

**FLUID MINERALS BOND PROCESSING USER GUIDE**Introduction

This User Guide provides guidance and procedures concerning bonding for the onshore oil and gas leasing program. It is intended for use by the Bureau of Land Management (BLM) State Office (SO) Fluid Leasing Adjudication and Field Office Fluid Mineral Operations personnel. Included in this User Guide are the requirements for bonding for oil and gas lease operations, geophysical exploration, protective leases, bonds for fluid disposal wells, and bond riders. Also addressed are the procedures for acceptance of bonds, processing riders to bonds, increasing the amount of bond coverage, replacements bonds, and the termination of the period of liability of bonds, including the phased release of liability for oil and gas lease bonds. The default and collection procedures for bonds (Section XVIII), information on the statute of limitations for bonds (Section XIX), and procedures for handling bankruptcy (Section XX) also are discussed in this guide. The User Guide provides the procedures to be followed within the BLM and the actions to be coordinated between the BLM and the Minerals Management Service, Data Management Division (MMS-DMD).

Although bonds for geothermal resources are not specifically addressed in this User Guide, the majority of the procedures described in this guide are also applicable for geothermal resource bond processing.

December 1996