

Bureau of Land Management, Interior

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§ 3508.15 What information will the detailed statement of the lease sale terms and conditions include?

(a) The proposed lease terms and conditions, including the rental, royalty rates, bond amount, and any special stipulations for the particular tract;

(b) An explanation of how you may submit your bid;

(c) Notification that you must accompany your bid with your qualifications statement (see subpart 3502 of this part) and a deposit of one-fifth of your bid amount;

(d) Notification that if you are the successful bidder, you must pay your proportionate share of the total publication cost for the sale notice before we will issue the lease. Your share is based on the number of tracts you bid on successfully, divided by the total number of tracts offered for sale;

(e) A warning concerning 18 U.S.C. 1860 which provides criminal penalties for manipulating the bidding process;

(f) A statement that the Secretary reserves the right to reject any and all bids, and to offer the lease to the next qualified bidder, if the successful bidder does not get the lease for any reason; and

(g) Any other information we deem appropriate.

§ 3508.20 How will BLM conduct the sale and handle bids?

We will open and announce all bids at the time and date specified in the notice of lease sale, but we will not accept or reject bids at that time. We must receive your bid by the deadline in the sale notice or we will not consider it. You may withdraw or modify your bid before the time specified in the notice of sale.

§ 3508.21 What happens if I am the successful bidder?

(a) If you are the highest qualified bidder and we determine that your bid meets or exceeds fair market value, we will send you copies of the lease on the form attached to the detailed statement. Within the time we specify you must:

- (1) Sign and return the lease form;
- (2) Pay the balance of the bonus bid;
- (3) Pay the first year's rental;
- (4) Pay the publication costs;

(5) Furnish the required lease bond;

(6) If you were not the applicant, pay the cost recovery fee specified in the lease sale notice; and

(7) Pay all processing costs BLM incurs after the date of the sale notice.

(b) See § 3504.12 of this part for payment procedures.

[64 FR 53536, Oct. 1, 1999; 65 FR 11476, Mar. 3, 2000; 70 FR 58877, Oct. 7, 2005]

§ 3508.22 What happens if BLM rejects my bid?

(a) If your bid is the high bid and we reject it because you did not sign the lease form and pay the balance of the bonus bid, or otherwise comply with this subpart, you forfeit to the United States your deposit of one-fifth of the bonus bid amount.

(b) If we must reject your high bid for reasons beyond your control, we will return your bid deposit.

(c) If we reject your bid because it is not the high bid, we will return your bid deposit.

Subpart 3509—Fractional and Future Interest Lease Applications

§ 3509.10 What are future interest leases?

BLM issues noncompetitive future interest leases to persons who hold present mineral interests that will revert to the Federal Government at some future date. Future interest leases allow the present interest holders to continue using their present mineral right once the Federal Government acquires it.

§ 3509.11 Under what conditions will BLM issue a future interest lease to me?

When it is in the public interest, we will issue you a future interest lease for lands where you either have an existing mining operation or have established that a valuable deposit exists.

§ 3509.12 Who may apply for a future interest lease?

You may apply for a future interest lease only if you have a present interest in the minerals. You must hold more than 50 per cent of either the fee interest, a lease interest or an operating rights interest. You must also

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meet the qualification requirements set forth in subpart 3502 of this part.

§ 3509.15 Do I have to pay for a future interest lease?

You must pay fair market value for the mineral deposit when title vests in the United States. You also will be required to pay royalty on your production.

§ 3509.16 How do I apply for a future interest lease?

No specific form is required. You must file at least one year before the mineral interest vests with the United States or BLM will deny your application. BLM will charge you a processing fee on a case-by-case basis as described in § 3000.11 of this chapter.

[64 FR 53536, Oct. 1, 1999, as amended at 70 FR 58878, Oct. 7, 2005]

§ 3509.17 What information must I include in my application for a future interest lease?

Your application must include the same information we require when you apply for a present interest Federal lease. See subpart 3508 of this part. In addition, you must include the following:

- (a) A land description;
- (b) Your certification that you meet the qualifications requirements (see subpart 3502 of this part);
- (c) Evidence of your title or the extent of your rights to the present interest in the mineral deposits. Submit either a certified abstract of title or a title certificate, or the instrument establishing your rights; and
- (d) The names of the other owners, if any, of the mineral interests. If you own the operating rights to the mineral by means of a contract with the mineral owner, you also need to submit three copies of the mineral contract or lease.

§ 3509.18 What will BLM do after it receives my application for a future interest lease?

(a) After BLM receives your application for a future interest lease, we will notify all other interest owners that they have 90 days to file applications for the same mineral interest.

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(b) If any other interest owners timely apply, we will hold a competitive lease sale among the qualified applicants. BLM will establish standards for the competitive sale similar to those under subpart 3508 of this part, and provide notice to all of the qualified applicants.

(c) If no other qualified owners timely apply, BLM may issue a future interest lease to you. BLM will establish the amount of the bonus bid you must pay through appraisal.

§ 3509.20 When does my future interest lease take effect?

Your future interest lease will be effective on the date the minerals vest in the United States, as stated in the lease.

§ 3509.25 For what reasons will BLM reject my application for a future interest lease?

We will reject your application:

- (a) If you do not meet the qualifications in § 3509.15 of this part;
- (b) If you filed your application less than one year before the minerals vest in the United States; or
- (c) We determine that issuing the lease is not in the public interest.

§ 3509.30 May I withdraw my application for a future interest lease?

Yes. You must file the withdrawal with BLM before the lease is signed. BLM will retain any fees already paid for processing the application.

[64 FR 53536, Oct. 1, 1999, as amended at 70 FR 58878, Oct. 7, 2005]

§ 3509.40 What are fractional interest prospecting permits and leases?

They are prospecting permits and leases for parcels where the United States holds less than 100 per cent of the mineral interest of the parcel. Fractional interest leases allow development of the shared mineral interests.

§ 3509.41 For what lands may BLM issue fractional interest prospecting permits and leases?

We issue them for lands where the United States owns less than 100 per cent of the mineral interest and where we have determined it is in the public interest to grant the permit or lease.