

# ***NOTICE OF COMPETITIVE LEASE SALE OIL AND GAS***

***BUREAU OF LAND MANAGEMENT  
EASTERN STATES  
7450 BOSTON BOULEVARD  
SPRINGFIELD, VIRGINIA 22153  
[www.blm.gov/es/](http://www.blm.gov/es/)***

***POSTING DATE: FEBRUARY 5, 1999***

Notice is hereby given that on **March 22, 1999**, the U.S. Department of the Interior, Bureau of Land Management, Eastern States will offer for competitive sale, pursuant to 43 CFR Part 3120 and procedures herein, certain Federal lands for oil and gas leasing.

**LOCATION:** The sale will be held in the **Conference Room** at Eastern States, 7450 Boston Boulevard, Springfield, Virginia 22153. You must be present to bid.

**TIME:** The competitive oral auction will commence at 10:00 a.m. Eastern Standard Time, March 22, 1999. The sale room will be open to the public one hour prior to the time indicated above, to allow time to obtain a bidding number from authorized Bureau personnel.

**REGISTRATION AND BIDDING NUMBERS:** Bidders will be required to obtain a bidding number prior to making any bid. Registration of bidders is required and will commence at 9:00 a.m. and will conclude at 10:00 a.m., March 22, 1999.

Parcels are identified as follows:

ES-01 - ES-04 Louisiana  
ES-05 - ES-19 Mississippi  
ES-20 - ES-20 Ohio  
\* ES-21 - ES-21 Louisiana

**\* NOTE DESCRIPTION FOR PARCEL 21 ON PAGE 5.**

**PRESALE LEASE OFFERS:** Please note that any parcels marked with an asterisk (\*) will be issued to the applicant who has offered to lease the lands noncompetitively if no competitive bid is received. ***Priority of presale offers received shall be determined as of the time and date the offer is filed in the proper BLM State Office.*** Additional noncompetitive offers may be filed on such lands following the oral auction, such offers will not have priority over those filed prior to the posting of this Notice of Competitive Lease Sale.

**TERMS OF LEASE:** Leases awarded as a result of this oral auction will be for a primary term of 10 years, and so long thereafter as there is production in paying quantities. The royalty will be at a flat rate of 12½ percent of the value or the amount of production removed or sold from the lease. Other terms of the lease are specified on the standard lease (Form 3100-11, October 1992 edition).

**OTHER CONDITIONS:** Specific surface use stipulations, where applicable, are specified for each parcel in this Notice of Competitive Lease Sale. Such stipulations shall become part of the lease and shall supersede any inconsistent provisions of the lease form. General surface use requirements are contained in law and regulation. The applicable stipulation(s) is indicated in the description of the parcel. All Forest Service parcels may be subject to Lease Notice 3 and/or 4.

**MINIMUM BID:** The minimum acceptable bonus bid will be the lump sum equivalent of \$2 per acre or fraction thereof.

**METHOD OF BIDDING:** All bids shall be made orally and be based on a per-acre basis for the entire acreage in the parcel and not on the total bid amount. The bid must be rounded up to the next whole acre if fractional acreage is involved, e.g., a parcel of 644.38 acres will require a minimum bid of at least \$1,290 (\$2 X 645 acres) to open the bidding process.

**FRACTIONAL INTERESTS:** For some of the parcels, as indicated in the list, the United States holds less than 100% of the oil and gas rights. Any lease issued will be only for the percentages or fractions indicated. However, bonus bids and rentals for such parcels shall be based on the gross acreage in the parcel, not the net U.S. interest. Acreage chargeability and production royalty are, in contrast, calculated on the net U.S. interest.

**ORDER OF SALE:** Parcels will be offered for oral bid in the order indicated in this Notice.

**RIGHT TO WITHDRAW PARCELS FROM SALE:** The Bureau of Land Management (BLM) reserves the right to withdraw any or all of the parcels from sale prior to or at the oral auction. In the event of cancellation of the sale, every effort will be made to give appropriate notice to all interested parties. If and when any individual parcels are withdrawn, notice thereof will be posted in the public room at 7450 Boston Boulevard, Springfield, Virginia 22153. You may also obtain the numbers of withdrawn parcels by telephoning (703) 440-1601 or (703) 440-1602 from 8:00 a.m. to 4:30 p.m., Monday through Friday, except Federal Holidays.

**DETERMINATION OF WINNING BID:** A winning bid will be the highest oral bid, equal to or exceeding the national minimum acceptable bid specified above. The decision of the auctioneer shall be final.

**PAYMENT OF BONUS BID, RENTAL AND ADMINISTRATIVE FEE:** Winning bidders shall be required to make payment for the parcel on the day of the oral auction for a total amount consisting of: (1) a bonus bid deposit of at least \$2 per acre or fraction thereof; (2) the total amount of the first year's annual rental, at a rate of \$1.50 per acre or fraction thereof; and (3) an administrative fee of \$75 per parcel. This amount must be tendered at the auction after the close of the oral auction. The entire amount due may be paid at this time. Any unpaid balance of the bonus bid must be received at the Eastern States Office by the tenth working day following the close of the oral auction, which is **April 5, 1999** or all monies held by BLM and the right to issuance of the lease shall be forfeited. Any entity who forfeits the right of issuance of a lease (failure to submit the remaining monies due) on three occasions is prohibited from bidding at any future sale under the jurisdiction of Eastern States. Any parcel so forfeited may be reoffered by BLM competitively at a later oral auction. Successful bidders for the future interest parcels are subject to these same conditions except (2) above in that no rental or royalty shall be due to the United States prior to the vesting of the oil and gas rights in the United States.

**FORM OF PAYMENT:** Payment shall be made by personal check, certified check, money order (SUCH FORMS OF PAYMENT MUST BE MADE PAYABLE TO THE DEPARTMENT OF THE INTERIOR-BLM) or by CREDIT CARD (VISA OR MASTERCARD ACCEPTED ONLY). Payment by cash will NOT be accepted.

**BID FORM REQUIRED; AVAILABILITY:** Pursuant to 43 CFR 3120.5, successful high bidders will be required to submit WITH the required payments for each parcel on the day of the oral auction of such parcel a properly signed current competitive lease bid form (Form 3000-2, May 1994 edition), which is a legally binding offer by the prospective lessee to accept a lease pursuant to the terms and conditions specified herein for the parcel and on the standard lease form (Form 3100-11, October 1992 edition). Form 3000-2 may be obtained and executed by the prospective lessee or an authorized representative PRIOR to the oral auction. If the bid form is fully completed before the oral auction, it cannot be modified; portions of the form may be left blank to be completed by the bidder at the auction. If the bid form is not executed prior to the oral auction, the prospective lessee shall be required to complete and sign the bid form at the auction when the payment is tendered. Form 3000-2, when completed, certifies compliance with lessee qualifications (See 43 CFR 3102.5-2) and also certifies compliance with 18 U.S.C. 1860, which prohibits unlawful combination or intimidation of bidders and certifies that the bid was arrived at independently without unlawful collusion.

**AWARD/ISSUANCE OF LEASES:** Prospective lessees are advised that leases may be issued, upon signature by the authorized officer, without further action on their part, once all remaining bonus bid monies are timely received. The effective date of the lease shall be the first day of the month following the execution of the lease form by the authorized officer, except that leases may, upon written request from the lessee received prior to signature on the lease by the authorized

officer, be effective the first day of the month in which issued.

**UNSOLD PARCELS:** Parcels contained in this Notice of Competitive Lease Sale for which no bids are received at the oral auction and which have not been withdrawn from the sale by BLM will be available for regular noncompetitive lease offer in accordance with 43 CFR Subpart 3110 for a two-year period commencing at 8:00 a.m., March 23, 1999. All noncompetitive offers received on that first business day following the auction will be considered simultaneously filed. Offers received thereafter shall receive priority as of the date and time of filing, as specified in 43 CFR 1821.2-3(a). If any lands in the parcel are subject to a proper offer such offers shall have priority for issuance of a lease on the affected lands over any offers filed subsequent to the oral auction. Noncompetitive offers filed on the first business day following the close of the oral auction or during the remainder of that month must describe the lands, as set forth at 43 CFR 3110.5-1, solely by the single parcel number appearing in this Notice of Competitive Lease Sale. Any such offer constitutes consent by the offeror to the terms and conditions, including stipulations, set out for the parcel in this Notice of Competitive Lease Sale. Offerors submitting a lease form not currently in use are deemed to consent to the terms and conditions, including but not limited to rentals and royalties, of the current lease form. Leases may be issued to an offeror without further notice. All noncompetitive offers must be accompanied by the total of (1) the \$75 nonrefundable filing fee and (2) the first-year advance rental of \$1.50 per acre or fraction thereof as indicated in the list herein. All filing fees are nonrefundable, whether or not a lease is ultimately issued to the offeror or any other party.

BLM personnel will be present immediately following the sale to accept over-the-counter (OTC) lease offers filed on unsold parcels in the accounting office at Eastern States on March 22, 1999, until 4:30 p.m.

All noncompetitive offers filed on March 22, 1999, will be considered simultaneously filed and have a filing date of March 23, 1999.

**ES-21-03/99 LAES 50249 ACQ \*48638**

Louisiana, Winn Parish, BLM  
T12N, R4W, Louisiana Meridian  
Sec. 22, E. 28.44 acres of the SWSE (Pt. Tr. C-160 B).

**Minerals reserved to 9/5/2001 and so long thereafter as oil and gas  
is produced in paying quantities.**

28.440 Acres  
\$43.50 Rental  
Subject to BLM No Surface or Subsurface Stipulation

**NO SURFACE OR SUB-SURFACE OCCUPANCY**

No Occupancy (surface or sub-surface) is allowed on the lands described below unless application by letter for a waiver (as defined below) is made that demonstrates that surface or sub-surface occupancy on the leasehold is necessary to produce the lease, consent is given by the Surface Management Agency, if applicable, and subsequent planning analysis/environmental assessment (PA/EA) shows that surface or sub-surface occupancy, as requested, would not result in unacceptable adverse impacts to the environment, as determined by the Authorized Officer.

Waiver: A waiver from this lease stipulation may be granted for all or portion of this lease. Prior to granting any waiver, a PA/EA documentation must be completed for the entire lease based on a Reasonably Foreseeable Development Scenario (RFDS). The analysis must consider past, present, and reasonable foreseeable impacts on the lease and adjacent areas. With the consent of the Surface Management Agency, if applicable, a waiver of the stipulation may be granted for those portions of the lease identified as not containing sensitive or important historic, cultural, and scenic values, fish or wildlife resources or their habitat or other important or sensitive natural systems, processes or human values.

Exception: None.

Modification: None.

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LEASE NOTICE

This lease does not obviate the need to obtain other Federal, State, or local authorization required by law.