

§ 3141.6-4

bid. All bid deposits shall be in the form of either a certified check, money order, bank cashier's check or cash.

(b) *Oil and Gas Leases.* Lease sales for oil and gas leases will be conducted using the procedures for oil and gas leases in § 3120.5 of this title.

(c) *Tar Sand Leases.* (1) Parcels shall be offered by oral bidding.

(2) The winning bid shall be the highest oral bid by a qualified bidder, equal to or exceeding \$2.00 per acre.

(3) Payments shall be made as provided in § 3120.5-2 of this title.

[48 FR 7422, Feb. 18, 1983, as amended at 70 FR 58616, Oct. 7, 2005]

§ 3141.6-4 Qualifications.

Each bidder shall submit with the bid a statement over the bidder's signature with respect to compliance with subpart 3102 of this title.

§ 3141.6-5 Fair market value for combined hydrocarbon leases.

Only those bids which reflect the fair market value of the tract(s) as determined by the authorized officer shall be accepted; all other bids shall be rejected.

§ 3141.6-6 Rejection of bid.

If the high bid is rejected for failure by the successful bidder to execute the lease forms and pay the balance of the bonus bid, or otherwise to comply with the regulations of this subpart, the one-fifth bonus accompanying the bid shall be forfeited.

§ 3141.6-7 Consideration of next highest bid.

The Department reserves the right to accept the next highest bid if the highest bid is rejected. In no event shall an offer be made to the next highest bidder if the difference between his/her bid and that of the rejected successful bidder is greater than the one-fifth bonus forfeited by the rejected successful bidder.

[55 FR 12351, Apr. 3, 1990]

§ 3141.7 Award of lease.

After determining the highest responsible qualified bidder, the authorized officer shall send 3 copies of the lease on a form approved by the Direc-

43 CFR Ch. II (10-1-11 Edition)

tor, and any necessary stipulations, to the successful bidder. The successful bidder shall, not later than the 30th day after receipt of the lease, execute the lease, pay the balance of the bid and the first year's rental, and file a bond as required in subpart 3104 of this title. Failure to comply with this section shall result in rejection of the lease.

Subpart 3142—Paying Quantities/ Diligent Development for Combined Hydrocarbon Leases

SOURCE: 51 FR 7276, Mar. 3, 1986, unless otherwise noted.

§ 3142.0-1 Purpose.

This subpart provides definitions and procedures for meeting the production in paying quantities and the diligent development requirements for tar sand in all combined hydrocarbon leases.

§ 3142.0-3 Authority.

These regulations are issued under the authority of the Mineral Leasing Act of 1920, as amended and supplemented (30 U.S.C. 181 *et seq.*), the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-359), the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 *et seq.*) and the Combined Hydrocarbon Leasing Act of 1981 (95 Stat. 1070).

§ 3142.0-5 Definitions.

As used in part 3140 of this title, the term *production in paying quantities* means:

(a) Production, in compliance with an approved plan of operations and by nonconventional methods, of oil and gas which can be marketed; or

(b) Production of oil or gas by conventional methods as the term is currently used in part 3160 of this title.

[51 FR 7276, Mar. 3, 1986, as amended at 70 FR 58616, Oct. 7, 2005]

§ 3142.1 Diligent development.

A lessee shall have met his/her diligent development obligation if:

(a) The lessee is conducting activity on the lease in accordance with an approved plan of operations; and