

**Bureau of Land Management, Interior**

**§ 3213.18**

- (4) The location and status of wells;
- (5) A summary of monthly production from your lease; and
- (6) A detailed statement of expenses and costs.

(b) If you are applying for a royalty reduction, suspension or waiver, you must also give us a list of names and amounts of royalties or payments out of production paid to each individual, and every effort you have made to reduce these payments. We will not approve a royalty reduction, suspension or waiver unless other royalty interest owners accept a similar reduction, suspension or waiver.

**Subpart 3213—Relinquishment, Termination, Cancellation, and Expiration**

**§ 3213.10 Who may relinquish a lease?**

The record title owner may relinquish a lease in full or in part. If there is more than one record title owner for a lease, all record title owners must sign the relinquishment.

**§ 3213.11 What must I do to relinquish a lease?**

Send BLM a written request that includes the serial number of each lease you are relinquishing. If you are relinquishing the entire lease, no legal description of the land is required. If you are relinquishing part of the lease, you must describe the lands relinquished.

**§ 3213.12 May BLM accept a partial relinquishment if it will reduce my lease to less than 640 acres?**

Your lease must remain at least 640 acres, or all of your leased lands in a section, whichever is less. Otherwise, we will not accept your partial relinquishment. We may only allow an exception if it will further development of the resource.

**§ 3213.13 When does my relinquishment take effect?**

If BLM determines you have submitted a complete relinquishment request which meets the requirements of 43 CFR 3213.11 and 3213.12, your relinquishment is effective the day we receive it. However, you and your surety must still:

- (a) Pay all rents and royalties due before relinquishment;
- (b) Plug and abandon all wells on the relinquished land;
- (c) Restore the surface and other resources; and,
- (d) Comply with the requirements of 43 CFR 3200.4.

**§ 3213.14 How can my lease automatically terminate?**

If you do not pay the rent on or before the anniversary date, your lease automatically terminates by operation of law.

**§ 3213.15 Will my lease automatically terminate if my rental payment is on time but for the wrong amount?**

(a) If MMS receives your rental payment on time, but it is deficient by a nominal amount, your lease will not automatically terminate. A nominal amount is not more than \$100 or five percent of the total payment due, whichever is less. MMS will notify you if your payment is deficient, and will set a date by which a further payment must be made. If you do not send this further payment in the time allowed, we will terminate your lease as of the anniversary date of the lease.

(b) If your rental payment is deficient by more than a nominal amount, your lease will automatically terminate on the anniversary date of the lease.

**§ 3213.16 Will BLM notify me if my lease terminates?**

Yes, we will send you a notice of the termination by certified mail, return receipt requested.

**§ 3213.17 May BLM reinstate my lease?**

Yes, if your lease was terminated for failure to pay your rents on time. You have 30 days from when you receive the termination notice to petition us for reinstatement.

**§ 3213.18 Who may petition to reinstate a lease?**

All record title owners must sign the petition, though any one record owner can submit it.

**§ 3213.19****§ 3213.19 What must I do to have my lease reinstated?**

Send BLM a petition requesting reinstatement. Your petition must include the serial number for each lease and an explanation of why the delay in payment was justifiable, rather than due to a lack of diligence. In addition to your petition, you must also include any past rent owed and any rent which has accrued from the termination date.

**§ 3213.20 Are there reasons why BLM would not reinstate my lease?**

We will not reinstate your lease if:

- (a) You do not prove that your failure to pay rent on time was justifiable or was not due to your lack of diligence;
- (b) We issued a valid lease for any of the lands before you filed your petition for reinstatement; or
- (c) The land is no longer available for leasing.

**§ 3213.21 When will my lease expire?**

Your lease expires at the end of its primary term or extended term if you do not either begin production before the primary term ends or extend your lease under subpart 3208. BLM will not notify you when your lease expires at the end of the primary term.

**§ 3213.22 Will BLM notify me when my lease's extended term expires?**

No, if you have extended your lease term, we will not notify you when your lease expires at the end of that extended term.

**§ 3213.23 May BLM cancel my lease?**

(a) Yes, we may cancel your lease, after giving you 30 days notice, if we determine that you violated the requirements of 43 CFR 3200.4. We will also cancel your lease if it was issued in error.

(b) See the following Subparts for information related to Inspection and Enforcement procedures:

- (1) Subpart 3254—Exploration operations;
- (2) Subpart 3266—Drilling operations; and
- (3) Subpart 3277—Utilization operations.

**§ 3213.24 When is a cancellation effective?**

(a) If BLM cancels your lease because it was issued in error, the cancellation is effective when you receive it.

(b) If BLM cancels your lease because you violated the requirements of 43 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.