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U.S. DEPARTMENT OF THE INTERIOR
**BUREAU OF LAND
MANAGEMENT (/)**

(/)

OIL AND GAS (/PROGRAMS/ENERGY-AND-MINERALS/OIL-AND-GAS) +

REGULATORY AND PROCESS INFORMATION FOR ONSHORE OIL AND NATURAL GAS SUSPENSIONS APPLICATIONS DUE TO COVID-19 IMPACTS

Steps for Lessees to Apply for Oil and Gas Suspensions under “*force majeure*” due to COVID-19

- Lessees must submit applications through the appropriate BLM State Office (SO). Applications must include a full statement of the circumstances that render such relief necessary as a result of the COVID-19 national emergency, despite the lessee’s due care and diligence.
- The application for suspension must be executed by all operating rights owners or, in the case of an approved Federal unit, by the unit operator on behalf of committed tracts (or by all operating rights holders of the unitized tracts) (hereinafter, “lessees”). When seeking a suspension of obligations in accordance with the conditions and terms of the unit agreement, please remind the operators that suspension of those obligations does not suspend the individual federal leases committed to

the unit. Those lessees must separately request a suspension of the committed leases. 43 CFR 3103.4-4(f).

- **Minimum Application Requirements:**
 - Lease number(s) and applicable Federal unit or communitization agreement;
 - Expiration date of lease(s) and/or Held by Production Date (HBP);
 - Current lessee(s) and operating rights owners; and
 - Supporting evidence of COVID-19 impact (*i.e.*, inability to get personnel or service providers to the lease to conduct operations) and date of impact.
- Lessees must file an application for a suspension of operations prior to the lease expiration date. Lessees must file an application for a suspension of production prior to [expiration of the time to place the lease back into production as provided in 43 CFR 3107.2-3]. Only if filed timely may the BLM SO AO grant a suspension after lease expiration.
- Operators may apply for suspensions of operations (if they have commenced operations, including having obtained an approved application for permit to drill [APD]) or of production (if they have begun producing) for reasons of *force majeure*. An approved suspension does not suspend the filing requirements of form 3160-6, “Monthly Report of Operations.” In addition, the 5-day reporting requirements in 43 CFR 3162.4-1(c) must be fulfilled.
- Neither a suspension of operations nor a suspension of production suspends a lessee’s rental or minimum royalty obligations.

Steps for Lessees to Apply for Oil and Gas Suspensions under “*conservation of natural resources*” due to COVID-19

- If an operator has submitted an APD, and BLM is experiencing unusual or unreasonable processing delays of the APD to complete environmental review, analysis or consultations (caused, *e.g.*, by the COVID-19 emergency and difficulty in conducting NEPA or section 106

or tribal consultations), the BLM may direct or consent to a suspension of operations and production in the interest of conservation under section 39 of the MLA.

- A suspension of operations and production tolls the running of the lease term, prevents the lease from expiring during the suspension, and tolls payment of rentals, but it also bars both operations and production. 30 U.S.C. 209; 43 CFR 3103.4-4(a), (b), (d).
- Lessees must submit applications through the appropriate BLM State Office (SO):
 - Minimum Application Requirements:
 - Lease number(s) and applicable Federal unit or communitization agreement;
 - Expiration date of lease(s) and/or Held by Production Date (HBP);
 - Current lessee(s) and operating rights owners; and
 - Supporting evidence of COVID-19 impact on conservation of natural resources.

Termination of Suspension. Lease suspensions granted due to the COVID-19 national emergency will sunset sixty (60) days from the date BLM approves the suspension, or earlier if the operator resumes operations prior to the sixty (60) day date. The suspension may be extended or, with appropriate notice, rescinded, if conditions so warrant. For example, if a suspension of operations or suspension of production is granted on May 1, 2020, then the suspension will terminate on July 1, 2020. If COVID-19 conditions persist, the suspensions may be extended. At any time, the applicant may also submit a written request that the BLM terminate a suspension to allow resumed operations or production.

Steps for BLM Approval

- For those complete applications timely filed, the BLM SO AO will review and evaluate the documentation in the suspension request and verify the application information within five business days. The five-day review time applies to all suspension requests- those under section 17 or section 39 of the MLA.

- If the application is approved, the BLM SO AO will notify the operator in writing when a suspension is effective, the type of suspension, and the sunset date of the suspension.
- Copies of the approval letter will be sent to the Office of Natural Resources Revenue (ONRR), within five (5) business days and the local office of the Surface Managing Agency, where applicable.
- If an application is not approved, the applicant has the right to request a review and appeal, in accordance with 43 CFR subpart 3165.