

H-3107-1 - CONTINUATION, EXTENSION, OR RENEWAL OF LEASES

Format for Memorandum for Leases Not Entitled to Lease  
Extension Due to Nondiligent Drilling



IN REPLY REFER TO

United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

3107 (Office Code)

Memorandum

To: State Director, (Fluid Minerals Adjudication Code)  
From: Fluid Minerals Field Office Operations  
Subject: Expiration of Lease(s) - Nondiligent Drilling

Pursuant to the information available, this office has determined that the following lease(s) expired at the end of the primary term and is/are not entitled to an extension for diligent drilling under 43 CFR 3107.1.

Expiration		
<u>Lease No.</u>	<u>Date</u>	<u>Comments/Rationale</u>
		Example: While Well No. 3-33, Lot 11, Sec. 33, T. 1 N., R. 88 W., 9th P.M. was spudded two days before the end of the primary term, no further operations were pursued within 30 days after the spudding rig moved off-site and no request for an extension of time was received by this office. We have advised the operator that no further operations, other than plugging and abandonment are permissible.
		Example: Well No. 1-2, NW1/4, Sec. 1, T. 55 S., R. 3 E., 8th P.M., was completed as a dry hole in communitization agreement No. _____ 20 days before the lease expired. While the lessee/operator had hoped to be testing over the expiration date, initial tests were negative and a notice of intent to abandon was submitted to this office before the lease expired. Please note that the diligent drilling of this well over the preceding month was reported to you last month for <u>(Lease serial number)</u> , another Federal lease committed to the agreement. The lessee has requested that the lands in the lease within the communitized area be made available by competitive leasing as promptly as possible as it intends to drill another well in the area next summer.

Distribution: