DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Parts 3000, 3100, 3110, 3120, 3130, 3140, 3150, 3160, and 3180

[Docket No. BLM–2025–0037; A2407–014–004–065516; #O2509–014–004–125222; 256 LLHQ310000 L13100000.PP0000]

RIN 1004–AF05

Oil and Gas Leasing

AGENCY: Bureau of Land Management, Interior.

ACTION: Proposed rule.

SUMMARY: The Bureau of Land Management (BLM) is proposing to revise its oil and gas leasing regulations to reflect new requirements in the One Big Beautiful Bill Act (OBBB); policy direction in Executive Orders (E.O.) entitled *Unleashing American Energy* and *Ensuring Lawful Governance and Implementing the President's* ''*Department of Government Efficiency*'' *Deregulatory Initiative* and *Modernizing Payments To and From America's Bank Account;* and policy guidance in Secretary's Order entitled *Unleashing American Energy.* In addition, the proposed rule would reflect provisions of the Royalty Resiliency Act, which pertains to applications for oil and gas agreements for allocation schedules that outline how royalties would be distributed across different leases within the agreement. The BLM proposes to return the minimum bond amounts to those prior to the finalization of the 2024 rule. Finally, the proposed rule would improve the BLM's leasing process to ensure stewardship of public lands as required by the Mineral Leasing Act (MLA) and as directed by the OBBB and the above Executive orders.

DATES: Send your comments on this proposed rule to the BLM on or before August 24, 2026. The BLM is not obligated to consider any comments received after this date in making its decision on the final rule.

Information Collection Requirements: This proposed rule includes revised and rescinded information-collection requirements that must be approved by the Office of Management and Budget (OMB). If you wish to comment on the information-collection requirements, please note that those comments should be sent directly to OMB. OMB may file public comments on the collection of information contained in this proposed rule between 30 and 60 days after publication of this document in the **Federal Register**. Therefore, a comment to the OMB on the proposed information-collection revisions is best assured of being given full consideration if the OMB receives it by July 24, 2026.

ADDRESSES: Submit your comments using one of these methods:

- *Mail, personal, or messenger delivery:* U.S. Department of the Interior, Director (630), Bureau of Land Management, 1849 C St. NW, Room 5646, Washington, DC 20240, Attention: 1004–AF05.
- *Federal eRulemaking Portal: https://www.regulations.gov.* In the Search-box, enter ''BLM–2025–0037'' and click the ''Search'' button. Follow the instructions at this website.

For Comments on Information—Collection Activities

Information-Collection Requirements: Written comments and suggestions on the information-collection requirements should be submitted to *https://www.reginfo.gov/public/do/PRAMain.* Find this specific information-collection by selecting ''Currently under Review—Open for Public Comments'' or by using the search function.

If you submit comments on these information-collection burdens, you should provide the BLM with a copy at one of the addresses shown earlier in this section so that we can summarize all written comments and address them in the final rulemaking. Please indicate ''Attention: Paperwork Reduction Act Comments (RIN 1004–AF05).'' Comments not pertaining to the proposed rule's information-collection burdens should not be submitted to OMB. The BLM is not obligated to consider or include in the Administrative Record for the final rule any comments that are improperly directed to OMB.

FOR FURTHER INFORMATION CONTACT: John Ajak, Acting Division Chief for the Division of Fluid Minerals, telephone: (505) 549–9654, or email: *jajak@blm.gov,* for information regarding the substance of this proposed rule or about the BLM's fluid minerals program. For questions relating to regulatory process issues, contact Faith Bremner at email: *fbremner@blm.gov.* Individuals in the United States who are deaf, blind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services for contacting Mr. Cowan. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

For a summary of the rule, please click on the Docket Details tab in docket number BLM–2025–0037 on *www.regulations.gov.*

SUPPLEMENTARY INFORMATION:

I. List of Acronyms

APD = Application for Permit to Drill
BLM = Bureau of Land Management
CFR = Code of Federal Regulations
COA = Condition of Approval
CRA = Compensatory Royalty Agreement
DOI = Department of the Interior
DoW = Department of War
E.O. = Executive Order
EOI = Expression of Interest
FLPMA = Federal Land Policy and Management Act
GAO = Government Accountability Office
IBLA = Interior Board of Land Appeals
IRA = Inflation Reduction Act of 2022
MLA = Mineral Leasing Act of 1920, as amended (MLA is also referred to as ''Act'' in the regulations.)
MLAAL = Mineral Leasing Act for Acquired Lands of 1947, as amended
NEPA = National Environmental Policy Act
NPR–A = National Petroleum Reserve—Alaska
OBBB = One Big Beautiful Bill Act of 2025
OIG = Department of Interior's Office of Inspector General
OIRA = Office of Information and Regulatory Affairs
OMB = Office of Management and Budget
ONRR = Office of Natural Resources Revenue
PRA = Paperwork Reduction Act
RIA = Regulatory Impact Analysis
RMP = Resource Management Plan
ROW = Right-of-way
RRA = Royalty Resiliency Act of 2024
SBA = Small Business Administration
S.O. = Secretary's Order
SME = Subject matter expert
U.S.C. = United States Code

II. Executive Summary

This proposed rule aims to enhance the administration of oil and gas-related activities on America's public lands and includes requirements in the OBBB, as well as policy direction in E.O.s and S.O.s issued by the administration.

Specifically, the proposed rule eliminates the leasing preference criteria, modifies the public participation periods, reintroduces noncompetitive leasing, and provides a mechanism for holding replacement oil and gas lease sales. This rulemaking implements provisions of the OBBB and President Trump's January 20, 2025, E.O. 14154, entitled ''Unleashing American Energy,'' which directs the removal of impediments imposed on the development and use of our Nation's abundant energy and natural resources. In addition, the proposed rule would return minimum bond amounts to the

levels in place prior to the 2024 Fluid Mineral Leases and Leasing Process rule (2024 Leasing Rule) (89 FR 30916 (April 23, 2024)). The proposed rule would ensure that America's natural resources can be used to restore American prosperity through advancing innovation to improve the energy development and production capacity of the United States in a way that would provide a reliable, diversified, growing, and affordable supply of energy to meet the Nation's needs for security and prosperity. The BLM has determined that the changes proposed in this rulemaking would reduce barriers to the use of Federal lands for energy development, consistent with the BLM's mission to manage the public lands for multiple use and sustained yield, in accordance with the applicable E.O.s, S.O.s, and the Mineral Leasing Act, as amended by the OBBB. The Secretary of the Interior manages the Federal onshore oil and gas program pursuant to the requirements of various statutes, including the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1701 *et seq.*) (FLPMA); the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 *et seq.*) (MLA); and the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351 *et seq.*) (MLAAL); as well as the recently enacted Royalty Resiliency Act (RRA) of 2024 (Pub. L. 118–81).

III. Public Comment Procedures

If you wish to comment on this proposed rule, you may submit your comments to the BLM by mail, personal or messenger delivery, or through *https://www.regulations.gov* (see the **ADDRESSES** section). Please make your comments on the proposed rule as specific as possible, confine them to issues pertinent to the proposed rule, explain the reason for any changes you recommend, and include any supporting documentation. Where possible, your comments should reference the specific section or paragraph of the proposal that you are addressing (for example, ''43 CFR 3104.1 Bond Amounts''). The BLM is not obligated to consider or include in the administrative record for the final rule any comments received after the close of the comment period (see **DATES**) or comments delivered to an address other than those listed previously (see **ADDRESSES**).

Comments, including names and street addresses of respondents, will be available for public review at the address listed under ''**ADDRESSES:** *Mail, personal or messenger delivery*'' during regular hours (7:45 a.m. to 4:15 p.m. eastern time), Monday through Friday, except holidays. Before including your address, telephone number, email address, or other personal identifying information in your comment, be advised that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold from public review your personal identifying information, we cannot guarantee that we will be able to do so.

As explained later, this proposed rule includes revisions to information collection requirements that must be approved by the OMB. If you wish to comment on the revised information collection requirements in this proposed rule, please note that such comments must be sent directly to the OMB in the manner described in the **ADDRESSES** section. The OMB is required to make a decision concerning the collection of information contained in this proposed rule between 30 and 60 days after publication of this document in the **Federal Register**. Therefore, a comment to the OMB on the proposed information collection revisions is best assured of being given full consideration if the OMB receives it by July 24, 2026.

IV. Background

The BLM is undertaking this rulemaking for two primary reasons: (1) To implement revisions to the MLA by the OBBB and to make the regulations consistent with the policy direction provided for in E.O.s and S.O.s that were issued in early January 2025; and (2) To ensure that all regulatory requirements related to leasing and development of oil and gas from Federal lands are grounded in applicable law. As documented in S.O. 3418, which was issued in February 2025,[1] the BLM aims to reduce barriers to the use of Federal lands for energy development, consistent with FLPMA's principle of managing the public lands on the basis of multiple use and sustained yield.

The Secretary of the Interior manages Federal oil and gas resources pursuant to the MLA, MLAAL, and other statutes pertaining to specific categories of lands. The BLM is the agency within the Department of the Interior (DOI) responsible for regulating onshore oil and gas leasing activities for federally managed lands and subsurface mineral estate. The BLM regulations governing onshore oil and gas leasing activities are set out in 43 Code of Federal Regulations (CFR) parts 3000, 3100, 3110, 3120, 3130, 3140, 3150, 3160, and 3180.

Today, Federal onshore oil and gas production accounts for approximately 15 percent of domestically produced oil and 9 percent of domestically produced natural gas. As of the end of Fiscal Year 2024, the BLM managed 32,758 Federal oil and gas leases covering 22.2 million acres with nearly 91,006 wells that are capable of production.

A. Enhancing the Administration of the Federal Onshore Oil and Gas Program

The BLM is undertaking this proposed rulemaking for the purposes of rescinding regulations that have created needless impediments to the development and use of our Nation's abundant energy and natural resources and removing regulations that are not required by or are not clearly tied to the best reading of the underlying statutory authority, as directed by President Trump's January 20, 2025, E.O. 14154, entitled *Unleashing American Energy* and E.O. 14219, entitled *Ensuring Lawful Governance and Implementing the President's* ''*Department of Government Efficiency*'' *Deregulatory Initiative.* The proposed rule would also implement Secretary Burgum's February 3, 2025, S.O. 3418, entitled *Unleashing American Energy.* In addition, this proposed rulemaking would implement the changes required by the OBBB and the policy direction in President Trump's January 20, 2025, E.O. 14156, entitled *Declaring a National Energy Emergency,* by improving the United States' energy leasing, development, and production capacity to provide a reliable, diversified, growing, and affordable supply of energy for our Nation using existing authorities to the fullest extent possible.

1. The Mineral Leasing Act

The MLA requires the BLM to establish such standards as may be necessary to ensure that an adequate bond, surety, or other financial arrangement will be established prior to the commencement of surface-disturbing activities on any lease. These funds ensure the complete and timely reclamation of the lease tract, and the restoration of any lands or surface waters adversely affected by lease operations after the abandonment or cessation of oil and gas operations on the lease (30 U.S.C. 226(g)). The MLA further requires the BLM to include in oil and gas leases ''such provisions as [it] deem[s] necessary . . . for the protection of the interests of the United States . . . and for the safeguarding of the public welfare'' (see 30 U.S.C. 187).

[1] DOI, S.O. 3418—Unleashing American Energy, *www.doi.gov/document-library/secretary-order/so-3418-unleashing-american-energy.*

When bond levels are raised too high, they tie up significant amounts of capital in an unproductive capacity, adding another cost that, in combination with the numerous other costs of operating, can lead to less development and less production contrary to the policy direction in E.O. 14154. As required by the MLA, bonds are submitted *prior* to the commencement of surface-disturbing activities on a lease. The BLM raised the minimum bond amounts in the 2024 Leasing Rule based on its authority in the MLA and in response to various reports by the Government Accountability Office (GAO) and the Department's Office of Inspector General (OIG).[2] In summary, these reports repeatedly warned that outdated minimum bond amounts provide an inadequate incentive for companies to meet their reclamation obligations and taxpayers responsible for cleanup in the event that operators walk away. The minimum bond amounts are currently $150,000 for individual lease bonds, and $500,000 for statewide bonds.[3]

The BLM is proposing to return the bond amounts to those in effect prior to the 2024 Oil and Gas Leasing Rule as it believes the previous minimum bond amounts are sufficient given the BLM's ability to adjust bond amounts as necessary during its periodic bond reviews. The BLM eliminated nationwide bonds in 2024 and is now considering whether the BLM should re-instate nationwide bonds and, if so, at what level.

Although the BLM is proposing to reduce the current minimum bond amounts, it retains sufficient statutory and regulatory authority to increase the bond amount to ensure that the BLM is meeting its statutory obligation under section 226(g) of the MLA. For example, during periodic bond adequacy reviews, the BLM can revise the minimum bond amount. See 43 CFR 3104.50. The BLM's policies, such as Instruction Memorandum 2024–014, *Oil and Gas Bond Adequacy Reviews,* emphasizes securing the appropriate bond amounts considering the number of wells on each bond and their characteristics and provide the BLM with the flexibility to set higher bond amounts for at-risk companies, as well as to impose more stringent interim and final reclamation requirements, implement additional bond reviews, and develop other measures to limit the risk to the U.S. taxpayer from a lessee failing to meet it reclamation obligations.

To address GAO and OIG concerns, the BLM strengthened its bond adequacy review process in IM2024–014 by implementing risk-based reviews, standardizing scoring, and instituting strict timelines for corrective action. The policy also introduced procedures to eliminate ''empty liability'' bonds (those where there is no well covered by the bond), enhanced enforcement protocols, and requires a full liability bond for operators with over 50 percent of wells considered idled under 42U.S.C.15907(a)(2), ensuring that bond adequacy reflects actual liability and risk. These updates create a dynamic system that allows the BLM to increase bond amounts when warranted, meet its statutory obligations and protect taxpayers, while avoiding unnecessarily high minimum bond amounts that could restrict development and conflict with broader energy policy goals.

2. Providing Adequate Cost Recovery Mechanisms

As explained in greater detail in Section V below, under Discussion of the Proposed Rule, the BLM is proposing to revise the onshore oil and gas program's cost-recovery mechanisms. The BLM, in conjunction with this rulemaking, evaluated those costs, which informed the proposed adjustments to the onshore program's application fees.

B. Implementing Recently Enacted Laws Concerning the Federal Onshore Oil and Gas Program

On July 4, 2025, the President signed the OBBB (Pub. L. 119–21). That law repealed several provisions of the Inflation Reduction Act (IRA) and further amended the MLA. Specifically, the OBBB repealed section 50262(a) of the IRA, thereby returning the minimum royalty rate for oil and gas production to 12.5 percent. It also returned the royalty rate for reinstated leases to 16.67 percent. The OBBB made several other changes, such as restoring noncompetitive leasing; requiring four lease sales each fiscal year in enumerated States; defining ''eligible'' and ''available'' as those terms are used in the MLA; requiring the BLM to offer for lease sale 50 percent of the available parcels nominated in a resource management plan (RMP); holding a replacement sale if a sale is cancelled, delayed, or deferred or if 25 percent or more of the parcels do not receive a bid. The OBBB also enacted further reforms of the oil and gas leasing program, such as increasing the term of an APD to 4 years and providing for new provisions governing commingling of oil and gas production. The BLM has published final rules, direct to final rules, and a commingling proposed rule to implement many of the provisions in the OBBB. In this proposed rule, the BLM is proposing to include a noncompetitive leasing process in 43 CFR part 3110 and to implement the OBBB provisions related to replacement oil and gas lease sales, as well as ensuring that all of the other sections of the regulations are consistent with the OBBB.

Congress enacted the RRA (Pub. L. 118–81) in 2024 to direct the Federal Government to require reporting and payment for production and royalty based on the proposed allocation of production for pending Federal oil and gas agreements (*e.g.,* unit and communitization agreements) until the BLM issues a final decision on the agreement. Through this rulemaking, the BLM proposes to revise the regulations to reflect the requirements of the RRA.

V. Discussion of the Proposed Rule

A. Summary

The proposed modifications to parts 3000, 3100, 3110, 3120, 3130, 3140, 3150, 3160, and 3180 are described in detail in the following section-by-section discussion.

The BLM is proposing modifications to these parts to implement policy direction in E.O.s 14154 and 14219, as well as S.O. 3418, and to implement changes required by the OBBB and the RRA. In addition, the BLM proposes to remove all the appendices found under 43 CFR 3186 Model Forms and relocate these form documents to the BLM's forms web page, because these are form documents that do not belong in the regulations.

In the final 2024 Leasing Rule, the BLM removed regulatory section designations that had no text associated with them, and the titles of those deleted section designations became undesignated center headings. These undesignated center headings serve as section guideposts in the regulations. These headings break up large subparts and group together sections that cover particular subject areas. This proposed rule would similarly add, remove, and revise undesignated center headings throughout the regulatory text. Each section of each subpart, and each provision within those sections, is

[2] *See, e.g.,* OIG, ''Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior'' (Nov. 2022); GAO, ''OIL AND GAS—Bureau of Land Management Should Address Risk from Insufficient Bonds to Reclaim Wells'' (Sept. 2019); GAO, ''Oil and Gas: Bureau of Land Management Needs to Improve Its Data and Oversight of Its Potential Liabilities,'' (May 2018).

[3] The BLM also eliminated nationwide and unit bonds. Refer to 43 CFR 3104.1 and 3104.90.

separate and severable from the other sections and provisions.

B. Section-by-Section Discussion

The following discussion addresses the proposed changes to the existing regulations. If a provision is not specifically discussed in this section-by-section analysis, then the provision would remain unchanged.

1. Section-by-Section Discussion for Changes to 43 CFR part 3000

The proposed rule does not revise any section headings in the existing part 3000 regulations.

Section 3000.5 Definitions

The BLM is proposing to amend the introductory sentence in this section from simply referencing parts 3000 and 3100, to refencing all of 43 CFR Subchapter C, Minerals Management (3000). The proposed rule would move the definitions for ''acreage for which expressions of interest have been submitted'' and ''acres offered for lease'' to the definitions in 43 CFR subpart 3100, which is specific to oil and gas leasing, without any changes to the language.

The proposed rule would clarify the definition for ''interest'' to remove the original 43 CFR 3101.20 citation, because that regulatory section designation no longer exists.

Section 3000.10 Nondiscrimination

The BLM proposes to remove this section in its entirety, as it is based on E.O. 11246, entitled *Equal Employment Opportunity,* which President Trump revoked on January 21, 2025, through E.O. 14173, entitled *Ending Illegal Discrimination and Restoring Merit-Based Opportunity.* E.O. 14173 reaffirms that longstanding Federal civil rights laws protect individuals from discrimination based on race, color, religion, sex, or national origin, serving as a foundation for equality of opportunity for all Americans. The BLM no longer requires this section in its mineral leasing regulations, as existing civil rights laws sufficiently provide protections against discrimination.

Section 3000.100 Fees in general

The proposed rule would revise the effective dates for filing fees provided for in paragraph (d) to coincide with the effective date of a final rule. No other changes would be made.

Section 3000.120 Fee Schedule for Fixed Fees

The BLM established these fixed filing fees pursuant to the authority in FLPMA, which authorizes the BLM to obtain reimbursement for the BLM's processing costs related to applications under 43 CFR Subchapter C. The BLM may use these fees to support BLM's software needed to manage oil and gas leasing and post leasing maintenance. The BLM proposes to re-arrange the fixed filing fees list set out in Table 1 to Paragraph (a) so they are arranged in alphabetical order for each program. The proposed rule would also reduce the filing fee for competitive oil and gas lease applications from $3,100 to $155, and lease consolidations from $575 to $320 for the reasons explained below. The proposed rule would add a new $1 per page filing fee for protests, including attachments or exhibits, that are over 50 pages, and remove the $30 filing fee for renewal exploration permits in Alaska. The BLM posts these fees on its website, *www.blm.gov/fixed-filing-fee-schedule-blm-energy-and-minerals.*

In addition to the fee changes in this proposed rule, on August 1, 2025, the BLM issued a final rule to effectuate section 50101(d)(3) of the OBBB, which removed a filing fee for expressions of interest.

The BLM proposes to adjust the existing oil and gas filing fees for lease applications and lease consolidations. The BLM would require a lease application fee for both competitive and noncompetitive leases. When these fees were initially set in 2005, and adjusted in the 2024 Leasing Rule, the BLM explained that it reserved the right to amend the fees in future rulemakings to reflect new data or other evidence that the fees did not accurately reflect reasonable costs (70 FR 41532 (July 19, 2005) and 88 FR 47562 (July 24, 2023)). The current competitive leasing application fee includes a processing step intended to recover the BLM's costs for complying with National Environmental Policy Act (NEPA) requirements, which inflated the filing fee. The BLM reviewed the competitive leasing application fee and concluded that the costs for complying with NEPA are completed by the time a competitive lease sale takes place. Therefore, the BLM should not be collecting NEPA-related fees in the competitive leasing application fee. In addition, the BLM is proposing to have one lease application fee for both competitive and noncompetitive leases. The competitive leasing processing step for adjudicating high bids is very similar and interchangeable with the noncompetitive leasing processing step for establishing priority for noncompetitive lease applications. Combining the application fee to cover both types of leases would bring efficiencies to the program. For lease consolidations, the BLM has found that while the processing steps have not changed, the BLM has gained efficiencies through data entry in the Mineral and Land Records System. These efficiencies have reduced the time spent in processing the applications thereby resulting in a reduction in the fees.

As noted above, the BLM is proposing to include a new fixed filing fee of $1 per page for protests, including exhibits or attachments, for each page over 50. The BLM can use the funds collected from this filing fee to ensure that the BLM has sufficient capacity (*i.e.,* staff and resources) to review and respond to protests while meeting the statutory deadline for holding lease sales and issuing leases. In the BLM's experience, the length of certain protest filings (*i.e.,* those exceeding 50 pages) tend to lack focus and often incorporate an overwhelming array of unrelated information. These submissions frequently include repetitive content that echoes previous filings, making it difficult to discern the key issues at hand. Consequently, the excessive length of these documents results in an inefficient burden on the BLM's time and resources to sift through irrelevant material, often already considered at a previous stage or sale, to address the core concerns effectively. Protests often include generalized information about the leasing process without clearly linking the specific claim to a given parcel under consideration. The BLM established policy in 2005 (see Instruction Memorandum 2005–176, *Filing of Protests on Lands Included in Oil and Gas Lease Sales)* to ensure that an orderly protest process, in which protests are announced at the sales, allowed the BLM to have sufficient time to issue leases within 60 days of the payment of the remainder of the bonus bid and rentals as required by section 226(b)(1)(A) of the MLA. In the past few years, as shown in Table 14 from the BLM's statistics web page (*https://www.blm.gov/programs-energy-and-minerals-oil-and-gas-oil-and-gas-statistics*), more than 70 percent of the parcels offered for lease received a protest. For example, in fiscal year 2022, the BLM received protests on 100 percent of the parcels offered. The BLM usually receives protests that range from 20 pages to 120 pages, but some protests can also be thousands of pages long, delivered in boxes to the state offices. To ensure an efficient oil and gas leasing process, the BLM proposes to include a nominal filing fee per page for protests (including exhibits) for each page of a protest that exceeds 50 pages.

The BLM reviewed the protests received in calendar year 2024 and found that it received 31 protests, 14 of which contained over 50 pages. The page count for these protests, including exhibits, ranged from one page to 892 pages. If the BLM had implemented this proposed fee earlier, then only 14 protests received in 2024 would have required a filing fee with a total amount of $5,754 and an average fee of $186. For additional context, during a recently held lease sale, a protesting party actively engaged in submitting comments at each stage of the process: scoping, public comment, and protest. The letters submitted across these phases averaged 116 pages in length. Furthermore, the protestor provided between 15 and 223 peer-reviewed articles at each public involvement stage, with individual article lengths varying significantly, ranging from a single page to an extensive 3,676 pages. This substantial volume of documentation underscores the seriousness and breadth of protest content but also highlights that much of it is repetitive from sale to sale and duplicative across different stages of a given sale. The fee is not being proposed to reimburse the BLM for its processing costs, which the BLM estimates to be $2,470 per protest. Instead, the purpose of the filing fee is to encourage individuals submitting protests to be clear and concise as to the basis for the protest. This would enable the BLM to timely review and address the key issues raised in a protest without unduly delaying a final decision on lease issuance or causing parcels proposed for a sale to be deferred due to a lack of resolution of a protest. In addition, the majority of protesters would not need to pay a filing fee as their protests are under 50 pages.

The BLM is proposing to remove the fixed filing fees for exploration permit renewals in Alaska. The BLM rarely receives exploration permit renewals in Alaska and has not collected the fee in the past 10 years. It costs the BLM more to maintain this filing fee in its collection system than it does to receive the benefit of collecting a fee from a permittee.

The BLM reviewed and considered both case-by-case and fixed filing fees for the remaining existing fees in this rule. Historically, the BLM has determined costs on a case-by-case basis for types of documents where the costs may differ significantly in each case. In this proposal, the BLM has opted to institute fixed filing fees for protests, because charging processing costs on a case-by-case basis would be time consuming and would not be the most efficient use of BLM resources. Collecting cost data on a case-by-case basis for each document to be processed adds to the processing costs. The BLM decided that it would be more efficient and sufficiently reliable to set a fixed fee based on average costs and indexed to inflation. In addition, there is a public benefit from knowing fees in advance.

To determine the proposed changes to the fixed filing fees, the BLM followed the same method it used in 2005 and 2024 to set and adjust the current fixed fees: using a weighted average rather than a simple average to determine the processing cost for each type of document. This method gives greater weight to the processing cost data from state offices with a heavy workload and, thus, more expertise in processing a particular type of document. The BLM's fluid minerals program identified the document-processing steps and then asked the state office subject matter experts (SMEs) to identify the appropriate job position, salary level, and time required to perform particular steps specified under the BLM's current policy. The BLM then calculated a direct cost for each process and adjusted to 2025 salary rates without a locality-pay factor. The BLM's fluid minerals program spot-checked the data and sent each state office a summary of the cost data that the office had previously submitted for these types of documents, along with the BLM-wide weighted average cost for each. State offices were asked to review the cost data and report whether that data, adjusted to proposed filing fee amounts, remained reasonable. They were also asked to re-estimate costs if the state office found the re-examined adjusted cost data to be inaccurate. A re-examination verified that the BLM's data continues to be valid and ensures that figures, which varied significantly among offices, had not been submitted in error.

Processing Steps for the Fixed Fees

The BLM reviewed the processing steps, and the following table summarizes the results of this review.

BILLING CODE 4321–29–P

Document/Action	Processing Steps	Added Processing Steps	Removed Processing Steps
Assignment and transfer of record title or operating rights	Receiving, validating, and entering data; Examining assignment and transfer forms; Reviewing leases and bonds; Approving, entering, and transmitting updates.	Verify applicant qualifications.	None.
Designation of successor operator for Federal agreements	Receiving, validating, and entering data; Technical review; Preparing notices/decisions; Entering and transmitting data updates.	None.	None.
Final application for Federal unit approval, Federal unit agreement	Receiving, validating, and entering data; Technical review;	None.	None.

expansion, Federal subsurface gas storage application	Determine commitment status; Preparing notices/decisions; Entering data updates.		
Geophysical exploration permit application	Receiving, validating, and entering data; Examining land status; Conducting environmental review; Preparing notices/decisions; Entering data updates.	None.	None.
Lease application	Preparing lease decisions; Adjudicating high bids or determine priority applications; Entering and transmitting data updates; Noting land status records.	Verify bidder qualifications.	Conducting environmental reviews.

Lease consolidation	Receiving, validating, and entering data; Examining requests, lease term conditions, and production; Preparing new leases and decisions; Entering and transmitting updates.	None.	None.
Lease reinstatement, Class I	Receiving, validating, and entering data; Conducting environmental review; Examining eligibility; Preparing decisions; Entering and transmitting updates.	Verify applicant qualifications.	None.
Leasing and compensatory royalty agreements under right-of-way pursuant to subpart 3109.	Receiving, validating, and entering data; Examining land status; Adjudicating the application and preparing the notice/invitation to bid;	Verify applicant qualifications.	None.

	Conducting environmental review; Preparing lease decisions; Noting land status records; Entering and transmitting data updates.		
Name change, corporate merger, sheriff's deed, corporate dissolution, or transfer to heir/devisee	Receiving, validating, and entering data; Examining requests; Determining successors-in-interest or other special requirements; Reviewing leases and bonds; Preparing decisions; Entering and transmitting updates.	None.	None.
Overriding royalty transfer, payment out of production	Receiving, validating, and entering data.	None.	None.

Protests fee per page after 50 pages *	Receiving, validating, and entering data; Consider merits and evidentiary material; Preparing decisions; Entering and transmitting updates.		

BILLING CODE 4331–29–C

The current $500 fee for Class II lease reinstatements is located at existing 43 CFR 3108.23(b)(2)(vi). The BLM considered moving the existing fee to 43 CFR 3000.120 for inclusion alongside the fixed filing fees, increasing the fee to reflect the processing costs, and then adjusting the fee annually for inflation. However, the MLA, at 30 U.S.C. 188(e), specifically states for Class II lease reinstatements that ''[t]he lessee of a reinstated lease shall reimburse the Secretary for the administrative costs of reinstating the lease, but not to exceed $500.'' Accordingly, the BLM proposes to leave the administrative fee of $500 in its current location at 43 CFR 3108.23(b)(2)(vi).

FLPMA Factors and Processing Fees

Section 304(b) of FLPMA lists six factors, commonly known as the FLPMA reasonableness factors, that the BLM must consider when deciding the amount of a reasonable processing fee. Those factors are:

(1) The BLM's actual costs to process a document not including management overhead, *i.e.,* the processing time spent by the BLM State Directors, Deputy State Directors, and other management staff. Actual costs include (but are not limited to) time spent at the state and field office levels by SMEs who work on a specific authorization, such as a lease, and funds spent on environmental reviews, technical reviews, and analyses.

(2) The monetary value, or objective worth, of the right or privilege that the applicant seeks;

(3) The efficiency with which the BLM processes a document, *i.e.,* minimizing of waste by carefully managing agency expenses and time;

(4) Whether any of the BLM's processing costs, for actions such as studies or data collection, benefit the general public or the Federal Government, rather than just the applicant alone;

(5) Whether the project provides any significantly tangible improvement, such as a road, or other direct service to the public. Occasionally, a negative factor, such as an adverse impact on wildlife, habitats, or surface drainage, may prevent an improvement from qualifying as a public service. Data collection that the BLM requires of an applicant for monitoring an activity is not a public service; and

(6) Other relevant factors.

The BLM considered each of the FLPMA reasonableness factors for each type of document for which the BLM is proposing to adjust the existing fee or add a new fixed fee. The BLM first estimated the actual cost to process a type of document. When estimating the processing costs, the BLM determined a range based on the range of costs provided by the BLM state offices. The BLM then considered each of the other FLPMA factors to determine if they warranted setting the fee at less than actual cost. If so, the BLM then considered whether any of the remaining factors acted as an enhancing factor that would mitigate against setting the fee at less than actual cost. Lastly, the BLM decided the amount of the fee, which cannot be more than the processing cost. For all of the fees in this proposal, this method resulted in fees set at the lower end of the BLM's processing cost.

Actual Costs

Actual costs are the sum of both direct and indirect costs. Direct costs include such things as labor, material, and equipment. The BLM estimated the direct costs by reaching out to each BLM state office and requesting an estimate of the processing time for each application based on the steps detailed in the previous table. Then using the average hourly wage, the BLM calculated the direct cost for the BLM to process the application. Indirect costs include items such as rent and overhead, excluding State Director and management overhead. For an example of how the BLM would determine the sum of direct and indirect costs, assume the measured direct cost of processing a document is $200. To estimate the indirect cost for processing that document, the BLM uses a ratio that it calculates annually. Annually, the BLM calculates the indirect cost rate, which is assessed on these fixed filing fees. Indirect costs are the overhead costs, which remain after direct costs have been computed, and may include utilities, telecommunications, information technology, space rental, and other administrative support functions. Currently that ratio is 10 to 2, or 20 percent, meaning for every $10 of direct costs there would be $2 of indirect costs. The BLM would estimate the indirect cost using the ratio and direct cost figures. In this example, since the direct cost was $200 and the ratio is 10 to 2, the indirect cost is $40. The BLM then would add the direct and indirect cost figures to arrive at the actual cost figure of $240 to process the document. This method is generally accepted in the private and public sectors.

Monetary Value of the Right or Privilege

Historically, the BLM concluded that its processing costs to prepare parcels for lease sales benefit three classes of beneficiaries: the party who requests that the parcel be included in the sale, all parties who bid on the parcel, and the successful bidder. The party who

requests a parcel to be included in a lease sale benefits by influencing the selection of the parcels offered.

Monetary Value to the Applicant

The BLM did not attempt to calculate the monetary benefit to each applicant, because those values are not always knowable to the BLM, and it would be inefficient to attempt to calculate them for each application or submission.

Monetary Value of the Right or Privilege Granted

To gauge the monetary value, the BLM considered the monetary value of similar rights or privileges granted to applicants historically. The BLM reviewed each type of document and compared the proposed filing fee for a given type of document with our professional judgment of the historical values of similar rights or privileges that the BLM has granted. In each case, the BLM believes the value of the right or privilege is so much greater than the processing cost that a fee based on the average actual cost would not significantly affect the applicant's proposed action. This is not surprising considering that the costs pertain to documents related to the commercial development of minerals. The BLM did not reduce any fees because of this factor.

Monetary Value Change

The BLM bases its decision about the monetary value of the benefit to the applicant on the value at the time the applicant submits its application. All leases have relatively large monetary value before exploration compared with the proposed fees. The basic value of the opportunity provided by a lease to explore for minerals is shown by the willingness of applicants to pay large sums before exploration for bonus bids, for lease transfers, and for exploration activities such as drilling. Because the monetary value of the right sought in a lease is much greater than the cost of processing the lease, the BLM considers it reasonable to charge a fee equal to processing costs for all lease applications.

The Efficiency Factor

The BLM's fluid minerals program asked the state offices' SMEs to provide a minimum, maximum, and average time spent on each application process. Some SMEs stated that their estimated range depended on the experience of the staff. The estimates from less experienced staff increased the amounts for the average and the high estimate for processing costs. In addition, some state offices receive fewer applications compared to other state offices. This can increase the processing time SMEs spend researching and processing applications when their particular offices do not frequently receive them. Therefore, the BLM chose to use the lowest estimate for time spent on processing applications to create the weighted average so that applicants are not penalized for understaffed offices or offices with fewer seasoned employees.

The BLM ensured that the field offices efficiently process the documents for which fees are charged. For all the new and existing fees, the BLM based the processing procedures on standardized steps as outlined in the BLM handbooks and Instruction Memoranda in order to eliminate duplication and extraneous procedures. The BLM developed these detailed and measurable processing steps to be efficient.

The Public Benefit Factor

Possible public benefits from the BLM processing activities, such as studies or data collection, are also difficult to measure. For example, studies related to document processing often provide information about an area's natural resources. This is sometimes a public benefit, but the value of the information, or whether there will be a benefit at all, is not predictable. The BLM concluded that document processing for types of fixed fee documents in this rulemaking does not usually produce studies or data that significantly benefits the public. In addition, the BLM determined that for each type of document in this rulemaking, the monetary value to the applicant outweighs the possible benefit of such studies to the public. The BLM analysts used their knowledge of the historical values of such cases to make these determinations. The BLM has, therefore, decided that this factor does not warrant setting any fee in this rulemaking at less than its actual processing cost, except for the protest fee. Protests against offering parcels on an oil and gas lease sale provide a benefit to the BLM by reducing the potential for error in the lease sale process. The fee for oil and gas lease sale protests was therefore set at $1 per page, over 50 pages, which is less than BLM's actual processing cost of $2,470 per protest.

The Public Service Factor

A project's service to the public concerns whether the applicant's project itself, as opposed to the BLM's processing of the related documents, provides some significant direct service or benefit to the general public. FLPMA refers to this as public service. Examples include improvements, such as roads, trails, or recreation facilities. Occasionally, a negative factor, such as an adverse impact on wildlife, habitats, or surface drainage, may prevent the BLM from regarding an improvement as a public service.

The projects with a proposed fixed fee do not generally provide a public service. The lease consolidation and the issuance of leases received do not provide a public service. Unlike activities that provide direct public services, such as infrastructure development or environmental studies, the lease consolidation and issuance process primarily benefit lessees and generates government revenue without offering broad public benefits. Consequently, for fixed fee documents, the likelihood of providing such a public service is too remote and speculative to warrant charging a fee less than actual costs.

Other Factors

The BLM did not find other factors that made it reasonable to adjust fees in this proposed rulemaking, except for the protest fee. Protests received against offering parcels on an oil and gas lease sale provide a benefit to the BLM by reducing the potential for error in the lease sale process. The fee for oil and gas lease sale protests is therefore proposed to be set at $1 per page, over 50 pages, which is less than the BLM's actual processing cost.

New Proposed Oil and Gas Fixed Fees

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TABLE 1—Category: Fixed Fees

[Note that fees will be adjusted annually for inflation according to the IPD–GDP and posted on the BLM's webpage. Revised fees are effective each October 1.]

Document/action	Existing fee	Proposed fee
Oil and Gas (parts 3100, 3110, 3120, 3130, 3150, 3160 and 3180)		
Assignment and transfer of record title or operating rights	$115	$115
Designation of successor operator for Federal agreements, except for contracted unit agreements that contain no Federal lands	$120	$120
Final application for Federal unit agreement approval, Federal unit agreement expansion or Federal subsurface gas storage application	$1,200	$1,200
Geophysical exploration permit—all States	$1,150	$1,150
Lease application	$3,100	$155
Leases consolidation	$575	$320
Lease reinstatement, Class I	$1,260	$1,260
Leasing and compensatory royalty agreements under right-of-way pursuant to subpart 3109	$660	$660
Name change, corporate merger, sheriff's deed, corporate dissolution, or transfer to heir/devisee	$270	$270
Overriding royalty transfer, payment out of production	$15	$15
Protest fee per page after 50 pages, including exhibits	New	$1

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We have rounded estimated fees down or up to the nearest $5, for ease of payment and administration except for the protest fee, which is less than the

BLM's actual processing cost as explained above. This is consistent with general business practices.

Annual Inflation Adjustments

The BLM no longer publishes the annual fee adjustments in the **Federal Register** and the CFR. The BLM posts the updated table on the BLM's web page at *https://www.blm.gov/fixed-filing-fee-schedule-blm-energy-and-minerals* with the historical fees posted in the same location. Revised fees are effective each year on October 1.

Annual inflation adjustments are calculated based on the percentage change in the Implicit Price Deflator for Gross Domestic Product for the 1-year period between the fourth quarters of the previous 2 years, consistent with the 2005 Cost Recovery Rule. For example, the fiscal year 2022 fees were set based on the change in the IPD–GDP from the fourth quarter of 2020 to the fourth quarter of 2021. The BLM then multiplies the current fee amounts by that multiplier to obtain the adjusted fee amounts.

Existing Applications

The BLM would not charge a new fixed fee under this rule for processing a document that the BLM received before the effective date of any final rule. Documents submitted before the effective date of the final rule would be processed with the appropriate fees under the regulations existing as of the submittal date.

2. Section-by-Section Discussion for Changes to 43 CFR Subpart 3100

The proposed rule would remove the existing §§ 3101.31, 3101.32, and 3101.33 covering options in their entirety as these sections are not used by industry or the BLM. E.O. 14270 directs the BLM to incorporate a sunset provision into regulations promulgated under FLPMA. While the BLM's oil and gas leasing regulations reference FLPMA for land use planning decisions, these regulations are primarily established under the MLA and its authority for promulgating regulations. As a result, the BLM did not include a sunset date for its oil and gas leasing regulations and proposes to remove the FLPMA citation from its authority citation for part 3100.

Section 3100.5 Definitions

The purpose of this section is to provide definitions of terms used in parts 3100, 3110, and 3120.

The proposed rule would move the terms ''Acreage for which expressions of interest have been submitted'' and ''Acres offered for lease'' from 43 CFR 3000.5 to this section, as previously discussed above, because these definitions are specific to oil and gas leasing.

Section 3100.9 Information Collection

The proposed rule would update the Table 1 in paragraph (b) to add noncompetitive leases in the new part 3110 to Control Number 1004–0185. The proposed rule would update the table located in paragraph (b)(2) by moving the reference to 43 CFR 3106 from OMB Control Number 1004–0034 to Control Number 1004–0185. The 2024 Leasing Rule transferred the information collection requirements, along with the associated burdens from OMB control number 1004–0034 to 1004–0185, however the BLM inadvertently missed this table update. All other control number assignments would remain the same.

Sections 3100.31 Through 3100.33 Options (Existing)

The BLM proposes to remove §§ 3100.31, 3100.32, and 3100.33 from the existing regulations. An option agreement generally contains an exclusive right to explore and evaluate the lands during the option period. Parties use the agreement in real estate investing to grant to one party the right, but not the obligation, to purchase an asset from or sell an asset to the other party. An option agreement outlines the agreed upon price and a future date for the transaction. The option period is a set period stated in the agreement during which a party may cancel the agreement without obligation to purchase the lease. The BLM proposes to rescind the sections covering options, because the industry has never filed options with the BLM. While the BLM has not previously received option statements from industry, the BLM cannot prohibit options and would continue to accept option agreements for inclusion in the lease file for a lease with the understanding that BLM's acceptance of an option does not mean it is approved or valid.

3. Section-by-Section Discussion for Changes to 43 CFR Subpart 3101

The proposed rule would move the existing §§ 3101.21, 3101.22, 3101.23, 3101.24 and 3101.25 covering Acreage Limitations to subpart 3102, because acreage limitations can also affect post-leasing actions, such as assignments, transfers, and reinstatements. The removal of these sections would result in renaming the undesignated center heading from *Acreage Limitations* to *Limitation on the Issuance of New Leases* thereby causing some of the sections to be redesignated accordingly. The purpose of this reorganization is to achieve consistency and ease of reference throughout subpart 3101.

Section 3101.12 Surface Use Rights

The BLM promulgated this section in 1988 to clarify the BLM's authority to use the terms and conditions of the standard lease form to control site-specific environmental impacts on leaseholds, as opposed to lease-specific protective measures, addressed in lease stipulations, and to mitigate impacts to specific resource values identified on leased lands. The standard lease form authorizes the BLM to require reasonable measures to the extent that such measures would be consistent with the lessee's rights. The BLM may not impose mitigation measures that would render lease operations uneconomic or infeasible; however, the BLM may impose some types of mitigation measures if the BLM documents that such requirements are reasonable and necessary to prevent unnecessary or undue degradation of public lands or resources and provided that those measures are included in the underlying RMP, as required by section 50101(d)(3) of the OBBB.

Previously, the 2024 Leasing Rule increased the minimum siting distance and timing limitation for lease activities that were considered consistent with lease rights due to the advances in horizontal and directional drilling. The 2024 Leasing Rule increased the siting measure for the location of proposed operations from 200 to 800 meters (approximately ½ mile) and the timing of surface disturbance operations from 60 days to 90 days. The BLM proposes to return to the pre-2024 Leasing Rule values. The BLM calculated 678 acres as the average size for Federal onshore oil and gas leases based on the Fiscal Year 2024 oil and gas statistics. Moving the location 800 meters would move the location halfway across an average-sized lease. In addition, many leases include timing limitations that limit development on a lease to 6 months or less. Applying a 90-day timing limitation could limit a lessee to only being able to develop its lease for 3 months out of each year. These modified distances and timing limitations unnecessarily increase the burden on oil and gas lessees and operators; therefore, the BLM is proposing to return to the previous values of 200 meters and 60 days.

Although this proposed rule would decrease the minimum distance and minimum timing limitation duration within this section, the Interior Board of Land Appeals (IBLA) has upheld the

BLM's authority to move operations and confirmed that the siting and timing parameters in the regulations are only minimums. *Yates Petroleum,* 176 IBLA 144, 156 (2008). Therefore, the BLM does not expect to see any adverse impacts to other resources on the public lands due to returning this provision to the values that had been in existence for over 30 years.

The OBBB states that the BLM cannot impose stipulations or mitigation requirements in a lease that are not included in the RMP governing the lands to be leased; however, the BLM is not interpreting this provision as applying to conditions of approval (COA) for APDs. This interpretation is grounded in several key points:

Distinct Nature of COAs: COAs are operational measures imposed after lease issuance to ensure that drilling activities comply with environmental standards and best management practices. Unlike lease stipulations, which are attached during the leasing process, COAs address site-specific concerns that may arise during the permitting phase, allowing for adaptability and responsiveness to new information once operators identify the location they intend to drill.

Alignment with RMP Objectives: While the language restricts the BLM from adding new lease stipulations not included in an applicable RMP, it does not limit the BLM's ability to impose COAs that are consistent with the RMP's objectives and that further support the BLM's interpretation. COAs enhance environmental protections and operational safety without contradicting the terms established in the approved RMP. They also ensure compliance with other laws, such as the Endangered Species Act.

Responsibility to Protect Resources: The BLM has an ongoing responsibility to manage public lands effectively and to implement necessary measures to protect the environment, wildlife, and public interests. Not allowing the BLM to apply COAs would limit its ability to address unforeseen impacts on public resources. In addition, were the BLM to be limited in applying COAs to an APD, this may result in the BLM having to deny an APD that could otherwise be approved with an appropriate COA.

In summary, the OBBB's restriction on applying mitigation measures and stipulations does not restrict the BLM's ability to apply COAs at the APD stage to ensure the BLM is complying with all other applicable laws, such as FLPMA and the ESA. The BLM retains its authority to propose and implement COAs to address operational specifics and site-specific concerns, ensuring effective management of both resource development and environmental protection. This includes the ability to move locations more than 200 meters or implement a timing limitation of more than 60 days.

In addition, the proposed rule would remove the words ''federally recognized Tribes, and underserved communities.'' Instead, the BLM would return to the language in the prior regulations that considers reasonable measures to mitigate adverse impacts to all land uses or users. This will prevent readers from misinterpreting this section as limited to federally recognized Tribes and underserved communities.

Sections 3101.21 Through 3101.25 Acreage Limitations (Existing)

The BLM proposes relocating the Acreage Limitations currently covered under §§ 3101.21, 3101.22, 3101.23, 3101.24, and 3101.25 to subpart 3102 as §§ 3102.51, 3102.52, 3102.53, 3102.54, and 3102.55 for qualifications, without further changes. This move is intended to reflect that acreage limitations impact not only lease issuance but also the ability to acquire lease interests through assignments, transfers, and mergers. Relocating these sections would necessitate redesignating other sections within the regulations.

Section 3101.52 Action by the Bureau of Land Management

This section outlines the actions that the BLM will take if another Federal surface management agency consents to a lease on lands it manages. The proposed rule would revise paragraph (a) by removing the last sentence, ''The authorized officer may add other appropriate stipulations,'' as this language conflicts with § 3101.13(a) which states ''Leases issued by the BLM will include only those stipulations and mitigation measures included in the RMP covering that parcel of land that is being leased.'' Section 50101(d) of the OBBB amended the MLA and requires any leases issued under the MLA to be subject to the terms and conditions of an approved RMP and prohibits the Secretary from including any stipulations or mitigation in a lease, unless such stipulations or mitigation are included in an approved RMP. Section 50101(d) also provides that initiation of an amendment to an RMP will not prevent the Secretary from leasing land, provided the other requirements of the section have been met. The remaining paragraphs in this section are unchanged.

The OBBB requires the BLM to only apply stipulations from its approved RMPs to the leases it issues. Refer to 30 U.S.C. 226(a)(2)(A). However, the BLM has determined that the requirement to apply stipulations or mitigation measures within the approved RMP applies only to lands managed by the BLM or to private surface. For parcels managed by other Federal surface management agencies, the BLM will continue to apply relevant stipulations specified by those agencies; failure to do so would likely result in those agencies withholding consent to lease. For lands managed by other Federal surface management agencies, the BLM will first check the land status records which may show lands were withdrawn from the mineral leasing laws. Lands withdrawn from the mineral leasing laws are not considered open and available for leasing. For example, if the BLM received an expression of interest (EOI) for lands acquired by the Department of War (DoW) which are not withdrawn from the mineral leasing laws, the BLM must obtain DoW consent and apply any stipulations included in such consent to the lease, such as a no surface occupancy restriction in some circumstances. If the BLM could not apply this stipulation, the DoW would likely not consent to lease the lands. Therefore, the BLM intends to continue applying stipulations from other surface management agencies.

4. Section-by-Section Discussion for Changes to 43 CFR Subpart 3102

The proposed rule would revise the existing subpart 3102 to move the sections covering acreage limitations in §§ 3101.21, 3101.22, 3101.23, 3101.24, and 3101.25 to this subpart as §§ 3102.51, 3102.52, 3102.53, 3102.54, and 3102.55, necessitating redesignation of some of the sections.

Section 3102.20 Non-U.S. Citizens

The BLM proposes to enhance the last sentence in paragraph (a) to provide clearer information about the consequences of a country denying privileges to U.S. citizens or corporations. The current sentence states that if it is determined that a country has denied similar or like privileges to citizens or corporations of the United States, it would be placed on a list available from any BLM state office. The proposed revision would change it to read that if it is determined that a country has denied similar or like privileges to citizens or corporations of the United States, the country would be placed on a list available from any BLM state office and citizens from those countries may not hold an interest in a lease.

Section 3102.40 Signature

The proposed rule would correct the citation found in this section from ''§ 3102.50'' in the introductory paragraph to ''§§ 3102.62 and 3102.63.''

Sections 3102.51 Through 3102.55 Acreage Limitations (Proposed)

The proposed rule would relocate the existing lease acreage-limitations provisions from subpart 3101, which governs lease issuance, to subpart 3102, which governs qualifications of lessees, such that they would be redesignated as §§ 3102.51 through 3102.55. The existing acreage-limitations ''§ 3101.21 Public domain lands,'' would be redesignated as § 3102.51; ''§ 3101.22 Acquired lands,'' would be redesignated as § 3102.52; ''§ 3101.23 Excepted acreage,'' would be redesignated as § 3102.53 and includes a correction to the existing citation in paragraph (a)(3) to change ''43 CFR 3105.30'' to ''43 CFR subpart 3105''; ''§ 3101.24 Excess acreage'' would be redesignated as new § 3102.54; and § 3101.25 Computation would be redesignated as new § 3102.55. No other changes are proposed to the language under these sections.

Section 3102.51 Compliance (Existing Regulations)

The proposed rule would redesignate the existing § 3102.51 as new § 3102.61 due to the relocation of the acreage-limitations provisions discussed above. The BLM proposes to revise the initial paragraph, which generally outlines requirements for compliance, to change the word ''will'' to ''must'' in paragraph (a). The word ''must'' provides a clearer indication of the obligation for this requirement and removes any ambiguity related to the word ''will.'' ''Will'' can imply a future action that is likely or expected but not guaranteed. In contrast, ''must'' removes ambiguity and ensures that the regulated community and the public clearly understand that the action is essential and non-negotiable.

The BLM also proposes to revise paragraph (b) to correct the existing referenced citation ''§ 3101.20'' to ''§§ 3102.51, 3102.52, 3102.53, and 3102.54.'' The BLM proposes to revise paragraph (g) to correct the existing referenced citation ''§ 3102.53'' to ''§ 3102.63'' due to the proposed changes noted below.

Section 3102.52 Certification of Compliance (Existing Regulation)

The proposed rule would redesignate the existing section as § 3102.62 due to the relocation of the acreage-limitations provisions. The BLM proposes to revise the paragraph to change the existing referenced citation from ''§ 3102.51'' to ''§ 3102.61.''

Section 3102.53 Evidence of Compliance (Existing Regulation)

The proposed rule would redesignate the existing section as § 3102.63 due to the relocation of the acreage-limitations provisions.

5. Section-by-Section Discussion for Changes to 43 CFR Subpart 3103

The proposed rule would not revise any section headings in the existing 43 CFR subpart 3103 regulations.

Section 3103.1 Fiscal Terms

The proposed rule would update the last sentence in paragraph (a) to remove the phrase ''Per the Inflation Reduction Act.'' The proposed rule would update the fiscal terms schedule found at 43 CFR 3103.1(a) Table 1, to remove the word competitive from ''Competitive oil and gas'' as well as from ''Competitive lease reinstatement, Class II'' as the OBBB reinstituted noncompetitive leasing, which the IRA had repealed. These rental requirements listed in the schedule would also apply to noncompetitive leases. Removing the word competitive from these phrases makes it clear that these rentals requirements apply to both types of oil and gas leases.

Section 3103.11 Form of Remittance

The proposed rule would remove the first sentence that references payments made by personal check, cashier's check, certified check, or money order. This proposed change is consistent with E.O. 14247, *Modernizing Payments To and From America's Bank Account,* signed on March 25, 2025. This order states ''As soon as practicable, and to the extent permitted by law, all payments made to the Federal Government shall be processed electronically.'' The proposed rule would update the second sentence in this paragraph to remove the phrase ''by other arrangements'' since electronic payments made to the BLM would be the primary method of accepting payment. The proposed rule would further update the second sentence in this paragraph to insert ''or other digital payment options,'' to match the language of the E.O. and so this section does not become outdated with future technological advances. The BLM would allow alternative payment options from an individual or entity if they request and qualify for an exception from submitting an electronic payment on a case-by-case basis.

6. Section-by-Section Discussion for Changes to 43 CFR Subpart 3104

The BLM proposes to change the subpart 3104 heading from ''Bonds'' to ''Performance Bonds'' to reduce confusion about the type of bonds the BLM has always maintained. Performance bonds are provided to the BLM under subpart 3104 to guarantee a lessee's performance in complying with the requirements of a lease. If a lessee defaults on its obligations under the terms and conditions of a lease, the BLM can collect the performance bond to remedy the default. The performance bond protects the BLM, and ultimately the taxpayers, from financial loss should the operator fail to perform its obligations under the terms and conditions of the lease, and the regulations and laws under which the operations were authorized.

The BLM is requesting that commenters provide information on unit operator and nationwide bonds used by the BLM before publication of the 2024 Leasing Rule. Before the 2024 Leasing Rule, the BLM accepted the following bonds: individual bonds that cover the operations for a single lease; statewide bonds that cover the operations for all Federal leases in a single State; nationwide bonds that covered the operations for all Federal leases nationwide; and unit operator bonds that covered the operations for all Federal leases in a single unit agreement. The 2024 Leasing Rule eliminated nationwide and unit operator bonds for the reasons stated in the rule. The BLM is seeking public comments on the following options: (1) Allow for nationwide bonds; (2) Allow for nationwide and unit operator bonds; or (3) Continue the 2024 Leasing Rule's elimination of both nationwide and unit operator bonds from the BLM's lease bonding program for the reasons set out in the proposed and final 2024 Leasing Rule. If the BLM chooses to include either nationwide or unit operator bonds in the final rule, it would also include minimum bond amounts consistent with the amounts set for individual lease and statewide bonds.

The BLM is requesting comments on allowing nationwide and unit operator bonds because these bond types were accepted prior to the 2024 Leasing Rule and may offer operational flexibility for some lessees. While these bonds could reduce compliance costs for operators managing multiple leases or unit agreements, they may increase administrative complexity and oversight costs for the BLM. The BLM originally created unit operator bonds, because the BLM bond forms that predated 1987 did

not cover the principal bond holder acting in the capacity of a unit operator when the operator did not have an interest in the lease. The BLM's current bond forms now address this issue, negating the need for unit operator bonds. Unit operator bonds have never been widely used by industry. The minimum bond amount for unit operator bonds were usually identical to the statewide minimum bond amount as these bonds covered all leases and operations in one unit agreement. Removing the use of nationwide bonds created efficiencies for the BLM's oil and gas program by allowing the agency to better tailor bond amounts to local conditions and State-specific requirements when reviewing bonds for adequacy. However, because any reinstated bond types would be required to meet minimum amounts consistent with individual lease and statewide bonds, the BLM does not anticipate economic impacts from their inclusion.

Section 3104.1 Bond Amounts

The BLM is proposing to restore the previous minimum bond amounts for individual lease bonds (all operations on one Federal lease) and statewide bonds (all operations on Federal leases in a geographic State). The purpose of the bond is to ensure the complete and timely plugging of the well(s), reclamation of the lease area(s), and the restoration of any lands or surface waters adversely affected by lease operations after the abandonment or cessation of oil and gas operations. (43 CFR 3104.10(a)). The regulations at § 3104.1(a) currently set the following minimum bond amounts:

(1) *Lease/Individual Bonds,* which provide coverage for one lease and must be in an amount of not less than $150,000;

(2) *Statewide Bonds,* which cover all leases and operations in one State and must be in an amount of not less than $500,000;

The BLM now believes these amounts are too high and inhibit an operator's ability to develop our nation's oil and natural gas resources in contravention of existing E.O.s and S.O.s. The BLM received numerous comments during the 2024 rulemaking that these amounts were excessive and potentially unobtainable for a large number of small operators due to practices in the bond market. Commenters flagged that this would lead to a reduction in domestic energy production and negatively impact local economies. Bond market practices, such as the requirement for significant collateral and high premiums, further exacerbate the financial burden on small operators. Many small operators may not have the necessary creditworthiness to obtain bonds at reasonable rates, making it difficult for them to secure the necessary bonds were they to remain at the higher rates.

Given these concerns, the BLM is proposing to return to the original minimum bond amounts of $10,000 for lease bonds and $25,000 for statewide bonds. These amounts are currently attainable for small operators and would alleviate the financial burden on them.

The BLM is proposing to reduce the minimum oil and gas bond amounts back to the prior values of $10,000 for individual lease bonds and $25,000 for statewide bonds. The BLM is contemplating re-instating nationwide bonds. If the BLM reinstates nationwide bonds, the BLM proposes to restore the previous minimum bond amount of $150,000. This change aims to lower financial barriers for operators, encouraging an increase in Federal oil and gas activities. The reduced bonding requirements may benefit smaller, independent operators, who may find it challenging to meet the higher minimum bond amounts. By easing these financial constraints, the BLM believes it will stimulate growth in the oil and gas sector, enhance economic opportunities, and foster greater engagement from a diverse range of operators thereby contributing to the nation's economic security.

The BLM recognizes that lower minimum bond amounts could potentially decrease the incentive for operators to adhere to responsible operational practices and properly reclaim well sites, which could result in greater risks to the public lands and local ecosystems. However, the BLM is able to mitigate this risk by continuing to fully use its existing bond adequacy review policy. The BLM conducts bond adequacy reviews as outlined in Instruction Memorandum 2024–014, *Oil and Gas Bonds Adequacy Reviews,* to ensure that bond amounts for Federal oil and gas leases are sufficient to cover potential liabilities based on risk, an operator's compliance history, the number of wells and their characteristics. The BLM's regulations at 43 CFR 3104.50 also provide a basis for increasing the bond amount and provide the BLM with the ability to bar lessees who fail to provide increased bond amounts from obtaining additional oil and gas leases. See 43 CFR 3104.1(c). The policy directs BLM State Offices to review all bonds at least every 5 years, or more frequently when warranted, focusing on operators with higher risk factors.

The proposed rule would remove paragraph (c) which provides for a phase-in period to increase or replace statewide and lease bonds. This paragraph would no longer be needed. Bonds that have already been increased to the higher minimum bond amounts may have the potential to return to the new proposed minimum bond amounts under the current regulations. Any bonded principal can request a bond decrease if they believe a decrease is warranted. Upon request, the BLM would perform a bond adequacy review under its existing policy to approve or deny such request. The proposed rule would redesignate paragraph (d) to paragraph (c) due to the removal of the existing paragraph (c).

Should the BLM modify the onshore oil and gas bonding process? As part of ongoing efforts to enhance the management of onshore oil and gas resources, the BLM is seeking public input on potential modifications to the bonding process for oil and gas operations. Comments are invited on whether the BLM should consider re-establishing unit operator or nationwide bonds to streamline financial assurance requirements for operators. Additionally, feedback is requested on any changes that could improve the effectiveness and efficiency of the BLM's bonding process while ensuring adequate protection for public lands and resources. Public input is essential in shaping policies that balance responsible resource development with environmental stewardship.

Section 3104.10 Bond Obligations

The proposed rule would revise paragraph (c)(2) to replace the words, ''Cashier's check'' with ''An electronic funds transfer to the BLM.'' The proposed rule would also remove paragraph (c)(3), which references ''Certified check.'' This change would lead to redesignating paragraphs (c)(4) and (c)(5) as paragraphs (c)(3) and (c)(4), respectively. This proposed change is consistent with E.O. 14247, *Modernizing Payments To and From America's Bank Account,* signed on March 25, 2025.

Section 3104.90 Bonds Held Prior to June 22, 2025 (Existing Regulation)

The proposed rule would remove the existing § 3104.90 entitled ''Bonds Held Prior to June 22, 2025.'' Under the existing regulations, operators were required to replace existing nationwide and unit operator bonds by June 22, 2025. Since that deadline has now passed, the BLM no longer needs to retain this phase-in period in the regulations.

7. Section-by-Section Discussion for Changes to 43 CFR Subpart 3105

The proposed rule would add new § 3105.1 to existing 43 CFR subpart 3105 to comply with the RRA of September 20, 2024.

Section 3105.1 Reporting and Payment for Production (Proposed Regulation)

The proposed rule would add a new § 3105.1 entitled ''Reporting and payment for production.'' This new section is added to comply with the RRA, which was passed on September 20, 2024. The RRA amended the Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA), 30 U.S.C. 1721(j), and directs the Department to require reporting and payment for production and royalty that is based on a pending Federal oil and gas agreement (*e.g.,* communitization agreements and participating areas) that has an allocation schedule that outlines how royalties would be distributed across different leases within the agreement until the BLM issues a final decision on the agreement. When the BLM issues a final decision on a pending application, the BLM will specify whether the lessee, or its designees, must adjust the production reporting or royalty paid. The lessee would then have until the end of the third month following the month in which the lessee or its designee receives the BLM's final decision to adjust the production reporting or royalty paid, if needed. This provision does not apply to unit or communitization agreements that include Indian lands.

Proposed paragraph (a) would reflect the requirements of the RRA and state that the lessee or its designee who is party to a unit or communitization agreement must report and pay royalties on oil and gas production for each production month in accordance with the terms of the proposed allocation of production for the unit or communitization agreement until the BLM issues a decision on the proposed agreement.

Paragraph (b) would assist the BLM in implementing the RRA and would state that to assist with accurate and complete reporting, applicants for a Federal participating area, secondary recovery unit, or communitization agreement must: (1) Provide a list of wells with existing production that would contribute production to the area to be included in the proposed agreement; and (2) As required under 43 CFR 3160.0–9(c)(1), submit a completion report for all wells that would contribute production to the area included in the proposed participating area, secondary recovery unit, or communitization agreement. Proposed paragraph (c) restates the RRA's prohibition against applying this provision to oil and gas agreements containing Indian lands.

8. Section-by-Section Discussion for Changes to 43 CFR Subpart 3106

The proposed rule would not revise any section headings in the existing 43 CFR subpart 3106 regulations.

Section 3106.10 Transfers, General

The proposed rule would revise paragraph (e) to change the citation from ''43 CFR 3102.51(g)'' to ''43 CFR 3102.61(g)'' for certification of compliance to address changes being made elsewhere in this proposed rule.

Section 3106.20 Qualifications of Transfers

The purpose of this section is to ensure that those parties to whom leases and operating rights are transferred comply with the provisions of 43 CFR subpart 3102 ''Qualifications of Lessees.'' The proposed rule would remove the phrase ''and post any bond that may be required.'' This phrase is not associated with 43 CFR subpart 3102 and unnecessarily repeats similar language found in 43 CFR subpart 3104, which addresses when a bond is required and 43 CFR 3106.71 for failure to qualify. The proposed rule would eliminate the sentence that reads ''only responsible and qualified lessees may own, hold, or control an interest in a lease.'' The proposed rule would eliminate this sentence because it is repetitive and already covered by 43 CFR subpart 3102.

9. Section-by-Section Discussion for Changes to 43 CFR Subpart 3107

The proposed rule would remove § 3107.52 in existing 43 CFR subpart 3107 as it is no longer needed as further described below.

Section 3107.10 Extension by Drilling

The proposed rule would correct the referenced CFR citation in existing paragraph (a) from ''43 CFR 3103.20'' to the correct citation of ''43 CFR 3103.22.'' In addition, the proposed rule would change the reference to ''appendix A to part 3180'' to ''43 CFR part 3180.'' As discussed, the proposed rule would remove the model forms included in the appendices found in 43 CFR subpart 3186. Finally, the proposed rule would revise existing paragraph (b) by replacing the phrase ''reasonable person seriously looking for oil or gas could'' with ''prudent operator would,'' as this is the more commonly understood legal standard. No changes are proposed for paragraph (c).

Section 3107.32 Segregation of Leases Committed in Part

The proposed rule would revise the statement in paragraph (b)(2) to change the language that currently states, ''If a partially committed lease'' to read instead, ''If a lease committed-in-part.'' The terms ''committed in part'' and ''partially committed'' are frequently confused. ''Committed in part'' describes a lease that includes land both within the unit area and outside the unit area. The BLM will segregate a fully or effectively committed Federal lease in such a status into two leases. The BLM will ensure the lease's term is 2 years or the remainder of the lease term, whichever is longer, for the lands in the lease outside the unit area from the effective date of commitment. ''Partially committed'' is when one or some, but not all, working interest owners have committed their interest in a lease to a unit agreement. The lease does not get the benefit of the unit, until such a lease is fully committed, which would happen once the BLM receives the approval/acceptance of unit joinders from all previously uncommitted working interest owners. Therefore, the BLM is proposing to revise § 3107.32 to refer to ''a lease committed in part.''

Section 3107.52 Undeveloped Parts of Leases in Their Extended Term (Existing Regulation)

The proposed rule would remove this section in its entirety as it is outdated and no longer needed. The section only applies to leases issued prior to September 2, 1960. The BLM has no record of any nonproducing leases that are that old, and if they exist, they would also be covered by 43 CFR 3107.53, which states, ''Undeveloped parts of leases retained or assigned out of leases which are extended by production, actual or suspended, or the payment of compensatory royalty will continue in effect for 2 years after the effective date of assignment and for so long thereafter as oil or gas is produced in paying quantities.''

Section § 3107.60 Extension of Reinstated Leases

The proposed rule would revise the introductory paragraph to correct the citation from ''43 CFR 3108.20'' to ''43 CFR 3108.22 or 43 CFR 3108.23'' to eliminate any confusion that this applies to all reinstatements.

10. Section-by-Section Discussion for Changes to 43 CFR Subpart 3108

The proposed rule would not revise any section headings in the existing 43 CFR subpart 3108.

Section 3108.23 Reinstatement at Higher Rental and Royalty Rates: Class II Reinstatements

The proposed rule would update paragraph (a) to remove the phrase ''competitive oil and gas'' since Class II reinstatements are no longer restricted to competitive leases given the OBBB's reinstatement of the noncompetitive lease provision.

11. Section-by-Section Discussion for Changes to 43 CFR Subpart 3109

The proposed rule would not revise any of the existing headings in the existing subpart 3109 regulations, but it would add an undesignated center heading following § 3109.15 to read as follows: Leasing Under Other Special Acts.

Section 3109.20 Units of the National Park System

The proposed rule would update paragraph (b) to remove the phrase ''or renewed'' since oil and gas leases are no longer renewed. Oil and gas leases are issued for a primary term of 10 years. A lease is held beyond the primary term when the lease contains a well capable of producing oil and gas in paying quantities.

12. Section-by-Section Discussion for Addition of 43 CFR Part 3110

The proposed rule would add six sections for noncompetitive leasing, which was reinstated by section 50101(a)(2) of the OBBB. The title for this new subpart is ''Noncompetitive Leases.'' The Secretary has broad discretion on how to implement noncompetitive leasing. One of the challenges with noncompetitive leasing is that the OBBB requires the BLM to hold replacement sales for competitive oil and gas lease sales that do not sell 25 percent or more of the acreage offered on a lease sale. See OBBB section 50101(c)(3)(B). Due to this additional requirement, the BLM is not proposing to reinstate all of the previous regulations for noncompetitive leasing, such as those related to noncompetitive presale offers. The BLM is proposing only to accept noncompetitive applications that match the competitive parcels after the competitive oil and gas lease sale, or its replacement sale, has occurred. In addition, the proposed rule would not reinstate cumbersome and unnecessary procedures that do not match the MLA (that includes almost 50 percent of the prior 43 CFR 3110 regulations that were in place before the 2024 Leasing Rule). The BLM, with this approach, will be better positioned to respond to a noncompetitive lease application quickly and minimize delays related to lease issuance.

Section 3110.1 Lands Accessible for Noncompetitive Leasing

The proposed rule would add a new section to describe when lands are accessible for noncompetitive leasing. Lands would be accessible for noncompetitive leasing after the BLM has offered lands competitively and for which the BLM has not received a bid.

Section 3110.2 Application Requirements

The proposed rule would add a new section to describe the application requirements for noncompetitive leasing. This section would require an application to be submitted on the BLM's lease form, include the applicable filing fees, include the advanced first year rental, demonstrate the applicant's compliance with lessee qualifications, provide the parcel number from the Notice of Competitive Lease Sale in which the parcel was offered and did not sell, and the legal land description of the parcel of interest in the noncompetitive lease application, which must exactly match the parcel land description of a parcel that was offered in the competitive auction. This section also provides the applicant the ability to withdraw an application, unless the BLM has signed the lease form.

Section 3110.3 Priority

The proposed rule would add a new section to describe how the BLM will determine priority for noncompetitive applications, when multiple applications are filed on the same day, by referring to the existing procedures codified at 43 CFR 1821.11 and 43 CFR 1822.18. Where a correction to an application is needed or is made, either at the option of the applicant or the BLM, the priority for the application will be adjusted when there are multiple applications made for the same lands.

Section 3110.4 Action on Application

The proposed rule would add a new section to describe the action the BLM will take on applications received for noncompetitive leasing. The BLM would not issue a noncompetitive lease if there is a pending action on any existing lease, such as pending lease extensions or an application with established priority, including a pending petition for reinstatement. If the BLM improperly issues a noncompetitive lease, the BLM will cancel the lease under 43 CFR 3108.30. The BLM would reject noncompetitive lease applications that are not properly filed in accordance with these regulations, that are submitted before the competitive lease sale, or that contain lands that have already been leased. The BLM would accept noncompetitive lease applications filed on a BLM form not currently in use if it is filed before the form is declared obsolete by the Director. In these cases, the applicant would be bound by the terms and conditions of the lease form currently in use.

Section 3110.5 Noncompetitive Lease Terms

The proposed rule would add a new section to describe the lease terms for noncompetitive leases. Noncompetitive leases would have the same terms as competitive leases, including a primary term of 10 years. The noncompetitive lease would be considered issued when it is signed by the BLM's authorized officer. A noncompetitive lease would normally be effective the first day of the month following the date the lease is issued. An applicant may send the BLM a written request to have the lease become effective on the first day of the month in which it is signed. However the BLM must receive the request before the BLM's authorized officer signs the lease. Noncompetitive future interest leases will be effective the same day that the mineral interest vests in the United States.

Section 3110.6 Reversionary Noncompetitive Lease

The proposed rule would add a new section to describe reversionary noncompetitive leases that would be issued when a Federal lease would take over immediately upon vestiture of the mineral estate in the United States and so there is no break in the time the lands are under lease. This section would apply only to those lands from which oil and gas is being produced, or when there is a well capable of production from a private lease and the mineral interest is acquired for administration by the Secretary of Agriculture pursuant to the Act of March 1, 1911 (36 Stat. 961 *et seq.*). An election for a reversionary noncompetitive lease must be made before the interest becomes a vested present interest. If the election is made after the time allowed, or if no election is made, the BLM would reject the application as untimely and offer the lands at the next competitive lease sale. An applicant must be qualified to hold an interest in a lease, and because the

lease is usually producing at the time of lease issuance under this section, the lessee must have a bond that the BLM has accepted before lease issuance.

13. Section-by-Section Discussion for Changes to 43 CFR Part 3120

The proposed rule would rename the title of § 3120.11 in this part so the language is not confused with the definition of ''available lands'' provided for by the OBBB. The proposed rule would remove §§ 3120.32 and 3120.33 in existing 43 CFR part 3120 ''Competitive Leases.'' The goal of these revisions is to remove requirements that are not required by law or that do not affect oil and gas leasing in keeping with E.O. 14192 *Unleashing Prosperity through Deregulation.* The proposed rule would also remove § 3120.13 Protests and relocate it to new § 3120.43 under the discussion of the Notice of Competitive Lease Sale provisions to consolidate topics and enhance readability.

E.O. 14270 directs the BLM to incorporate a sunset provision into regulations promulgated under FLPMA. While the BLM's oil and gas leasing regulations reference FLPMA for land use planning decisions, these proposed regulations are primarily established under the MLA and its authority for promulgating regulations. As a result, the BLM did not include a sunset date for these oil and gas leasing regulations and proposes to remove reference to the FLPMA citation from its authority statement for part 3120.

Section 3120.11 Lands Offered for Competitive Leasing (Proposed)

The proposed rule would rename this section from ''Lands available for competitive leasing'' to ''Lands offered for competitive leasing.'' In addition, the first sentence of the section would be modified to remove the reference to eligible and available lands. The purpose of these changes is to clarify that the list of lands described in this section are not automatically available for leasing. The BLM also did not want the public to interpret or confuse this section with the definition of available lands provided for in the OBBB.

The proposed rule would revise paragraph (c) to improve clarity, grammatical precision, and readability while maintaining the core legal meanings of the original text. These changes would better align paragraph (c) with the introductory paragraph, as proposed, which would state: ''The BLM will consider the types of lands described below for competitive leasing under the MLA, including but not limited to:''. Paragraph (c) would begin with ''Lands from a cancelled lease or interest in a lease . . .'' so that it follows grammatically from the introductory sentence and so that it is parallel with the rest of the list in this section. The proposed rule would also remove the reference to options to be consistent with the proposed changes to 43 CFR subpart 3100 as no options have been filed with the BLM. The proposed rule would remove paragraph (g), which refers to lands offered in a previous lease sale. Paragraph (g) was recently added to the regulations in the 2024 Leasing Rule after the IRA eliminated noncompetitive leasing. Since the OBBB reinstated noncompetitive leasing, this paragraph is no longer needed. The BLM is also proposing language in § 3120.60, as further discussed below, to incorporate replacement sales when parcels do not receive a bid.

Section 3120.13 Protests (Existing Regulation)

The proposed rule would remove existing § 3120.13, which pertains to protests, and relocate it to new § 3120.43 so that it appears in the provisions pertaining to Notice of Competitive Lease Sale. This change would allow the sections within part 3120 to appear in chronological order to enhance clarity and comprehension by creating a logical flow that would allow readers to follow the progression of the lease sale process more easily. In addition to updating the existing paragraphs' language to active voice, the BLM proposes to add a new paragraph (d) to the new section, which would state that the processing fee for filing protests that contain more than 50 pages, inclusive of exhibits or attachments, is listed in the fee schedule in § 3000.120 of this chapter. This would reflect the proposed new nonrefundable, administrative filing fee as discussed earlier in this preamble under proposed changes for 43 CFR 3000.120.

Please provide comments on how the BLM should handle hyperlinks in protests submitted to the BLM. Should the BLM include each page of a hyperlink as part of the number of pages to calculate the filing fee?

Section 3120.22 Effective Date of Leases (Proposed)

The proposed rule would change the title of the section from ''Dating of leases'' to ''Effective date of leases'' for improved clarity. The proposed rule would also revise the paragraph to active voice and correct the referenced regulatory citation from 43 CFR 3120.80, which does not exist, to the correct citation, 43 CFR 3120.72.

Section 3120.31 Expression of Interest Process

The proposed rule would remove the requirements found in paragraphs (b)(5) and (b)(6) of this section that require the submitter to identify the percentage of the United States's fractional interest when submitting an EOI for leasing lands where the United States holds a fractional interest or to identify the private surface owner's name and address when expressing interest in leasing split estate lands, respectively. The remaining paragraph (b)(7) would be redesignated to become paragraph (b)(5).

While the BLM proposes to remove the requirement for the submitter to identify the percentage of the fractional Federal mineral ownership, the BLM nevertheless encourages submitters to identify the percentage of the Federal fractional interest if they have documentation showing the percentage to help speed the BLM's review of the EOI.

As directed by E.O. 14219, *Ensuring Lawful Governance and Implementing the President's ''Department of Government Efficiency'' Deregulatory Initiative,* the BLM proposes to remove the requirement for the EOI submitter to provide the private surface owner's name and address. The MLA does not require the BLM to notify the private surface owners when the BLM plans to offer Federal oil and gas interests underlying their land; therefore, the BLM proposes to remove this requirement as a regulation that imposes undue burdens on the oil and gas industry.

As required by the OBBB, the BLM must process EOIs within 18 months. We encourage the individual submitting an EOI for acquired lands to provide title documents demonstrating that the Federal Government owns the oil and gas underlying the lands proposed for leasing to assist the BLM's oil and gas leasing process for several reasons:

Verification of Mineral Ownership: The title documents provide essential proof of the Federal Government's ownership of the mineral rights, allowing the BLM to confirm that the interested party is indeed seeking to lease minerals owned by the Federal Government. This helps prevent confusion or disputes regarding property rights and ensures that the BLM is processing EOIs related to public resources.

Streamlined Processing: Having clear documentation of mineral ownership upfront can expedite the EOI processing by reducing the time the BLM would otherwise have to spend verifying

ownership status later in the review process. This efficiency can lead to quicker decisions on whether the proposed lands can be included in a sale and help the BLM manage workloads effectively, facilitating timely access to the resources.

Enhanced Coordination with Other Agencies: In cases involving acquired lands that may fall under the jurisdiction of other Federal agencies, title documents assist the BLM in communicating effectively about ownership and management responsibilities. This clarity aids coordination among agencies and streamlines any necessary consent requirements.

In summary, the BLM is not proposing to require title documentation as part of the EOI submission but encourages all nominators to include title documentation on acquired lands. Voluntarily submitting title documents supports the BLM in confirming mineral ownership, streamlining processing, and enhancing inter-agency coordination, which would allow the BLM to more quickly offer the parcels identified in EOIs on future lease sales.

Section 3120.32 Expression of Interest Leasing Preference

The proposed rule would remove this section in its entirety as the sections and requirements listed under this section are not required by law and unnecessarily burden the oil and gas leasing process contrary to the policy guidance in E.O. 14154 and E.O. 14219. In addition, elimination of the leasing preference criteria would allow the BLM to comply with the OBBB, which requires the BLM to offer a parcel within 18 months of receipt of the lands within an EOI. Based on experience since the promulgation of the 2024 Leasing Rule and the previous comments submitted on the preference criteria, the BLM has identified the following deficiencies:

(1) The preference criteria may inadvertently hinder oil and gas mineral development by delaying the leasing process and unnecessarily limiting exploration and expansion opportunities.

(2) The criteria are duplicative of existing established processes for land use planning, resulting in unnecessary delays in oil and gas leasing without providing tangible benefits.

(3) Modern drilling technology has advanced, allowing for reduced surface impacts, which the preference criteria do not adequately consider.

Based upon the above considerations, the BLM proposes to remove § 3120.32 in its entirety.

Section 3120.33 Agency Inventory of Leasing

This section is related to section 50265 of the IRA, which provides that the BLM may not issue a right-of-way (ROW) for wind or solar energy development on Federal land unless it has: (1) Held an onshore oil and gas lease sale during the past 120 days; and (2) Offered the lesser of a sum total of either 2,000,000 acres or 50 percent of the acreage for which EOIs have been submitted for lease sales during the previous 1-year period. The proposed rule would remove this section in its entirety as this section does not govern oil and gas leasing and limits the BLM in issuing ROWs for wind and solar development. In addition, the provision sunsets by law on August 16, 2032, and is better suited to being addressed in policy guidance.

Section 3120.42 Posting Timeframes

The proposed rule would remove existing paragraphs (a) and (b), which require the BLM to provide a scoping period and comment period during the NEPA review. These scoping and comment periods are not required by the MLA or any other applicable statute; therefore, the BLM is proposing to remove these provisions in accordance with E.O.s 14192 and 14154. Eliminating the two 30-day public participation periods could significantly expedite the oil and gas leasing process. By reducing the time spent in public comment and review, the BLM could still draft strong analyses while facilitating quicker decision-making, thus allowing for more timely access to resources. This is essential for meeting the increasing demand for domestic energy production and ensuring that industry operations can proceed without unnecessary delays.

In addition, the existing public participation periods are not mandated by NEPA. The BLM already conducts thorough environmental reviews and assessments that include opportunities for public input at various stages, including its land use planning efforts, where the BLM identifies the lands available for oil and gas leasing and relevant stipulations. Consequently, the public participation periods often extend the overall timeline unnecessarily, without providing significant added value or meaningful changes to the analysis. The BLM is staffed with professionals who possess the expertise to evaluate the environmental and operational implications of leasing decisions. By streamlining public participation, the agency could focus on leveraging its technical knowledge and scientific assessments to make informed decisions, rather than being delayed by overly extended public comment periods that do not yield substantial new information. In some cases, groups have submitted the same comment to four different BLM administrative state offices for all sales held in the same month. In a recently conducted lease sale, a group submitted nearly identical letters at all three phases of the process, with the lengths of these letters averaging approximately 116 pages. Upon review, the BLM found that, with the exception of one statement of reason, all statements in the scoping and comment letters were replicated in both submissions. Furthermore, in two recent lease sales, the BLM received almost identical protests from the same party, highlighting a concerning trend of redundancy across multiple sales. This repetition raises questions about the efficiency of responding to such content. Finally, the oil and gas industry needs timely access to resources to remain competitive in a rapidly changing market. By removing these redundant public participation periods that are not required by law, the BLM can respond more effectively to industry needs and market demands, ensuring that the U.S. remains competitive in the global energy landscape and national energy demands are better met.

The existing paragraph (c) would be redesignated as paragraph (a) and would be revised to change the timeframe for posting of the Notice of Competitive Lease Sale from 60 calendar days to 45 calendar days before the sale date to align with the statutory requirement set forth in the MLA. This adjustment would streamline the leasing process by reducing unnecessary delays in notifying the public and the oil and gas industry of pending sales and facilitating quicker access to Federal lands for oil and gas development.

The existing paragraph (d) would be redesignated as paragraph (b) and would be revised to change the protest period from 30 calendar days to 10 calendar days. This reduction in the protest period is intended to ensure a more efficient and orderly process, allowing for timely announcements at lease sales of any protests received while still providing adequate opportunity for stakeholders to voice their concerns. By shortening the protest period, the BLM can ensure it has time to respond to protests and meet statutory deadlines for lease issuance, thereby promoting a more responsive and effective regulatory framework that supports responsible mineral development. These changes are designed to enhance operational

efficiency while maintaining the integrity of the leasing process.

The existing paragraph (e) would be redesignated as paragraph (c) and the word ''compliance'' would be removed as it is unnecessary.

In addition, the proposed rule would add a new paragraph (d) stating the BLM will post a public notice if it decides for any reason not to hold a scheduled quarterly lease sale. By providing such notice, those entities that might have participated in a sale will be able to take the lack of a sale into account in planning any exploration or development. The BLM could post the notice in multiple places, such as the National Fluids Lease Sale System, state-office web pages, and in public rooms. However, the proposed rule does not specify where the BLM would post this notice to provide for flexibility.

The BLM would hold replacements sales, as provided in proposed § 3120.60, when a regularly scheduled sale is canceled, delayed, or deferred, including for a lack of eligible parcels as mandated by section 50101(c)(3) of the OBBB.

Section 3120.43 Protests (Proposed)

The proposed rule would move the protest section from § 3120.13 to § 3120.43, as discussed above under § 3120.13, so that it appears in the provisions pertaining to the Notice of Competitive Lease Sale.

Section 3120.53 Award of Lease

The proposed rule would correct all the references in paragraph (a) from ''43 CFR 3120.62'' to the correct citation of ''43 CFR 3120.52'' as 43 CFR 3120.62 does not exist in the regulations.

Section 3120.60 Parcels Not Bid on at Auction

The proposed rule would update the paragraph in this section to incorporate requirements mandated by the OBBB. The proposed rule would add language to state that the BLM would hold a replacement sale within 30 calendar days when a competitive auction does not receive bids on 25 percent or greater of the acreage offered. This complies with section 50101(c)(3)(B) of the OBBB, which states, ''The Secretary of the Interior shall conduct a replacement sale during the same fiscal year if (B) during a lease sale under paragraph (1) the percentage of acreage that does not receive a bid is equal to or greater than 25 percent of the acreage offered.'' In addition, the section would state that these lands will be available noncompetitively under 43 CFR part 3110 for 2 years after either the lease sale or the replacement sale, whichever is later.

Section 3120.72 Future Interest Terms and Conditions

The proposed rule would revise the referenced citation of ''43 CFR 3101.20'' in paragraph (b) to ''43 CFR subpart 3102'' due to the previously discussed reorganization of the acreage-limitations section.

Section 3120.73 Compensatory Royalty Agreements

The proposed rule would revise this section by adding a sentence that states the BLM may use such agreements until the BLM issues a competitive lease for unleased lands included in a compensatory royalty agreement. In 2011, the BLM issued policy to establish Unleased Lands Accounts for a consistent, nationwide procedure between the BLM and the Office of Natural Resources Revenue (ONRR) for collecting royalty payments for unleased Federal minerals included in a producing Secondary Unit Agreement, a unit participating area containing unleased lands, or a CA. However, this approach does not provide the ONRR with an enforcement mechanism for collections of unpaid royalties.

The MLA, like the Department's regulations, does not preclude the BLM from using a compensatory royalty agreement (CRA) to prevent drainage solely for lands that are unleasable. In 30 U.S.C. 226(j), Congress gave the Secretary of the Interior authority to negotiate CRAs whenever operators are draining lands owned by the U.S. of oil or gas through wells drilled on adjacent lands. The Secretary may negotiate CRAs under which the United States will be compensated for any drainage of Federal oil or gas. When a secondary unit, a unit participating area, or a producing communitization agreement contains unleased Federal minerals that are leasable and subject to drainage, the BLM will negotiate a CRA with the operator and include a clause for automatic termination once a Federal lease is issued and becomes effective. With this proposed change, the CRA would enable ONRR to establish a revenue account for earned royalty payments with a formal agreement in place for enforcement.

14. Section-by-Section Discussion for Changes to 43 CFR Subpart 3134.1

E.O. 14270 directs the BLM to incorporate a sunset provision into regulations promulgated under FLPMA. While the Department's oil and gas leasing regulations reference FLPMA for land use planning decisions, these regulations are primarily established under the MLA and its authority for promulgating regulations. As a result, the BLM did not include a sunset date for these oil and gas leasing regulations and proposes to remove reference to the FLPMA citation from the authority statement for part 3130.

The proposed rule would not revise the existing 43 CFR 3134.1 heading. The purpose of updating this section is to make this section consistent with 43 CFR subpart 3104. In addition, the existing term ''shall'' would be replaced with the words ''must,'' ''will,'' or ''may,'' as appropriate, for better clarity and to reduce any confusion.

Section 3134.1 Bonding

The proposed rule would correct the citation in paragraph (a) from ''§ 3104.1'' to the correct citation of ''§ 3104.10'' for bond obligations describing the different ways a bond can be secured. The proposed rule would also remove references to nationwide bonds. If the BLM decides to reinstate nationwide bonds, the BLM would not modify this Section to remove the nationwide bond discussion. Paragraph (a) would now state that prior to issuance of an oil and gas lease, the successful bidder must furnish the authorized officer a surety or personal bond in accordance with the provisions of § 3104.10 of this title in the sum of $100,000 conditioned on compliance with all the lease terms and conditions, including rentals and royalties, and any stipulations. The bond will not be required if the bidder already maintains or furnishes a bond in the sum of $300,000 conditioned on compliance with the terms, conditions, and stipulations of all oil and gas leases held by the bidder within NPR–A.

The proposed rule would also revise paragraph (b) to remove references to nationwide bonds. Paragraph (b) would now state that a bond in the sum of $100,000 or $300,000, may be provided by an operating rights owner (sublessee) or operator in lieu of a bond furnished by the lessee, and must assume the responsibilities and obligations of the lessee for the entire leasehold in the same manner and to the same extent as though they were the lessee.

The proposed rule would correct the citations in paragraph (e) from ''§ 3104.2'' to the correct citation of ''§ 3104.20'' which covers individual lease bonds, and ''§ 3104.3(a)'' to the correct citation of ''§ 3104.30'' which covers statewide bonds.

15. Section-by-Section Discussion for Changes to 43 CFR Subpart 3140

The proposed rule would not revise any section headings in the existing 43

CFR subpart 3140 regulations. E.O. 14270 directs the BLM to incorporate a sunset provision into regulations promulgated under FLPMA. While the Department's oil and gas leasing regulations reference FLPMA for land use planning decisions, these regulations are primarily established under the MLA and its authority for promulgating regulations. As a result, the BLM did not include a sunset date for these oil and gas leasing regulations and proposes to remove reference to the FLPMA citation from the authority statement for part 3140.

Section 3140.14 Other Provisions

The proposed rule would update the citations from ''43 CFR 3101.21 or 3101.22'' in paragraph (a) to ''43 CFR 3102.51 or 3102.52'' consistent with the reorganization of the acreage limitations as previously discussed.

The proposed rule would update the royalty rate in paragraph (c)(2) from 16.67 percent to 12.5 percent to comply with the requirements of the OBBB for combined hydrocarbon leases. This change has minimal practical impact because the application period for these leases closed on November 15, 1983, and only three applications remain pending. The BLM has continued processing these applications while completing land use planning for the special tar sand areas and preparing the necessary NEPA analysis to support conversion to combined hydrocarbon leases. Although the BLM finalized a rule on April 29, 2026 (91 FR 23017), revising royalty rates as required by the OBBB, the agency inadvertently did not update the corresponding provision in part 3140 due to the limited number of remaining applications. The proposed revision would correct this oversight to ensure consistency with the already published rule. Due to the limited scope of this change, the BLM did not analyze or monetize the effects to Federal revenues and operators from the three pending applications.

Section 3140.70 Lands Within the National Park System

The proposed rule would correct the citation from ''43 CFR 3100.3(h)(4)'' in the section to ''43 CFR 3100.3(g)(4).''

16. Section-by-Section Discussion for Changes to 43 CFR Subpart 3141

The proposed rule would not revise any of the headings to the existing subpart 3141 regulations.

Section 3141.10 General

The proposed rule would update the citation ''43 CFR 3101.21'' in paragraph (h) to ''43 CFR 3102.51'' consistent with the reorganization of the acreage limitations as previously discussed.

Section 3141.53 Royalties and Rentals

The proposed rule would update the royalty rate in paragraph (a) from 16.67 percent to 12.5 percent to conform to the requirements of the OBBB to address the royalty rate for these combined hydrocarbon leases.

The proposed rule would correct the citation from ''43 CFR 3103.20 and 3103.30'' in paragraph (e) to ''43 CFR 3103.''

Section 3141.63 Conduct of sales

The proposed rule would correct the citation from ''43 CFR 3120.60'' in paragraph (a) to ''43 CFR 3120.51.''

The proposed rule would correct the citation from ''43 CFR 3120.62'' in paragraph (b)(2) to ''43 CFR 3120.52.''

17. Section-by-Section Discussion for Changes to 43 CFR Subpart 3152

The proposed rule would not change or revise the existing 43 CFR 3152.3 heading. E.O. 14270 directs the BLM to incorporate a sunset provision into regulations promulgated under FLPMA. While the Department's oil and gas leasing regulations reference FLPMA for land use planning decisions, these regulations are primarily established under the MLA and its authority for promulgating regulations. As a result, the BLM did not include a sunset date for these oil and gas leasing regulations and proposes to remove reference to the FLPMA citation from the authority statement for part 3150.

Section 3152.3 Renewal of Exploration Permit

The proposed rule would remove the filing fee requirement for exploration permit renewals in Alaska. As previously discussed, this fee is rarely collected and removing this fee would be in keeping with policy directives in recently issued E.O.s and Presidential Memoranda to eliminate unnecessary or obsolete regulations.

18. Section-by-Section Discussion for Changes to 43 CFR Subpart 3165

The proposed rule would not change or revise the existing 43 CFR 3165.1 heading. E.O. 14270 directs the BLM to incorporate a sunset provision into regulations promulgated under FLPMA. While the Department's oil and gas leasing regulations reference FLPMA for land use planning decisions, these regulations are primarily established under the MLA and its authority for promulgating regulations. As a result, the BLM did not include a sunset date for these proposed oil and gas leasing regulations and proposes to remove reference to FLPMA from the authority statement for part 3140.

Section 3165.1 Relief From Operating and/or Producing Requirements

The purpose of this section is to describe the requirements for lease suspension applications. Federal oil and gas lessees benefit from lease suspensions in two ways: (1) They provide financial relief by temporarily halting rental payments while the lease is suspended; and (2) They protect lessees' rights by ensuring they retain their leases without the risk of expiration while the lease is in suspension. The BLM proposes to revise this section by removing requirements that are not mandated by the MLA.

The proposed rule would remove the existing paragraph (c), which currently states the BLM will not approve a suspension application for a lease in circumstances where an APD on the subject lease is filed less than 90 calendar days before the expiration date of the lease. The BLM's rationale for removing paragraph (c) is that lessees and operating rights owners are entitled to the full primary term of the lease but are also responsible for timely filing required plans and necessary applications. This change would provide the BLM with the flexibility to consider suspensions for operators who have been diligently working with the BLM and other State and Federal agencies but are unable to get the APD submitted within this timeframe due to reasons beyond their control.

This change would benefit the public by ensuring that valuable oil and gas leases are not prematurely cancelled due to administrative delays or unforeseen issues, thereby allowing for continued development of domestic energy resources. By enabling the BLM to grant suspensions in appropriate cases, the proposed rule would foster a more efficient leasing process that could adapt to the realities of the industry. This increased flexibility would not only help to maximize the use of Federal lands for energy production but would also contribute to enhancing domestic energy supply, ultimately benefiting consumers and promoting energy independence. In a time when the demand for domestic energy is critical, this rule would support timely development while ensuring that operators could fulfill their obligations without being hindered by rigid timelines.

The proposed rule would then redesignate existing paragraph (d) to paragraph (c) and remove the phrase ''of operations and production'' from the

first sentence. Removing this phrase would make it clear that this section applies to both types of suspensions allowed under sections 17 and 39 of the MLA. ''Section 39'' suspensions of the MLA suspend both operations and production, 30 U.S.C. 209. ''Section 17'' suspensions of the MLA include a suspension of operations or a suspension of production, 30 U.S.C. 226(i). The BLM proposes to remove this phrase because the criteria in the existing paragraph (d) applies to all types of suspensions. The proposed rule would also remove the second and third sentences of existing paragraph (d), which currently state that approved suspensions will not exceed 1 year, unless, if circumstances warrant, all operating rights owners, or the operator on behalf of the operating rights owners, submit a request to extend the suspension prior to the end of the suspension. The BLM is also proposing to remove existing paragraph (e), which states that BLM-directed suspensions may exceed 1 year. In keeping with current E.O.s and Presidential Memoranda, BLM is proposing to remove existing provisions that are not clearly grounded in statutory authority. The proposed changes would revise this section so that suspensions, when authorized, would remain in effect until the circumstances warranting the suspension no longer exist. This change would enable the BLM to grant suspensions for appropriate periods related to the reason for the suspension. This increased flexibility would not only help maximize the use of Federal lands for energy production but would also contribute to enhancing domestic energy supply, ultimately benefiting consumers and promoting energy independence. In a time when the demand for domestic energy is critical, this proposed rule would support timely development while ensuring that operators can fulfill their obligations without being hindered by rigid timelines.

The proposed rule would redesignate paragraph (f) to become paragraph (d) due to the proposed changes discussed above.

The proposed rule would add a new paragraph (e) stating that the BLM may grant a suspension of operations and production or a suspension of operations at any time in a lease's term but may only grant a suspension of production after a lease begins production. The BLM proposes this change to allow additional flexibility for granting warranted suspensions. Section 17(i) of the MLA (30 U.S.C. 226(i)) stipulates that no lease issued under this section shall expire because operations or production is suspended under any order, or with the consent, of the Secretary. The Department's implementing regulations at 43 CFR 3103.42(a) specify that a suspension of operations only or a suspension of production only may be directed or consented to by the authorized officer in cases where the lessee is prevented from operating on the lease or producing from the lease, despite the exercise of due care and diligence, by reason of *force majeure,* that is, by matters beyond the reasonable control of the lessee.

The IBLA decision, *Savoy Energy, LP,* 178 IBLA 313 (2010), adopted a narrow construction of the suspension of operations provision by stating that it applies only to leases that have a well capable of production, and it does not apply to leases on which there has been no drilling. The holding of *Savoy Energy* presents a challenge to the BLM's effective management of oil and gas leases where lessees are unable to commence operations due to circumstances beyond their reasonable control. Examples of these circumstances include, but are not limited to, an avalanche, a pandemic, waiting on a State-required permit, weather conditions, and litigation. The holding of *Savoy Energy* does not align with provisions of section 17(i) of the MLA, the regulations at 43 CFR 3103.42(a), or ''Oil & Gas Lease Suspension,'' M–36953, 92 I.D. 293, 299–301 (1985). Therefore, the BLM is proposing to add new paragraph (e) that does clearly comply with section 17(i) of the MLA.

19. Section-by-Section Discussion for Changes to 43 CFR Subpart 3181

The proposed rule would not change or revise the existing 43 CFR subpart 3181 heading.

Section 3181.1 Preliminary Consideration of Unit Agreement

The proposed rule would revise this section to remove the reference to appendix A as currently found under 43 CFR subpart 3186, as the rule proposes to remove the model forms from the CFR and instead maintain the forms on the BLM's forms web page at *https://www.blm.gov/services/electronic-forms.* As discussed below, this rule proposes to remove 43 CFR subpart 3186.

20. Section-by-Section Discussion for Changes to 43 CFR Subpart 3183

The proposed rule would not change or revise the existing 43 CFR 3183.4 heading. The existing term ''shall'' would be replaced with the words ''must,'' ''will,'' or ''may,'' as appropriate, to reduce confusion.

Section 3183.4 Approval of Executed Agreement

The proposed rule would revise this section to remove the reference to appendix A as currently found under 43 CFR subpart 3186, as the rule proposes to move the model forms to the BLM's forms web page. In addition, the proposed rule would correct the regulatory citation to 43 CFR subpart 3107.

21. Section-by-Section Discussion for Changes to 43 CFR Subpart 3186

The proposed rule would remove subpart 3186 to remove all of the appendices in the existing subpart 3186 regulations in their entirety, and move them to the BLM's forms web page (*https://www.blm.gov/services/electronic-forms*) as these are examples of a model onshore unit agreement (appendix A), with an example Exhibit A (appendix B), an example Exhibit B (appendix C), an example model designation of successor unit operator (appendix D), and an example model change in unit operator (appendix E). Removing these model forms from the regulations would allow the BLM to keep these examples up to date in a timely manner and is consistent with the policy direction in recent E.O.s to remove unnecessary requirements. These are form documents and should not be in the CFR.

VI. Procedural Matters

A. Regulatory Planning and Review (E.O. 12866, E.O. 13563)

E.O. 12866 provides that the Office of Information and Regulatory Affairs (OIRA) within the OMB will review all significant rules. The OIRA has determined that this proposed rule is significant.

E.O. 13563 reaffirms the principles of E.O. 12866 while calling for improvements in the Nation's regulatory system to promote predictability, to reduce uncertainty, and to use the best, most innovative, and least burdensome tools for achieving regulatory ends. The E.O. directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes further that regulations must be based on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. We have developed this rule in a manner consistent with these requirements.

This proposed rule would revise the BLM's current rules governing oil and gas leasing, which are contained in 43 CFR parts 3000, 3100, 3110, 3120, 3130, 3140, 3150, 3160, and 3180. The BLM developed this proposed rule in a manner consistent with the requirements in E.O. 12866, *Regulatory Planning and Review,* and E.O. 13563, *Improving Regulation and Regulatory Review.* Consistent with these Executive Orders, the BLM evaluated the potential economic impact of the proposed rule, including non-monetized effects. The BLM determined that the proposed rule would generate net cost savings of $6.13 to $12.2 million per year (in 2025 dollars). Further, the proposed rule would affect transfer payments totaling $3.1 million per year (in 2025 dollars). Table 2 shows the estimated Net Present Value (NPV) of the cost savings and transfer payments over a 20-year period of analysis (in 2025 dollars).

The BLM determined that most proposed changes in the rule are administrative and do not result in direct environmental effects. However, reducing the minimum bonding amounts could delay reclamation of orphaned wells by an estimated 1,440 to 2,400 days annually, leading to nonmonetized environmental costs such as postponed improvements in soil stability, water quality, and habitat recovery. The BLM reflects these non-monetized costs in Table 2.

Table 21. NPV 7% and 3%, 20-Year Period ($2025) ($ in millions).

Values	Net Cost Savings	Transfer Payments
NPV 7%	$65.0 to $129	$32.9
NPV 3%	$91.3 to $181	$46.2
Non-monetized costs	Delay in reclamation— An additional 1,440-2,440 days of environmental impacts from unplugged wells	

For more detailed information, refer to the regulatory impact analysis (RIA) prepared for this proposed rule. The RIA has been posted in the docket for the proposed rule on the Federal eRulemaking Portal: *https://www.regulations.gov.* In the Searchbox, enter ''BLM–2025–0037'', click the ''Search'' button, open the Docket Folder, and look under Supporting Documents.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) (RFA) requires that Federal agencies prepare a regulatory flexibility analysis for rules subject to the notice-and-comment rulemaking requirements under the Administrative Procedure Act (5 U.S.C. 500 *et seq.*) if the rule would have a significant economic impact, whether detrimental or beneficial, on a substantial number of small entities. Refer to 5 U.S.C. 601–612. Congress enacted the RFA to ensure that government regulations do not unnecessarily or disproportionately burden small entities. Small entities include small businesses, small governmental jurisdictions, and small not-for-profit enterprises.

The BLM reviewed the Small Business Administration's (SBA) size standards for small businesses and the number of entities fitting those size standards as reported by the U.S. Census Bureau in the Economic Census. The number of small businesses in States where there are existing Federal oil and gas leases is estimated to be 5,107 for the Crude Petroleum Extraction and Natural Gas Extraction industries (North American Industry Classification System (NAICS) codes 211120 and 211130, respectively). The BLM concludes that the vast majority of entities operating in the relevant sectors are small businesses as defined by the SBA.

The BLM estimates that the per-entity economic impact of the proposed rule would be less than 1 percent of the annual receipts for small businesses of any size. Because the final rule will not have a ''significant economic impact on a substantial number of small entities,'' an initial regulatory flexibility analysis is not required. Please refer to the RIA for more information.

Therefore, the Secretary of the Interior certifies under 5 U.S.C. 605(b) that this proposed rule would not have a significant economic impact on a substantial number of small entities.

C. Unleashing Prosperity Through Deregulation (E.O. 14192)

DOI has examined this proposed rulemaking and has tentatively determined that it is consistent with the policies and directives outlined in E.O. 14192, ''Unleashing Prosperity Through Deregulation.'' This proposed rule, if finalized as proposed, would promote prudent financial management and alleviate unnecessary regulatory burdens. Therefore, it is expected to be an E.O. 14192 deregulatory action, as the proposed rule is expected to result in present value cost savings of $65 to $129 million (2025$) discounted at 7%, primarily from reduced bonding and lease application costs for oil and gas operators.

D. Unfunded Mandates Reform Act (UMRA)

This proposed rule would not impose an unfunded mandate on State, local, or Tribal governments, or the private sector of more than $100 million per year. While the proposed rule includes several changes to the Federal oil and gas leasing program, the only provision anticipated to affect the financial resources flowing to States is the return of noncompetitive leasing. As described in the regulatory impact analysis, this change is expected to result in a modest

reduction in bonus bid revenue, approximately $955,000 annually, due to a shift in how certain parcels are leased.

Because States receive approximately 50 percent of bonus bid revenues from Federal lease sales, this reduction would result in a proportional decrease in revenue shared with States. However, this impact is limited in scale and does not reflect a change in royalty payments, which are based on production. The return of noncompetitive leasing is not expected to affect royalty revenues, as only 1 percent of noncompetitive leases issued between 2003 and 2019 began producing within their primary term. These leases likely would have been issued competitively in the absence of a noncompetitive option.

Accordingly, the financial impact on States is expected to be minimal and limited solely to the reduction in bonus bid revenue associated with noncompetitive leasing. In addition, the proposed rule would not have a significant or unique effect on State, local, or Tribal governments or the private sector. The proposed rule contains no requirements that would apply to State, local, or Tribal governments. The proposed rule would revise requirements that would otherwise apply to the private sector participation in a voluntary Federal program. The costs that the proposed rule would impose on the private sector are below the monetary threshold established at 2 U.S.C. 1532(a). A statement containing the information required by the Unfunded Mandates Reform Act (UMRA) (2 U.S.C. 1531 *et seq.*) is therefore not required for the proposed rule. This proposed rule is also not subject to the requirements of section 203 of UMRA because it contains no regulatory requirements that might significantly or uniquely affect small governments, apply to such governments, or impose obligations upon them.

E. Governmental Actions and Interference With Constitutionally Protected Property Right—Takings (E.O. 12630)

This proposed rule would not cause a taking of private property or otherwise have takings implications under E.O. 12630. Therefore, a takings implication assessment is not required. The proposed rule would update the BLM's current rules governing oil and gas leasing, which are contained in 43 CFR parts 3100 through 3180. The proposed provisions in this rule would not cause a taking of private property because the operations that would be subject to these rules are already subject to existing lease terms, which expressly require that subsequent lease activities must be conducted in compliance with subsequently adopted Federal laws and regulations.

This proposed rule conforms to the terms of the existing leases and applicable statutes and, as such, the rule is not a government action capable of interfering with constitutionally protected property rights. Therefore, the BLM has determined that the rule would not cause a taking of private property or require further discussion of takings implications under E.O. 12630.

F. Federalism (E.O. 13132)

Under the criteria in section 1 of E.O. 13132, this proposed rule does not have sufficient federalism implications to warrant the preparation of a federalism summary impact statement. A federalism impact statement is not required.

The proposed rule would not have a substantial direct effect on the States, on the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the levels of government. It would not apply to States or local governments or State or local governmental entities. The rule would affect the relationship between operators, lessees, and the BLM, but it would not directly impact the States. Therefore, in accordance with E.O. 13132, the BLM has determined that this proposed rule would not have sufficient federalism implications to warrant preparation of a federalism assessment.

G. Civil Justice Reform (E.O. 12988)

This proposed rule complies with the requirements of E.O. 12988. More specifically, this proposed rule meets the criteria of section 3(a), which requires agencies to review all regulations to eliminate errors and ambiguity and to write all regulations to minimize litigation. This proposed rule also meets the criteria of section 3(b)(2), which requires agencies to write all regulations in clear language with clear legal standards.

H. Consultation and Coordination With Indian Tribal Governments (E.O. 13175 and Departmental Policy)

The Department strives to strengthen its government-to-government relationship with Indian Tribes through a commitment to consultation with Indian Tribes and recognition of their right to self-governance and Tribal sovereignty.

The BLM evaluated this proposed rule under the Department's consultation policy and under the criteria in E.O. 13175 to identify possible effects of the rule on federally recognized Indian Tribes. Since the proposed changes to leasing only apply to Federal lands, the proposed rule will not impact the leasing of Indian minerals.

The BLM is providing an opportunity for Tribal consultation. The Tribes may request individual government-to-government consultation regarding the proposed rule throughout the rulemaking process.

I. Paperwork Reduction Act

The Paperwork Reduction Act (PRA) (44 U.S.C. 3501–3521) generally provides that an agency may not conduct or sponsor and, not withstanding any other provision of law, a person is not required to respond to, a collection of information, unless it displays a currently valid OMB control number. Collections of information include any request or requirement that persons obtain, maintain, retain, or report information to an agency, or disclose information to a third party or to the public (44 U.S.C. 3502(3) and 5 CFR 1320.3(c)).

This proposed rule contains information-collection requirements that are subject to review by OMB under the PRA. OMB has approved the existing information collection requirements contained in the regulations that would be affected by this proposed rule under the OMB Control Number 1004–0185 (§§ 3100, 3103.41, 3106, 3120, and subpart 3162).

See the Section-by Section Discussion for further information on the proposed changes to each section of this proposed rule; including proposed changes to sections that contain information collection requirements. The information collection requirements are also discussed in detail in the information collection request submitted to OMB in association with this proposed rule.

Proposed Changes Impacting OMB Control Number 1004–0185

Currently, there are 16,340 annual responses, 29,410 annual burden hours, and $3,766,184 annual non-hour cost burdens inventoried under OMB Control Number 1004–0185. The BLM projects that the new estimated burdens under this OMB control number would be 14,956 annual responses, 18,359 annual burden hours and $1,793,788 annual non-hour cost burdens. The proposed rule would rescind and revise information collection requirements and move other information collection requirements to new sections within the

proposed rule. These proposed changes are summarized as follows.

1. Rescinded Information Collection Requirements

43 CFR 3100.31(b)—Notice of Option Statement. The removal of this information collection requirement would result in the reduction of 1 annual response and 1 annual burden hour.

43 CFR 3100.33—Option Statement. The removal of this information collection requirement would result in the reduction of 2 annual response and 2 annual burden hours.

The BLM proposes to rescind the regulatory sections covering options because industry has never filed options with the BLM. The BLM has not previously received option statements from industry and cannot prohibit options. However, the BLM would continue to accept option statements for the lease file, which is a public record.

2. Revised Information Collection Requirements

43 CFR 3120.43 and 3000.120—Protest fee per page after 50 pages. Proposed revisions to 43 CFR 3000.120 and 3120.43 would introduce a $1.00 per page fee for protest filings that exceed 50 pages in length, including exhibits. This fee is proposed to discourage overly lengthy and administratively burdensome protest filings. This proposed revision is estimated to result in an additional $2,604 annual non-hour cost burdens to protestors.

The proposed rule would also move 43 CFR 3120.13 Protests to 43 CFR 3120.43 under the discussion of the Notice of Competitive Lease Sale to consolidate topics and enhance readability since protests are filed after the BLM publishes the Notice of Competitive Lease Sale.

43 CFR 3120.41—Expression of Interest $5 Per Acre Fee. Section 50101(d)(3) the One Big Beautiful Bill Act (30 U.S.C. 226) removed the EOI fee. This revision would reduce annual non-hour cost burden by $1,975,000.

3. Moved Information Collection Requirements

43 CFR 3101.24(a)—Proof of acreage reduction and Excess acreage petition. These information collection requirements would be moved from 43 CFR 3101.24(a) to 43 CFR 3102.54 and the information collection requirements would remain substantively unchanged from the current requirements.

3. Summary

The net burden changes that would result from the revised and rescinded information collection requirements as contained in the proposed rule are summarized in the below table:

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Summary of Burden Changes

Type of Burden Change	Annual Responses	Annual Burden Hours	Annual Non-hour Cost Burden
Current Burdens	**16,340**	**29,410**	**$3,766,184**
Proposed Rescinded Information Collection Requirements			
Notice of Option Statement 43 CFR 3100.31(b)	-1	-1	$0
Option Statement 43 CFR 3100.33	-2	-2	$0
Proposed Revised Information Collection Requirement			
Protest 3120.43 $1 per page exceeding 50 pages	No change	No change	+$2,604
Expression of Interest Fee	No change	No change	-$1,975,000
Net Burden Changes Due to Proposed Rule	**-3**	**-3**	**+$2,604**
Adjustments to Burden Estimates			
Protests – 43 CFR 3120.43	-1,361	-11,048	No change
New Burdens:	**14,956**	**18,359**	**$1,793,778**

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The new estimated total burdens for OMB Control Number 1004–0185 are as follows.

Title of Collection: Onshore Oil and Gas Leasing and Drainage Protection (43 CFR part 3100).

OMB Control Number: 1004–0185.

Form Numbers: 3000–3 and 3000–3a (OMB No. 1004–0034).

Type of Review: Revision of a currently approved collection.

Respondents/Affected Public: Holders of onshore oil and gas lease and public lands and Indian lands (except on the Osage Reservation), operators of such leases, and holders of operating rights on such leases.

Respondent's Obligation: Required to Obtain or Retain a Benefit.

Frequency of Collection: On occasion.

Estimated Completion Time per Response: Varies from 30 minutes to 24 hours, depending on activity.

Number of Respondents: 14,956.

Annual Responses: 14,956.

Annual Burden Hours: 18,359.

Annual Burden Cost: $1,793,788.

The complete information collection request is available at *www.reginfo.gov/public/do/PRAMain.* You can find this information collection by selecting

''Currently under Review—Open for Public Comments'' or by using the search function. If you want to comment on the information-collection requirements of this proposed rule, please send your comments and suggestions on this information-collection by the date indicated in the **DATES** and **ADDRESSES** sections as previously described.

J. National Environmental Policy Act

A detailed environmental analysis under NEPA is not required because the proposed rule will be covered by a categorical exclusion (see 43 CFR 46.205). This proposed rule meets the criteria set forth at 43 CFR 46.210(i) for a Departmental categorical exclusion in that this proposed rule is ''of an administrative, financial, legal, technical, or procedural nature.'' We have also determined that the proposed rule does not involve any of the extraordinary circumstances listed in 43 CFR 46.215 that would require further analysis under NEPA.

K. Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use (E.O. Order 13211)

Under E.O. 13211, agencies are required to prepare and submit to OMB a Statement of Energy Effects for significant energy actions. This statement is to include a detailed statement of ''any adverse effects on energy supply, distribution, or use (including a shortfall in supply, price increases, and increase use of foreign supplies)'' for the action and reasonable alternatives and their effects.

Section 4(b) of E.O. 13211 defines a ''significant energy action'' as ''any action by an agency (normally published in the **Federal Register**) that promulgates or is expected to lead to the promulgation of a final rule or regulation, including notices of inquiry, advance notices of proposed rulemaking, and notices of proposed rulemaking: (1)(i) that is a significant regulatory action under E.O. 12866 or any successor order, and (ii) is likely to have a significant adverse effect on the supply, distribution, or use of energy; or (2) that is designated by OIRA as a significant energy action.''

Any incremental changes in oil or gas production estimated to result from the rule's enactment would constitute a small fraction of total U.S. gas production, and any potential and temporary deferred production of oil would likewise constitute a small fraction of total U.S. oil production. For these reasons, we do not expect that the proposed rule would significantly impact the supply, distribution, or use of energy. As such, the rulemaking is not a ''significant energy action'' as defined in E.O. 13211.

L. Clarity of this Regulation (E.O.s 12866, 12988, and 13563)

We are required by E.O.s 12866 (section 1(b)(12)), 12988 (section 3(b)(1)(B)), and 13563 (section 1(a)), and by the Presidential memorandum of June 1, 1988, to write all rules in plain language. This means that each rule must:

(a) Be logically organized;

(b) Use the active voice to address readers directly;

(c) Use common, everyday words and clear language rather than jargon;

(d) Be divided into short sections and sentences; and

(e) Use lists and tables wherever possible.

If you feel that we have not met these requirements, send us comments by one of the methods listed in the **ADDRESSES** section. To better help the BLM revise the proposed rule, your comments should be as specific as possible. For example, you should tell us the numbers of the sections or paragraphs that you find unclear, which sections or sentences are too long, the sections where you feel lists or tables would be useful, etc.

M. Ensuring Lawful Governance (E.O. 14219)

E.O. 14219 requires agencies to prioritize the executive branch's limited enforcement resources on regulations that are authorized by constitutional Federal statutes. In accordance with this directive, the BLM conducted a review of its regulations and concluded that the proposed changes to the oil and gas leasing regulations comply with the MLA and do not undermine the national interest.

N. Zero-Based Regulatory Budgeting (E.O. 14270)

E.O. 14270 requires the BLM to incorporate a sunset provision into regulations promulgated under the Mining Act of 1872, the FLPMA, and the Energy Policy Act of 2005. While the BLM's oil and gas leasing regulations reference FLPMA for land use planning decisions, these regulations are primarily established under the MLA and its authority for promulgating regulations. As a result, the BLM did not include a sunset date for its oil and gas leasing regulations and proposes to remove any reference to FLPMA from these parts. The BLM recognizes that the BLM promulgated the fixed filing fees under 43 CFR 3000.120 based on FLPMA and is requesting comments on the costs and benefits of the fixed filing fees. If the BLM sunsets the fixed filing fees, the BLM expects it will need additional appropriated funds from Congress to process these actions or processing these actions will lag behind other actions with sufficient funding. The BLM invites comments on whether any specific leasing sections should include a sunset date. Please specify the regulatory sections and provide your reasons for including a sunset date.

Authors

The principal authors of this final rule include: Peter Cowan, Senior Mineral Leasing Specialist; Jennifer Spencer, Mineral Leasing Specialist; William Lambert, Petroleum Engineer in BLM Headquarters; Natalie Eades, Attorney Advisor in DOI Office of the Solicitor. Technical support provided by: Scott Rickard, Economist; Janna Simonsen, Senior Natural Resource Specialist; Faith Bremner, Regulatory Analyst; and Darrin King, Senior Regulatory Analysts in BLM Headquarters.

43 CFR Chapter II

List of Subjects

43 CFR Part 3000

Public lands-mineral resources, Reporting and recordkeeping requirements.

43 CFR Part 3100

Government contracts, Mineral royalties, Oil and gas reserves, Public lands-mineral resources, Reporting and recordkeeping requirements, Surety bonds.

43 CFR Part 3110

Government contracts, Oil and gas exploration, Public lands-mineral resources, Reporting and recordkeeping requirements.

43 CFR Part 3120

Government contracts, Oil and gas exploration, Public lands-mineral resources, Reporting and recordkeeping requirements.

43 CFR Part 3130

Alaska, Government contracts, Mineral royalties, Oil and gas exploration, Oil and gas reserves, Public lands-mineral resources, Reporting and recordkeeping requirements, Surety bonds.

43 CFR Part 3140

Government contracts, Hydrocarbons, Mineral royalties, Oil and gas exploration, Public lands-mineral resources, Reporting and recordkeeping requirements.

43 CFR Part 3150

Administrative practice and procedure, Alaska, Oil and gas exploration, Public lands-mineral resources, Reporting and recordkeeping requirements, Surety bonds.

43 CFR Part 3160

Administrative practice and procedure, Government contracts, Indians-lands, Mineral royalties, Oil and gas exploration, Penalties, Public lands-mineral resources, Reporting and recordkeeping requirements.

43 CFR Part 3180

Government contracts, Mineral royalties, Oil and gas exploration, Public lands-mineral resources, Reporting and recordkeeping requirements.

For the reasons set out in the preamble, the Bureau of Land Management proposes to amend 43 CFR parts 3000, 3100, 3110, 3120, 3130, 3140, 3150, 3160, and 3180 as follows:

PART 3000—MINERALS MANAGEMENT: GENERAL

■ 1. The authority citation for part 3000 continues to read as follows:

Authority: 16 U.S.C. 3101 *et seq.;* 30 U.S.C. 181 *et seq.,* 301–306, 351–359, and 601 *et seq.;* 31 U.S.C. 9701; 40 U.S.C. 471 *et seq.;* 42 U.S.C. 6508; 43 U.S.C. 1701 *et seq.;* and Pub. L. 97–35, 95 Stat. 357.

■ 2. Revise § 3000.5 to read as follows:

§ 3000.5 Definitions.

As used in 43 CFR Subchapter C, Minerals Management (3000), the term:

Interest means ownership in a lease, or prospective lease, of all or a portion of the record title, working interest, operating rights, overriding royalty, payments out of production, carried interests, net profit share or similar instrument for participation in the benefit derived from a lease. An *interest* may be created by direct or indirect ownership, including options. *Interest* does not mean stock ownership, stockholding or stock control in an application, offer, competitive bid or lease, except for purposes of acreage limitations and qualifications of lessees in 43 CFR subpart 3102.

Oil means all nongaseous hydrocarbon substances other than those substances leasable as coal, oil shale or gilsonite (including all vein-type solid hydrocarbons).

ONRR means the Office of Natural Resources Revenue.

Party in interest means a party who is or will be vested with any interest under the lease as defined in this section. No one is a sole party in interest with respect to an application, offer, competitive bid or lease in which any other party has an interest.

Person means any individual, firm, corporation, association, partnership, consortium, or joint venture.

Proper BLM office means the Bureau of Land Management state office having jurisdiction over the lands subject to the regulations in parts 3000 and 3100.

(See 43 CFR 1821.10 for office location and area of jurisdiction of Bureau of Land Management offices.)

Properly filed means a document or form submitted to the proper BLM office with all necessary information and payments, as provided in 43 CFR subpart 1822.

Public domain lands means lands, including mineral estates, which never left the ownership of the United States, lands which were obtained by the United States in exchange for public domain lands, lands which have reverted to the ownership of the United States through the operation of the public land laws and other lands specifically identified by the Congress as part of the public domain.

Secretary means the Secretary of the Interior.

Surface managing agency means any Federal agency, other than the BLM, having management responsibility for the surface resources that overlay federally owned minerals.

§ 3000.10 [Removed]

■ 3. Remove § 3000.10.

■ 4. Amend § 3000.100 by revising paragraph (d) to read as follows:

§ 3000.100 Fees in general.

* * * * *

(d) *Timing of fee applicability.* (1) For a document that the BLM received before [EFFECTIVE DATE OF THE FINAL RULE], the BLM will not charge a fixed fee or a case-by-case fee under this subchapter for processing that document, except for fees applicable under then-existing regulations.

(2) For a document that the BLM receives on or after [EFFECTIVE DATE OF THE FINAL RULE], the applicant must include the required fixed fees with the documents filed, as provided in § 3000.120(a) of this chapter, and the applicant is subject to case-by-case processing fees as provided in § 3000.110 and under other provisions of this chapter.

■ 5. Revise § 3000.120 to read as follows:

§ 3000.120 Fee schedule for fixed fees.

(a) The table in this section lists the services that require payment of fixed fees to the BLM. The fixed fee amounts are posted on the BLM website (*https://www.blm.gov*) and published in a **Federal Register** notice. These fees are nonrefundable and must be included with documents filed under this chapter. Fees will be adjusted annually according to the change in the Implicit Price Deflator for Gross Domestic Product since the previous adjustment and will subsequently be posted on the BLM website (*https://www.blm.gov*) and announced annually in the **Federal Register** before October 1 each year. Revised fees are effective each year on October 1.

TABLE 1 TO PARAGRAPH (a)—PROCESSING AND FILING FEE TABLE

Document or Action
Oil & Gas (parts 3100, 3120, 3130, 3150, 3160, and 3180):
Assignment and transfer of record title or operating rights
Designation of successor operator for all Federal agreements, except for contracted unit agreements that contain no Federal lands
Final application for Federal unit agreement approval, Federal unit agreement expansion, and Federal subsurface gas storage application
Geophysical exploration permit application—all States
Lease application
Lease consolidation
Lease reinstatement, Class I
Leasing and compensatory royalty agreements under right-of-way pursuant to subpart 3109
Name change; corporate merger; sheriff's deed; dissolution of corporation, partnership, or trust; or transfer to heir/devisee
Overriding royalty transfer, payment out of production
Protest fee per page after 50 pages, including exhibits
Onshore Oil and Gas Operations and Production (parts 3160, 3170):
Application for Permit to Drill

TABLE 1 TO PARAGRAPH (a)—PROCESSING AND FILING FEE TABLE—Continued

Document or Action
Geothermal (part 3200):
Assignment and transfer of record title or operating rights
Assignment or transfer of site license
Competitive lease application
Lease consolidation
Lease reinstatement
Name change, corporate merger or transfer to heir/devisee
Nomination of lands
plus per acre nomination fee
Noncompetitive lease application
Site license application
Coal (parts 3400, 3470):
Exploration license application
Lease or lease interest transfer
License to mine application
Leasing of Solid Minerals Other Than Coal and Oil Shale (parts 3500, 3580):
Applications other than those listed below
Assignment, sublease, or transfer of operating rights
Extension of prospecting permit
Lease modification or fringe acreage lease
Lease renewal
Prospecting permit application amendment
Renewal of existing sand and gravel lease in Nevada
Shasta and Trinity hardrock mineral lease
Transfer of overriding royalty
Use permit
Public Law 359; Mining in Powersite Withdrawals: General (part 3730):
Notice of protest of placer mining operations
Mining Law Administration (parts 3800, 3810, 3830, 3860, 3870):
Adverse claim
Amendment of location
Application to open lands to location
Deferment of assessment work
Mineral patent adjudication
Notice of location *
Protest
Recording a notice of intent to locate mining claims on Stockraising Homestead Act lands
Recording an annual FLPMA filing
Transfer of mining claim/site
Oil Shale Management (parts 3900, 3910, 3930):
Application for assignment or sublease of record title or overriding royalty
Exploration license application

*To record a mining claim or site location, this processing fee along with the initial maintenance fee and the one-time location fee required by statute 43 CFR part 3833 must be paid.

(b) The amount of a fixed fee is not subject to appeal to the Interior Board of Land Appeals pursuant to 43 CFR part 4, subpart E.

PART 3100—OIL AND GAS LEASING

■ 6. Revise the authority citation for part 3100 to read as follows:

Authority: 25 U.S.C. 396d and 2107; 30 U.S.C. 189, 306, 359, and 1751; and 42 U.S.C. 15801.

■ 7. Revise § 3100.5 to read as follows:

§ 3100.5 Definitions.

As used in parts 3100, 3110, and 3120, the term:

Acreage for which expressions of interest (EOI) have been submitted means acreage that is identified in an EOI received by the BLM, that has not been proposed for leasing in any pending sale or other EOI pending BLM disposition, and for which the BLM may lawfully issue an oil and gas lease.

Acres offered for lease means all acres that the BLM has offered for oil and gas lease, regardless of whether those acres are acreage for which expressions of interest have been submitted.

Actual drilling operations includes not only the physical drilling of a well, but also the testing, completing or equipping of such well for production.

Assignment means a transfer of all or a portion of a lessee's record title interest in a lease.

Available lands means those lands that have been designated as open for leasing under a land use plan developed under section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) and that have been nominated for leasing through the submission of an expression of interest, are subject to drainage in the absence of leasing, or are otherwise designated as available pursuant to regulations adopted by the Secretary.

Bid means an amount of remittance offered as partial compensation for a lease equal to, or in excess of, the national minimum acceptable bonus bid set by statute or by the Secretary, submitted by a person for a lease parcel in a competitive lease sale. For leases or compensatory royalty agreements issued under 43 CFR subpart 3109, ''bid'' means an amount or percent of royalty or compensatory royalty that the owner or lessee must pay for the extraction of the oil and gas underlying the right-of-way.

Competitive auction means an in-person or internet-based bidding process where leases are offered to the highest bidder.

Eligible lands means all lands that are subject to leasing under the Mineral Leasing Act of 1920 and are not excluded from leasing by a statutory prohibition.

Exception means (as used for lease stipulations) a limited exemption, for a particular site within the leasehold, to a stipulation.

Lessee means a person holding record title in a lease issued by the United States.

Modification means (as used for lease stipulations) a change to the provisions of a lease stipulation for some or all sites within the leasehold and either temporarily or for the term of the lease.

National Wildlife Refuge System Lands means lands and water, or interests therein, administered by the Secretary as wildlife refuges, areas for the protection and conservation of fish and wildlife that are threatened with extinction; wildlife management areas; or waterfowl production areas.

Oil and gas agreement means an agreement between lessees and the BLM to govern the development and allocation of production for existing leases and unleased lands, including, but not limited to, communitization agreements, compensatory royalty agreements, unit agreements, secondary recovery agreements, and gas storage agreements.

Operating right (working interest) means the interest created out of a lease authorizing the holder of that right to enter upon the leased lands to conduct drilling and related operations, including production of oil or gas from such lands in accordance with the terms of the lease. Operating rights include the obligation to comply with the terms of the original lease, as it applies to the area or horizons for the interest acquired, including the responsibility to plug and abandon all wells that are no longer capable of producing, reclaim the lease site, and remedy environmental problems.

Operating rights owner means a person holding operating rights in a lease issued by the United States. A lessee also may be an operating rights owner if the operating rights in a lease or portion thereof have not been severed from record title.

Operator means any person, including, but not limited to, the lessee or operating rights owner, who has stated in writing to the authorized officer that it is responsible under the terms and conditions of the lease for the operations conducted on the leased lands or a portion thereof.

Primary term of lease subject to section 4(d) of the Act prior to the revision of 1960 (30 U.S.C. 226–1(d)) means all periods of the life of the lease prior to its extension by reason of production of oil and gas in paying quantities; and

Primary term of all other leases means the initial term of the lease, which is 10 years.

Qualified bidder means any person in compliance with the laws and regulations governing a bid.

Qualified lessee means any person in compliance with the laws and regulations governing the BLM issued leases held by that person.

Record title means a lessee's interest in a lease, which includes the obligation to pay rent and the ability to assign and relinquish the lease. Record title includes the obligation to comply with the lease terms, including requirements relating to well operations and abandonment. Overriding royalty and operating rights are severable from record title interests.

Responsible bidder means any person who has not defaulted on the payment of winning bids for BLM-issued oil and gas leases, is capable of fulfilling the requirements of onshore BLM oil and gas leases and is in compliance with statutes and regulations applicable to oil and gas development or with the terms of a BLM-issued oil and gas lease. The term ''responsible bidder'' does not include persons who bid with no intention of paying a winning bid or persons who default on a winning bid.

Responsible lessee means any person who has not defaulted on previous winning bids, is capable of fulfilling the requirements of onshore Federal oil and gas leases, and is in compliance with statutes applicable to oil and gas development or the terms of a BLM-issued oil and gas lease.

Sublease means a transfer of a non-record title interest in a lease, *i.e.,* a transfer of operating rights is normally a sublease, and a sublease also is a subsidiary arrangement between the lessee (sublessor) and the sublessee, but a sublease does not include a transfer of a purely financial interest, such as overriding royalty interest or payment out of production, nor does it affect the relationship imposed by a lease between the lessee(s) and the United States.

Transfer means any conveyance of an interest in a lease by assignment, sublease or otherwise. This definition includes the terms: *Assignment* and *Sublease.*

Unit operator means the person authorized under the unit agreement approved by the Department of the Interior to conduct operations within the unit.

Waiver means (as used for lease stipulations) a permanent exemption from a lease stipulation.

■ 8. Revise § 3100.9 to read as follows:

§ 3100.9 Information collection.

(a) Authority: 44 U.S.C. 3501–3520.

(b)(1) *Purpose.* The Paperwork Reduction Act of 1995 generally provides that an agency may not conduct or sponsor, and notwithstanding any other provision of law, a person is not required to respond to a collection of information, unless the collection displays a currently valid Office of Management and Budget (OMB) Control Number. This part displays OMB control numbers assigned to information collection requirements contained in the Department's regulations at 43 CFR part 3100. This section aids in fulfilling the requirements of the Paperwork Reduction Act to display current OMB Control Numbers for these information collection requirements. Interested persons should consult *https://www.reginfo.gov* for the most current information on these OMB control numbers; including among other things, the justification for the information collection requirements, description of likely respondents, estimated burdens, and current expiration dates.

(2) *Table 1 to Paragraph (b)—OMB control number assigned pursuant to the Paperwork Reduction Act.*

43 CFR part or section	OMB control No.
§§ 3100, 3103.41, 3106, 3120, and Subpart 3162	1004–0185
§§ 3135, and 3216	1004–0034
Part 3130	1004–0196
Subpart 3195	1004–0179
§ 3150	1004–0162
§§ 3160, * 3171, 3176, and 3177	1004–0220
§§ 3172, 3173, 3174, 3175	1004–0137

43 CFR part or section	OMB control No.
§§ 3162.3–1, 3178.5, 3178.7, 3178.8, 3178.9 and Subpart 3179 *	1004–0211

* Information collection requirements for onshore oil and gas operations are generally accounted for under OMB Control Number 1004–0220; however, information collection requirements pertaining to particular to waste prevention, production subject to royalties, and resource conservation are accounted for under OMB Control Number 1004–0211.

■ 9. Revise the undesignated center heading following § 3100.22 to read as follows:

Information

§§ 3100.31 through 3100.33 [Removed]

■ 10. Remove §§ 3100.31 through 3100.33.

Subpart 3101—Issuance of Leases

■ 11. Revise § 3101.12 to read as follows:

§ 3101.12 Surface use rights.

A lessee will have the right to use so much of the leased lands as is necessary to explore for, drill for, mine, extract, remove and dispose of all the leased resource in a leasehold subject to applicable requirements, including stipulations attached to the lease, restrictions deriving from nondiscretionary statutes, and such reasonable mitigation measures as may be required and detailed by the authorized officer to mitigate adverse impacts to other resource values, land uses or users, as provided in the approved resource management plan. Such reasonable mitigation measures may include, but are not limited to, relocation or modification to siting or design of facilities, timing of operations, specification of interim and final reclamation measures, and specification of rates of development and production in the public interest. At a minimum, mitigation measures that are consistent with lease rights include, but are not limited to, requiring relocation of proposed operations by up to 200 meters or prohibiting new surface disturbing operations for a period of up to 60 days in any lease year.

■ 12. Revise the undesignated center heading following § 3101.14 to read as follows:

Limitation on the Issuance of New Leases

§§ 3101.21 through 3101.25 [Removed]

■ 13. Remove §§ 3101.21 through 3101.25.

■ 14. Amend § 3101.52 by revising paragraph (a) to read as follows:

§ 3101.52 Action by the Bureau of Land Management.

(a) Where the surface managing agency has consented to leasing with required stipulations, and the Secretary decides to issue a lease, the authorized officer will incorporate the stipulations into any lease issued.

* * * * *

■ 15. Add an undesignated center heading following § 3101.53 to read as follows:

Consultation With State or Charitable Organizations

Subpart 3102—Qualifications of Lessees

■ 16. Amend § 3102.20 by revising paragraph (a) to read as follows:

§ 3102.20 Non-U.S. Citizens.

(a) Leases or interests therein may be acquired and held by non-U.S. Citizens only through stock ownership, holding or control in a present or potential lessee that is incorporated under the laws of the United States or of any State or territory thereof, 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. If it is determined that a country has denied similar or like privileges to citizens or corporations of the United States, the country will be placed on a list available from any BLM state office, and citizens from those countries may not hold an interest in a lease.

* * * * *

■ 17. Amend § 3102.40 by revising the introductory paragraph to read as follows:

§ 3102.40 Signature.

Signatures on all applications and BLM forms certify acceptance of lease terms and stipulations, as well as compliance with the regulations under 43 CFR part 3100. Refer to § 3102.62 and § 3102.63 for certification of compliance and evidence. The BLM also accepts electronic signatures and submissions.

* * * * *

■ 18. Revise the undesignated center heading following § 3102.40 to read as follows:

Acreage Limitations

■ 19. Revise § 3102.51 to read as follows:

§ 3102.51 Public domain lands.

(a) No person may take, hold, own or control more than 246,080 acres of Federal oil and gas leases on public domain lands in any one State at any one time. No more than 200,000 acres of such acres may be held under option.

(b) In Alaska, the acreage that can be taken, held, owned, or controlled is limited to 300,000 acres in the northern leasing district and 300,000 acres in the southern leasing district, of which no more than 200,000 acres may be held under option in each of the two leasing districts. The boundary between the two leasing districts in Alaska begins at the northeast corner of the Tetlin National Wildlife Refuge as established by section 302(8) of the Alaska National Interest Lands Conservation Act, at a point on the boundary between the United States and Canada, then northwesterly along the northern boundary of the refuge to the left limit of the Tanana River (63°9′38″ north latitude, 142°20′52″ west longitude), then westerly along the left limit to the confluence of the Tanana and Yukon Rivers, and then along the left limit of the Yukon River from said confluence to its principal southern mouth.

■ 20. Revise § 3102.52 to read as follows:

§ 3102.52 Acquired lands.

Separate from, and in addition to, the limitation for public domain lands, no person may take, hold, own or control more than 246,080 acres of Federal oil and gas leases on acquired lands in any one State at any one time. No more than 200,000 acres of such acres may be held under option. Where the United States owns only a fractional interest in the mineral resources of the lands involved in a lease, only that part owned by the United States will be charged as acreage holdings. The acreage embraced in a future interest lease will not be charged as acreage holdings until the lease for the future interest becomes effective.

■ 21. Revise § 3102.53 to read as follows:

§ 3102.53 Excepted acreage.

(a) The following acreage will not be included in computing acreage limitations:

(1) Acreage under any lease any portion of which is committed to any federally approved oil and gas agreement;

(2) Acreage under any lease for which royalty (including compensatory royalty

or royalty in-kind) was paid in the preceding calendar year; and

(3) Acreage under leases subject to an operating, drilling or development contract approved by the Secretary, as provided in 43 CFR subpart 3105.

(b) Acreage subject to offers to lease, overriding royalties and payments out of production will not be included in computing acreage limitations.

■ 22. Add § 3102.54 to read as follows:

§ 3102.54 Excess acreage.

(a) Where, as the result of the termination or contraction of an oil and gas agreement or the elimination of a lease from an operating, drilling, or development contract, a party holds or controls excess accountable acreage, that party will have 90 calendar days from the date of termination, contraction or elimination, to reduce the holdings to the prescribed limitation and to file proof of the reduction in the proper BLM office. Where, as a result of a merger or the purchase of the controlling interest in a corporation, a party acquired acreage in excess of the amount permitted, the party holding the excess acreage will have 180 calendar days from the date of the merger or purchase to divest the excess acreage. If additional time is required to complete the divestiture of the excess acreage, a petition requesting additional time, along with a full justification for the additional time, may be filed with the authorized officer prior to the termination of the 180 days provided herein.

(b) If any person is found to hold accountable acreage in violation of the provisions of these regulations, lease(s) or interests therein will be subject to cancellation or forfeiture in their entirety, until sufficient acreage has been eliminated to comply with the acreage limitation. Excess acreage or interest will be cancelled in the inverse order of acquisition.

■ 23. Add § 3102.55 to read as follows:

§ 3102.55 Computation.

The accountable acreage of a party owning an undivided interest in a lease will be the party's proportionate part of the total lease acreage.

■ 24. Add § 3102.61 to read as follows:

§ 3102.61 Compliance.

Only responsible and qualified bidders and lessees may own, hold, or control an interest in a lease or prospective lease. Responsible and qualified bidders and lessees, including corporations, and all members of associations, including partnerships of all types, must, without exception, be qualified and in compliance with the Act. Compliance means that the persons are:

(a) Citizens of the United States (see § 3102.10) or non-U.S. citizens who own stock in a corporation organized under State or Federal law (see § 3102.20);

(b) In compliance with the Federal acreage limitations (see §§ 3102.51, 3102.52, 3102.53, and 3102.54);

(c) Not minors (see § 3102.30);

(d) Except for an assignment or transfer under 43 CFR subpart 3106, in compliance with section 2(a)(2)(A) of the Act (30 U.S.C. 201(2)(A)), in which case the signature on a bid or lease constitutes evidence of compliance. A lease issued to any person in violation of this paragraph (d) will be subject to the cancellation provisions of 43 CFR 3108.30.

(e) Not in violation of the provisions of section 41 of the Act (30 U.S.C. 195); and

(f) In compliance with section 17(g) of the Act (30 U.S.C. 226(g)), in which case the signature on an offer, lease, assignment, or transfer constitutes evidence of compliance that the signatory and any subsidiary, affiliate, or person, association, or corporation controlled by or under common control with the signatory, as defined in 43 CFR 3400.0–5(rr), has not failed or refused to comply with reclamation requirements with respect to all leases and operations thereon in which such person has an interest. A person is noncompliant with section 17(g) of the Act when they fail to comply with their reclamation obligations or other standards established under 30 U.S.C. 226 in the time specified in a notice from the BLM. A lease issued, or an assignment or transfer approved, to any such person in violation of this paragraph (f) may be subject to the cancellation provisions of 43 CFR 3108.30, notwithstanding any administrative or judicial appeals that may be pending with respect to violations or penalties assessed for failure to comply with the prescribed reclamation standards on any lease holdings. Noncompliance will end upon a determination by the authorized officer that all required reclamation has been completed and that the United States has been fully reimbursed for any costs incurred due to the required reclamation.

(g) In compliance with 43 CFR 3106.10(d) and section 30A of the Act (30 U.S.C. 187(a)). The authorized officer may accept the signature on a request for approval of an assignment of less than 640 acres outside of Alaska (2,560 acres within Alaska) as acceptable certification that the assignment would further the development of oil and gas, or the authorized officer may apply the provisions of 43 CFR 3102.63.

(h) Not excluded or disqualified from participating in a transaction covered by Federal non-procurement debarment and suspension (2 CFR parts 180 and 1400), unless the Department explicitly approves an exception for a transaction pursuant to the regulations in those parts.

■ 25. Add § 3102.62 to read as follows:

§ 3102.62 Certification of compliance.

Any party(s) seeking to obtain an interest in a lease must certify that it is in compliance with the Act as set forth in 43 CFR 3102.61. A corporation or publicly traded association, including a publicly traded partnership, must certify that constituent members of the corporation, association or partnership holding or controlling more than 10 percent of the instruments of ownership of the corporation, association or partnership are in compliance with the Act. Execution and submission of a competitive bid form or request for approval of a transfer of record title or of operating rights (sublease), constitutes certification of compliance.

■ 26. Add § 3102.63 to read as follows:

§ 3102.63 Evidence of compliance.

The authorized officer may request at any time further evidence of compliance and qualification from any party holding or seeking to hold an interest in a lease. Failure to comply with the request of the authorized officer will result in adjudication of the action based on the incomplete submission.

Subpart 3103—Fees, Rentals and Royalty

■ 27. Amend § 3103.1 by revising paragraph (a) to read as follows:

§ 3103.1 Fiscal terms.

(a) The table in this section shows the fiscal terms, that the BLM will adjust every 4 years by a final rule. The BLM will adjust the amounts according to the change in the Implicit Price Deflator for Gross Domestic Product since the previous adjustment. The fiscal terms displayed below are effective on June 22, 2024. The BLM will not adjust the rental nor the minimum bonus bids until after August 16, 2032.

TABLE 1 TO PARAGRAPH (a)—FISCAL TERMS TABLE

Oil and gas (parts 3100, 3110, 3120, 3130, 3140)	Fiscal term
Oil and gas, tar sand, and combined hydrocarbon leases.	Rental of $3 per acre, or fraction thereof, per year during the first 2-year period beginning upon lease issuance, $5 per acre per year, or fraction thereof, for the following 6 years, and then $15 per acre, or fraction thereof, per year thereafter.
Lease reinstatement, Class II	Rental of $20 per acre, or fraction thereof.
Combined hydrocarbon leases	Minimum bonus bids of $25 per acre, or fraction thereof.
Oil and gas and tar sand leases	Minimum bonus bids of $10 per acre, or fraction thereof.

* * * * *

■ 28. Revise § 3103.11 to read as follows:

§ 3103.11 Form of remittance.

Payments made to the BLM may be made by electronic funds transfer, credit card, or other digital payment options when specifically authorized by the BLM. In the case of payments made to the ONRR, such payments may also be made by electronic funds transfer.

Subpart 3104—Bonds

■ 29. Revise the heading of subpart 3104 to read as follows:

Subpart 3104—Performance Bonds.

■ 30. Revise § 3104.1 to read as follows:

§ 3104.1 Bond amounts.

(a) The table in this section shows the minimum bond amounts, that the BLM will adjust every 10 years by a final rule. The BLM will adjust the amounts according to the change in the Implicit Price Deflator for Gross Domestic Product since the previous adjustment. The minimum bond amounts displayed below are effective on [INSERT EFFECTIVE DATE OF FINAL RULE].

TABLE 1 TO PARAGRAPH (a)—MINIMUM BOND AMOUNT TABLE

Oil and gas (parts 3100, 3110, 3120, 3130, 3140)	Minimum bond amount
Lease Bond	$10,000
Statewide Bond	25,000

(b) The minimum bond amounts are not subject to appeal to the Interior Board of Land Appeals pursuant to 43 CFR part 4, subpart E.

(c) Failure to increase or replace an existing bond that does not meet the minimum bond amount or any higher amount set by BLM based on its policies or 43 CFR 3104.50 may:

(1) Subject all wells covered by the bond(s) to shut down under the provisions of 43 CFR 3163.1(a)(3);

(2) Subject all leases covered by the bond(s) to cancellation under the provisions of 43 CFR 3108.30; and

(3) Result in the BLM referring the bond obligor or principal to the Department's Suspension and Debarment Program under 2 CFR part 1400 to determine if the person will be suspended or debarred from doing business with the Federal Government.

■ 31. Amend § 3104.10 by revising paragraph (c) to read as follows:

§ 3104.10 Bond obligations.

* * * * *

(c) Personal bonds must be accompanied by a:

(1) Certificate of deposit issued by a financial institution, the deposits of which are federally insured, explicitly granting the Secretary full authority to demand immediate payment in case of default in the performance of the terms and conditions of the lease. The certificate will explicitly indicate on its face, or through assignment, that Secretarial approval is required prior to redemption of the certificate of deposit by any party;

(2) An electronic funds transfer to the BLM;

(3) Negotiable Treasury securities of the United States of a value equal to the amount specified in the bond. Negotiable Treasury securities must be accompanied by a proper conveyance to the Secretary of full authority to sell such securities in case of default in the performance of the terms and conditions of a lease; or

(4) Irrevocable letter of credit issued by a financial institution, for a specific term, identifying the secretary as sole payee with full authority to demand immediate payment in the case of default in the performance of the terms and conditions of a lease. Letters of credit must be subject to the following conditions:

* * * * *

§ 3104.90 [Removed]

■ 32. Remove § 3104.90.

Subpart 3105—Cooperative Conservation Provisions

■ 33. Add § 3105.1 to read as follows:

§ 3105.1 Reporting and payment for production.

(a) The lessee or its designee who is a party to a unit or communitization agreement must report and pay royalties on oil and gas production for each production month in accordance with the terms of the proposed allocation of production for the unit or communitization agreement until the BLM issues a decision on the proposed agreement.

(b) To assist with accurate and complete reporting, applicants for a Federal participating area, secondary recovery unit, or communitization agreement must:

(1) Provide a list of wells with existing production that would contribute production to the area to be included in the proposed agreement; and

(2) As required under 43 CFR 3160.0–9(c)(1), submit a completion report for all wells that would contribute production to the area included in the proposed participating area, secondary recovery unit, or communitization agreement.

(c) This section does not apply to oil and gas agreements containing Indian lands.

■ 34. Add an undesignated center heading following § 3105.44 to read as follows:

Lease Consolidation

Subpart 3106—Transfers by Assignment, Sublease, or Otherwise

■ 35. Amend § 3106.10 by revising paragraph (e) to read as follows:

§ 3106.10 Transfers, general.

* * * * *

(e) An assignment of less than 640 acres outside Alaska or of less than 2,560 acres within Alaska will be denied unless the assignment constitutes the entire lease or is demonstrated to further the

development of oil and gas to the satisfaction of the authorized officer. Reference 43 CFR 3102.61(g) for certification of compliance.

* * * * *

■ 36. Revise § 3106.20 to read as follows:

§ 3106.20 Qualifications of assignees and transferees.

Assignees and transferees must comply with the provisions of 43 CFR subpart 3102.34.

■ 37. Remove the undesignated center heading following § 3106.30.

Subpart 3107—Continuation and Extension

■ 38. Amend § 3107.10 by revising paragraphs (a) and (b) to read as follows:

§ 3107.10 Extension by drilling.

(a) Any lease on which actual drilling operations were commenced prior to the end of its primary term and which are being diligently prosecuted at the end of the primary term or any lease which is part of an approved oil and gas agreement upon which such drilling takes place, will be extended for 2 years subject to the rental being timely paid as required by 43 CFR 3103.22, and subject to the provisions of 43 CFR 3105.23 and 43 CFR part 3180, if applicable. The BLM will not grant a drilling extension for a lease in its extended term.

(b) Actual drilling operations must be conducted in a manner that a prudent operator would be expected to make in that particular area, given the existing knowledge of geologic and other pertinent facts. In drilling a new well on a lease or for the benefit of a lease under the terms of an approved agreement, it must be taken to a depth sufficient to penetrate at least one formation recognized in the area as potentially productive of oil or gas, or where an existing well is reentered, it must be taken to a depth sufficient to penetrate at least one new and deeper formation recognized in the area as potentially productive of oil or gas. The authorized officer may determine that further drilling is unwarranted or impracticable.

* * * * *

■ 39. Revise § 3107.32 to read as follows:

§ 3107.32 Segregation of leases committed in part.

(a) Any lease committed after July 29, 1954, to any unit agreement, which covers lands within and lands outside the area covered by the agreement, will be segregated, as of the effective date of commitment to the unit, into separate leases; one covering the lands committed to the agreement, the other lands not committed to the agreement. For unproven areas, such segregation will occur only when the public interest requirement is satisfied pursuant to 43 CFR 3183.4(b). Upon satisfaction of the public interest requirement, the BLM will deem the segregation to have been effective as of the date of commitment of the lands to the unit.

(b)(1) The segregated lease covering the non-unitized portion of the lands will continue in force and effect for the term of the lease or for 2 years from the date of segregation, whichever is longer.

(2) If a lease committed in part is in an extended term because of production, the segregated, non-producing lease will continue in effect so long as the producing lease exists and rentals are paid, and so long thereafter as oil or gas is produced from the committed lease.

§ 3107.52 [Removed]

■ 40. Remove § 3107.52.

■ 41. Add an undesignated center heading after § 3107.53 to read as follows:

Other Extension Types

■ 42. Amend § 3107.60 by revising the introductory paragraph to read as follows:

§ 3107.60 Extension of reinstated leases.

Where a reinstatement of a terminated lease is granted under 43 CFR 3108.22 or 43 CFR 3108.23 and the authorized officer finds that the reinstatement will not afford the lessee a reasonable opportunity to continue operations under the lease, the authorized officer may extend the term of such lease for a period sufficient to give the lessee such an opportunity. Any extension will be subject to the following conditions:

* * * * *

■ 43. Remove the undesignated center heading following § 3107.60.

Subpart 3108—Relinquishment, Termination, Cancellation

■ 44. Remove the undesignated center heading following § 3108.10.

■ 45. Amend § 3108.23 by revising paragraph (a) to read as follows:

§ 3108.23 Reinstatement at higher rental and royalty rates: Class II reinstatements.

(a) The authorized officer may, if the requirements of this section are met, reinstate a lease that was terminated by operation of law for failure to pay rental timely when the rental was not paid or tendered within 20 calendar days of the termination date, and it is shown to the satisfaction of the authorized officer that such failure was justified or not due to a lack of reasonable diligence, or no matter when the rental was paid, it is shown to the satisfaction of the authorized officer that such failure was inadvertent.

* * * * *

Subpart 3109—Leasing Under Special Acts

■ 46. Add an undesignated center heading following § 3109.15 to read as follows:

Leasing Under Other Special Acts

■ 47. Amend § 3109.20 by revising paragraph (b) to read as follows:

§ 3109.20 Units of the National Park System.

* * * * *

(b) Any lease or permit respecting minerals in units of the National Park System may be issued only with the consent of the Regional Director, National Park Service. Such consent will only be granted upon a determination by the Regional Director that the activity permitted under the lease or permit will not have significant adverse effect upon the resources or administration of the unit pursuant to the authorizing legislation of the unit. Any lease or permit issued will be subject to such conditions as may be prescribed by the Regional Director to protect the surface and significant resources of the unit, to preserve their use for public recreation, and to the condition that site specific approval of any activity on the lease will only be given upon concurrence by the Regional Director. All lease applications received for reclamation withdrawn lands will also be submitted to the Bureau of Reclamation for review.

* * * * *

■ 48. Add part 3110 to read as follows:

PART 3110—NONCOMPETITIVE LEASES

Sec.

Authority: 16 U.S.C. 3101 *et seq.;* 30 U.S.C. 181 *et seq.* and 351–359; 31 U.S.C. 9701; 43 U.S.C. 1701 *et seq.;* and Public Law 97–35 Stat. 357; and the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41).

§ 3110.1 Lands accessible for noncompetitive leasing.

Only lands that have been offered competitively under part 3120 of this

title, and for which no bid has been received, will be accessible for noncompetitive leasing. Such lands will become accessible for noncompetitive leasing for a period of 2 years beginning on the first business day following the last day of the competitive auction, or the replacement auction that includes the parcel, whichever is later. A lease may be issued based on an application properly filed any time within the 2-year noncompetitive leasing period.

§ 3110.2 Application requirements.

(a) A noncompetitive lease application must be made on a current form approved by the Director. Copies must be exact reproductions of the official approved form, without additions, omissions, or other changes, or advertising. The noncompetitive lease application must:

(1) Include the lease application filing fee found in the fee schedule in § 3000.120 of this chapter.

(2) Include the first-year rental found in the fiscal terms in § 3103.1 of this chapter.

(3) Demonstrate the applicant's compliance with lessee qualifications under subpart 3102.

(4) Provide the parcel number from the Notice of Competitive Lease Sale in which the parcel was offered and did not sell. Each application must contain only a single parcel.

(5) The legal land description of the lease parcel of interest in the noncompetitive lease application, which must exactly match the parcel land description of a parcel that was offered in the competitive auction.

(b) A noncompetitive lease application under this part may be withdrawn by the applicant, unless the BLM has signed the lease form.

§ 3110.3 Priority.

(a) Applications filed for lands accessible for noncompetitive leasing, as specified in § 3110.1, will receive priority as of the date and time of filing as specified in 43 CFR 1821.11, except that all noncompetitive offers will be considered simultaneously filed if received in the proper BLM office at any time during the first business day following the last day of the competitive auction, or the replacement sale that includes the parcel, whichever is later.

(b) If the BLM receives simultaneously filed applications, the BLM will select a single application, as specified in 43 CFR 1822.18. If the selected application does not result in issuance of a lease, the BLM will offer the lease to the next qualified applicant.

(c) Where a correction to an application is needed or is made, whether at the option of the applicant or at the request of the authorized officer, its priority will be determined as of the date the application has been corrected and is complete. If the BLM receives a complete application from another party before the date on which the initial applicant files the corrected application, then the intervening complete application will supersede the corrected application.

§ 3110.4 Action on application.

(a) No lease will be issued before the BLM takes final action on any prior application to lease the lands or any extension of, or petition for reinstatement of, an existing or former lease on the lands. If a noncompetitive lease is issued under this section before final action on a prior application, extension, or reinstatement, the BLM will cancel the noncompetitive lease to be issued under this paragraph.

(b) The United States will indicate its acceptance of the noncompetitive lease application, in whole or in part, and the issuance of the lease, by signature of the authorized officer on the current lease form. A signed copy of the lease will be delivered to the applicant.

(c) Filing a noncompetitive lease application on a lease form not currently in use, unless the application was filed before the Director declaring such lease form obsolete, may be allowed, on the condition that the applicant is bound by the terms and conditions of the lease form currently in use.

(d) A noncompetitive lease application that is not properly filed in accordance with the regulations in this chapter will be rejected, including a noncompetitive lease application for lands that have not been offered on a competitive lease sale.

(e) A noncompetitive lease application made for lands that have been leased competitively will be rejected.

§ 3110.5 Noncompetitive lease terms.

(a) All noncompetitive leases must be for a primary term of 10 years.

(b) All noncompetitive leases will be considered issued when signed by the authorized officer.

(c) Noncompetitive leases will be effective as of the first day of the month following the date the leases are issued. A lease may be made effective on the first day of the month within which it is issued if a written request for the earlier effective date is made before the authorized officer signs the lease. Noncompetitive future interest leases, as described under § 3120.72, will be effective as of the date the mineral interests vest in the United States.

§ 3110.6 Reversionary noncompetitive leases.

(a) This section applies only to those lands that are under the administration of the Secretary of Agriculture where the United States acquired an interest in such lands pursuant to the Act of March 1, 1911 (36 Stat. 961 et. seq.).

(b) If the United States held a vested future interest in a mineral estate that, immediately prior to becoming a vested present interest, was subject to a private lease under which oil or gas was being produced, or had a well capable of producing, the holder of the private lease may elect to continue the lease as a noncompetitive lease.

(c) An election must be made before the interest becomes a vested present interest. If an election is made after the time allowed, or if no election is made, the BLM will reject the application and offer the lands on the next competitive lease sale.

(d) The lessees must comply with lessee qualifications under subpart 3102.

(e) The lessee must provide an acceptable bond before lease issuance.

PART 3120—COMPETITIVE LEASES

■ 49. Revise the authority citation for part 3120 to read as follows:

Authority: 16 U.S.C. 3101 *et seq.;* 30 U.S.C. 181 *et seq.* and 351–359; 40 U.S.C. 471 *et seq.;* Pub. L. 113–291, 128 Stat. 3762; and the Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41).

■ 50. Revise § 3120.11 to read as follows:

§ 3120.11 Lands offered for competitive leasing.

The BLM will consider the types of lands described below for competitive leasing under the MLA, including but not limited to:

(a) Lands that were covered by previously issued oil and gas leases that have terminated, expired, been cancelled or relinquished;

(b) Lands for which the authority to lease has been delegated from the General Services Administration to the BLM;

(c) Lands from a cancelled lease or interest in a lease that was acquired in violation of any of the provisions of the Act. When an underlying lease or interest in a lease is cancelled or forfeited through a bankruptcy or otherwise to the United States and there are valid interests therein that are not subject to cancellation, forfeiture, or compulsory disposition, such underlying lease or interest may be sold

to the highest responsible and qualified bidder by competitive bidding under this subpart, subject to all outstanding valid interests therein. If less than the whole interest in the lease, or interest is cancelled or forfeited, such partial interest may likewise be sold by competitive bidding. If no satisfactory bid is obtained as a result of the competitive offering of such whole or partial interests, such interests may be sold in accordance with 30 U.S.C. 184(h)(2) by such other methods as the authorized officer deems appropriate, but on terms no less favorable to the United States than those of the best competitive bid received. Interest in outstanding leases(s) so sold will be subject to the terms and conditions of the existing lease(s);

(d) Lands which are otherwise unavailable for leasing but which are subject to drainage (protective leasing);

(e) Lands included in any expression of interest submitted to the authorized officer; and

(f) Lands selected by the authorized officer.

§ 3120.13 [Removed]

■ 51. Remove § 3120.13.

■ 52. Revise § 3120.22 to read as follows:

§ 3120.22 Effective date of leases.

All competitive leases will be considered issued when the authorized officer signs them. Competitive leases, except future interest leases issued under § 3120.72, will be effective as of the first day of the month following the date the authorized officer signs the leases on behalf of the United States. A lease may be made effective on the first day of the month within which it is issued if the winning bidder makes a written request before the date the authorized officer signs the lease. Leases for future interest will be effective as of the date the mineral interests vest in the United States.

■ 53. Revise 3120.31 to read as follows:

§ 3120.31 Expression of interest process.

(a) A party submitting an expression of interest in leasing land available for disposition under section 17 of the Mineral Leasing Act must include the submitter's name and address and must submit the expression of interest through the BLM's online leasing system.

(b) The expression must provide a description of the lands identified by legal land description, as follows:

(1) For lands surveyed under the public land survey system, describe the lands to the nearest aliquot part within the legal subdivision, section, township, range, and meridian;

(2) For unsurveyed lands, describe the lands by metes and bounds, giving courses and distances, and tie this information to an official corner of the public land surveys, or to a prominent topographic feature;

(3) For approved protracted surveys, include an entire section, township, range, and meridian. Do not divide protracted sections into aliquot parts;

(4) For lands that have water boundaries, describe the lands based on the initial survey or deed acquiring ownership;

(5) For lands where the acquiring agency has assigned an acquisition or tract number covering the lands applied, submit the number in addition to any description otherwise required by this section. If the authorized officer determines that the acquisition or tract number, together with identification of the State and county, constitutes an adequate description, the authorized officer may allow the description in this manner in lieu of other descriptions required by this section.

(c) A submitter may submit more than one expression of interest, so long as each expression separately satisfies the requirements of this section.

(d) The BLM may offer for lease all or some of the lands specified in an expression of interest and may offer those lands as part of a parcel that includes lands not specified in the expression of interest.

§§ 3120.32 and 3120.33 [Removed]

■ 54. Remove §§ 3120.32 and 3120.33.

■ 55. Revise § 3120.42 to read as follows:

§ 3120.42 Posting timeframes.

(a) At least 45 calendar days prior to conducting a competitive auction, the BLM will make available to the public a list of lands to be offered for competitive lease sale in a Notice of Competitive Lease Sale.

(b) After posting the Notice of Competitive Lease Sale, the BLM will provide a protest period, of not less than 10 calendar days, for public input on the upcoming lease sale.

(c) The BLM will make available the final National Environmental Policy Act documents prior to issuing a lease from the lease sale.

(d) The BLM will post a public notice if it decides for any reason not to hold a scheduled quarterly lease sale.

■ 56. Add § 3120.43 to read as follows:

§ 3120.43 Protests.

(a) The BLM will not suspend actions pursuant to the regulations in this subpart or under 43 CFR 4.21(a) due to a protest filed against the authorized officer's notice to hold a lease sale.

(b) Notwithstanding paragraph (a) of this section, the authorized officer may suspend the offering of a specific parcel while considering a protest against its inclusion in a Notice of Competitive Lease Sale.

(c) Only the Assistant Secretary for Land and Minerals Management may suspend a lease sale for good cause after reviewing the reason(s) for a protest.

(d) The processing fee for filing protests over 50 pages, inclusive of exhibits, is listed in the fee schedule in § 3000.120 of this chapter.

■ 57. Amend § 3120.53 by revising paragraph (a) to read as follows:

§ 3120.53 Award of lease.

(a) A bid cannot be withdrawn and will constitute a legally binding commitment to execute the lease bid form and accept a lease, including the obligation to pay the bonus bid, first year's rental, and processing fee. Execution by the high bidder of a competitive lease bid form approved by the Director constitutes certification of compliance with 43 CFR subpart 3102, will constitute a binding lease offer, including all terms and conditions applicable thereto, and must be submitted when payment is made in accordance with § 3120.52(b). Failure to comply with § 3120.52(c) will result in rejection of the bid and forfeiture of the monies submitted under § 3120.52(b).

* * * * *

■ 58. Revise § 3120.60 to read as follows:

§ 3120.60 Parcels not bid on at auction.

The BLM will hold a replacement sale within 30 calendar days after a competitive auction when 25 percent or greater of the acreage offered does not receive bids. Lands offered at the competitive auction that received no bids will become accessible for noncompetitive leasing for a period of 2 years beginning on the first business day following the last day of the competitive auction, or the replacement auction that includes the parcel, whichever is later, as provided by 43 CFR part 3110.

■ 59. Amend § 3120.72 by revising paragraph (b) to read as follows:

§ 3120.72 Future interest terms and conditions.

* * * * *

(b) Upon vesting of the oil and gas rights in the United States, the future interest lease rental and royalty will be as for any competitive lease issued under this subpart, as provided in 43 CFR subpart 3103, and the acreage will be chargeable in accordance with 43 CFR subpart 3102.

■ 60. Revise § 3120.73 to read as follows:

§ 3120.73 Compensatory royalty agreements.

The terms and conditions of compensatory royalty agreements involving acquired lands in which the United States owns a future or fractional interest will be established on an individual case basis. Such agreements may be required when leasing is not possible in situations where the interest of the United States in the oil and gas deposit includes both a present and a future fractional interest in the same tract containing a producing well. The BLM may use such agreements until the BLM issues a competitive lease for unleased lands included in a compensatory royalty agreement.

PART 3130—OIL AND GAS LEASING: NATIONAL PETROLEUM RESERVE, ALASKA

■ 61. Revise the authority citation for part 3130 to read as follows:

Authority: 42 U.S.C. 6508.

■ 62. Amend § 3134.1 by revising paragraphs (a), (b), and (e) to read as follows:

§ 3134.1 Bonding.

(a) Prior to issuance of an oil and gas lease, the successful bidder must furnish the authorized officer a surety or personal bond in accordance with the provisions of § 3104.10 of this title in the sum of $100,000, conditioned on compliance with all the lease terms and conditions, including rentals and royalties, and any stipulations. The bond will not be required if the bidder already maintains or furnishes a bond in the sum of $300,000, conditioned on compliance with the terms, conditions, and stipulations of all oil and gas leases held by the bidder within NPR–A.

(b) A bond in the sum of $100,000 or $300,000, may be provided by an operating rights owner (sublessee) or operator in lieu of a bond furnished by the lessee, and must assume the responsibilities and obligations of the lessee for the entire leasehold in the same manner and to the extent as though they were the lessee.

* * * * *

(e) Except as provided in this subpart, the bonds required for NPR–A leases are in addition to any other bonds the successful bidder may have filed or be required to file under §§ 3104.20, 3104.30(a) and 3154.1 and subparts 3206 and 3209 of this title.

PART 3140—LEASING IN SPACIAL TAR SANDS AREAS

■ 63. Revise the authority citation for part 3140 to read as follows:

Authority: 30 U.S.C. 181 *et seq.;* 30 U.S.C. 351–359; Pub. L. 97–78, 95 Stat. 1070; 42 U.S.C. 15801, unless otherwise noted.

■ 64. Amend § 3140.14 by revising paragraphs (a) and (c)(2) to read as follows:

§ 3140.14 Other provisions.

(a) A combined hydrocarbon lease will be for no more than 5,760 acres. Acreage held under a combined hydrocarbon lease in a Special Tar Sand Area is not chargeable to State oil and gas limitations allowable in 43 CFR 3102.51 or 3102.52.

* * * * *

(c) * * *

(2) The royalty rate for a combined hydrocarbon lease converted from a valid claim based on a mineral location will be 12.5 percent.

* * * * *

■ 65. Revise § 3140.70 to read as follows:

§ 3140.70 Lands within the National Park System.

The BLM stopped accepting conversion applications on November 15, 1983. Conversions of existing oil and gas leases and valid claims based on mineral locations to combined hydrocarbon leases within units of the National Park System will be allowed only where mineral leasing is permitted by law and where the lands covered by the lease or claim proposed for conversion are open to mineral resource disposition in accordance with any applicable minerals management plan. (See 43 CFR 3100.3(g)(4)). In order to consent to any conversion or any subsequent development under a combined hydrocarbon lease requiring further approval, the Regional Director of the National Park Service must find that there will be no resulting significant adverse impacts on the resources and administration of such areas or on other contiguous units of the National Park System in accordance with 43 CFR 3109.20(b).

Subpart 3141—Leasing in Special Tar Sands Areas

■ 66. Amend § 3141.10 by revising paragraph (h) to read as follows:

§ 3141.10 General.

* * * * *

(h) The acreage of combined hydrocarbon leases or tar sand leases held within a Special Tar Sand Area will not be charged against acreage limitations for the holding of oil and gas leases as provided in 43 CFR 3102.51.

* * * * *

■ 67. Amend § 3141.53 by revising paragraphs (a) and (e) to read as follows:

§ 3141.53 Royalties and rentals.

(a) The royalty rate on all combined hydrocarbon leases or tar sand leases is 12.5 percent of the value of production removed or sold from a lease. The ONRR will be responsible for collecting and administering royalties.

* * * * *

(e) Except as explained in paragraphs (a) through (c) of this section, all other provisions of 43 CFR subpart 3103 apply to combined hydrocarbon leasing.

■ 68. Revise § 3141.63 to read as follows:

§ 3141.63 Conduct of sales.

(a) *Oil and gas leases.* Lease sales for oil and gas leases will be conducted using the procedures for oil and gas leases in 43 CFR 3120.51.

(b) *Combined hydrocarbon leases and tar sand leases.* (1) Parcels will be offered by competitive auction.

(2) The winning bid will be the highest bid by a responsible and qualified bidder, equal to the minimum bonus bid amount as specified in § 3103.1 of this chapter or for hydrocarbon leases, the minimum bonus bid amount determined under § 3141.51, whichever is larger.

(3) Payments must be made as provided in 43 CFR 3120.52.

PART 3150—ONSHORE OIL AND GAS GEOPHYSICAL OPERATIONS

■ 69. Revise the authority citation for part 3150 to read as follows:

Authority: 16 U.S.C. 3150(b) and 668dd; 30 U.S.C. 189 and 359; 42 U.S.C. 6508.

■ 70. Revise § 3152.3 to read as follows:

§ 3152.3 Renewal of exploration permit.

Upon request by the permittee, an exploration permit may be renewed for a period not to exceed 1 year.

PART 3160—ONSHORE OIL AND GAS OPERATIONS

■ 71. Revise the authority citation for part 3160 to read as follows:

Authority: 25 U.S.C. 396d and 2107; 30 U.S.C. 189, 306, 359, and 1751; and Sec. 107, Pub. L. 114–74, 129 Stat. 599, unless otherwise noted.

■ 72. Revise § 3165.1 to read as follows:

§ 3165.1 Relief from operating and/or producing requirements.

(a) Applications for relief from either the operating or the producing requirements of a lease, or both, must be filed with the authorized officer, and must include a full statement of the circumstances that render such relief necessary.

(b) The authorized officer will act on applications submitted for a suspension

of operations or production, or both, filed pursuant to 43 CFR 3103.42. The application for suspension must be filed with the authorized officer prior to the expiration date of the lease; must be executed by all operating rights owners or by the operator on behalf of the operating rights owners; and must include a full statement of the circumstances that makes such relief necessary.

(c) If approved, a suspension will be effective on the first of the month in which the completed application was filed or the date specified by the authorized officer in the approval.

(d) Suspensions will lift when the basis provided for the suspension no longer exists, when lifting the suspension is in the public interest, or as otherwise stated by the authorized officer in the approval letter.

(e) The BLM may grant a suspension of operations and production or a suspension of operations at any time in a lease's term but may only grant a suspension of production after a lease begins production.

PART 3180—ONSHORE OIL AND GAS UNIT AGREEMENTS: UNPROVEN AREAS

■ 73. The authority citation for part 3180 continues to read as follows:

Authority: 30 U.S.C. 189.

■ 74. Revise § 3181.1 to read as follows:

§ 3181.1 Preliminary consideration of unit agreement.

The model unit agreement, available from the BLM's form web page, is acceptable for use in unproven areas. Unique situations requiring special provisions should be clearly identified, since these and other special conditions may necessitate a modification of the model unit agreement. Any proposed special provisions or other modifications of the model agreement should be submitted for preliminary consideration so that any necessary revision may be prescribed prior to execution by the interested parties. Where Federal lands constitute less than 10 percent of the total unit area, a non-Federal unit agreement may be used. Upon submission of such an agreement, the authorized officer will take appropriate action to commit the Federal lands.

■ 75. Revise § 3183.4 to read as follows:

§ 3183.4 Approval of executed agreement.

(a) A unit agreement may be approved by the authorized officer upon a determination that such agreement is necessary or advisable in the public interest and is for the purpose of more properly conserving natural resources. Such approval will be incorporated in a Certification-Determination document appended to the agreement, and the unit agreement will not be deemed effective until the authorized officer has executed the Certification-Determination document. No such agreement will be approved unless the parties signing the agreement hold sufficient interests in the unit area to provide reasonably effective control of operations.

(b) The public interest requirement of an approved unit agreement for unproven areas will be satisfied only if the unit operator commences actual drilling operations and thereafter diligently prosecutes such operations in accordance with the terms of said agreement. If an application is received for voluntary termination of a unit agreement for an unproven area during its fixed term or such an agreement automatically expires at the end of its fixed term without the public interest requirement having been satisfied, the approval of that agreement by the authorized officer and lease segregations and extensions under 43 CFR subpart 3107 will be invalid, and no Federal lease will be eligible for extensions under 43 CFR subpart 3107.

(c) Any modification of an approved agreement will require the prior approval of the authorized officer.

Subpart 3186—Model Forms [Removed]

■ 76. Remove subpart 3186—Model Forms.

Lanny E. Erdos,

Director, Office of Surface Mining, Reclamation, and Enforcement Exercising Authority of the Assistant Secretary—Land and Minerals Management.

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