910
Action Code 527; Action Remarks:
Percentage of Federal mineral ownership
when U.S. mineral interests are less
than 100%.

4. Enter Action Date (MANDATORY ACTION
CODE IF LANDS ARE IN MORE THAN ONE
COUNTY): Enter date lease signed and
lands are in two or more counties; DE
1775 Action Code 417/DE 2910 Action
Code 523; Action Remarks: Enter acres
and State and county codes from DE 0002. 97

Responsible

Official Step Action Keywords

5. Enter Action Date (MANDATORY ACTION
CODE): Effective date of lease; DE
1775 Action Code 225/DE 2910 Action
Code 868.

6. Enter Action Date (MANDATORY ACTION
CODE): Enter 12 1/2 percent royalty
rate; DE 1775 Action Code 102/DE 2910
Action Code 530.

7. For acquired lands mineral lease:
Enter Action Date (MANDATORY ACTION
CODE FOR ACQUIRED LANDS MINERALS):
Enter fund symbol; DE 1775 Action Code
444/DE 2910 Action Code 496; Action
Remarks: Fund symbol argument code
from DE 3042; OPTIONAL: Also enter
Treasury fund symbol, including
proclaimed unit number (refuge code)
in Action Remarks.

NOTE: See Appendix 1 for a listing
of the Treasury Symbols.

8. Enter Action Date (MANDATORY ACTION CODE): Date lease expires;

Keywords

XV. Noncompetitive Future Interest Offers

This section of the Handbook provides guidance and FUTURE procedures for adjudicating and issuing noncompetitive INTEREST future interest oil and gas leases, and should be used in OFFER conjunction with Manual Section 3110.9 and Handbook 3120-1, Section III.A.

A. Application

Because no lease may be issued under the Reform Act without first being offered through the competitive sale process,
the present interest holder may gain a priority to a
Federal future interest lease for the lands involved by:

(1) making a successful competitive bid over any other
applicant's noncompetitive presale offer, whose offer is nullified by the competitive bid, or (2) being the priority presale offeror if the parcel fails to receive a bid at the oral auction (thereby nullifying the ability of any other party to obtain a postsale noncompetitive offer).

A future interest offer to lease must be made on the current BLM-approved lease offer Form 3100-11 or on unofficial copies of the current form. Future interest offers may include tracts in which the United States owns a fractional present interest as well as the future interest for which a lease is sought.

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B. Action for Receiving Application

Responsible

Official Step Action Keywords

Receiving
1. Receive offer Form 3100-11. Check that FUTURE INTEREST Official offer is on current form and correct OFFER FILED number of copies (original and two) are filed, with $75 filing fee. (See 43 CFR 3103.2-1 and 3103.2-2, Manual Section 3110.42, and Section V, above.)

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.

4a. Note that no rental shall be due to the U.S. prior to the vesting of the oil and gas rights in the U.S.

5. Send case file through Docket to official responsible for ALMRS Entry.

ALMRS Entry 6. The following reflects the most common AUTOMATED action code(s) to be utilized. NOTATION Reference is to be made to the current Data Standards for Oil and Gas Lease Cases and the current Data Element Dictionary for additional requirements.

6a. Establish the case in ALMRS (Case Type 311123 or Case Type 311124).

6b. Enter Action Date (MANDATORY ACTION CODE): Date future interest offer received; DE 1775 Action Code 001/DE 2910 Action Code 124.

7. Send case file to Title Records, as appropriate, for notation on oil and gas plats/status records. 101 Responsible

**Official Step Action Keywords**
Title 8. Note future interest offer on oil and RECORDS

Records gas plats/status records (or other NOTATION appropriate records) and file a copy in the case file.

9. Route case file to Adjudication through Docket.

ALMRS Entry 10. If all or part of lands are a presale AUTOMATED offer: NOTATION

Enter Action Date (MANDATORY ACTION CODE): Date presale future interest offer received; DE 1775 Action Code 041/DE 2910 Action Code 128.

11. Enter Action Date (MANDATORY ACTION CODE, WHEN APPLICABLE): Enter date offer is received; DE 1775 Action Code 448/DE 2910 Action Code 527; Action Remarks: Percentage of Federal mineral ownership when U.S. mineral interests are less than 100%.

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C. Action on Lease Offer

Responsible

Official Step Action Keywords

Adjudication 1. Check case file for the following: FUTURE INTEREST

1a. Proper $75 filing fee submitted. OFFER ADJUDICATED
1b. Offer is filed on the current lease form (Form 3100-11), with correct number of copies (original and two copies).

1c. Note that no rental or royalty shall due to the U.S. prior to the vesting of the oil and gas rights in the U.S. However, if the first year's advance rental has been submitted with the future interest offer, the rental is to be retained in the BLM suspense account during the processing of the lands for the competitive sale process.

1d. Verify that vesting date is correct.

1e. Check for conflicts and/or existing private leases on the lands that will vest to the U.S. that predate the date the U.S. will acquire the minerals (see Handbook 3120-1, Section III.A).

1f. Check information provided by applicant giving the name and address of the SMA, if known.

Note that failure to provide this
information shall **not** result in a loss of priority of the offer.

1g. Check for proper legal land description and any facts concerning any contracts/leases or agreements for actual or potential development of the lands involved.

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Responsible

Official Step Action Keywords

1h. If the lands are acquired, request ACQUIRING a title report (see Illustration AGENCY CONSENT 25), consent, and stipulations TO LEASE from acquiring agency.

1i. If the SMA is the Forest Service, consent to lease also must be obtained for public domain minerals as well as acquired lands minerals.

1f. Include lands in a parcel or parcels on the competitive sale list, in accordance with Handbook 3120-1. Indicate on competitive sale notice those parcels having presale offers.

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D. Action for Processing Offer for Approval
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Adjudication 1. If the acquiring agency agrees to LEASE FORMS leasing, and if no bid was received for AND the parcel at the oral auction, attach STIPULATIONS stipulations to the lease form (Form 3100-11).

2. Attach the Notice to Lessee concerning MLA Section 2(a)(2)(A) to lease form.

3. Complete the lease form to issue the future interest noncompetitive lease.

3a. Check that "Acquired" box is marked, and show the percent of United States interest under Item 2.

3b. Complete Item 3 on lease form from worksheet, if different from land description in offer submitted.

3c. At bottom of lease form, check the box for "Noncompetitive lease (10 years)," and check "Other," entering "Future interest lease" (see Illustration 26).

4. When a stipulation is added, deleted, STIPULATION or revised after the official posting CHANGES, of the sale notice but prior to the ADDITIONS, AND issuance of a noncompetitive lease, use DELETIONS
the following steps:

4a. If the stipulation revision, addition, or deletion would **increase** the value of the parcel, withdraw the parcel from the sale notice and readvertise for offering at a future auction in a subsequent sale notice with all the correct stipulations.

4b. Return any postsale noncompetitive offer with **all** monies refunded (first year's advance rental (if remitted) **and** filing fee). 105

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4c. Any presale noncompetitive offer must be held in pending status until conclusion of the future oral auction offering the parcel.

4d. If it is determined that the stipulation change would **not** increase the value of the parcel, the lands continue to be available for noncompetitive offer during the 2-year period if a presale offer had not been filed. However, **before** issuing a noncompetitive
future interest lease, post a
notice for 45 days in the State
Office Public Room and at the
appropriate local BLM Field Office
to advise the public of the
specific stipulation change,
addition, or deletion.
4e. If no adverse public response is
received during the 45-day period,
send a notice to the offeror
providing a 30-day period to sign
the specific changed or added
stipulation (see Illustration 15).
4f. If the offeror accepts the revised
or added stipulation, continue to
process the lease to issuance as
described below.
4g. If the offeror refuses to sign the STIPULATION
stipulation change, refund all CHANGE REFUSED -
monies (first year's advance REFUND ALL MONIES
rental (if remitted) and filing
fee).
4h. If a second priority offer exists,
provide that party 30 days by
notice in which to sign and accept
the revised or added stipulation.
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4i. If all the remaining offerors refuse to accept the lease, the lands remain available for noncompetitive leasing with the changed stipulation for the remainder of the 2-year period.

4j. If adverse public response is received, handle the response as if it were a protest. That is, if the BLM agrees with the adverse response, the BLM is to withdraw the land. Refund to the offeror all monies, including the $75 filing fee, and give the offeror the right of appeal.

4k. If the adverse response (protest) is denied, offer the lease to the offeror with the changed stipulation as described above, and give the protestant the right of appeal.

4l. If an appeal is filed, notify the offeror of the pending appeal.

5. If unit/CA is involved and notice has been received of acceptance of joinder, a lease may be issued.
5a. If part of lands in offer are outside the boundary of a unit/CA that was approved after the sale notice was officially posted, segregate into two parcels and request joinder for the parcel that is within the agreement boundaries (see Step VIII.A.13g, above, and Illustration 11).

5b. If the future interest offeror is unable to obtain joinder from the unit operator after an extended time period, request the offeror to provide the reasons for failure to join the unit.

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5c. The BLM authorized officer responsible for review and approval of unit actions must determine, based on the information submitted by the offeror, whether the lease can be operated independently of the unit. If the lease can operate independently, the future interest lease
can be issued without unit joinder.

5d. Where the terms of the private unit agreement are in conflict with Federal regulations, the Federal regulations shall prevail.

6. Issue future interest lease to be effective the day of the month when the mineral interests vest in the United States.

6a. Where the U.S. owns both a present PRESENT AND fractional interest and a future FUTURE fractional interest of the FRACTIONAL minerals in the same tract, the INTEREST lease, when issued, shall cover both the present and future interest in the lands. The effective date and primary term of the present interest lease is unaffected by the vesting of a future fractional interest. A lease for the future fractional interest, when such interest vests to the United States, shall have the same primary term and anniversary date as the present fractional interest lease.

7. Complete the accounting advice: ACCOUNTING
ADVICE -

7a. Enter the proper coding for the FUTURE INTEREST lease anniversary date, which is LEASE IN the date the minerals vest in the MMS-DMD U.S. (see Illustration 27).

7b. Enter the correct date for the lease expiration date, 10 years later.108

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7c. Indicate the vesting date of the mineral interests in the "Remarks" space of the accounting advice.

7d. Note that the MMS automated system now accepts a first-year rental payment for a future interest lease in advance of the vesting date of the minerals. Accordingly, forward the accounting advice for the first year's advance rental (if paid) at the time of issuance of the future interest lease.

Note in the "Remarks" space for the MMS-DMD to apply the rental.

In this case, the MMS-DMD will begin sending the courtesy billing notice for the second lease year's
rental due. Otherwise, the billing notice will be sent by the MMS-DMD for the first year's rental that is due upon the vesting date of the minerals in the U.S.

8. Stamp "Original" or "File" on the LEASE COPIES originally signed lease offer form for DESIGNATED the case file.

8a. Stamp "Lessee" on the first copy of lease offer. Stamp second copy for the SMA.

9. Prepare routing slip and records worksheet. Route lease for signature by the BLM authorized officer.

Signing 10. Sign the original of lease Form 3100-11 Official and use signature stamp on lessee/SMA copies of lease form.

Adjudication 11. Make distribution in accordance with State Office procedures, with one copy to SMA and one copy to Field Office Operations.

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12. If, after a lease is signed, issued, STIPULATIONS and mailed to the lessee, it is INADVERTENTLY
discovered that some or all of the NOT ATTACHED lease stipulations that were identified TO LEASE in the Notice of Competitive Lease Sale as being applicable to the parcel were not attached as part of the lease, send the stipulations by a notice to the lessee, ensuring that a copy of the notice and stipulations are placed in the case file. The notice to the lessee is simply a courtesy since the stipulations are binding and the lessee has full awareness of the stipulations placed on the parcel as it was advertised in the sale notice.

(See 43 CFR 3101.1-3.)

ALMRS Entry 13. Update lease issuance: AUTOMATED NOTATION

13a. Enter Action Date (MANDATORY ACTION CODE): Date lease signed;

13b. ACTION CODE, WHEN APPLICABLE FOR FRACTIONAL U.S. INTEREST LANDS):
Enter date lease signed (or offer was received); DE 1775 Action Code 448/DE 2910 Action Code 527;
Action Remarks: Percentage of
Federal mineral ownership when U.S. mineral interests are less than 100%.

13c. Enter Action Date (MANDATORY ACTION CODE IF LANDS ARE IN MORE THAN ONE COUNTY): Enter date lease signed and lands are in two or more counties; DE 1775 Action Code 417/DE 2910 Action Code 523; Action Remarks: Enter acres and State and county codes from DE 0002.

13d. Enter Action Date (MANDATORY ACTION CODE): Effective date of lease; DE 1775 Action Code 225/DE 2910 Action Code 868. 110

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13e. Enter Action Date (MANDATORY ACTION CODE): Enter 12 1/2 percent royalty rate; DE 1775 Action Code 102/DE 2910 Action Code 530.

13f. For acquired lands mineral lease: AUTOMATED Enter Action Date (MANDATORY NOTATION - ACTION CODE FOR ACQUIRED LANDS FUND SYMBOL MINERALS): Enter fund symbol; FOR ACQUIRED
DE 1775 Action Code 444/DE 2910 LANDS MINERALS

Action Code 496; Action Remarks:

Fund symbol argument code from DE 3042; OPTIONAL: Also enter Treasury fund symbol, including proclaimed unit number (refuge code) in Action Remarks.

**NOTE:** See Appendix 1 for a listing of the Treasury Symbols.


13h. Enter Action Date (MANDATORY ACTION CODE): Date lease expires; DE 1775/2910 Action Code 763.

Adjudication 14. Send case file to Title Records through Docket for notation of appropriate records.

15. Send accounting advice to Accounts.

Title 16. Note future interest lease issuance RECORDS Records on oil and gas plat/status records and NOTATION
HI (or other appropriate) records.

17. Return case file to Docket.

Docket 18. File case file with active cases. 111

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NOTE: All future interest noncompetitive PRE-REFORM ACT lease offers filed prior to the "GRANDFATHERED" Federal Onshore Oil and Gas Leasing FUTURE INTEREST Reform Act are "grandfathered," and LEASE OFFERS each offer must be processed under the appropriate regulations that were in effect at the time the offer was filed.

Glossary

Glossary of Terms

- P -

parcel integrity period: that period of time, beginning on the first business day following the end of the competitive oral auction and continuing for the remainder of that same month. Offers filed in the proper BLM office during this period must be for a single entire parcel and must describe the lands by the specific parcel number appearing in the Notice of Competitive Lease Sale.

postsale offer: a filing submitted to the proper BLM office for lands that have been offered competitively under 43 CFR Part 3120 and for which no bids were received. The filing period begins on the first business day following the last day of the competitive oral auction. Such lands shall be available for noncompetitive offer for a period of 2 years. A
noncompetitive lease may be issued from an offer for such lands properly filed any time within the 2-year noncompetitive leasing period.

**Presale Offer**: a filing submitted to the proper BLM office for a noncompetitive lease made prior to the competitive offering of the described lands after January 2, 1989, in accordance with 43 CFR 3110.1(a)(1). A presale offer cannot include lands that are in the 1-year period commencing upon expiration, termination, relinquishment, or cancellation of a lease, and cannot include lands that are contained in an officially posted Notice of Competitive Lease Sale. The preliminary sale notice list, which is made available in the Public Room of some BLM State Offices, is not considered to be an officially posted sale notice. For expired, terminated, relinquished, and cancelled leases, the 1-year period begins on the actual date of expiration, termination, relinquishment, or cancellation and not on the date when the records have been noted.