

## § 3213.25

CFR 3200.4, the cancellation takes effect 30 days from the date you receive notice of the violation.

### **§ 3213.25 What can I do if BLM notifies me that my lease is being canceled due to violations of the laws, regulations or lease terms?**

(a) You can prevent us from canceling your lease following this notice if:

(1) You correct the violation within 30 days; or

(2) You show us that you cannot correct the violation during the 30-day period but that you are making a good faith attempt to timely correct the violation.

(b) You may request a hearing on the record about the violation or proposed lease cancellation. You have 30 days from the date you receive the violation notice to request a hearing. See 43 CFR parts 4 and 1840. We will suspend canceling your lease while your appeal is pending. If a hearing occurs and the administrative law judge decides you committed a violation, you will have 30 days from receiving the decision to correct the violation under paragraph (a) of this section.

## **Subpart 3214—Personal and Surety Bonds**

### **§ 3214.10 Who must post a geothermal bond?**

The lessee or operator must post a bond with BLM before exploration, drilling or utilization operations begin. Before we approve a lease transfer or recognize a new designated operator, the lessee or operator must file a new bond or a rider to the existing bond, unless all previous operations on the land have already been reclaimed.

### **§ 3214.11 Who must my bond cover?**

Your bond must cover all record title owners, operating rights owners, operators and any person who conducts operations on your lease.

### **§ 3214.12 What activities must my bond cover?**

Your bond must cover:

(a) Any activities related to exploration, drilling, utilization or associated operations on a Federal lease;

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(b) Reclamation of the surface and other resources;

(c) Royalty payments; and,

(d) Compliance with the requirements of 43 CFR 3200.4.

### **§ 3214.13 What is the minimum dollar amount required for a bond?**

The minimum bond amount differs depending on the type of activity you are proposing and whether your bond will cover individual, statewide or nationwide activities. The minimum dollar amounts and bonding options for each type of activity are found in the following regulations:

(a) Exploration operations—see 43 CFR 3251.15;

(b) Drilling operations—see 43 CFR 3261.18; and,

(c) Utilization operations—see 43 CFR 3271.12 and 43 CFR 3273.19.

### **§ 3214.14 May BLM increase the bond amount above the minimum?**

(a) We may increase the bond amount beyond the minimums referenced in 43 CFR 3214.13 when:

(1) We determine the operator has a history of noncompliance;

(2) We previously had to make a claim against a surety because any one person who is covered by the new bond failed to timely plug and abandon a well and reclaim the surface;

(3) MMS has notified BLM that a person covered by the bond owes uncollected royalties; or

(4) Our inspection of the property determines that the bond amount is too low to cover the estimated reclamation cost.

(b) We may increase bond amounts to any level, but we will not set that amount higher than the total estimated costs of plugging wells, removing structures, and reclaiming the surface, plus any uncollected royalties due MMS or monies owed to BLM due to previous violations.

### **§ 3214.15 What kind of financial guarantee will BLM accept to back my bond?**

We will not accept cash to back a bond. We will only accept:

(a) Corporate surety bonds, provided that the surety company is approved