§ 3135.1–4 Effect of transfer of a tract.

(a) When a transfer is made of all the record title to a portion of the acreage in a lease, the transferred and retained portions are divided into separate and distinct leases. The BLM will not approve transfers of a tract of land:

(1) Of less than 640 acres that is not compact; or

(2) That would leave a retained tract of less than 640 acres.

(b) Each segregated lease shall continue in full force and effect for the primary term of the original lease and so long thereafter as the activities on the segregated lease support extension in accordance with § 3135.1–5.

§ 3135.1–5 Extension of lease.

(a) The term of a lease shall be extended beyond its primary term:

(1) So long as oil or gas is produced from the lease in paying quantities;

(2) If the BLM has determined in writing that oil or gas is capable of being produced in paying quantities from the lease; or

(3) So long as drilling or reworking operations, actual or constructive, as approved by the BLM, are conducted thereon.

(b) Your lease will expire on the 30th anniversary of the original issuance date of the lease unless oil or gas is being produced in paying quantities. If your lease contains a well that is capable of production, but you fail to produce the oil or gas due to circumstances beyond your control, you may apply for a suspension under § 3135.2. If the BLM approves the suspension, the lease will not expire on the 30th anniversary of the original issuance date of the lease.

(c) A lease may be maintained in force by the BLM-approved directional wells drilled under the leased area from surface locations on adjacent or adjoining lands not covered by the lease. In such circumstances, drilling shall be considered to have commenced on the lease area when drilling is commenced on the adjacent or adjoining lands for the purpose of directional drilling under the leased area through any directional well surfaced on adjacent or adjoining lands. Production, drilling or