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OUTLINE

THE MINERAL LEASING ACT OF 1920

BY

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FEDERAL LANDS, LAWS AND
POLICIES AND THE DEVELOPMENT
OF NATURAL RESOURCES

THE UNIVERSITY OF COLORADO SCHOOL OF LAW
The Mineral Leasing Act of 1920

by

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Select References


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Department of the Interior

Bureau of Land Management

Simultaneous Oil and Gas Leasing System
DEPARTMENT OF THE INTERIOR
Bureau of Land Management

43 CFR Part 3100

[Circular No. 2465]

Simultaneous Oil and Gas Leasing System

AGENCY: Bureau of Land Management, Interior.

ACTION: Final rulemaking.

SUMMARY: This final rulemaking sets forth changes in the simultaneous oil and gas leasing system, some of which apply to all onshore oil and gas leasing. These changes are intended to resolve problems with the existing system by reducing speculation, requiring participants to have greater control of, and responsibility for, their involvement in the leasing system, and promoting development and exploration of oil and gas resources on the public lands.

EFFECTIVE DATE: June 16, 1980.

ADDRESS: Any inquiries or suggestions should be sent to: Director (530), Bureau of Land Management, 1800 C Street, N.W., Washington, D.C. 20240.

FOR FURTHER INFORMATION CONTACT: Charles E. Weller (202) 343-7753.

SUPPLEMENTARY INFORMATION: Proposed rulemaking was published in the Federal Register on September 28, 1979 (44 FR 56176). Comments were invited for 60 days. Comments were received from 435 sources, including 5 from filing services, 15 from attorneys who did not identify their clients, 15 from business associations and 2 from State and local agencies.

A few comments requested an extension of the comment period. Even though the comment period was not extended, all comments received were considered.

General Comments

The largest number of comments were opposed to any change in the simultaneous oil and gas leasing system and suggested that the proposed rulemaking be withdrawn. Several of these general comments raised objections to the change in the timing of the drawings, the increase in the size of the lease areas, the requirement that each entry form be personally signed and the refusal to accept personal checks as remittances. There were some comments that supported the changes and recommended adoption of the proposed rulemaking in final form. All of the comments supported the simultaneous oil and gas leasing system and wanted it retained in one form or another. A recent comment was concerned that the final rulemaking would improperly incorporate changes that are needed to counter abuses discovered as a result of the recent investigation of the simultaneous oil and gas leasing system. The final rulemaking will consider only those changes that were part of the proposed rulemaking.

Changes needed in the simultaneous leasing regulations to counter abuses discovered as a result of the current investigation of the simultaneous oil and gas leasing system were the subject of a recent rulemaking and are not part of this rulemaking. This comment also wanted to be sure that there had been no ex parte communications in connection with this rulemaking. Every effort has been made to assure that no ex parte communications have occurred concerning this rulemaking and that all of the procedures of the Administrative Procedures Act have been properly followed during the promulgation of the rulemaking. The Department of the Interior is satisfied that this effort has been successful.

Specific Comments

In addition to the general comments, a large number of comments were directed at specific sections of the proposed rulemaking. These specific comments were dealt with on a section-by-section basis, with only those sections that received comments or have been extensively amended being discussed.

Definitions—A few comments suggested that the “rule of approximation” be retained as a term in the definition section. Two of the comments recommended that the rule be retained primarily for its utility in competitive leasing situations. The rule has never been applicable to competitive leasing.

The rule is unnecessary for future noncompetitive leasing the rulemaking provides a substantial increase in the maximum lease size. The definition has been deleted from the final rulemaking.

The definition of the term “sole party in interest” has been changed editorially, but not substantively, to be consistent with this rulemaking.

A definition of the term “person or entity in the business of providing assistance to participants in a Federal oil and gas leasing program” has been added to the final rulemaking in response to questions concerning the use of this phrase in the proposed rulemaking.

Acreage Limitations—Section 3101.1–5 has been changed editorially, but not substantively, to be consistent with this final rulemaking.

Availability of Lands—Sections 3101.1–1 and 3101.2–1 have been changed to eliminate references to the size of leases. This information is set forth in those specific sections which describe the individual leasing programs, thus eliminating redundancy.

Section 3101.2–1 has been further amended to describe the availability acquired lands in a manner parallel to section 3101.1–1 regarding public domain lands. Other nonsubstantive changes have been made in both sections for clarity.

Who May Hold Interest—Paragraph (a)(2) of section 3102.1 received two comments which were concerned with the deletion of the last sentence of the existing regulation. This sentence required the denial of an application to any corporation which has any “appreciable percentage” of its stock held by aliens who are disqualified by law from holding interests in leases. Some of the comments were concerned that the deletion could be interpreted to disqualify a corporation from holding leases if any percentage of its stock is owned by nonqualified aliens. The interpretation the comments wish to avoid is a correct one. There is no nor has there been under the existing regulation, any de minimus exception for disqualified alien ownership. The deletion eliminates the basis for the mistaken belief that such an exception exists. The Bureau of Land Management does, however, normally require corporations to disclose the citizenship of only those stockholders owning more than 10 percent of the corporation’s stock (see 3102.2–5).

Paragraph (b), relating to bona fide purchasers, received several comments which pointed out that the proposed rulemaking went further than the applicable statute (30 U.S.C. 184) by placing the burden of proof of establishing bona fides on the purchaser claiming such protection. The language of the proposed rulemaking has been modified to more closely reflect the statute which places the burden of establishing a prima facie case that the assignee of a challenged lease is not a bona fide purchaser on the United States in order for a hearing to be held. Neither the statute nor the regulations prohibit administrative inquiry into the bona fides of any lessee.

Some comments on this section also objected to language that places all purchasers on notice as to the contents of the lease case file. Other comments approved this requirement as a means of tightening title security and because the assignee should be informed of all rights, responsibilities and restrictions on the lease. The position of the
Department of the Interior, confirmed by
the U.S. Court of Appeals for the Tenth
Circuit, is that a purchaser is on notice
as to all publicly available records
relating to the lease and the lands
covered by the lease. The language of
the rulemaking has been expanded to
effect that the purchaser is on notice as
to all such records.

The bona fide purchaser provisions
have been moved to section 3108.3(c)
through (e) of the final rulemaking.

Statements of Qualifications—
Serial Requirements—Some
comments suggested that the
requirement in the proposed rulemaking
that qualification statements,
applications and offers be “manually
signed” did not exclude the use of
rubber stamped signatures. In order
to make it clear that only personal,
handwritten signatures will be
permissible, language has been added to
the final rulemaking requiring
“holographically (manually) signed”
statements, applications and offers.

As one comment pointed out, this
change will overturn the rule established
by the Interior Board of Land Appeals
(IBLA) in Mary J. Arata, 4 IBLA 201
(1971). The IBLA held that existing
regulations were drafted in such broad
terms as to allow mechanically affixed
signatures. The outgrowth of this
decision has been that other Bureau of
Land Management regulations have
been interpreted to allow other than
holographic signatures. In interpreting
one such regulation, IBLA recognized
that by following its decision in Arata it
exposed the Department of the Interior
“to another method by which the
reasonable efforts of the Department to
ensure fair play and compliance with
the law can be made more difficult.”

However, under the language of then
existing regulations, IBLA felt
constrained to follow its earlier decision
while deploiring “the proclivity of some
leasing services to exploit every
conceivable loophole in the letter of the
regulation without any discernable
regard for their spirit and intent”. W. H.
Gilmore, 41 IBLA 25 (1979). The final
rulemaking is intended to overturn the
Arata rule.

Personal signatures help to eliminate
fraud against the United States and
those who participate in the leasing
system through agents. In may cases,
those who participate through agents
have limited exposure to materials
issued by the Department of the Interior
concerning the leasing program. In view
of these factors, and in order to impress
on the applicant the seriousness of the
leasing procedures and the statements
the applicant is required to certify, it is
appropriate to require a holographic
signature.

One comment suggested that the
Department of the Interior’s only
interest in requiring a handwritten
signature is to ensure that the applicant
receives the lease and that this
requirement can be met by a personal
signature on the lease form and that,
therefore, signatures on other forms are
redundant. As pointed out above, this is
but one of the Department’s interests in
requiring holographic signatures and no
change has been made in the
requirement.

Language has also been added to the
section cross-referencing the provisions
of section 1821.3, which describes the
significance of making the statements
required by subpart 3100.

Section 3102.2-7 of the proposed
rulemaking has been renumbered as
section 3102.2-4 in the final rulemaking
and rewritten to state more clearly the
liberalization of the policy of allowing
qualification statements to be placed on
file and thereafter to be referred to by
serial number without resubmittal.

Additional language describing the
significance of the use of a serial
number has been added in order to
avoid future confusion. All the
comments on these aspects of the
section were favorable.

Some comments suggested that the
requirement of the proposed rulemaking
that all statements of qualifications be
kept current was too great a burden to
place on an applicant. The provision has
not been changed in the final
rulemaking. No application or offer will
be accepted unless the statements of
qualifications are fully up to date in
order to assure compliance with existing
law and regulations.

The requirement in the proposed
rulemaking that grants of authority be of
a specific duration drew mixed
comments. Some of the comments felt
that an open ended grant of authority
should be allowed, while other
comments expressed a preference for
some fixed term period for a grant of
authority. The final rulemaking adopts a
two year limit on the duration for grants
of authority to an agent. ‘Two years was
selected in order to reduce the burden
on those who employ agents while
allowing the Bureau of Land
Management to clear its files of
outdated material.

All Applicants and Offerors—Section
3102.2-2, titled “Individuals” in the
proposed rulemaking, has been
renumbered and redrafted in the final
rulemaking for clarity. Some comments
mistakenly believed that the language of
the proposed rulemaking required a
statement separate from the certification
on the lease application. The language of
the final rulemaking specifically
dispels this concept.

Trusts and Guardians—Many
comments were received on section
3102.2-2 of the proposed rulemaking,
renumbered 3102.2-3 in the final
rulemaking, which argued that revocable
trusts should be permitted to be lessees
and should be allowed to continue to
acquire and hold Federal leases. As a
result of the persuasive arguments
presented in the comments, the ban on
revocable trusts has been eliminated from
the final rulemaking. In order to
highlight a potentially improper filing
arrangement, however, language has
been added to section 3112.6-1(c)(4) of
the final rulemaking to specifically warn
against the filing of applications by both
the grantor or those with powers of
revocation and the trust for the same
parcel.

Associations Including Partnerships—
A few of the comments on section
3102.2-4 of the proposed rulemaking
suggested that it was excessively
burdensome to require that a complete
list of the partners of a partnership,
perticularly a limited partnership, be
furnished. In response to these
comments, the final rulemaking has
been amended to require a list of all
general partners. This amendment eases
the burden imposed on limited
partnerships and provides the Bureau of
Land Management with information it
needs to identify prohibited filings. The
amendment is consistent with the
requirement that corporations submit a
list of corporate officers.

One comment in this section, made
in response to comments, gives those
owning more than 10 percent of an
association an additional 15 days during
which to submit statements of their
qualifications.

Corporations—Many comments
objected to the requirement in the
proposed rulemaking that the
percentage of stock owned by aliens be
revealed. Some of the comments
suggested that the requirement is too
severe, while other comments suggested
that it did not require enough disclosure
of stock ownership by aliens. This
requirement, which has been retained in
the final rulemaking, is the same as that
now in existing regulations. A
discussion of the question of alien
ownership is covered earlier in this
preamble.

One comment recommended that the
term “corporate officers” be broadened
to specifically include corporate
directors. This comment has not been
adopted because the rulemaking is
designed to cover only those normally
considered as corporate officers.
Another comment suggested that stockholders owning more than 10 percent of the corporate stock should be required to reveal the percentage of the stock that they hold. The Department of the Interior needs this information for proper acreage attribution and the final rulemaking incorporates the suggested change.

A change has been made in this section similar to the change in the association section, allowing an additional 15 days for the submission of statements of their qualifications by those owning more than 10 percent of the stock of a corporation.

Agents—Some comments were received that suggested that agency statements be submitted at the time a lease application or offer is filed rather than within 15 days following such filing. These comments have been partially adopted. The final rulemaking eliminates the provision allowing a 15-day period for the filing of individual statements while retaining the 15-day period for the filing of uniform agreements.

Several comments recommended that the attorney-in-fact provisions be eliminated because other changes in the proposed rulemaking rendered them unnecessary. After careful consideration of the comments, the recommendation has been adopted and the provisions eliminated from this section of the final rulemaking.

This section has also been rewritten in the final rulemaking to properly shift the responsibility for providing the necessary information concerning the agency relationship to the applicant.

Sole party in interest—A few of the comments misconstrued the proposed rulemaking as requiring a separate statement listing other parties in interest to accompany each application or offer. There was no intention to alter the procedure in existing regulations that allows other parties in interest to be listed directly on the lease application or offer. The rule does require, however, that any application bearing the names of multiple parties must be accompanied or followed by a separate statement setting forth the nature of the agreement between them. The final rulemaking has been rewritten to clarify this point and, hopefully, remove any misinterpretation.

Other showings of qualifications—

One comment on section 3102.3 of the proposed rulemaking pointed out that this section permits the Bureau of Land Management total lease license to request from any applicant additional information that could be used to show compliance with the regulations on this subject. Specifically, the comment was concerned that the Bureau would abuse this broad discretion. The comment went on to suggest language to limit the information which could be requested. While it is possible that some Bureau offices might have been overzealous on occasion in the use of this authority, wide discretion is needed in order to insure compliance with the regulations and the statute. Even though there has been no change made in this section in the final rulemaking, the Bureau's operating policy instructions will make it clear that only that data needed to insure compliance will be requested.

Relinquishment, Termination, and Cancellation—This subpart has been rewritten to bring the provisions of the existing regulations into conformance with the language of this final rulemaking. A new section on cancellation, section 3102.2-2, has been included in the final rulemaking. This section is a restatement of existing procedures. Also included in the section are the bona fide purchaser provisions which were part of section 3102.1(b) of the proposed rulemaking and have been discussed earlier in the preamble.

Acreage Limitations—Many comments were received on section 3110.1-3 of the proposed rulemaking and its proposal to increase the maximum lease size from 2,560 acres to 10,240 acres. Several of the comments were concerned that the Bureau of Land Management would withhold smaller parcels from leasing in order to create parcels of the maximum size, thereby delaying leasing. Other comments were concerned that the proposed change would exclude participation by independent oil developers who might not be able to afford the larger rental payments required to hold the larger parcels. Along this same line, another group of comments expressed the concern that the higher cost of the larger parcels would exclude individual participants from participating in the simultaneous leasing system. A few comments pointed out that the entire acreage of a larger lease could be extended beyond the primary term by a single well. Some comments suggested that splintered ownership patterns discourage development while others suggested that the change would be helpful to developers by eliminating difficult consolidation steps. One comment observed that the change would be particularly beneficial in high risk, remote areas, which had not previously attracted industry interest.

After careful consideration of the comments, the four mile square rule has been abandoned in the final rulemaking in favor of the six mile square rule. Additional flexibility has been added through amendments to the final rulemaking for leasing of certain acquired lands outside a six mile square.

Availability of Lands—Section 3112.1-1 has been amended to make clear that the simultaneous oil and gas leasing system may be used for the leasing of lands other than those specifically covered by the existing language of the section.

Posting of Notice—Most of the comments on section 3112.1-2 opposed the proposed change in the proposed rulemaking changing the drawings from monthly to quarterly citing potential delays in the leasing of lands and the adverse effect on public participation in the leasing process. The reasons for proposing quarterly drawings were to...
allow for the consolidation of parcels and to allow for an extension of the filing period from 5 to 15 working days in order to overcome the difficulties some participants experienced in meeting the 5 day requirement. The final rulemaking is a compromise. The simultaneous leasing system will be on a bi-monthly basis rather than on a quarterly basis. At the same time, the 15 day rule that was soundly applauded by the comments is retained. This will permit filings to be accepted from the start of business on the first working day of January, March, May, July, September and November, until the close of business on the 15th working day of the month.

How to File an Application—One of the changes made in this section, section 3112.2-1, is the changing of the name “drawing entry card” to “simultaneous oil and gas lease application.” This change is consonant with the plans to automate the program, including the selection process, thereby eliminating manual drawings. All references to “drawings” on forms will be eliminated. Paragraph (a) of section 3112.2-1 has been expanded to include a general description of the leasing procedure. Applications will be accepted and subjected to a random selection process in order to determine the first applicant. That applicant, if qualified, will be entitled to make a bid or application on a form approved by the Director, Bureau of Land Management, subject to the stipulations specified in the posted list and those later determined to be necessary.

Some of the comments on this section suggested that the requirement that applications be “manually signed in ink” did not exclude the use of a rubber stamp for signatures. In order to make it clear that only personally handwritten signatures will be accepted, the final rulemaking has been changed to require “holographically (manually) signed” applications.

A few comments suggested that the requirement for a handwritten signature is an unnecessary burden for applicants. As set out earlier in the preamble, the Department of the Interior has valid reasons for keeping this requirement as part of the final rulemaking.

A few comments recommended that provision be made in the final rulemaking for those applicants who are physically unable to write their own name so that they can participate in the leasing system. No change has been made in this section because persons who are physically incapacitated may use an agent.

In response to suggestions in the comments, the requirement that the lease application be signed and fully completed by a single individual has been deleted from the final rulemaking. Most of the comments were in favor of the requirement in the proposed rulemaking that the lease application bear the address of the applicant and not the address of a filing service or other agent.

One comment suggested that the requirement that the application bear the address of the applicant was insensitive to the needs of those who participate in the leasing system through filing services. On the contrary, the change will protect clients of filing services from being defrauded by unscrupulous filing services. Moreover, the change is sensitive to the needs of the oil industry which often has difficulty contacting a lessee because only the address of the filing service appears on the application. Balanced against the potential for fraud and the often-voiced concerns of segments of the oil industry, the inconvenience to a few participants is acceptable. The requirement that a lease application bear the address of the applicant has been retained in the final rulemaking.

Filing Fees—Most of the comments on this section opposed the requirement of the proposed rulemaking that fees be paid by guaranteed remittance on the basis that it was an additional burden on the public. As stated in the preamble to the proposed rulemaking, this requirement is necessitated by the large amount of uncollectable payments which the Bureau of Land Management receives each month. The final rulemaking contains the requirement that fees be paid in the form of guaranteed remittances.

A few comments on this section suggested an increase in the filing fee. The increase is not warranted at this time and the final rulemaking does not adopt the suggestion.

Selection Procedures—One comment on section 3112.3-1 of the proposed rulemaking suggested that the Bureau of Land Management be required to notify successful applicants within 30 days of their receipt of priority. Normally, notification is received in a shorter time than 30 days. Therefore, this change is not warranted and has not been included in the final rulemaking.

Another change made in this section of the final rulemaking is that whenever the word “drawings” was used in the proposed rulemaking, it has been changed to the word “selections” in order to encompass those selections determined by computer rather than by drawing.

Reselection Procedures—The recently issued redrawing regulation has been editorially changed, without substantive effect, in this final rulemaking to make it consistent with the changes made by this final rulemaking.

The Lease Offer and Payment of First Year’s Rental—Section 3112.4-2 of the proposed rulemaking, renumbered section 3112.4-1 in the final rulemaking, required that the lease offer be signed and the first year’s rental be submitted by the lease applicant in order to increase an applicant’s involvement and reduce the influence of agents in the process. Many of the comments approved this change. Some, however, found the change to be an undue burden upon applicants. In order to provide greater flexibility for the leasing system, the final rulemaking has been changed to allow an attorney-in-fact to sign the offer and submit the first year’s rental if the requirements of the section are followed.

Acceptance of Lease Offer—Several of the comments on section 3112.4-3 of the proposed rulemaking, renumbered section 3112.4-2 in the final rulemaking, recommended that the final rulemaking require the issuance of a lease within 30 to 60 days of receipt of a lease offer. Unfortunately, proper management of the public lands and their resources sometimes requires a longer delay. Therefore, this recommendation has not been adopted as part of the final rulemaking.

Restriction on transfer—Several of the comments on section 3112.4-4 of the proposed rulemaking, renumbered section 3112.4-3 in the final rulemaking, expressed the view that the prohibition on agreements to assign a lease until lease issuance or 60 days after the establishment of priority, whichever is sooner, was unenforceable. The provision was not intended to impose an additional enforcement burden on the Federal Government. The provision was designed to protect the lease applicant and the industry by establishing a cooling-off period during which all interested parties will have an equal opportunity to negotiate for the lease. Other comments were concerned that exploration would be delayed because operators will be temporarily prohibited from putting together a lease play.
The provision was designed to be self-enforcing by providing a lessee with an incentive to void the agreement when it is discovered to be to his/her advantage. As one comment pointed out, the incentive for a lessee to void an agreement would be destroyed by the penalty provision in the proposed rulemaking that would result in the cancellation of the lease if the agreement for the transfer of the lease did not meet the time requirements set by the regulations. For this reason, this section of the final rulemaking has been amended to provide for disapproval of an assignment that was the subject of an agreement that does not comply with the provisions of this section.

One comment wanted to know the meaning of the term "option" as it is used in this section. The term "option" as it is used in section 3112.4-3 of the final rulemaking has the same meaning as the term has in 30 U.S.C. 184(d).

Rejection of an Application, Rejection of an Offer, Cancellation of Leases—The comments on these sections, sections 3112.6-1 and 3112.6-2 of the proposed rulemaking, included one which objected to the penalizing of an applicant for the activities of the applicant's filings service. This comment was rejected because an application that is illegally filed should be rejected, whether filed by an applicant or by an applicant's agent. An applicant is responsible for the actions of the agent (filings service) he/she chooses to employ. Otherwise, the section would be unenforceable.

The provisions covering rejection of applications, rejection of lease offers and cancellation of leases have been separated into three sections in the final rulemaking, rather than two as in the proposed rulemaking, to avoid confusion. Further, the language of the sections has been modified for clarity and to provide a better statement of the scope of prohibited activities.

Availability of Lands Not Leased Through Drawing—A few comments suggested that the liberalized technique for removing unleased lands from simultaneous oil and gas leasing, contained in section 3112.7 of the proposed rulemaking, should not operate automatically. In response to these comments, the language of the section has been changed to specifically allow for an exercise of discretion by the State Director of the appropriate Bureau of Land Management office.

The new simultaneous oil and gas lease application form is subject to clearance by the Office of Management and Budget, in addition to approval by the Director as provided in this final rulemaking.

This rulemaking will be effective less than 30 days after publication in the Federal Register for good cause as described below. In Order No. 3051 (45 FR 30553), the Secretary of the Interior ordered the resumption of leasing when certain modifications specified in his April 7, 1980, decision were completed and revoked suspension of onshore oil and gas leasing effective June 16, 1980. Under the Secretary's decision of April 7, 1980, this rulemaking must be effective in order to resume the simultaneous leasing system. This rulemaking does contain provisions increasing the maximum offer and lease size from 2,560 acres to 10,240 acres as well as new qualification procedures that also affect over-the-counter leasing, even though the regulation need not be effective in order to resume the over-the-counter leasing system.

If over-the-counter offers are accepted for filing on June 16, 1980, but these regulations are not effective for several days, considerable confusion is likely to occur, causing delays in the issuance of leases. If resumption of the over-the-counter leasing system is delayed until 30 days from publication, similar confusion is likely to occur.

The national interest requires the resumption of onshore oil and gas leasing in an orderly and responsible manner. By Order No. 3051, the Secretary of the Interior has clarified the impact of the leasing suspension and established June 16, 1980, as the target date for resumption of leasing. The benefits of maintaining this target date, as described above, far outweigh any benefit gained by allowing the full 30 days before this rulemaking becomes effective. The public interest is best served under these circumstances by making this rulemaking effective on June 16, 1980.

Editorial and language changes needed to clarify the rulemaking have been made.

The principal authority of this rulemaking is Charles E. Weller, Division of Onshore Energy Resources, Bureau of Land Management, assisted by the staff of the Office of Legislation and Regulatory Management, Bureau of Land Management and the staff of the Office of the Solicitor, Department of Interior.

The Department of the Interior has determined that this document is not significant rule and does not require regulatory analysis under Executive Order 12044 and 43 CFR Part 14.


James W. Curlin,
Acting Assistant Secretary of the Interior.
May 20, 1980.

PART 3100—OIL AND GAS LEASING

1. Section 3100.0-5 is amended by revising paragraphs (b) and (d) to read as follows:

§ 3100.0-5 Definitions.

(b) "Sole party in interest" means a party who is and will be vested with a legal and equitable right under the lease. No one is, or shall be deemed to be, a sole party in interest with respect to an application, offer or lease in which any other party has any of the interests described in this section. The requirements of disclosure in any application or offer of an applicant's or other parties' interest in a lease, if issued, reflect the policy that all applicants and other parties having an interest in simultaneously filed lease applications or offers to lease shall have an equal opportunity for success in the drawings to determine priorities.

Additionally, such disclosures provide the means of maintaining adequate records of acreage holdings. An "interest" in the least includes, but is not limited to, record title interests, overriding royalty interests, working interests, operating rights or options or any agreements covering such "interests." Any claim or any prospective or future claim to an advantage or benefit from a lease, and any participation or any defined or undefined share in any increments, issues or profits which may be derived from or which may accrue in any manner from the lease based upon or pursuant to any agreement or understanding existing at the time when the application or offer is filed, is deemed to constitute an "interest" in such lease.

(d) "Person or entity in the business of providing assistance to participants in a
Federal oil and gas leasing program means those offering services for consideration in connection with the acquisition of Federal oil and gas leases. Included in this definition are those enterprises, commonly known as filing services, which sign, formulate, prepare, offer advice on formulation or preparation, mail, deliver, receive mail or otherwise complete or file lease applications or offers for consideration. Excluded from the definition are those services which only tangentially relate to Federal oil and gas lease acquisition, such as general secretarial assistance, or general geologic advice which is not specifically related to Federal lease parcels or leasing.

2. Section 3100.5–3 is amended to read as follows:

§3100.5-3 Period of option.
Except as provided in §3112.4-3 of this title, an option taken on a lease application or offer may be for a period of time until issuance of the lease and 3 years thereafter. Where options are sought for longer periods, an application shall be filed with the authorized officer of the Bureau of Land Management, accompanied by a complete showing as to the special or unusual circumstances which are believed to justify approval of the application.

3. Section 3101.1–1 is amended to read as follows:

§3101.1-1 Availability of lands.
(a) All public domain lands subject to disposition under the Act may be leased by the Secretary of the Interior. Lands within a known geological structure of a producing oil or gas field shall be leased only by competitive bidding to the highest responsible bidder. Other public domain lands shall be leased only noncompetitively to the first qualified applicant.

(b) Public domain lands not subject to leasing include:
(1) National parks and monuments.
(2) Indian reservations.
(3) Incorporated cities, towns, and villages.
(4) Naval petroleum and oil shale reserves and national petroleum reserves.
(5) Lands within 1 mile of naval or national petroleum or helium reserves shall not be leased unless the land is being drained of its oil or gas deposits or helium content by wells on privately owned land or unless it is determined by the authorized officer, after consultation with agency exercising jurisdiction over the reserve, that operations under such a lease will not adversely affect the reserve through drainage from known productive horizons.

(c) The availability of acquired lands for oil and gas leasing is set out in §3101.2–1 of this title.

4. Section 3101.1–5 is amended by revising paragraph (c)(ii)(ii) to read as follows:

§3101.1-5 Acquiesce limitations.
• • • • • • •
(c) • • • •
(3) • • • •
(ii) If any party files an application for inclusion in the selection process under Subpart 3112, he/she shall be charged with the acreage thereof only if the application is successfully selected. If that application causes his/her to exceed the acreage limitation, the application shall be rejected.
• • • • • • •
5. Section 3102.2–1 is amended to read as follows:

§3102.1-1 Availability of lands.
(a) All acquired lands subject to disposition under the Act may be leased by the Secretary of the Interior. Lands within a known geological structure of a producing oil or gas field shall be leased only by competitive bidding to the highest responsible bidder. Other acquired lands shall be leased only noncompetitively to the first qualified applicant.

(b) Acquired lands not subject to leasing include lands:
(1) Acquired for the development of their mineral deposits;
(2) Acquired by foreclosure or otherwise for resale;
(3) Reported as surplus under the Surplus Property Act of October 3, 1944 (50 U.S.C. 1611 et seq.);
(4) In incorporated cities, towns and villages;
(5) In national parks and monuments;
(6) Within naval petroleum and oil shale reserves and within the national petroleum reserves; or
(7) Which are tide lands, submerged coastal lands, within the continental shelf adjacent or littoral to any part of lands within the jurisdiction of the United States.

(c) The availability of public domain lands for oil and gas leasing is set forth in §3101.1–1 of this title.

6. Section 3102.1 is revised to read as follows:

§3102.1 Who may hold interests.
(a) General. Leases may be acquired and held only by citizens of the United States; associations (including partnerships) of such citizens; corporations organized under the laws of the United States or of any State or territory, thereof, or municipalities.

(b) Aliens. Leases or interests therein may be acquired and held by aliens only through stock ownership, stock holding and stock control; and only if the laws, customs or regulations of their country do not deny similar or like privileges to citizens or corporations of the United States.

(c) Minors. Leases shall not be acquired or held by one considered a minor under the laws of the State in which the lands are located, but leases may be acquired and held by legal guardians or trustees of minors in their behalf.

7. Section 3102.2 and §3102.2–1—3102.2–7 are revised to read as follows:

§3102.2 Statements of qualifications.

§3102.2-1 General requirements.

(a) Signatures. All statements required by the regulations in this subpart shall be holographically (manually) signed in ink. Rubber stamped or mechanically affixed signatures are not acceptable.

(b) Certifications. All statements required by the regulations in this subpart are subject to the provisions of §1821.3 of this title.

(c) Filing statements for reference. A statement of the qualifications of a trust or guardianship (§3102.2–3), association (§3102.2–4), corporation (§3102.2–5), agent, if the duration of the authority to act is less than 2 years and is specifically set out (§3102.2–6) or municipality (§3102.2–9) may be placed on file with a Bureau of Land Management office described in §1821.2–1 of this title. The office receiving the statement shall indicate its acceptance of the qualifications by assigning a serial number to the statement. Reference to this serial number may be made to any Bureau of Land Management office in lieu of resubmitting the statement. Such a reference shall constitute certification that the statement complies with paragraph (b) of this section. Amendments to a statement of qualifications shall be filed promptly and the serial number shall not be used if the statement on file is not current.

§3102.2–2 All applicants and offerors.

The applicant, offeror, or agent as provided in §3102.2–6 of this title, shall certify as to age, citizenship and held only by citizens of the United States; associations (including partnerships) of such citizens; corporations organized under the laws of the United States or of any State or territory, thereof, or municipalities.

The applicant, offeror, or agent as provided in §3102.2–6 of this title, shall certify as to age, citizenship and held only by citizens of the United States; associations (including partnerships) of such citizens; corporations organized under the laws of the United States or of any State or territory, thereof, or municipalities.
§ 3102.2-3 Trustees and guardians.

If the offeror or applicant is a guardian or trustee filing on behalf of a ward or beneficiary, the offer, or application if leasing is pursuant to subpart 3112 of this title, shall be accompanied by a certified copy of the court order, or other document, establishing the relationship and authorizing the guardian or trustee to fulfill all obligations of the lease or arising thereunder. A statement as to the age, citizenship and as to compliance with the acreage limitations set forth in §§ 3101.1-5 and 3101.2-4 of this title by the guardian or trustee and by each ward or beneficiary shall be signed by the guardian or trustee and shall accompany each offer or application if leasing is pursuant to subpart 3112 of this title. The trustee of a revocable trust shall also submit a statement identifying the grantor of the trust and persons with the power of revocation.

§ 3102.2-4 Associations including partnerships.

(a) An association which seeks to lease shall submit with its offer, or application if leasing is in accordance with subpart 3112 of this title: (1) a certified copy of its articles of association or partnership; (2) a statement that it is authorized to hold oil and gas leases; and (3) a complete list of all general partners or members together with a statement as to their citizenship and identifying those authorized to act on behalf of the association or partnership in matters relating to Federal oil and gas leasing.

(b) A separate statement from each person owning or controlling more than 10 percent of the association, setting forth citizenship and compliance with the acreage limitations of §§ 3101.1-5 and 3101.2-4 of this title, shall be filed with the proper Bureau of Land Management office not later than 15 days after the filing of an offer, or application if leasing is in accordance with subpart 3112 of this title.

§ 3102.2-6 Agents.

(a) Any applicant receiving the assistance of any other person or entity which is in the business of providing assistance to participants in a Federal oil and gas leasing program shall submit with the lease offer or the lease application if leasing is in accordance with subpart 3112 of this title, a personally signed statement as to any understanding, or a personally signed copy of any written agreement or contract under which any service related to Federal oil and gas leasing or leases is authorized to be performed on behalf of such applicant. Such agreement or understanding might include, but is not limited to: a power of attorney; a service agreement setting forth duties and obligations; or a brokerage agreement. (b) Where a uniform agreement is entered into between several offerors or applicants and an agent, a single copy of the agreement or understanding might be filed with the proper office in lieu of the showing required in paragraph (a) of this section. A list setting forth the name and address of each such offeror or applicant participating under the agreement shall be filed with the proper Bureau of Land Management office not later than 15 days from each filing of offers, or applications if leasing is in accordance with subpart 3112 of this title.

§ 3102.2-7 Sole party in interest.

(a) The applicant shall set forth on the lease offer, or lease application if leasing is in accordance with subpart 3112 of this title, or on a separate accompanying sheet, the names of all other parties who own or hold any interest in the application, offer or lease, if issued.

(b) A statement, signed by both the offeror or applicant and the other parties in interest, setting forth the nature of any oral understanding between them, and a copy of any written agreement shall be filed with the proper Bureau of Land Management office not later than 15 days after the filing of the offer, or application if leasing is in accordance with subpart 3112 of this title. Such statement or agreement shall be accompanied by statements, signed by the other parties in interest, setting forth their citizenship and their compliance with the acreage limitations of §§ 3101.1-5 and 3101.2-4 of this title.

§ 3102.8 [Amended]

8. Section 3102.8 is amended by changing the section number to § 3102.2-8 and inserting the words "or applicant" after the word "offeror" wherever it occurs and by deleting from paragraph (a)(2) the words "under §§ 3102.1 and 3102.2-1," and amending paragraph (b)(2) by replacing the words "under §§ 3102.1 and 3102.2-1" with the words "of an offeror or applicant."

§ 3102.9 [Amended]

9. Section 3102.9 is amended by deleting the second sentence thereof and by changing the section number to §§ 3102.2-9.

10. Section 3102.3 is amended to read as follows:

§ 3102.3 Other showings of qualifications.

The applicant, offeror or agent may be required to submit additional information to the Bureau of Land Management to show compliance with the regulations of this part and the Act.

§ 3102.4-3102.7 [Removed]

11. Sections 3102.4 through 3102.7, inclusive, are deleted in their entirety.

12. Section 3103.1-1 is amended to read as follows:

§ 3103.1-1 Form of remittance.

All remittances shall be by cash, money order, check, certified check, bank draft or bank cashier's check, except as provided in § 3112.2-2 of this title.

13. Section 3103.2-1(a) is amended to read as follows:

§ 3103.2-1 General statement.

(a) Offers and applications. Each lease offer under subpart 3111 of this title and each filing for a parcel under subpart 3112 of this title shall be accompanied by a filing fee of $10. Such fee shall be retained as a service charge even though the application or offer should be rejected or withdrawn in whole or in part.

14. Subpart 3108 is retitled as follows:
§ 3108.3 Cancellation; bona fide purchasers.

(a) Whenever the lessee fails otherwise to comply with any of the provisions of the Act, of the regulations issued thereunder or of the lease, such lease may be canceled by the Secretary of the Interior if not known to contain valuable deposits of oil or gas after notice to the lessee in accordance with section 31 of the Act, if default continues for the period prescribed in that section after service of notice thereof. Any lessee of a lease which issued prior to July 29, 1954, may at any time prior to the anniversary date of such lease and the accrual of rental elect to subject the lease to the automatic termination provisions of this section by notifying, in writing, the authorized officer of the proper office to that effect.

(b) A lease known to contain valuable deposits of oil or gas may be canceled only by judicial proceedings in the manner provided in sections 27 and 31 of the Act.

(c) A lease or interest therein shall not be canceled to the extent that such action adversely affects the title or interest of a bona fide purchaser even though such lease or interest, when held by a predecessor in title, may have been subject to cancellation. All purchasers are on notice as to all pertinent regulations and all Bureau of Land Management records pertaining to the lease and the lands covered by the lease.

(d) Prompt action shall be taken to dismiss as a party to any proceedings with respect to a violation of any provisions of the Act, these regulations or the lease terms any person who shows the holding of an interest as a bona fide purchaser even though such lease or interest, when held by a predecessor in title, may have been subject to cancellation. All purchasers are on notice as to all pertinent regulations and all Bureau of Land Management records pertaining to the lease and the lands covered by the lease.

(e) If during any such proceeding a party thereto files a waiver of his/her rights under the lease to drill or to assign his/her interest thereto, or if such rights are suspended by order of the Secretary of the Interior pending a decision, payment of rentals and the running of time against the term of the lease or leases involved shall be suspended as of the first day of the month following the filing of the waiver or the Secretary's suspension until the first day of the month following the final decision in the proceeding or the revocation of the waiver for suspension.

18. Section 3110.1–3 is amended to read as follows:

§ 3110.1–3 Acreage limitation.

(a) Public domain. An offer may not include more than 10,240 acres. The lands in the offer shall be entirely within an area of 6 miles square or within an area not exceeding 6 surveyed sections in length or width measured in cardinal directions. No offer may be made for less than 640 acres except where the offer is accompanied by a showing that the lands are in an approved unit or cooperative plan of operation or such a plan has been approved as to form by the Director of the Geological Survey or where the land is surrounded by lands not available for leasing under the Act.

(b) Acquired lands. An offer may not include more than 10,240 acres. An offer shall be entirely within an area of 6 miles square or within an area not exceeding 6 surveyed sections in length or width measured in cardinal directions. An offer may exceed the 6 mile square limit if:

(1) the lands are not surveyed under the rectangular survey system of public land surveys and are not within the area of the public land surveys; and

(2) the tract desired is described by the acquisition tract number assigned by the acquiring agency and less than 50 percent of the tract lies outside the 6 mile square area.

19. Section 3110.1–4 is amended by revising paragraph (b) to read as follows:

§ 3110.1–4 Withdrawal of offer or application.

• • • • •

(b) Simultaneous filings. An applicant may withdraw his/her simultaneous oil and gas lease application prior to selection, except as provided in § 3112.5–2 of this title. A simultaneous oil and gas lease offer may be withdrawn in the same manner as a regular offer, as described in paragraph (a) of this section.

20. Section 3110.1–6 is amended by revising paragraph (b) to read as follows:

§ 3110.1–6 Determination of priorities.

• • • • •

(b) Simultaneous filings. If more than one lease application is filed for a parcel under the provisions of subpart 3112 of this title, their priority shall be determined by a random selection.

21. Section 3111.1–1(e)(2) is deleted. Paragraphs (e)(3)–(5) are renumbered (e)(2)–(e)(4).

22. Subpart 3112 is revised to read as follows:

Subpart 3112—Simultaneous Filings

Sec.

3112.1 Parcels.

3112.1–1 Availability of lands.

3112.1–2 Posting of notice.

3112.2 How to file an application.

3112.2–1 Simultaneous oil and gas lease application.

3112.2–2 Filing fees.

3112.2–3 Qualifications.

3112.3 The first qualified applicant.

3112.3–1 Selection procedures.

3112.3–2 Reselection procedures.

3112.4 Lease issuance.

3112.4–1 The lease offer and payment of the first year's rental.

3112.4–2 Acceptance of lease offer.

3112.4–3 Restriction on transfer.

3112.5 Unacceptable filings.

3112.6 Adjudication.

3112.6–1 Rejection of an application.

3112.6–2 Rejection of an offer.

3112.6–3 Cancellation of leases.

3112.7 Availability of unleased lands.

§ 3112.1 Parcels.

§ 3112.1–1 Availability of lands.

All lands which are not within a known geological structure of a producing oil or gas field and are covered by canceled or relinquished leases, leases which automatically terminate for non-payment of rental pursuant to 30 U.S.C. 188, or leases which expire by operation of law at the end of their primary or extended terms are subject to leasing only in accordance with this subpart. Other lands which are not within a known geological structure of a producing oil or gas field may be leased in accordance with this subpart.

§ 3112.1–2 Posting of notice.

At the start of business on the first working day of January, March, May, July, September and November, a list of the lands for which applications shall be received shall be posted in the proper Bureau of Land Management State Office. The list shall include a notice stating that such lands are subject to the filing of lease applications from the time of such posting until the close of business on the fifteenth working day thereafter. The available lands shall be described in leasing units identified by parcel numbers. The lands shall also be described by subdivision, section, township and range, and if the lands are surveyed or officially protracted; or if unsurveyed, by metes and bounds. The
§ 3112.2 How to file an application.

§ 3112.2-1 Simultaneous oil and gas lease applications.

(a) An application to lease under this subpart consists of a simultaneous oil and gas lease application on a form approved by the Director, Bureau of Land Management, completed, signed and filed pursuant to the regulations in this subpart. The first applicant for a lease, as determined under the regulations in this subpart, who is qualified to hold a lease under the Act and the regulations in this title shall be entitled to submit an offer for the lease as described in § 3112.4-1 of this title.

(b) The application shall be holographically (manually) signed in ink by the applicant or holographically (manually) signed in ink by anyone authorized to sign on behalf of the applicant. Applications signed by anyone other than the applicant shall be rendered in a manner to reveal the name of the applicant, the name of the signatory and their relationship.

(c) The name of only one citizen, association, corporation or municipality may appear as applicant on any application. The application shall be dated at the time of signing. The date shall reflect that the application was signed within the filing period.

(d) The application shall include the applicant’s personal or business address. All communications relating to leasing shall be sent to that address and it shall constitute the applicant’s address of record for the purpose provided in § 3112.4-1 of this title. The applicant shall not use the address of any other person or entity which is in the business of providing assistance to those participating in the simultaneous oil and gas leasing system.

(e) The parcel applied for shall be identified by the proper parcel number, including the State prefix, as shown on the posted notice.

(f) No person or entity shall hold, own or control any interest in more than one application for a particular parcel.

(g) The properly completed and signed lease application shall be filed in the proper office of the Bureau of Land Management.

§ 3112.2-2 Filing fees.

(a) Each filing shall be accompanied by a $10 filing fee. The filing fee shall be paid in U.S. currency. Post Office or bank money order, bank cashier’s check or bank certified check, made payable to the Bureau of Land Management. Checks drawn on foreign banks shall not be accepted.

(b) A single remittance is acceptable for a group of filings. Failure to submit sufficient fees to cover all filings shall render unacceptable the entire group of filings submitted within that remittance. Such filings shall be returned to the applicant in accordance with § 3112.5 of this title.

(c) An uncollectible remittance covering the filing fee(s) shall result in disqualification of all filings covered by it. In such a case, the amount of the remittance shall be a debt due to the United States which shall be paid before the applicant is permitted to participate in any future selection.

§ 3112.2-3 Qualifications.

Evidence of qualifications to hold Federal oil and gas leases shall be filed in accordance with subpart 3102 of this title.

§ 3112.3 The first qualified applicant.

§ 3112.3-1 Selection procedures.

(a) Three applications shall be randomly selected for each numbered parcel. The order in which they are selected shall fix the order in which the successful applicant shall be determined. Where only 2 applications are filed for a particular parcel, their applications shall be notified in writing or by return of postal mail. A single filing shall automatically be considered the successful application.

(b) The results of the selection process shall be posted in the proper Bureau of Land Management office where the selection was held.

(c) All unsuccessful applicants shall be notified in writing or by return of applications.

(d) Successful applicants shall be notified in accordance with § 3112.4-1 of this title.

(e) When the lease is issued to the first qualified applicant, unsuccessful applicants selected with lower priority for the lease shall be notified in writing or by return of their application.

§ 3112.3-2 Reselection procedures.

If a properly filed application is omitted from the selection process, a new selection shall be held. An omitted application may not be withdrawn by the applicant. The new selection shall consist of the omitted application(s) and the number of blank applications equal to the number of applications which were included in the first selection. Such selection shall be conducted in the same manner as the original selection. If the omitted application is not selected first, second or third priority in the new selection, the priority established in the original selection shall stand. However, if an omitted application is selected in the first, second or third priority, it shall displace the application selected with the same and lower priorities in the original selection. No applications chosen in the first selection shall be eliminated from priority as a result of the selection of an omitted application in the reselection. The number of priorities shall be increased as necessary.

§ 3112.4 Lease issuance.

§ 3112.4-1 The lease offer and payment of first year’s rental.

(a) The lease agreement, consisting of a lease form approved by the Director, Bureau of Land Management, and stipulations included on the posted list or later determined to be necessary, shall be forwarded to the first qualified applicant for signing, together with a request for payment of the first year’s rental. Only the personal hand-written signature of the prospective lessee, or his/her attorney-in-fact as described in paragraph (b) of this section, in ink shall be accepted. The first year’s rental shall be paid only by the applicant, or his/her attorney-in-fact, as described in paragraph (b) of this section. The executed lease agreement and the applicant’s rental payment shall be filed in the proper Bureau of Land Management office within 30 days from the date of receipt of notice. Timely receipt of the properly signed lease and rental constitutes the applicant’s offer to lease.

(b) An attorney-in-fact may sign the lease offer and pay the first year’s rental only if the power of attorney prohibits the attorney-in-fact from filing offers on behalf of any other participant; if the power of attorney specifically authorizes the attorney-in-fact to execute on behalf of the participant all offers, statements of interest and of holdings and other statements required, or which may be required, by the Act or the regulations; and if the power of attorney binds the participant to representations made on its behalf by the attorney-in-fact and waives any and all defenses which may be available to the participant to contest, negate or disaffirm the actions of the attorney-in-fact under the power of attorney. Any attorney-in-fact signing a lease offer or paying the first year’s rental on behalf of
management. withdrawn by the Bureau of Land filing period; remittance or insufficient filing fees; United States and shall not be returned. reason listed in this section or for any unacceptable prior to selection does not any filing which is: written notice, together with the filing prior to issuance of the lease by the United States as provided in § 3112.4-2 of this title. No agreement or option to transfer or assign such application, offer, lease or interest therein shall be made or given prior to the effective date of the lease or 60 days from the applicant’s receipt of priority, whichever comes first. The existence of such an agreement or option shall result in disap­proval of the subsequent assignment.

§ 3112.4-2 Acceptance of lease offer.

The signature of the authorized officer on the lease shall constitute the acceptance of the lease offer and the issuance of the lease by the United States.

§ 3112.4-3 Restriction on transfer.

No application, offer, lease or interest therein may be transferred or assigned prior to issuance of the lease as evidenced by the signing of the lease by the authorized officer on behalf of the United States as provided in § 3112.4-2 of this title. No agreement or option to transfer or assign such application, offer, lease or interest therein shall be made or given prior to the effective date of the lease or 60 days from the applicant’s receipt of priority, whichever comes first. The existence of such an agreement or option shall result in disapproval of the subsequent assignment.

§ 3112.5 Unacceptable filings.

(a) Applications shall be examined prior to selection and the application or written notice, together with the filing fee, shall be returned to the applicant for any filing which is:

1. Received prior to the beginning of the simultaneous filing period;
2. Received after the closing of the filing period;
3. Accompanied by an unacceptable remittance or insufficient filing fees;
4. Filed in the wrong office;
5. Filed without a parcel number or with a parcel number which is not on the current posted notice; or
6. Filed for a parcel which is withdrawn by the Bureau of Land Management.

(b) Failure to identify a filing as unacceptable prior to selection does not bar rejection after selection for the reasons listed in this section or for any reason set forth in § 3112.6 of this title.

§ 3112.6 Adjudication.

§ 3112.6-1 Rejection of an application.

Rejection is an adjudicatory process which follows selection. Filing fees for rejected filings are the property of the United States and shall not be returned.

(a) Improper filing. Any application which is not filed in accordance with § 3112.2 of this title or any application which is unacceptable, as set forth in § 3112.5 of this title, shall be rejected. Misplacement of name or address or incomplete address on the face of form 3112-1 shall not be a basis for rejection until 30 days from posting the list of priority or return of the documents described in § 3112.4-1 of this title as undeliverable, whichever is later.

(b) Unqualified applicants. The application of any applicant who is disqualified or has not filed or caused to be filed all evidence of qualification required by Subpart 3102 of this title shall be rejected.

(c) Prohibited agreements, schemes, plans or arrangements. Any agreement, scheme, plan or arrangement entered into prior to selection, which gives any party or parties more than a single opportunity of successfully obtaining a lease or interest therein is prohibited and any application made in accordance with such agreement, scheme, plan or arrangement shall be rejected. Specifically:

1. Any agreement, scheme, plan or arrangement which obligates the applicant to transfer any interest in the lease, if issued, to a third party; or which gives the third party a right of first refusal for the lease, if issued; or which obligates the applicant to use the services of the third party when assigning or transferring any interest in the lease, if issued; is prohibited is such an agreement, scheme, plan or arrangement exists between the third party and 2 or more applicants for the same parcel or if the third party files for the same parcel as the applicant;
2. Any agreement, plan or scheme between any person or entity in the business of providing assistance to participants in a Federal oil and gas leasing program and any potential assignee whereby such person or entity will seek to induce an assignment of any lease is prohibited;
3. Filings by members of an association (including a partnership) or officers of a corporation, under any arrangement, agreement, scheme, or plan whereby the association or corporation has an interest in more than a single filing for a single parcel are prohibited; or
4. Separate filings by a trustee or guardian in its own behalf and on behalf of one or more beneficiaries on the same parcel or, separate filings by a trustee or guardian on behalf of two or more beneficiaries on the same parcel or, separate filings by the grantor or person with the power of revocation of a revocable trust and the trust, are prohibited.

(d) Failure to file an offer. The application of the first qualified applicant shall be rejected if an offer is not filed in accordance with § 3112.4-1 of this title.

(e) Illegal interests. The authorized officer shall reject all filings which are made in accordance with any illegal agreement, plan, scheme or arrangement and shall take other appropriate actions including investigations for prosecution under 18 U.S.C. 1001.

§ 3112.6-2 Rejection of an offer.

(a) An offer shall be rejected if the application upon which it is based could have been properly rejected under § 3112.6-1 of this title.

(b) If, prior to the time a lease is issued, all or part of the lands in the offer are determined to be within a known geological structure of a producing oil or gas field, the offer shall be rejected in whole or in part as may be appropriate and the lease, if issued, shall include only those lands not within the known geological structure of a producing oil or gas field.

§ 3112.6-3 Cancellation of leases.

In the event a lease has been issued on the basis of an application or offer which properly should have been rejected or, if any interest in any lease is owned or controlled directly or indirectly in violation of any of the provisions of the Act or regulations in this title, action shall be taken to cancel the interest or lease unless the rights of a bona fide purchaser, as provided for in § 3108.3(c) of this title, intervene. The Government may take action to cancel regardless of whether information showing the application or offer was rejectable is obtained or was available before or after the lease was issued.

§ 3112.7 Availability of unleased lands.

(a) Where, during the filing period, 10 or fewer applications are received for any parcel and no lease issues as a result of such filings, the lands in such parcels shall be subject to leasing only in accordance with subpart 3111 of this title.

(b) Where more than 10 applications are received for a particular parcel and all successful applicants for that parcel are rejected for any reason, the lands in such parcel shall be subject to leasing only in accordance with this subpart.

(c) If a parcel is made available 3 times on the posted list and no lease issues as a result of such posting, the lands in such parcels shall, in the discretion of the State Director of the appropriate Bureau of Land
Management office, be subject to leasing in accordance with subpart 3111 of this title.

(d) If lands are available in accordance with subpart 3111 of this title pursuant to paragraphs (a) and (c) of this section, they shall be opened for the filing of lease offers by notice on the next list of lands posted by the proper Bureau of Land Management office under § 3112.1–2 of this title.

23. Section 3120.1–4 is amended by changing the reference to "§ 3102.4–1" to "§ 3102.2–5."

[FR Doc. 80-19027 Filed 5-22-80; 8:45 am]
BILLING CODE 4310-34-M
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OIL AND GAS LEASE
(COMPETITIVE PUBLIC DOMAIN LANDS)

THIS INDENTURE OF LEASE, entered into, as of , by and between

the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called lessor, and

hereinafter called lessee, under, pursuant, and subject to the terms and provisions of the Act of February 25, 1920, (41 Stat. 437), as amended, (30 U.S.C. Sec. 181 et seq), hereinafter referred to as the Act, and to all reasonable regulations of the Secretary of the Interior now or hereafter in force when not inconsistent with any express and specific provisions herein, which are made a part hereof.

WITNESSETH:

Sec. 1. Rights of lessee — That lessor, in consideration or rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits, except helium gas, in or under the following-described tracts of land situated in the

containing acres, more or less, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipelines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of five (5) years, and so long thereafter as oil or gas is produced in paying quantities; subject to any unit agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lands subject thereto where inconsistencies with the terms of this lease occur.

Sec. 2. In consideration of the foregoing, lessee agrees:

(a) Bonds — (1) To maintain any bond furnished by the lessee as a condition for the issuance of this lease.
(2) To furnish prior to beginning of drilling operations and maintain at all times thereafter as required by lessor a bond in the penal sum of $10,000 with approved corporate surety, or with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease, unless a bond in that amount is already being maintained or unless such a bond furnished by an operator of the lease is accepted, or unless a bond has been filed under 43 CFR 3104 applicable to this lease.

(b) Cooperative or unit plan — Within thirty (30) days of demand, or, if the leased land is committed to an approved unit or cooperative plan and such plan is terminated prior to the expiration of this lease, within thirty (30) days of demand made thereafter, to subscribe to and to operate under such reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing the lands included herein as the Secretary of the Interior may then determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) Wells — (1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of lessor, or lands of the United States leased at a lower royalty rate, or as to which the royalties and rentals are paid into different funds than are those of this lease; or in lieu of any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate lessor, in full, each month for the estimated loss of royalty through drainage in the amount determined by said Director.
(2) At the election of lessee, to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior.
(3) Promptly after due notice, in writing, to drill and produce such other wells as the Secretary of the Interior may reasonably require in order that the leased premises may be properly and timely developed and produced in accordance with good operating practice.

(d) Rentals and royalties — To pay rentals and royalties in amount or value of production removed or sold from the leased lands as set forth in the rental and royalty schedule attached to and made a part hereof.
1. It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas, due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by lessee, to posted prices, and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

2. When paid in value, such royalties on production shall be due and payable monthly on the last day of the month next following the month in which produced. When paid in amount of production, such royalty products shall be delivered in merchantable condition on the premises where produced.

3. The lessee may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas, due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by lessee, to posted prices, and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

4. Rentals or minimum royalties may be waived, suspended, or reduced, and royalties on the entire leasehold or any portion thereof segregated for royalty purpose may be reduced if the Secretary of the Interior finds that, for the purpose of encouraging the greatest ultimate recovery of oil or gas and in the interest of conservation of natural resources, it is necessary, in his judgment, to do so in order to promote development, or because the lease cannot be successfully operated under the terms fixed herein.

5. The lessee will comply with all provisions of this lease, including, but not limited to, provisions relating to conservation of gas energy, for the preservation and conservation of the property for future productive operations and for the health and safety of workmen and employees; to plug properly and effectively all wells drilled in accordance with the provisions of this lease or of any prior lease or permit upon which the right to this lease was predicated before abandoning the same; to carry out at expense of lessee all reasonable orders of lessee relative to the matters in this paragraph, and that on failure of lessee so to do lessor shall have the right to enter on the property and to accomplish the purpose of such orders at lessee's cost: Provided, That lessee shall not be held responsible for delays or casualties occasioned by cause beyond lessee's control.

6. The lessee agrees that, to exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by lessor; to carry on all operations in accordance with approved methods and practices as provided in the Oil and Gas Operating Regulations, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations and for the health and safety of workmen and employees; to plug properly and effectively all wells drilled in accordance with the provisions of this lease or of any prior lease or permit upon which the right to this lease was predicated before abandoning the same; to carry out at expense of lessee all reasonable orders of lessee relative to the matters in this paragraph, and that on failure of lessee so to do lessor shall have the right to enter on the property and to accomplish the purpose of such orders at lessee's cost: Provided, That lessee shall not be held responsible for delays or casualties occasioned by cause beyond lessee's control.

7. The lessee agrees to make rental, royalty, or other payments to lessor, to the order of the Bureau of Land Management at the places mentioned in the regulation 43 CFR 3103.1-2. If there is no well on the leased lands capable of producing oil or gas in paying quantities, the failure to pay rental on or before the anniversary date shall automatically terminate the lease by operation of law. However, if the time for payment falls on a day in which the proper BLM office to receive payment is closed, payment shall be deemed timely if made on the next official working day.

8. The lessee agrees that, to make rental, royalty, or other payments to lessor, to the order of the Bureau of Land Management at the places mentioned in the regulation 43 CFR 3103.1-2. If there is no well on the leased lands capable of producing oil or gas in paying quantities, the failure to pay rental on or before the anniversary date shall automatically terminate the lease by operation of law. However, if the time for payment falls on a day in which the proper BLM office to receive payment is closed, payment shall be deemed timely if made on the next official working day.

9. The lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the lessee setting forth the provisions of this Equal Opportunity Clause.

10. The lessee will, in all solicitations or advertisements for employment, notices to be provided by the lessee setting forth the provisions of this Equal Opportunity Clause.

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50. The lessee will, in all solicitations or advertisements for employment, notices to be provided by the lessee setting forth the provisions of this Equal Opportunity Clause.
(5) The lessee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the lessee's noncompliance with the Equal Opportunity Clause of this lease or with any of said rules, regulations, or orders, this lease may be canceled, terminated, or suspended in whole or in part and the lessee may be declared ineligible for further Federal Government contracts or leases in accordance with the procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies provided as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The lessee will include the provisions of Paragraphs (1) through (7) of this subsection (1) in every contract, subcontract, or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each contractor, subcontractor, or vendor. The lessee will take such action with respect to any contract, subcontract, or purchase order as the Secretary of the Interior may direct as a means of enforcing such provisions including sanctions for noncompliance; Provided, however, that in the event the lessee becomes involved in, or is threatened with, litigation with a contractor, subcontractor, or vendor as a result of such direction by the Secretary of the Interior, the lessee may request the United States to enter into such litigation to protect the interests of the United States.

(m) Certification of nonsegregated facilities — By entering into this lease, the lessee certifies that lessee does not and will not maintain or provide for lessee's employees any segregated facilities at any of lessee's establishments, and that lessee does not and will not permit lessee's employees to perform their services at any location, under lessee's control, where segregated facilities are maintained. The lessee agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this lease. As used in this certification, the term "segregated facilities" means, but is not limited to, any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and bathrooms or lavatories for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. Lessee further agrees that (except where lessee has obtained identical certifications from proposed contractors and subcontractors for specific time periods) lessee will obtain identical certifications from proposed contractors and subcontractors prior to the award of contracts or subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity Clause; that lessee will retain such certifications in lessee's files; and that lessee will forward the following notice to such contractors and subcontractors (except where the proposed contractor or subcontractor has submitted identical certifications for specific time periods):

Notice to prospective contractors and subcontractors of requirement for certification of nonsegregated facilities — A Certification of Nonsegregated Facilities, as required by the May 9, 1967 order (32 F.R. 19, May 19, 1967) on Elimination of Segregated Facilities by the Secretary of Labor, must be submitted prior to the award of a contract or subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity Clause. The certification may be submitted either for each contract and subcontract or for all contracts and subcontracts during a period (i.e., quarterly, semiannually, or annually).

(n) Assignment of oil and gas lease or interest thereunder — As required by applicable law, to file for approval by lessee any instrument of transfer made of this lease or any interest therein, including assignments of record title, operating agreements and subleases, working or royalty interests, within ninety (90) days from date of final execution thereof.

(o) Pipelines to purchase or convey at reasonable rates and without discrimination — If owner, or operator, or owner of a controlling interest in any pipeline or of any company operating the same which may be operated accessible to the oil or gas derived from lands under this lease, to accept and convey and, if a purchaser of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipeline, operating a lease or purchasing or selling oil, gas, natural gasoline, or other products under the provisions of the Act of August 7, 1947 (61 Stat. 913; 30 U.S.C. 351).

(p) Lands patented with oil and gas deposits reserved to the United States — To comply with all statutory requirements and regulations thereunder, if the lands embraced herein have been or shall hereafter be disposed of under the laws respecting to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(q) Reserved or segregated lands — If any of the land included in this lease is leased in a reservation or segregated for any particular purpose, to conduct operations thereunder in conformity with such requirements as may be made by the Director, Bureau of Land Management, for the protection and use of the land for the purpose for which it was reserved or segregated, so far as may be consistent with the use of the land for the purpose of this lease, which latter shall be regarded as the dominant use unless otherwise provided herein or separately stipulated.

(r) Protection of the environment including the surface other resources and improvements — In accordance with the directives contained in the National Environmental Policy Act (83 Stat. 852; 42 U.S.C. 4321-4347), the requirements of other environmental legislation, the oil and gas leasing regulations (43 CFR 3100) and the Oil and Gas Operating Regulations (30 CFR 221).

(s) General — Lessee shall take such steps as required by the drilling permit, the attached stipulations, or the authorized officer to prevent activities or operations on the leased lands from: (i) causing or contributing to soil erosion or damage to crops or other vegetative cover on Federal or non-Federal lands in the vicinity; (ii) polluting soil, air, or water; (iii) creating hazards to wildlife or depriving them of the use of the natural elements of their habitat; (iv) disturbing the surface or damaging areas of scenic value or natural beauty; (v) damaging or removing improvements owned by the United States or other parties; or (vi) destroying, damaging, or removing fossils, historic or removing fossils, historic or prehistoric ruins or artifacts. Lessee shall, prior to the termination of bond liability or at any other time when required and in the manner directed by lessee, reclaim all land the surface of which has been disturbed, dispose of all debris or solid waste, repair the oil and gas lease damage caused by lessee’s activities or activities incidental thereto, restore access roads or trails to their former condition and remove structures. Lessee may prescribe, by stipulations to be subsequently included in this lease or through the authorized officer, the steps to be taken by lessee to protect or restore the environment both on and off the lands, and improvements thereon whether or not the improvements are owned by the United States.
**USE OF OTHER RESOURCES — Timber, mineral materials, and water from public water reservoirs or water developed by the Bureau of Land Management or its lessees, licensees, or permittees, except water rights established under State law acquired by such lessees, licensees, or permittees may be used only with advanced authorization from and on terms and conditions imposed by the authorized officer.**

(3) Antiquities and objects of historic value

(i) Lessee shall immediately bring to the attention of the authorized officer any and all American antiquities or other objects of historic or scientific interest including, but not limited to, historic or prehistoric ruins, fossils, or artifacts discovered as a result of operations under this lease, and to leave such item(s) or condition(s) intact. Failure to comply with any of the terms and conditions imposed by the authorized officer with regard to the preservation of antiquities shall constitute a violation of the Antiquities Act (10 U.S.C. 431–433).

(ii) If the authorized officer determines that archaeological values exist or may exist on the lands within the lease and that they might be impaired by oil and gas operations, lessee will engage a recognized authority on archaeology, acceptable to the Bureau of Land Management, to survey and salvage, in advance of any operations, such values on the lands involved. The responsibility for and cost of this survey and salvage will be that of lessee.

(4) Pollution Control — Lessee agrees that this lease is subject to all relevant pollution control legislation at the Federal, State, or local level. Such legislation includes, but is not limited to the Clean Air Act, as amended (77 Stat. 392; 42 U.S.C. 1857, et seq.), the Refuse Act of 1899 (3 U.S.C. 1152; 33 U.S.C. 407–409), the Federal Water Pollution Control Act (62 Stat. 1155; 33 U.S.C. 1151–1161).

(5) Stipulations — To comply with stipulations attached hereto which are made a part of the lease or the approved Application for Permit to Drill.

(a) Overriding royalties — Not to create overriding royalties in excess of five percent except as otherwise authorized by the regulations.

(b) Deliver premises in case of forfeiture — To deliver up to lessee in good order and condition the land leased including all improvements which are necessary for the preservation of producing wells.

Sec. 3. The lessee reserves:

(a) Easements and rights-of-way — The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same or of other lands containing the deposits described in the Act, and the treatment and shipment of products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) Disposition of surface — The right to lease, sell, or otherwise dispose of the surface of the leased lands under existing law or laws hereafter enacted, insofar as said surface is unnecessary for the use of lessee in the extraction and removal of the oil and gas therein, or to dispose of any resource in such lands which will not unreasonably interfere with operations under this lease.

(c) Monopoly and fair prices — Full power and authority to promulgate and enforce all orders necessary to assure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) Helium — The ownership of helium and the right to extract or have extracted from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. If lessor elects to take the helium, lessee shall deliver all or any portion of the gas containing the same to lessee, in the manner required by lessee, at any point on the leased premises or, if the area is served at the time of production by a gas-gathering system owned or operated by lessee, at any point in that system specified by lessee, for extraction of the helium by such means as lessee may provide. The residue shall be returned to lessee, with no substantial delay in the delivery of the gas produced from the well to owner or purchaser thereof. Save for the value of the helium extracted, lessee shall not suffer a diminution of the value of the gas produced from the well, or loss otherwise, including any expense caused solely by the requirement of the delivery of the gas to permit the extraction of helium, for which he is not reasonably compensated. Lessee reserves the right to erect, maintain and operate any and all reduction works necessary for extraction of helium on the leased premises. Lessee further agrees to include in any contract of sale of gas from the lands subject to this lease provisions setting forth that lessee owns, and reserves the right to extract or have extracted, any helium in the gas sold, and that lessee may take the gas from a pipeline carrier or any other gas-gathering system and extract the helium and return the gas to owner thereof, without delay other than that caused by the extraction process; save for the value of the helium, owner shall not suffer any diminution of the value of the gas from which helium has been extracted, or any other loss arising from the extraction of helium, including any expense caused solely by the requirement of the delivery of the gas to permit the extraction of helium, for which he is not reasonably compensated. It is further agreed that any rights reserved vested in lessee under this paragraph shall also run to any agent or assignee of lessee or any purchaser of the rights of lessee.

(e) Taking of royalties — All rights pursuant to Sec. 36 of the Act, to take royalties in amount or in value of production.

(f) Casing — All rights pursuant to Sec. 40 of the Act to purchase casing and lease or operate valuable water wells.

Sec. 4. Drilling and producing restrictions — It is agreed that the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary may take into consideration, among other things, Federal and State laws, and regulations thereunder, or lawful agreements among operators regulating either drilling or production, or both. After utilization, the Secretary of the Interior, or any person, committee, or State or Federal officer or agency so authorized in the unit plan, may alter or modify, from time to time, the rate of prospecting and development and the quantity and rate of production from the lands covered by this lease.

Sec. 5. Surrender and termination of lease — Lessee may surrender this lease or any legal subdivision thereof by filing in the proper BLM office, a written relinquishment, in triplicate, which shall be effective as of the date of filing subject to the continued obligation of lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the land to be relinquished in condition for suspension or abandonment in accordance with the applicable lease terms and regulations.

Sec. 6. Purchase of materials, etc., on termination of lease — Upon expiration of the lease, or the earlier termination thereof pursuant to Sec. 5 above, lessee shall have the privilege at any time within a period of ninety (90) days thereafter of removing from the premises all machinery, equipment, tools, and materials other than improvements needed for producing wells. Any materials, tools, appliances, machinery, structures, and equipment subject to removal as above provided, which are allowed to remain on the leased lands shall become

NOT AN OFFICIAL REPRODUCTION

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the property of lessor on expiration of the 90-day period or such extension thereof as may be granted because of adverse climatic conditions throughout said period: Provided, that lessee shall remove any or all such property where so directed by lessor.

Sec. 7. Proceedings in case of default — If lessee shall not comply with any of the provisions of the Act or the regulations hereunder or of this lease, or shall make default in the performance or observance of any of the terms hereof this lease may be canceled or terminated in accordance with Sec. 31 of the Act. This provision shall not be construed to prevent the exercise by lessor of any legal or equitable remedy which lessor might otherwise have. Upon cancellation or termination of this lease, any casing, material, or equipment determined by the lessor to be necessary for use in plugging or preserving any well drilled on the leased land shall become the property of lessor. A waiver of any particular cause of cancellation or termination shall not prevent the cancellation or termination of this lease for any other cause of cancellation or termination, or for the same cause occurring at any other time.

Sec. 8. Heirs and successors in interest — It is further agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 9. Unlawful interest — It is also further agreed that no Member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior, except as provided in 43 CFR 7.4(a)(1), shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom, and the provisions of Sec. 3741 of the Revised Statutes of the United States, (41 U.S.C. Sec. 22) as amended, and Secs. 431, 432, and 433, Title 18 U.S.C., relating to contracts, enter into and form a part of this lease so far as the same may be applicable.

Sec. 10. Stipulations — ☐ Stipulations are attached hereto and made a part hereof. The attached stipulations appear as consecutively numbered pages commencing with page 1 hereafter. ☐ Stipulations are not attached.

THE UNITED STATES OF AMERICA

(Signature of Lessee)

By __________________________
(Authorized Officer)

(Signature of Lessee)

(Title)

(Date)

NOT AN OFFICIAL REPRODUCTION

T-726(O&G) GFS(O&G) FORM 2

M-25
FORM 3110-1
Eleventh Edition
(March 1977)
(formerly 3120–3
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OFFER TO LEASE AND LEASE FOR OIL AND GAS
(Sec. 17 Noncompetitive Public Domain Lease)

The undersigned hereby offers to lease all or any of the lands described in item 2 that are available for lease, pursuant and subject to
the terms and provisions of the Act of February 25, 1920 (41 Stat. 437, 30 U. S. C. sec. 181), as amended, hereinafter referred to as the
Act and to all reasonable regulations of the Secretary of the Interior now or hereafter in force, when not inconsistent with any express
and specific provisions herein, which are made a part hereof.

Mr.  
Mrs.  
Miss  
(First Name, Middle Initial, Last Name)
(Number and Street)
(City, State, ZIP Code)

2. Land requested: State  
County  
T. : R. : Meridian

3. Land included in lease: State  
County  
T. : R. : Meridian

4. Amount remitted: Filing fee $10, Rental $  
Total $  

5. Undersigned certifies as follows:
   (a) Offeror is a citizen of the United States. Native born  
       Naturalized  
       Corporation or other legal entity (specify what kind):  
   (b) Offeror's interests, direct and indirect, do not exceed 200,000 acres in oil and gas options or 246,080 chargeable acres in
       options, offers to lease and leases in the same State, or 300,000 chargeable acres in leases, offers to lease and options in each
       leasing district in Alaska. (c) Offeror accepts as a part of this lease, to the extent applicable, the stipulations provided for in 43
       CFR 3103.2. (d) Offeror is 21 years of age or over (or if a corporation or other legal entity, is duly qualified as shown by state-
       ments made or referred to herein). (e) Offeror has described all surveyed lands by legal subdivisions, all lands covered by pro-
       tracted surveys by appropriate subdivisions thereof, or all unsurveyed lands not covered by protracted surveys by metes
       and bounds, and further states that there are no settlers on unsurveyed lands described herein.

6. Offeror □ is □ is not the sole party in interest in this offer and lease, if issued. (If not the sole party in interest, statements
   should be filed as prescribed in Item 6 of the Special Instructions.)

7. Offeror's signature to this offer shall also constitute offeror's signature to, and acceptance of, this lease and any amendment thereto
   that may cover any land described in this offer open to lease application at the time the offer was filed but omitted from this lease
   for any reason, or signature to, or acceptance of, any separate lease for such land. The offeror further agrees that (a) this
   offer cannot be withdrawn, either in whole or in part, unless the withdrawal is received by the land office before this lease, an amend-
   ment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed in behalf of the
   United States, and (b) this offer and lease shall apply only to lands not within a known geologic structure of a producing oil or gas
   field.

NOT AN OFFICIAL REPRODUCTION
8. If this lease form does not contain all of the terms and conditions of the lease form in effect at the date of filing, the offeror further agrees to be bound by the terms and conditions contained in that form.

9. It is hereby certified that the statements made herein are complete and correct to the best of offeror's knowledge and belief and are made in good faith.

Offeror duly executed this instrument this ......................................................... day of .......................................................... 19 ..........

(Lease signature) ........................................................................................................ (Leasee signature) ........................................................................................................

(Attorney-in-fact) ........................................................................................................

This lease for the lands described in item 3 above is hereby issued, subject to the provisions of the offer and on the reverse side hereof.

THE UNITED STATES OF AMERICA

By ................................................................................................................................

Effective date of lease ...................................................................................................... (Title) ......................................................................................................................... (Date)

THIS OFFER MAY BE REJECTED AND RETURNED TO THE OFFEROR AND WILL AFFORD THE OFFEROR NO PRIORITY IF IT IS NOT PROPERLY FILLED IN AND EXECUTED OR IF IT IS NOT ACCOMPANIED BY THE REQUIRED DOCUMENTS OR PAYMENTS.

18 U. S. C. sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

This form may be reproduced provided that the copies are exact reproductions on one sheet of both sides of this official form, in accordance with the provisions of 43 CFR 3123.4(a).

NOT AN OFFICIAL REPRODUCTION
LEASE TERMS

1. Rights of lessee. The lessee is granted the exclusive right to drill for, mine, purchase, store, transport, produce, or deliver oil, gas, helium, or geothermal resources from the lands comprised herein. However, the lessee shall not have the right to develop or use the lands for any unauthorized or illegal purpose, and no right shall be acquired under this lease for the purpose of committing any unauthorized or illegal acts. The lessee shall comply with all applicable laws, rules, regulations, and orders, and the lessee shall be responsible for any violation of such laws, rules, regulations, and orders.

2. Payment of rentals and royalties. The lessee agrees to pay the rentals, as stated herein, to the Secretary of the Interior, or the person, committee, or State or Federal agency authorized to receive them. The rentals shall be paid in cash to the order of the Secretary of the Interior, or as otherwise directed by law. The lessee shall also pay all taxes imposed by any Federal or State authority on the production of oil, gas, helium, or geothermal resources from the lands covered by this lease.

3. Default. If the lessee fails to pay the rentals and royalties due and payable hereunder, the Secretary of the Interior, or any person, committee, or State or Federal agency authorized to receive them, may give notice to the lessee that default has occurred, and if the lessee shall fail to cure such default within a reasonable time, the lease shall be terminated.

4. Taxes. The lessee shall be responsible for all taxes imposed by any Federal or State authority on the production of oil, gas, helium, or geothermal resources from the lands covered by this lease.

5. California. This lease is subject to all laws and regulations of the State of California, and any other laws, rules, and regulations that may be applicable to the lands covered by this lease.
NOT AN OFFICIAL REPRODUCTION
# Simultaneous Oil and Gas Lease Application

**Print or Type**

<table>
<thead>
<tr>
<th>Last Name</th>
<th>First Name</th>
<th>Middle Initial</th>
<th>Parcel Number Applied For</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Street Address**

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

## INSTRUCTIONS

- Applicant's personal or business address. Do not use the address of any other person or entity in the business of providing assistance to those participating in the simultaneous oil and gas leasing system.
- Return of this application indicates that you were not successfully selected and your application is rejected.

## DETACH THIS PORTION - DO NOT SEND TO BLM

Simultaneous oil and gas (SOG) leasing system is administered by the Department of the Interior's Bureau of Land Management (BLM). The 1st business day of January, March, May, July, September, and November each State Office makes public a list of lands within its jurisdiction which are available for leasing. Lists are available for inspection at the State Offices and copies may be obtained from the Bureau for a small charge which varies from State to State.

Properly filed applications received during the first 15 business days of the month are considered to be filed at the same time. A random or computer generated random selection process will be used to determine which application will get to file an offer for the lease.

**Application** must be personally signed (in ink) and dated by the applicant, or anyone authorized to sign on behalf of the applicant, during the filing period; properly completed; and filed with the BLM office having jurisdiction over the lands to be leased. If anyone other than the applicant signs the application, he/she must state along with his/her own signature, the name of the applicant and the relationship between them (Example: Smith, agent for Jones; or Jones, principal, by Smith, agent.) Each application must be accompanied by a non-refundable $10 filing fee in U.S. currency, Post Office or bank money order, or bank cashier's or certified check payable to BLM. Personal checks are not acceptable. No person or entity may hold an interest in more than one application for the same parcel.

**QUALIFICATION OF APPLICANTS** - The attached application may be filed by any adult citizen of the United States, an association (including partnerships) of such citizens, or a domestic corporation or municipality. Minors, as determined by the laws of the State where the
This oil and gas lease is issued for a period of ten (10) years to the above-named lessee pursuant and subject to the provisions of the Mineral Leasing Act and subject to all rules and regulations of the Secretary of the Interior now or hereafter in force, when not inconsistent with any express and specific provisions herein, which are made a part hereof.

Lands included in the lease: State: County:

<table>
<thead>
<tr>
<th>Containing a total of</th>
<th>acres</th>
<th>Annual Rent</th>
<th>$</th>
</tr>
</thead>
</table>

This lease is issued to the successful drawee pursuant to his “Simultaneous Oil and Gas Entry Card” application filed under 43 CFR 3123.9, and is subject to the provisions of that application and those specified on the reverse side hereof.

Effective date of lease: ____________________________

THE UNITED STATES OF AMERICA

By__________________________
(Signature of Signing Officer)

(TITLE)

(Date)

NOT AN OFFICIAL REPRODUCTION

T-726 (O&G)

M-32

GFS (O&G) FORM 9
LEASE TERMS

1. Rights of lessor. The lessee is granted the right and privilege to drill for, mine, extract, remove, and sell oil, gas, and other minerals produced from the lands described herein. The lessee shall have the right to enter upon the land for the purpose of exploring for oil and gas and producing the same. The lessee shall have the right to construct, operate, and maintain pipelines, tanks, and all necessary facilities necessary to the production of such minerals. The lessee shall have the right to construct, operate, and maintain all necessary structures and facilities necessary to the production of oil, gas, and other minerals from the land. The lessee shall have the right to construct, operate, and maintain all necessary structures and facilities necessary to the production of oil, gas, and other minerals from the land. The lessee shall have the right to construct, operate, and maintain all necessary structures and facilities necessary to the production of oil, gas, and other minerals from the land.

2. Lessee agrees: (a) To provide and maintain at all times a reasonable number of competent and skilled laborers and employees employed in the performance of the lessee's activities under this lease. (b) To comply with all applicable laws, rules, regulations, and orders of the Secretary of the Interior, the Bureau of Land Management, and any other Federal, State, and local agencies having jurisdiction over minerals operations on the leased land. (c) To pay all taxes, assessments, and fees levied by any Federal, State, or local government unit in connection with the lessee's activities under this lease. (d) To pay all rentals, bonuses, and other sums required hereunder. (e) To conduct all operations on the leased land in a safe and workmanlike manner and to comply with all applicable laws, regulations, and standards.

3. Rights of lessee. (a) To construct, operate, and maintain all necessary structures and facilities necessary to the production of oil, gas, and other minerals from the land. (b) To drill for, extract, remove, and sell oil, gas, and other minerals from the land. (c) To construct, operate, and maintain all necessary structures and facilities necessary to the production of oil, gas, and other minerals from the land. (d) To construct, operate, and maintain all necessary structures and facilities necessary to the production of oil, gas, and other minerals from the land. (e) To construct, operate, and maintain all necessary structures and facilities necessary to the production of oil, gas, and other minerals from the land.

4. Termination of lease. The lease shall terminate upon the earlier of the following events: (a) The expiration of the term of the lease as set forth in the lease agreement. (b) The determination by the lessee that further production is not economically feasible. (c) The determination by the lessee that further production is not economically feasible. (d) The determination by the lessee that further production is not economically feasible. (e) The determination by the lessee that further production is not economically feasible.

5. Unlawful practices. The lessee shall not engage in any unlawful or prohibited practices, including but not limited to, the following: (a) Engaging in any unlawful or prohibited practices, including but not limited to, the following: (b) Engaging in any unlawful or prohibited practices, including but not limited to, the following: (c) Engaging in any unlawful or prohibited practices, including but not limited to, the following: (d) Engaging in any unlawful or prohibited practices, including but not limited to, the following: (e) Engaging in any unlawful or prohibited practices, including but not limited to, the following.
total relinquishment or the cancellation or expiration of this lease, or of any other time prior thereto when required and to the extent deemed necessary by the lessor to fill any pits, ditches or other excavations, remove such debris, cover all divots, and so far as reasonably possible, restore the surface of the leased land and access roads to their former condition, including the removal of stumps, and if required, the lessor may prescribe the time to be taken and restoration to be made with respect to the leased land and public environmental process whether or not owned by the United States. 

4. Restrictions:—When American antiquities or other objects of historic or scientific interest including but not limited to historic or prehistoric ruins, fossils or artifacts are discovered in the performance of this lease, the premises or condition(s) will be so placed and immediately brought to the attention of the contracting officer or his duly authorized representative.

5. Overriding reservations:—Not to create everlasting royalties in excess of five percent except as otherwise authorized by the board, in the exercise of his discretion.
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RENTALS AND ROYALTIES FOR OIL AND GAS LEASES

SCHEDULE "A" - NONCOMPETITIVE

RENTALS. To pay the lessee in advance on or before the first day of the month in which the lease issues a rental at the following rates:

a. If the lands are wholly outside the known geologic structure of a producing oil or gas field: 50 cents per acre or fraction thereof for each lease year.

b. On leases wholly or partly within the geologic structure of a producing oil or gas field:

1. If not committed to a cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production beginning with the first lease year after 30 days' notice that all or part of the land is included in such a structure and for each year thereafter, prior to a discovery of oil or gas on the lands herein, $2 per acre or fraction thereof.

2. On the lands committed to an approved cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production, for the lands not within the participating area an annual rental of 50 cents per acre or fraction thereof each lease year following discovery.

MINIMUM ROYALTY. To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of $1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of $1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

ROYALTY ON PRODUCTION. To pay the lessor 12½ percent royalty on the production removed or sold from the leased lands.

SCHEDULE "B" - COMPETITIVE

ROYALTY ON PRODUCTION. To pay the lessee the following royalty on production removed or sold from the leased lands.

1. When the average production for the month in barrels per well per day is:

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<tr>
<th>OVER</th>
<th>NOT OVER</th>
<th>PERCENT OF ROYALTY</th>
<th>OVER</th>
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<th>PERCENT OF ROYALTY</th>
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<td>110</td>
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<td>350</td>
<td>400</td>
<td>24</td>
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2. On gas, including inflammable gas, helium, carbon dioxide and all other natural gases and mixtures thereof, and on natural or casinghead gasoline and other liquid products obtained from gas; when the average production of gas per well per day for the month does not exceed 5,000,000 cubic feet, 12½ percent; and when said production of gas exceeds 5,000,000 cubic feet, 16-2/3 percent of the amount or value of the gas and liquid products produced, said amount or value of such liquid products to be net after an allowance for the cost of manufacture.

MINIMUM ROYALTY. To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of $1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of $1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

RENTALS. To pay the lessee in advance on or before the first day of the month in which the lease issued and for each lease year thereafter prior to a discovery of oil or gas on the leased lands, an annual rental of $2 per acre or fraction thereof.

NOTICE

The average production per well per day for oil and gas shall be determined pursuant to 30 CFR, Part 221, "Oil and Gas Operating Regulations."

In determining the amount or value of gas and liquid products produced, the amount or value shall be net after an allowance for the cost of manufacture. The allowance for cost of manufacture may exceed two-thirds of the amount or value of any product only on approval by the Secretary of the Interior.

NOT AN OFFICIAL REPRODUCTION
RENTAL AND ROYALTIES
SCHEDULE "C"

RENTALS—To pay the lessor in advance on annual rental of $1 per acre prior to a discovery of oil or gas on the leased lands.

MINIMUM ROYALTY—To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of $1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of $1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

ROYALTY ON PRODUCTION—To pay the lessor the following royalty on production removed or sold from the leased lands:

1. A royalty of 12½ percent on the production removed or sold from
   a. Land determined by the Director, Geological Survey, not to be within the productive limits of any oil or gas deposit on August 8, 1946;
   b. An oil or gas deposit which was discovered after May 27, 1941, by a well or wells drilled on the leased land and which is determined by the Director, Geological Survey, to be a new deposit; or
   c. Allocated to the lease pursuant to an approved unit or cooperative agreement from an oil or gas deposit which was discovered on unitized land after May 27, 1941, and determined by the Director, Geological Survey, to be a new deposit, but only if at the time of discovery the lease was committed to the agreement or was included in a duly executed and filed application for approval of the agreement.

2. On production of oil removed or sold from lands not subject to subsection (1) hereof, where a flat royalty rate of 5 percent was fixed in the original lease:

When the average production for the calendar month in barrels per well per day is:

<table>
<thead>
<tr>
<th>OVER</th>
<th>NOT OVER</th>
<th>PERCENT OF ROYALTY</th>
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<tr>
<td>110</td>
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<td>400</td>
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<td>25</td>
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</tbody>
</table>

3. On gas, including inflammable gas, helium, carbon dioxide, and all other natural gases and mixtures thereof, and on natural or casinghead gasoline and other liquid products obtained from gas; when the average production of gas per well per day for the calendar month does not exceed 5,000,000 cubic feet, 12½ percent; and when the production of gas exceeds 5,000,000 cubic feet, 16—2/3 percent of the amount or value of the gas and liquid products produced.

The average production per well per day for oil and for gas shall be determined pursuant to 30 CFR, Part 221, "Oil and Gas Operating Regulations."

In determining the amount or value of gas and liquid products produced, the amount or value shall be net after an allowance for the cost of manufacture. The allowance for cost of manufacture may exceed two-thirds of the amount or value of any product only on approval by the Secretary of the Interior.
RENTAL AND ROYALTIES
SCHEDULE "D"

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RENTALS — To pay the lessor in advance an annual rental of $1 per acre prior to a discovery of oil or gas on the leased lands.

MINIMUM ROYALTY — To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of $1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of $1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

ROYALTY ON PRODUCTION — To pay the lessor the following royalty on production removed or sold from the leased lands:

1. A royalty of 12½ percent on the production removed or sold from
   a. Land determined by the Director, Geological Survey, not to be within the productive limits of any oil or gas deposit on August 8, 1946;
   b. An oil or gas deposit which was discovered after May 27, 1941, by a well or wells drilled on the leased land and which is determined by the Director, Geological Survey, to be a new deposit; or
   c. Allocated to the lease pursuant to an approved unit or cooperative agreement from an oil or gas deposit which was discovered on unitized land after May 27, 1941, and determined by the Director, Geological Survey, to be a new deposit, but only if at the time of discovery the lease was committed to the agreement or was included in a duly executed and filed application for approval of the agreement.

2. On production of oil removed or sold from lands not subject to subsection (1) hereof.

NOT AN OFFICIAL REPRODUCTION
## INSTRUCTIONS

Do not use the address of any other person or entity in the business of providing assistance to those participating in the simultaneous oil and gas leasing system. Identify the parcel applied for in the appropriate blocks by the proper parcel number, including the State abbreviation, as shown on the notice of lands available. No copies or facsimiles of this form will be accepted.

Upon return of this application indicates that you were not successfully selected and your application is rejected.

Proposal Application - The attached application may be filed by any adult citizen of the United States, an association (including partnerships) of such citizens, or a domestic corporation or municipality. Minor children, as determined by the laws of the State where the

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**SIMULTANEOUS OIL AND GAS LEASE APPLICATION**

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<tr>
<th>Print or Type</th>
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<tbody>
<tr>
<td>Last name</td>
<td>First name</td>
</tr>
<tr>
<td>Street Address</td>
<td>City</td>
</tr>
</tbody>
</table>

**INSTRUCTIONS**

Do not use the address of any other person or entity in the business of providing assistance to those participating in the simultaneous oil and gas leasing system. Identify the parcel applied for in the appropriate blocks by the proper parcel number, including the State abbreviation, as shown on the notice of lands available. No copies or facsimiles of this form will be accepted.

The return of this application indicates that you were not successfully selected and your application is rejected.

Application must be personally signed (in ink) and dated by the applicant, or anyone authorized to sign on behalf of the applicant, during the filing period; properly completed; and filed with the BLM office having jurisdiction over the lands to be leased. If anyone other than the applicant signs the application, he/she must set forth, along with his/her own signature, the name of the applicant and the relationship between them (Example: Smith, agent for Jones; or Jones, principal, by Smith, agent.) Each application must be accompanied by a non-refundable $10 filing fee in U.S. currency, Post Office or bank money order, or bank cashier's or certified check made payable to BLM. Personal checks are not acceptable. No person or entity may hold an interest in more than one application for the same parcel.

**QUALIFICATION OF APPLICANTS**

- The attached application may be filed by any adult citizen of the United States, an association (including partnerships) of such citizens, or a domestic corporation or municipality. Minor children, as determined by the laws of the State where the

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**DETACh THIS PORTION - DO NOT SEND TO BLM**

The simultaneous oil and gas (SOG) leasing system is administered by the Department of the Interior's Bureau of Land Management (BLM). On the 1st business day of January, March, May, July, September, and November each State Office makes public a list of lands within its jurisdiction which are available for leasing. Lists are available for inspection at the State Offices and copies may be obtained from the issuing office for a small charge which varies from State to State. Contact each State Office to determine cost.

Properly filed applications received during the first 15 business days of the month are considered to be filed at the same time. A drawing or computer generated random selection process will be used to determine who will get to file an offer for the lease.

**LEASE APPLICATION**

- BLM is currently in the process of automating the SOG system, and two application forms will be in use, one for automated offices and one for offices which still hold manual drawings. Consult the list of lands available to determine which form to use.

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**POSTAGE AND FEES PAID**

U.S. DEPARTMENT OF THE INTERIOR
INT 415
lease is located, may not hold leases, but leases may be held on behalf of a minor by a guardian or trustee. No person or entity may hold more than 246,080 acres of public domain, or Federal-acquired land in any State.

All applicants must submit signed statements of their qualifications to BLM. The statements required of an individual filing on his/her own behalf are included in the application and no additional statement is necessary. Regulations describing the statements which must be submitted by trustees, guardians, associations, partnerships, corporations, agents, and municipalities set forth in 43 CFR 3102.

Applicants who employ filing services are required to submit a copy of the contract and a statement as to any other understanding they have with the filing service. Filing services may submit such statements for the applicant, but it is the applicant's responsibility to ensure proper filing. Failure to properly file such statements will result in the rejection of an application or offer, or lease cancellation if one has been issued.

ASSIGNMENT OF LEASES — No assignment of a lease may be filed before the lease is issued. No agreement to assign a lease may be made before the lease is issued, or before 60 days from the time the applicant is notified that he/she has been selected with first priority, whichever is sooner. Any assignment entered into as a result of an agreement which violates these restrictions will be disapproved. These restrictions are intended to allow all interested parties an equal opportunity to negotiate for the lease and to protect applicants from being unduly influenced to enter into agreements to make transfers not in their best interest.

If statements of qualifications have been filed previously, identify serial records involved. Attach amendments if the statements on file are not current.

Other Parties in Interest — All other parties who own or hold any interest in this application, or the offer or lease which may result, must be named below (or on a separate attached statement). All such interested parties must furnish evidence of their qualifications within 15 days of the filing of this application. See 43 CFR 3102.2—7. A "yes," answer to (d) or (e), at right, indicates the existence of another party in interest.

(c) Applicant is in compliance with acreage limitations set forth in 43 CFR 3101.1-5 and 3101.2-4.

(d) Does any party, other than the applicant and those identified herein as other parties in interest, own or hold any interest in this application, or the offer or lease which may result? __ Yes __ No

(e) Does any agreement, understanding, or arrangement exist which requires the undersigned to assign, or by which the undersigned has assigned or agreed to assign, any interest in this application, or the offer or lease which may result, to anyone other than those identified herein as other parties in interest? __ Yes __ No

(f) Does the undersigned have any interest in any other application filed for the same parcel as this application? __ Yes __ No

(g) I have read and understand the criminal warning below, and I have responded to the above questions and statements truthfully and completely, to the best of my knowledge.

Applicant's Signature (manually, in ink) Date

Agent's Signature (manually, in ink) Date

WARNING: 18 U.S.C. 1001, MAKES IT A CRIME, PUNISHABLE BY 5 YEARS IMPRISONMENT AND A FINE OF UP TO $10,000, OR BOTH, TO KNOWINGLY AND WILLFULLY MAKE ANY FALSE, FICTITIOUS, OR FRAUDULENT STATEMENTS OR REPRESENTATION REGARDING THE ABOVE MATTERS.