

Dear Right-of-Way Holder:

The Bureau of Land Management (BLM) recently published new right-of-way (ROW) regulations which became effective on June 21, 2005. One provision of these new regulations concerns the payment of rent for a ROW grant issued under the Federal Land Policy and Management Act (FLPMA) for access roads and/or other facilities serving Federal Oil and Gas Leases.

ROW authorizations issued under Title V of FLPMA for roads, waste water pipelines, power lines, and other facilities serving an oil and gas lease whose rent had been previously reduced or waived under BLM's old regulations (43 CFR §2803.1-2(b)(2)(iii)), no longer qualify for such waivers/reductions under 43 CFR §2806.15(b)(3). However, the BLM is providing a transition period (6/21/05 to 12/31/06) for all holders of ROW grants issued prior to June 21, 2005 and affected by this change in policy. This transition period will allow holders to plan and budget for any new rental obligation which they might incur as the result of this change in BLM's ROW regulations. The BLM will continue to honor any waiver of rent granted under the previous regulations until December 31, 2006.

Beginning on January 1, 2007, authorizations for linear ROWs will be assessed rent in accordance with the rent schedule and rent payment options contained in the new regulations at 43 CFR 2806.20 and 2806.23 respectively. The new regulations provide that rent shall be paid for a minimum period of 10 years, not to exceed the remaining term of the ROW. The regulations also allow all holders an option to pay rent for the entire remaining term of the ROW. Individuals whose annual rent exceeds \$100.00 may pay rent annually or may opt to pay rent for a number of years, including the remaining term. An "Individual" is considered to be either a single person or a husband and wife.

Holders of non-linear ROWs authorizations, such as for a communication facility, typically pay rent annually in advance based upon a specific schedule or other market data. These non-linear ROW authorizations, while subject to rent, are not subject to the rent payment options identified above for linear ROW grants.

BLM will issue rental decisions to holders affected by these changes in the fall of 2006. Any holder thus affected will have the opportunity to appeal BLM's decision to the Office of Hearings and Appeals, Department of the Interior.

Additional information regarding the ROW regulations can be found on the following BLM web site:

<http://www.blm.gov/nhp/what/lands/realty/rowcr/>

If you have any questions concerning this notice, please contact (*Add local BLM contact information*)

Signed  
Authorized Officer