AGENDA

City Council Regular Meeting
Janell Whitlock Municipal Complex
114 S. Halagueno Street
Carlsbad, New Mexico
May 12, 2026 at 6:00 PM

Invocation – Pledge of Allegiance

1. National Cave and Karst Research Institute (NCKRI) presentation by Ben Tobin

2. Consider Approval of Resolution 2026-30, a Resolution making certain budgetary adjustments to the 2025-2026 Fiscal Year Budget

3. Consider Approval of Resolution 2026-31, a Resolution adopting the 2026-2027 Fiscal Year Interim Budget

4. Routine and Regular Business

All matters under this heading are considered routine by the City Council and will be acted upon in one motion. There will be no separate discussion of these items. If discussion is desired on a particular item, upon request, that item may be removed from the Routine and Regular Business and be considered separately.

   A. Minutes of the City Council Meeting held on April 28, 2026

   B. City Personnel Report

   C. Purchasing

      1) Consider Approval to Award RFP 2026-06 to Enriched Communities, LLC for Affordable Housing Development Project

   D. Monthly Reports

      1) Human Resources Department April 2026

5. Consider Approval to accept a Memorandum of Agreement between the City of Carlsbad and the State of New Mexico Energy, Minerals, and Natural Resources Department, State Parks Division for the Carlsbad Shorthorn Park Rehabilitation Project

6. Consider Approval of Resolution 2026-32, a Resolution to adopt and allocate funds for an Outdoor Fitness Court as part of the 2026 National Fitness Campaign for the Bob

Forrest Youth Sports Complex

7. Consider Approval of Resolution 2026-33, a Resolution recognizing the critical role of the Waste Isolation Pilot Plant (WIPP) in the cleanup of National Defense Sites and acknowledging that the State of New Mexico's proposed restrictions on shipments to WIPP will slow the cleanup of the Nation's National Defense Sites

8. Consider Approval of Resolution 2026-34, a Resolution in support of H.R. 7882 - To provide for the Leasing of Certain Deposits of Minerals Located Within the City of Carlsbad, New Mexico — Introduced During the 119th Congress

9. Consider Approval of Ordinance 2026-21, an Ordinance rezoning part of "C-2" Commercial 2 District to "R-1" Residential 1 District for approximately 0.28 acres for property located at 2305 Jackson Street Owner: Lupe Ornelas
   A. Public Hearing
   B. Consider Approval of Ordinance 2026-21

10. Public Comments and Announcements. All Comments must be respectful and courteous (Three-minute time limit per person)

11. Council Committee Reports

FOR INFORMATION ONLY

Agendas and City Council minutes are available on the City website: cityofcarlsbadnm.com and may be viewed in the Office of the City Clerk during regular business hours.

CARLSBAD CITY COUNCIL MEETING SCHEDULE

• Regular Meeting - May 26, 2026
• Regular Meeting - June 9, 2026

If you require a hearing interpreter, language interpreters or auxiliary aids in order to attend and participate in the above meeting, please contact the City Manager’s office at (575) 887-1191 at least 48 hours prior to the scheduled meeting time

NO DOCUMENT FOR THIS AGENDA ITEM

RESOLUTION NO. 2026-30

A RESOLUTION MAKING CERTAIN BUDGETARY ADJUSTMENTS TO THE 2025-26 FISCAL YEAR BUDGET

WHEREAS, it is necessary to amend the 2025-26 fiscal year budget to adjust revenues, transfers and expenditures as reflected on the attached pages, and incorporated herein by reference.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CARLSBAD that the 2025-26 fiscal year budget be amended as attached.

INTRODUCED, PASSED, ADOPTED AND APPROVED this 12th day of May 2026.

_____
Mayor

ATTEST:

_____
City Clerk

City of Carlsbad, NM
Budget Adjustments
FY 2026

Description		Revenues & Transfers		Costs		Approvals		
		Increase (Decrease) to Fund		Labor, Operating, Capital Increase (Decrease) to Fund		Dates		
Fund / Department	Item	Amount	R or T	Amount	L, O, C	Budget Com	Council	DFA
August								
General Fund - North Mesa	Add one full time attendant position.			(84,453.26)	L	8/22/2025	9/9/2025	9/11/2025
General Fund - North Mesa	Add a training and per diem budget ($2,000/$2,000).			(4,000.00)	O	8/22/2025	9/9/2025	9/11/2025
General Fund - Riverwalk Recreation	Add an event management incentive pay code ($3.00 p/h).			(3,120.00)	L	8/22/2025	9/9/2025	9/11/2025
General Fund - San Jose Senior Center	Increase the San Jose roof project to $500,000.			(200,000.00)	C	8/22/2025	9/9/2025	9/11/2025
General Fund - Community Service	Increase operating due to employee vouchers for the purchase of hard toe boots.			(40,000.00)	O	8/22/2025	9/9/2025	9/11/2025
General Fund - Golf Course	Add one master mechanic position.			(114,812.95)	L	8/22/2025	9/9/2025	9/11/2025
General Fund - Projects	Add design funds for various projects.			(200,000.00)	O	8/22/2025	9/9/2025	9/11/2025
General Fund - Fire	Increase the cardiac monitor project due to the quote coming in higher than budget.			(20,000.00)	C	8/22/2025	9/9/2025	9/11/2025
Airport Improvement Fund	Airport upgrades - TSA compliance			(2,000,000.00)	C	8/22/2025	9/9/2025	9/11/2025
Capital Projects Fund	Decrease grant revenue and capital due to budget cuts from the State of New Mexico. The following grants were unfunded: ARSC Meals Program Vehicles, Cascades Rec & Wellness, Respite Vehicles and Dark Canyon Bridge.	(5,165,000.00)	R	5,315,000.00	C	8/22/2025	9/9/2025	9/11/2025
Capital Projects Fund	Fund the ARSC meals program vehicles project which includes 1 passenger van and 3 meal delivery vehicles.			(490,000.00)	C	8/22/2025	9/9/2025	9/11/2025
Capital Projects Fund	Fund the Respite vehicles project which includes 1 passenger van.			(225,000.00)	C	8/22/2025	9/9/2025	9/11/2025
Capital Projects Fund	Grant awarded by NMDOT to design and construct a concrete multi-use trail at Sunset Park. This grant has a City match of $79,771.20	468,107.87	R	(547,879.07)	C	8/22/2025	9/9/2025	9/11/2025
Capital Projects Fund	Master plan project for the water park.			(125,000.00)	C	8/22/2025	9/9/2025	9/11/2025
Lodgers' Tax Fund - Non-Promotional	Increase disc golf project.			(15,000.00)	C	8/22/2025	9/9/2025	9/11/2025
Lodgers' Tax Fund - Promotional	Replenish funds that were borrowed for the Fishing Derby Advertising project.			(10,000.00)	O	8/22/2025	9/9/2025	9/11/2025
Lodgers' Tax Fund - Promotional	Dink Victorious 4th annual pickleball tournament advertising.			(4,000.00)	O	8/22/2025	9/9/2025	9/11/2025
September								
General Fund - Golf Course	Purchase a Yamaha Picker Unit for the Golf Course.			(18,075.00)	C	9/26/2025	10/14/2025	10/16/2025
General Fund - Public Safety	Donation from Permian Resources to be used to purchase an MVB 3X Modular Vehicle Barrier System.	200,000.00	R	(210,000.00)	C	9/26/2025	10/14/2025	10/16/2025
General Fund - Public Safety	Grant from the New Mexico Department of Public Safety, 2025 Lt. Fred Beers III Honor Guard Distribution to be used to purchase various equipment for the Honor Guard team.	10,533.46	R	(10,533.46)	O	9/26/2025	10/14/2025	10/16/2025
General Fund - Parks	Annual park improvements project.			(500,000.00)	C	9/26/2025	10/14/2025	10/16/2025
General Fund - Parks	Replenish funds that were borrowed for the tennis courts electical project.			(100,000.00)	C	9/26/2025	10/14/2025	10/16/2025
General Fund - Parks/Fire	Donation from Chevron to be used for disc golf ($60,000) and for search and rescue equipment for the fire department ($5,000).	65,000.00	R	(65,000.00)	C/O	9/26/2025	10/14/2025	10/16/2025
General Fund - Finance	Purchase Gravity software - a budget reporting tool that automates budget book creation.			(100,000.00)	O	9/26/2025	10/14/2025	10/16/2025

City of Carlsbad, NM
Budget Adjustments
FY 2026

Description		Revenues & Transfers		Costs		Approvals		
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Fund / Department	Item	Amount	R or T	Amount	L, O, C	Budget Com	Council	DFA
Airport Improvement Fund	US Department of Transportation Federal Aviation Administration grant to be used for the design to reconstruct runway lighting 03/21.	94,558.00	R	(99,535.00)	C	9/26/2025	10/14/2025	10/16/2025
EMS Fund	Increase revenues due to the annual distribution coming in higher than anticipated. A ventilator will be purchased with the additional funds.	40,000.00	R	(40,000.00)	C	9/26/2025	10/14/2025	10/16/2025
Municipal Transit Fund	NMDOT annual grant, the City was awarded bus finder devices-solar lighting package ($121,000), a 2025 Chevrolet Silverado 2500 ($72,312), and ADP hardware ($11,901). There is a 20% City match.	164,170.40	R	(205,213.00)	C	9/26/2025	10/14/2025	10/16/2025
Lodgers' Tax - Promotional Fund	Re open the Community Concert Association Advertising project from FY25.			(55,000.00)	O	9/26/2025	10/14/2025	10/16/2025
Lodgers' Tax - Non Promotional Fund	Add funds to the Annual HAP Holiday Décor project.			(40,000.00)	O	9/26/2025	10/14/2025	10/16/2025
Lodgers' Tax - Non Promotional Fund	Add funds to the Hockey Rink lighting project due to the high cost of concrete work.			(110,000.00)	C	9/26/2025	10/14/2025	10/16/2025
Golf Pro Shop Fund	Increase revenues and add an Assistant Sports & Rec Coordinator and a full time Pro Shop Attendant.	136,000.00	R	(129,763.21)	L	9/26/2025	10/14/2025	10/16/2025
October								
General Fund - Executive	Add operating funds due to the invasive aquatic bloom; consulted with biologist and environmental engineers and ongoing mechanical removal.			(300,000.00)	O	10/24/2025	11/18/2025	11/24/2025
General Fund - Executive	Add 4 seasonal positions to hire high school students as part of a work-based learning program.			(28,000.00)	L	10/24/2025	11/18/2025	11/24/2025
Capital Projects Fund	Grant received from the NM Department of Finance for the renovations to the museum archive and collections annex. This grant has a city match of $528,569.	617,142.00	R	(1,145,711.00)	C	10/24/2025	11/18/2025	11/24/2025
GRT Capital Outlay Fund	Transfer out to the Water & Sewer Fund.	(400,000.00)	T			10/24/2025	11/18/2025	11/24/2025
Water & Sewer Fund - Collections	Transfer in from the GRT Capital Outlay Fund and increase capital for a lift station for the Flumes subdivision.	400,000.00	T	(400,000.00)	C	10/24/2025	11/18/2025	11/24/2025
Water & Sewer Fund - Collections	Repair and upgrades to the primary lift station.			(1,000,000.00)	C	10/24/2025	11/18/2025	11/24/2025
Sports Complex Fund	Increase operating to cover the annual cost of the new fiber optic service that was installed at the Sports Complex.			(52,000.00)	O	10/24/2025	11/18/2025	11/24/2025
November								
General Fund - Mayor & Council	Increase salaries for newly elected councilors (4) in January 2026 (Ordinance No. 2025-18, Sec 2-35).			(30,400.00)	L	11/21/2025	12/9/2025	12/11/2025
General Fund - Fire	Donation from The Tractor Supply Company Foundation to be used to purchase EMS supplies.	500.00	R	(500.00)	O	11/21/2025	12/9/2025	12/11/2025
General Fund - Fire	Increase the FD Ambulances (2) project for the purchase and installation of additional equipment.			(100,000.00)	C	11/21/2025	12/9/2025	12/11/2025
General Fund - Public Safety	Donation from Devon to be used to purchase two indoor drones to support our real time crime center initiative.	10,000.00	R	(10,000.00)	C	11/21/2025	12/9/2025	12/11/2025
Capital Projects Fund	Acoustic panels for the new Cascades Senior Center.			(100,000.00)	C	11/21/2025	12/9/2025	12/11/2025
Lodgers' Tax Promotional Fund	Carlsbad Chamber of Commerce - Mainstream Tourism Advertising			(34,000.00)	O	11/21/2025	12/9/2025	12/11/2025
December								
General Fund - Golf Course	Add a caretaker position.			(44,048.00)	L	12/19/2025	1/13/2026	1/27/2026
General Fund - Fire	Donation from Kinetik to be used for cadet training.	15,000.00	R	(15,000.00)	O	12/19/2025	1/13/2026	1/27/2026
Capital Projects Fund	Avalon Village design and engineering.			(300,000.00)	C	12/19/2025	1/13/2026	1/27/2026
Capital Projects Fund	Kircher housing development design and engineering.			(300,000.00)	C	12/19/2025	1/13/2026	1/27/2026

City of Carlsbad, NM
Budget Adjustments
FY 2026

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Fund / Department	Item	Amount	R or T	Amount	L, O, C	Budget Com	Council	DFA
Capital Projects Fund	Infill house on Walnut St.			(250,000.00)	C	12/19/2025	1/13/2026	1/27/2026
Capital Projects Fund	Cascades Senior Center lighting and miscellaneous equipment.			(300,000.00)	C	12/19/2025	1/13/2026	1/27/2016
Water & Sewer Fund - Water	Add funds for the Mckittrick waterline (West Loop Bypass).			(1,500,000.00)	C	12/19/2025	1/13/2026	1/27/2026
Beautification Fund	State of New Mexico Que Linda grant ($48,000 for labor and $52,000 for operating).	100,000.00	R	(100,000.00)	O/L	12/19/2025	1/13/2026	1/27/2026
Lodgers' Tax Discretionary Fund	Upgrade electrical service at Halagueno Arts Park.			(500,000.00)	C	12/19/2025	1/13/2026	1/27/2026
January								
General Fund - Projects	Add a project manager position.			(53,713.86)	L	1/23/2026	2/10/2026	2/16/2026
General Fund - Public Safety	Add an animal control officer position.			(34,417.12)	L	1/23/2026	2/10/2026	2/16/2026
DPS-Law Enforcement Retention Fund	Funds received from the NM Department of Public Safety for retention disbursements for police officers who have completed 4, 9, 14 or 20 plus years of employment with a New Mexico agency.	30,430.75	R	(30,430.75)	L	1/23/2026	2/10/2026	2/16/2026
Capital Projects Fund	Grant from the NM Department of Finance for the ARSC Outdoor Rec and Pickleball Court project.	1,455,650.00	R	(1,455,650.00)	C	1/23/2026	2/10/2026	2/16/2026
Capital Projects Fund	Grant received from Permian Strategic Partnership for the purchase of 5 LifePak 35 cardiac monitors to equip CFD ambulances with upgraded technology.	325,000.00	R	(325,000.00)	C	1/23/2026	2/10/2026	2/16/2026
Capital Projects Fund	Increase the Kircher housing development project by the amount of the county contribution.	2,000,000.00	R	(2,000,000.00)	C	1/23/2026	2/10/2026	2/16/2026
Water & Sewer Fund - Water/Sewer	Increase the Kircher housing development project by the amount of the county contribution for water and sewer infrastructure.	2,000,000.00	R	(2,000,000.00)	C	1/23/2026	2/10/2026	2/16/2026
February								
General Fund - Parks	Resurface basketball court at Smith Park.			(80,000.00)	C	2/27/2026	3/10/2026	3/12/2026
General Fund - Waterpark	Increase operating due to unexpected maintenance and repair costs.			(40,000.00)	O	2/27/2026	3/10/2026	3/12/2026
General Fund - Planning & Engineering	Refund the GIS technician position and reclassify to an environmental permit technician.			(33,045.41)	L	2/27/2026	3/10/2026	3/12/2026
General Fund	Increase revenues to reflect actuals.	1,400,000.00	R			2/27/2026	3/10/2026	3/12/2026
General Fund	Transfer out to the health insurance fund due to the timing of stop loss reimbursements.	(1,000,000.00)	T			2/27/2026	3/10/2026	3/12/2026
Health Insurance Fund	Transfer in from the general fund and increase operating due to the timing of stop loss reimbursements.	1,000,000.00	T	(1,000,000.00)	O	2/27/2026	3/10/2026	3/12/2026
Capital Projects Fund	Increase the cemetery irrigation project to install sod, bringing the area back to previous landscape level.			(132,000.00)	C	2/27/2026	3/10/2026	3/12/2026
Capital Projects Fund	Continue the San Jose Facility Maintenance project.			(1,000,000.00)	C	2/27/2026	3/10/2026	3/12/2026
Lodgers' Tax Promotional Fund	Carlsbad Downtown Lions Club - Lions Club District Convention advertising.			(5,000.00)	O	2/27/2026	3/10/2026	3/12/2026
Lodgers' Tax Promotional Fund	Yucca Blossom Trade Days advertising.			(5,000.00)	O	2/27/2026	3/10/2026	3/12/2026
Lodgers' Tax Non-Promotional Fund	Increase fireworks show ($10,000) and drone show ($5,000).			(15,000.00)	O	2/27/2026	3/10/2026	3/12/2026
Insurance Fund	Insurance reimbursement for Municipal Transit van that was a total loss.	51,457.67	R			2/27/2026	3/10/2026	3/12/2026

City of Carlsbad, NM
Budget Adjustments
FY 2026

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Fund / Department	Item	Amount	R or T	Amount	L, O, C	Budget Com	Council	DFA
Insurance Fund	Transfer out to the Municipal Transit Fund.	(10,291.53)	T			2/27/2026	3/10/2026	3/12/2026
Municipal Transit Fund	Transfer in from the Insurance fund to use as a city match for a future van purchase.	10,291.53	T			2/27/2026	3/10/2026	3/12/2026
Solid Waste Fund	Increase operating for aquatic weed cleanup ($400,000) and river herbicide ($330,000).			(730,000.00)	O	2/27/2026	3/10/2026	3/12/2026
March								
Capital Projects Fund	Replenish funds for the North Mesa Remodel project that were borrowed for the Friendship Park docks project.			(235,000.00)	C	3/27/2026	4/14/2026	4/20/2026
Capital Projects Fund	Land & Water Conservation fund grant for the Shorthorn Rehabilitation project.	500,000.00	R	(500,000.00)	C	3/27/2026	4/14/2026	4/20/2026
Capital Projects Fund	DFA match grant for the Shorthorn Rehabilitation project.	500,000.00	R	(500,000.00)	C	3/27/2026	4/14/2026	4/20/2026
Capital Projects Fund	NMDOT TLPA Highway Infrastructure funds for the Dark Canyon Bridge design phase.	2,201,271.00	R	(2,201,271.00)	C	3/27/2026	4/14/2026	4/20/2026
Fire Protection Fund	Purchase a Fire Engine.			(900,000.00)	C	3/27/2026	4/14/2026	4/20/2026
Insurance Fund	Increase operating due to claims coming in higher than budget.			(125,000.00)	O	3/27/2026	4/14/2026	4/20/2026
April								
Firefighter Recruitment Fund	Grant from the NM Department of Finance for the purchase of equipment for newly hired recruits and a laundry unit to support post-incident decontamination.	149,119.92	R	(149,119.92)	O/C	5/1/2026		

City of Carlsbad, NM
Budget Increase/Decrease
FY 2026

Description			Revenues & Transfers		Costs	
			Increase (Decrease)		Personnel, Operating, Capital Increase (Decrease)	
Fund / Department	Increase/Decrease	Item	Amount	R or T	Amount	L, O, C
August						
General Fund - Planning & Regulation	Increase Capital	Transfer operating funds to the Right of Way acquisition project.			5,232.82	C
General Fund - Planning & Regulation	Decrease Operating				(5,232.82)	O
General Fund - Community Development	Increase Capital	Transfer operating funds to the concession equipment project to puchase a popcorn machine for the Cavern Theatre.			14,000.00	C
General Fund - Community Development	Decrease Operating				(14,000.00)	O
Lodgers' Tax Promotional Fund	Increase Operating	Transfer funds from the City Sponsored Events project to the Fishing Derby Advertising project.			10,000.00	O
Lodgers' Tax Promotional Fund	Decrease Operating				(10,000.00)	O
September						
General Fund - Public Safety	Increase Operating	Transfer capital funds from the Drone and Real Time Response Equipment projects to operating to purchase technology driven intelligence and infrastructure equipment and services through Axon.			162,500.00	O
General Fund - Public Safety	Decrease Capital				(162,500.00)	C
General Fund - Riverwalk Recreation Center	Increase Capital	Transfer capital funds from the Exterior Paint project to the Riverwalk Building Improvement project to compelte the surfacing of the first floor gym court.			22,000.00	C
General Fund - Riverwalk Recreation Center	Decrease Capital				(22,000.00)	C
General Fund - Fire	Increase Capital	Transfer operating funds to the Thermal Imaging Cameras project to cover training costs.			4,000.00	C
General Fund - Fire	Decrease Operating				(4,000.00)	O
General Fund - Projects	Increase Labor	Transfer the building permit technician, building official and inspector positions to the Projects department.			522,232.31	L
General Fund - Planning & Regulation	Decrease Labor				(522,232.31)	L
General Fund - Projects	Increase Operating	Transfer operating funds to the Projects department.			20,000.00	O
General Fund - Planning & Regulation	Decrease Operating				(20,000.00)	O
General Fund - Planning & Regulation	Increase Capital	Transfer operating funds to the ROW Acquisition project.			100,000.00	C
General Fund - Planning & Regulation	Decrease Operating				(100,000.00)	O
General Fund - Parks	Increase Capital	Transfer funds from the boat docks project to the tennis courts electrical project.			100,000.00	C
General Fund - Parks	Decrease Capital				(100,000.00)	C
General Fund - Parks	Increase Capital	Transfer park improvement funds to be able to replace the failing splash pad #1 mechanical building at the beach with a prefabricated building.			50,968.54	C
General Fund - Parks	Decrease Capital				(50,968.54)	C
General Fund - Performing Arts	Increase Capital	Transfer excess funds from the Door Replacement project to the Civic Center Flooring project to cover shortfall.			17,679.77	C
General Fund - Facility Maintenance	Decrease Capital				(17,679.77)	C
October						
Water & Sewer Fund - Collections	Increase Capital	Transfer excess funds from several sewer line projects into the annual sewer line upgrades project.			175,095.92	C
Water & Sewer Fund - Collections	Decrease Capital				(175,095.92)	C
Capital Projects Fund	Increase Capital	Transfer excess funds from the golf irrigation, outdoor fitness court and BLM land projects to the firearms training building project.			240,000.00	C
Capital Projects Fund	Decrease Capital				(240,000.00)	C
November						
General Fund - Golf	Increase Capital	Transfer operating funds to purchase a picker attachment.			5,716.75	C
General Fund - Golf	Decrease Operating				(5,716.75)	O
General Fund - Streets	Increase Capital	Transfer funds from the fencing project to the Canal St. traffic signal project.			115,985.32	C
General Fund - Streets	Decrease Capital				115,985.32	C
Capital Projects Fund	Increase Capital	Transfer unused funds from the Type 1 Ambulance project to the Acoustic Panels project.			100,000.00	C
Capital Projects Fund	Decrease Capital				(100,000.00)	C
December						
General Fund - Projects	Increase Labor	Transfer funds from the vacant Systems & Reporting manager position to the Projects department to add a Building Inspector position.			75,254.80	L
General Fund - Finance	Decrease Labor				(75,254.80)	L
General Fund - Public Safety	Increase Capital	Transfer labor funds to the PD 4th floor remodel project.			300,000.00	C
General Fund - Public Safety	Decrease Labor				(300,000.00)	L
General Fund - Community Development	Increase Capital	Transfer funds from the shuttle cart project to the plotter project.			10,000.00	C
General Fund - Community Development	Decrease Capital				(10,000.00)	C

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Fund / Department	Increase/Decrease	Item	Amount	R or T	Amount	L, O, C
Sports Complex Fund	Increase Capital	Transfer funds from the artificial turf project to the sports complex road project due to the quote coming in higher than budget.			100,000.00	C
Sports Complex Fund	Decrease Capital				(100,000.00)	C
Lodgers' Tax Discretionary Fund	Increase Capital	Transfer funds from the Par 3 lights project to the golf course restrooms project to cover shortfall.			8,218.14	C
Lodgers' Tax Discretionary Fund	Decrease Capital				(8,218.40)	C
January						
General Fund - City Clerk	Increase Capital	Transfer unused funds from closed projects to the City Clerk's department for the purchase of a vehicle.			45,000.00	C
General Fund - Multiple Departments	Decrease Capital				(45,000.00)	C
Lodgers' Tax Discretionary Fund	Increase Capital	Transfer funds from the Par 3 lights project to the golf course restrooms project to cover shortfall.			130,000.00	C
Lodgers' Tax Discretionary Fund	Decrease Capital				(130,000.00)	C
EMS Fund	Increase Operating	Transfer leftover funds from the Cardiac Monitors and Ventilator project to purchase K9 rescue kits and Finger Thoracostomy Training equipment.			16,356.00	O
EMS Fund	Decrease Capital				(16,356.00)	C
February						
General Fund - Library	Increase Capital	Transfer leftover funds from the library vehicle project to the fire alarm system project.			16,191.00	C
General Fund - Library	Decrease Capital				(16,191.00)	C
General Fund - Fire	Increase Capital	Transfer funds from the Fire Station 2 Restrooms project to the Fire Station 3 Restrooms project.			141,502.30	C
General Fund - Fire	Decrease Capital				(141,502.30)	C
General Fund - Fire	Increase Capital	Transfer operating funds to capital to purchase a tire changer.			11,500.00	C
General Fund - Fire	Decrease Operating				(11,500.00)	O
General Fund - Garage	Increase Operating	Transfer leftover funds from the tennis courts electrical project to operating due to the unexpected expense of renting a forklift.			20,000.00	O
General Fund - Electrical	Decrease Capital				(20,000.00)	C
General Fund - Streets	Increase Capital	Transfer leftover funds from the tennis courts electrical project and wash station project to purchase a forklift for Public Works.			85,000.00	C
General Fund - Electrical / Community Service	Decrease Capital				(85,000.00)	C
General Fund - Public Safety	Increase Capital	Transfer leftover capital and labor funds to purchase a vehicle for animal control.			100,000.00	C
General Fund - Various Departments	Decrease Capital/Labor				(100,000.00)	C/L
Water & Sewer Fund - Water	Increase Operating	Transfer capital funds to operating for the purchase of 20 tablets and covers to be used for asset management for utilities.			13,355.37	O
Water & Sewer Fund - Water	Decrease Capital				(13,355.37)	C
Sports Complex Fund	Increase Capital	Transfer funds from the artificial turf project to the soccer fields project.			100,000.00	C
Sports Complex Fund	Decrease Capital				(100,000.00)	C
March						
General Fund - Public Safety	Increase Operating	Transfer unused funds from the barrier system, digital sign and vehicles project to operating to purchase computers as part of the 4th floor remodel project.			24,729.64	O
General Fund - Public Safety	Decrease Capital				(24,729.64)	C
General Fund - Parks	Increase Capital	Transfer unused funds from the forklift project to the boat docks project for construction of dock abuttments and shoreline improvements.			85,000.00	C
General Fund - Garage	Decrease Capital				(85,000.00)	C
General Fund - Fire	Increase Capital	Transfer operating funds to capital to purchase a trailer.			18,500.00	C
General Fund - Fire	Decrease Operating				(18,500.00)	O
General Fund - Fire	Increase Capital	Transfer funds from roof maintenance to a capital project to replace the roof at Fire Station 6.			201,000.00	C
General Fund - Facility Maintenance	Decrease Operating				(201,000.00)	O
General Fund - PER	Increase Capital	Transfer funds from the Roof Access Safety Ladder project to the Office Safety Remodel project.			21,800.00	C
General Fund - PER	Decrease Capital				(21,800.00)	C
Capital Projects Fund	Increase Capital	Transfer funds from the North Mesa Remodel project to the Friendship Park docks project.			235,000.00	C
Capital Projects Fund	Decrease Capital				(235,000.00)	C
Lodgers' Tax Non-Promotional Fund	Increase Capital	Transfer funds from the electrical pedestals project to the Port Jefferson remodel.			40,000.00	C
Lodgers' Tax Non-Promotional Fund	Decrease Capital				(40,000.00)	C
April						
Capital Projects Fund	Increase Capital	Transfer unused funds from the Museum remodel project to the MLK Park project.			300,000.00	C
Capital Projects Fund	Decrease Capital				(300,000.00)	C
General Fund - Parks	Increase Capital	Transfer funds from the fencing project to the Blodgett St			8,500.00	C

City of Carlsbad, NM
Budget Increase/Decrease
FY 2026

Description			Revenues & Transfers		Costs	
			Increase (Decrease)		Personnel, Operating, Capital Increase (Decrease)	
Fund / Department	Increase/Decrease	Item	Amount	R or T	Amount	L, O, C
General Fund - Parks	Decrease Capital	restroom to cover shortfall.			(8,500.00)	C
General Fund - Fire	Increase Capital	Transfer operating funds to a capital project to purchase a cardiac monitor.			63,500.00	C
General Fund - Fire	Decrease Operating				(63,500.00)	O
General Fund - Fire	Increase Capital	Transfer operating funds to a capital project to purchase a camera and software package used to document fire investigations.			15,100.00	C
General Fund - Fire	Decrease Operating				(15,100.00)	O
General Fund - City Clerk	Increase Operating	Transfer operating funds from the Executive department to the City Clerk's department to cover the increase in the Civic Plus software.			23,000.00	O
General Fund - Executive	Decrease Operating				(23,000.00)	O
General Fund - Golf	Increase Operating	Transfer unused funds from the Museum department to the Golf department for additional equipment repairs.			31,000.00	O
General Fund - Museum	Decrease Operating				(31,000.00)	O
General Fund - Community Development	Increase Operating	Transfer unused funds from the Master Plan project to the Community Development department due to continued expenses at the Cavern Theater and WPAC.			10,000.00	O
General Fund - Water Park	Decrease Capital				(10,000.00)	C
Lodgers' Tax Non-Promotional Fund	Increase Operating	Transfer unused funds from the holiday decorations project to the Lodgers' Tax audit project.			16,500.00	O
Lodgers' Tax Non-Promotional Fund	Decrease Operating				(16,500.00)	O

CITY OF CARLSBAD
AGENDA BRIEFING
MEMORANDUM

Council Meeting Date: May 12, 2026

DEPARTMENT: Finance	**BY**: Wendy Austin, Melissa Salcido	**DATE**: 05/05/2026

SUBJECT:
Consider Approval of Resolution 2026-31, a Resolution adopting the 2026-2027 Fiscal Year Interim Budget

BACKGROUND, ANALYSIS AND IMPACT: (Safety and Welfare/Financial/Personnel/Infrastructure/etc.)
Included is the Interim Budget for FY27. After a public meeting, on March 20, 2026, March 27, 2026 and May 1, 2026, this budget has been reviewed, approved, and recommended by the Budget Committee. The highlights of the Interim Budget are as follows:

FY27 Ending Cash Balance

- General Fund = $18.6M (FY26 Budget = $18.4M)
- Water & Sewer = $764K (FY26 Budget = $3.2M)
- Solid Waste Disposal = $1.7M (FY26 Budget = $3.0M)
- Total = $73.2M (FY26 Budget = $89.4M)

FY27 Revenues

- General Fund = $82.0M (FY26 Budget = $77.7M)
- Water & Sewer = $48.8M (FY26 Budget = $47.3M)
- Solid Waste Disposal = $11.4M (FY26 Budget = $10.6M)
- Total = $193.6M (FY26 Budget = $185.3M)

FY27 Labor

- General Fund = $62.7M (FY26 Budget = $58.3M)
- Sports Complex = $1.1M (FY26 Budget = $1.1M)
- Municipal Transit = $1.6M (FY26 Budget = $1.5M)
- Water & Sewer = $6.7M (FY26 Budget = $6.2M)
- Solid Waste Disposal = $3.7M (FY26 Budget = $2.9M)
- Total = $76.5M (FY26 Budget = $70.9M)

FY27 Operating Costs

- General Fund = $22.6M (FY26 Budget = $21.1M)
- Water & Sewer = $4.2M (FY26 Budget = $4.4M)
- Solid Waste Disposal = $4.4M (FY26 Budget = $3.8M)

- Debt Service = $1.1M (FY26 Budget = $1.1M)
- Total = $52.7M (FY26 Budget = $50.1M)

FY27 Total Projects

- Carryover Projects = $107.8M
- New Projects = $34.4M
- FY26 Forecast = $46.7M

FY27 Carryover Projects >$1M

- BLM Land Purchase - $6.0M
- Alejandro Ruiz Phase lll Renovations (Grant) - $1.3M
- Storm Drain Ext (Grant) – $2.0M
- Lower Tansill Improvements (Grant) - $1.5M
- Affordable Housing Infrastructure (Grant) - $1.5M
- ARSC Rec & Pickleball (Grant) - $1.5M
- Museum Annex (Grant) - $1.1M
- NMDOT TLPA (Grant) - $2.2M
- San Jose Facility Maintenance Bldg - $1.0M
- 201 S. Halagueno Bldg - $1.4M
- Shorthorn Improvements - $1.6M
- Kircher Housing Infrastructure - $2.0M
- Concrete Terminal Apron (Grant) - $3.5M
- TSA Compliance - $1.9M
- Old Cavern Hwy Sidewalks - $1.2M
- FD Aerial Apparatus Ladder Truck - $2.0M
- East Greene St - $1.5M
- East Greene Waterline - $4.3M
- Kircher Housing Infrastructure W&S - $2.0M
- Mckittrick Waterline - $1.5M
- Sheep’s Draw Tank 5 (City) - $1.6M
- Sheep’s Draw Tank 5 (Grant) - $4.0M
- Sheep’s Draw Tank 5 (Loan) - $4.0M
- Second Bank UV - $1.1M
- DE Waterline replacement (Grant) - $1.0M
- Tatum/DE Waterline (Grant) – 1.1M
- Tatum/DE Waterline (Loan) – 16.0M
- Tatum/DE Waterline Construction (Grant) - $1.1M
- Primary Lift Station Repairs - $1.1M

FY27 New Projects >$1M

- Carlsbad Event Center - $1.5M
- Friendship Park Pedestrian Bridge (Grant) - $1.8M
- Annual Street Improvements - $1.2M
- East Greene St Waterline Upgrade (Grant) - $1.5M
- Primary Lift Station Construction - $9.0M
- ARC Trucks (3) - $1.8M

DEPARTMENT RECOMMENDATION:
Approve the Interim Budget for FY27.

BOARD/COMMISSION/COMMITTEE ACTION:
-

Reviewed by:

City Manager: Wendy D Austin	Date: May 7, 2026

Attachments:
1. FY27 - Resolution - Interim Budget
2. 1. FY27 - Interim Budget

STATE OF NEW MEXICO
MUNICIPALITY OF CARLSBAD
RESOLUTION NO. 2026-31
2026-27 INTERIM BUDGET ADOPTION
(115th FISCAL YEAR)

WHEREAS, the Governing Body in and for the Municipality of Carlsbad, State of New Mexico, acting in its statutory capacity as the Board of Finance of the municipality, has developed an interim budget for fiscal year 2026-27; and

WHEREAS, said interim budget was developed on the basis of need and through cooperation with all user departments, elected officials, and other department supervisors; and

WHEREAS, said interim budget sets forth the operating expenditures and capital improvement and equipment expenditures anticipated for the fiscal year; and

WHEREAS, said interim budget set forth the wages, salaries and benefits of the municipal employees anticipated for the fiscal year; and

WHEREAS, in compliance with the State Open Meetings Act and City of Carlsbad Open Meetings Resolution, the official meetings for the review of said documents were duly noticed and held on March 20, 2026, March 27, 2026, and May 1, 2026.

WHEREAS, it is in the majority opinion of this Governing Body that the proposed interim budget meets the requirements as currently determined for fiscal year 2026-27.

NOW, THEREFORE, BE IT RESOLVED that the Governing Body of the City of Carlsbad, State of New Mexico, hereby adopts the interim budget herein and above described and respectfully requests approval from the Local Government Division of the New Mexico Department of Finance and Administration.

RESOLVED: In session this 12th day of May, 2026.

ATTEST:

Mayor – Richard D. Lopez	City Clerk - Nadine Mireles
Councilor 1 – Lisa A. Anaya-Flores	Councilor 1 – Edward T. Rodriguez
Councilor 2 – Jason Chavez	Councilor 2 – Jeff Forrest
Councilor 3 – Mary Garwood	Councilor 3 – Karla Niemeier
Councilor 4 – Anthony Foreman	Councilor 4 – Mark Walterscheid

Description

Fund Position
Overview by Fund

Revenues
GRTR Analysis
Revenue by Select Funds and Categories

Transfer "TO" Matrix
Summary of Transfers between Funds

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Labor Analysis

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Street Improvement Plan

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Debt Schedule
Carryover Projects
Operating Detail
Revenue Detail
Incentive Pay Schedule

City of Carlsbad, NM
Fund Position
FY27 - Interim Budget

	Fund	Fund Name	Beginning Fund	FY27 Revenues	FY27 Transfers Increase (Decrease)	FY27 Costs Labor	FY27 Costs Ops	FY27 Costs Capital	FY27 Costs Total	FY27 Revenue & Tran <Less> Costs	Carryover Projects	Ending Fund
General Fund	101	General Fund	36,826,649	81,972,410	(5,671,800)	62,675,445	22,638,403	3,376,500	88,690,348	(12,389,738)	5,874,258	18,562,653
	102	Payroll	20,985	-	-	-	300	-	300	(300)	-	20,685
Capital Funds	200	GRT Capital Outlay	8,732,584	5,460,000	(5,900,000)	-	276,000	1,500,000	1,776,000	(2,216,000)	6,362,554	154,030
	201	Capital Projects	12,099,114	16,205,059	6,600,000	-	-	6,979,758	6,979,758	15,825,301	27,156,467	767,948
	202	Airport Improvements	1,565,214	5,064,297	-	-	72,200	-	72,200	4,992,097	5,609,298	948,013
	220	Landfill-Reserve	6,487,874	111,000	111,000	-	-	-	-	222,000	-	6,709,874
	230	Landfill-Closure	370,685	-	-	-	70,000	-	70,000	(70,000)	-	300,685
	240	Landfill-Construction	13,926,065	-	2,000,000	-	2,120,000	-	2,120,000	(120,000)	765,153	13,040,912
Special Revenue Funds	300	Sports Complex	6,465,619	3,202,500	-	1,109,859	612,700	450,000	2,172,559	1,029,941	830,992	6,664,568
	320	Streets Improvement	4,045,770	1,877,000	1,500,000	-	250,000	2,150,000	2,400,000	977,000	4,950,699	72,071
	350	Local Government Correction	1,633,961	420,000	(1,098,200)	-	250,000	-	250,000	(928,200)	-	705,761
	360	Cannabis Revenue Fund	229,509	365,000	-	-	15,000	444,000	459,000	(94,000)	55,647	79,862
	370	Museum Art Acquisition	20,000	-	10,000	-	-	-	-	10,000	-	30,000
Insurance Funds	400	Disaster Preparedness	1,360,084	-	-	-	-	-	-	-	-	1,360,084
	401	Insurance	876,182	-	1,300,000	-	2,152,500	-	2,152,500	(852,500)	-	23,682
	402	Workers' Compensation	908,322	-	700,000	-	1,075,000	-	1,075,000	(375,000)	-	533,322
	420	Health Insurance	1,578,517	9,745,100	(1,000,000)	-	9,745,100	-	9,745,100	(1,000,000)	-	578,517
Grant Funds	500	Fire Protection	2,967,869	892,913	-		-	-	-	892,913	2,900,000	960,782
	501	Emergency Medical Services	-	60,000	-	-	60,000	-	60,000	-	-	-
	520	Law Enforcement Protection	-	186,500	-	-	186,500	-	186,500	-	-	-
	522	DPS - Retention	-	-	-	-	-	-	-	-	-	-
	550	Beautification	127,179	26,553	225,000	-	372,900	-	372,900	(121,347)	-	5,832
	570	Municipal Transit	116,584	1,154,628	1,100,000	1,613,806	220,000	-	1,833,806	420,822	485,563	51,843
	580	CDBG Grant	485,358	742,500	-	-	-	-	-	742,500	742,500	485,358
Lodgers' Tax	600	LT-Promotional	726,939	1,320,000	-	-	1,096,075	-	1,096,075	223,925	-	950,864
	650	LT-Non Promotional	1,691,399	1,980,000	-	-	970,500	1,000,000	1,970,500	9,500	1,623,243	77,656
	680	LT-Discretionary	3,358,549	1,300,000	(1,500,000)	-	-	825,000	825,000	(1,025,000)	1,771,312	562,237
Enterprise Funds	700	Water & Sewer	20,857,956	48,822,454	4,100,000	6,688,040	4,184,500	14,858,000	25,730,540	27,191,914	47,286,169	763,701
	720	Solid Waste Disposal	5,002,023	11,395,000	(2,476,000)	3,674,922	4,392,400	2,775,000	10,842,322	(1,923,322)	1,402,776	1,675,925
	750	Special Museum	26,626	5,250	-	-	10,000	-	10,000	(4,750)	-	21,876
	790	Golf Pro Shop	308,167	1,150,000	-	769,622	627,750	-	1,397,372	(247,372)	-	60,795
Debt Service	850	NMFA-Water & Sewer	7,792,430	-	-	-	1,140,400	-	1,140,400	(1,140,400)	-	6,652,030
Agency Funds	900	Permanent W&S	9,997,108	-	-	-	-	-	-	-	-	9,997,108
	920	Municipal Court	19,191	-	-	-	-	-	-	-	-	19,191
	980	ELEA	412,764	119,000	-	-	138,000	-	138,000	(19,000)	-	393,764
		Total	151,037,277	193,577,164	-	76,531,694	52,676,228	34,358,258	163,566,180	30,010,984	107,816,631	73,231,630

City of Carlsbad, NM
Gross Receipts Tax Revenue
FY27 - Interim Budget

Fund	Budget
Fund 1 - General	
GRTR-Municipal GRT	35,100,000
GRTR-Muni Share	29,640,000
GRTR-Infrastructure	3,120,000
	67,860,000
Fund 200 - GRT Capital Outlay	5,460,000
Fund 300 - Sports Complex	3,120,000
Fund 720 - Solid Waste Disposal	1,560,000
	10,140,000
Total	78,000,000
Per Month	**6,500,000**
Budgeted Per Month for FY26	**6,500,000**
Average Received Per Month for FY26	**6,586,903**

City of Carlsbad, NM
Revenue by Select Funds and Categories
FY27 - Interim Budget

No	Fund / Category	FY26 Forecast	Total FY26 Budget	Total FY27 Budget	% inc/dec
101	**GENERAL FUND**				
	Gross Receipts Tax	70,138,471	69,260,000	67,860,000	-2%
	Property Tax	5,483,526	5,010,000	5,012,000	0%
	Franchise Tax	961,287	997,000	975,000	-2%
	Ambulance Service	1,217,842	940,000	1,135,000	21%
	County	945,000	742,500	742,500	0%
	Golf Green Fees & Cart Permits	429,942	300,000	265,000	-12%
	Permits, Registrations and Business, Liquor, Pet License	376,601	237,550	301,300	27%
	Misc. Revenues	1,491,943	18,000	18,000	0%
	Oil & Gas	4,144,604	750,000	5,000,000	567%
	Grants	321,129	429,721	233,400	-46%
	Fees	201,951	177,750	194,450	9%
	Cemetery	149,823	130,000	145,000	12%
	Water Park	10,535	5,850	8,500	45%
	Misc. Contracts & Leases	85,580	77,520	82,260	6%
	Donations	384,560	290,500	-	-100%
		86,342,794	79,366,391	81,972,410	3%
320	**Streets Improvement**				
	Gasoline Tax	761,595	715,000	750,000	5%
	Auto License	113,829	110,000	120,000	9%
	State Legislative Grant	214,902	1,195,456	1,007,000	-16%
	Misc.	-	-	-	0%
		1,090,325	2,020,456	1,877,000	0%
350	**LOCAL GOVERNMENT CORRECTION**				
	Local Correction Fees (Tickets, Fees, etc.)	455,474	700,000	420,000	-40%
		455,474	700,000	420,000	-40%
600, 650, 680	**LODGERS TAX**				
	LT - Promotional (600)	1,231,983	1,300,000	1,320,000	2%
	LT - Non Promotional (650)	1,847,991	2,000,000	1,980,000	-1%
	LT - Discretionary (680)	1,495,490	1,300,000	1,300,000	0%
		4,575,463	4,600,000	4,600,000	0%
700	**WATER & SEWER**				
	Water	7,340,800	7,445,000	7,450,000	0%
	Sewer Services	6,807,495	6,000,000	6,800,000	13%
	Septage Services	380,002	350,000	370,000	6%
	Effluent Contract	456,960	341,000	500,000	47%
	Double Eagle Water	1,224,243	1,100,000	1,200,000	9%
	State - NMED Loans	-	25,009,746	25,009,746	0%
	Grants & Misc. Revenues	770,802	8,447,874	6,840,908	-19%
	Late & Reconnect Fees	693,037	647,500	651,800	1%
		17,673,338	49,341,120	48,822,454	-1%
720	**LANDFILL & SOLID WASTE DISPOSAL**				
	Solid Waste Disposal Services	9,929,840	9,000,000	9,800,000	9%
	Gross Receipts Tax (Environmental)	1,537,877	1,560,000	1,560,000	0%
	County Share of Costs	-	-	-	0%
	Misc. Revenues	40,199	30,050	40,250	34%
		11,507,916	10,590,050	11,400,250	8%

City of Carlsbad, NM
Transfer Matrix
FY27 - Interim Budget

Fund	Fund Name	Amount	Description
Fund 101 - General Fund - Transfer TO			
201	Capital Projects	5,000,000	Transfer for future capital projects
370	Museum Art Acquisition	10,000	Acquire artwork
401	Insurance	1,060,000	Liability and property insurance for Government Assets
402	Workers' Compensation	600,000	Increase Workers' Compensation Fund to $1M
570	Municipal Transit	1,100,000	Supplement the cost to operate the transit system
		7,770,000	
Fund 200 - Capital Outlay Fund - Transfer TO			
320	Street Improvements	1,500,000	Street improvement projects
201	Capital Projects	1,600,000	Transfer for future capital projects
700	Water & Sewer	2,800,000	Supplement the cost of water & sewer infrastructure
		5,900,000	
Fund 350 - Local Government Correction Fund - Transfer TO			
101	General Fund	1,098,200	Operating costs for Municipal Court
		1,098,200	
Fund 420 - Health Insurance Fund - Transfer TO			
101	General Fund	1,000,000	Return borrowed funds
		1,000,000	
Fund 680 - Lodgers' Tax Discretionary Fund - Transfer TO			
700	Water & Sewer	1,500,000	Support Water & Sewer infrastructure projects
		1,500,000	
Fund 700 - Water & Sewer Fund - Transfer TO			
401	Insurance	140,000	Liability and property insurance for Enterprise Assets
402	Workers' Compensation	60,000	Increase Workers' Compensation Fund to $1M
		200,000	
Fund 720 - Solid Waste Disposal Fund - Transfer TO			
220	Landfill-Reserve	111,000	Reserve for future closure, County contributes equal amount annually
240	Landfill-Construction	2,000,000	Future solid waste projects (recycling and transfer station)
401	Insurance	100,000	Liability and property insurance for Enterprise Assets
402	Workers' Compensation	40,000	Increase Workers' Compensation Fund to $1M
550	Beautification	225,000	Supplement the Beautification Grant to improve the City's appearance
		2,476,000	
		19,944,200	

City of Carlsbad, NM
FY27 Budget Analysis
Labor

OBJ	ACCOUNT DESCRIPTION	FY26	FY27	Variance	%
50500	Labor-Regular	42,945,927	45,581,389	2,635,462	6%
51000	Labor-OT	3,763,417	3,008,288	(755,129)	-20%
54000	Labor-Other	136,750	539,706	402,956	295%
55000	Labor-Allowances	651,560	644,807	(6,753)	-1%
58000	Associated-Health Insr	9,128,512	9,688,083	559,571	6%
58100	Associated-FICA	3,453,908	3,672,226	218,318	6%
58200	Associated-PERA/RHCA	11,114,714	13,397,195	2,282,481	21%
		71,194,788	76,531,694	5,336,906	7%

FY26 Labor Budget		71,194,788	%
Total COLA/Other		1,534,005	
COLA Increase: Police - 5.0%	577,780		
COLA Increase: IBEW - 1.5%	39,100		
Safety Incentive Increase*	402,956		
Positions added midyear	466,699		
Added Positions:		742,531	
Firefighter	160,599		
Firefighter	160,599		
Firefighter	160,599		
Field Maintenance Superintendent	151,805		
IPRA Specialist	108,929		
Health Insurance ^		559,571	
Increase in PERA +		2,282,481	
Increase in Taxes		218,318	
FY27 Labor Budget		**76,531,694**	**7%**

Notes

+ The City is paying 75% of the employee portion for all PERA plans

^ The City is paying 85% of the cost of health insurance, plus a 15% increase in premiums

*Labor-Other - Safety Incentive increase per policy

City of Carlsbad, NM
FY27 Budget Analysis
Operating

FY26 Operating Budget		**51,102,778**	**%**
General Fund		964,510	
Ambulance Supplemental Program	522,550		
Oil & Gas Services	300,000		
Furniture - 201 S. Halagueno	155,000		
Furniture - FM Building	200,000		
Maint-Leased Properties	(50,000)		
Ops-Exhibits	(116,200)		
Shooting Range Training Room	45,000		
Firefighter Wellness Screening	58,160		
Vehicle Maintenance	(150,000)		
Solid Waste Fund		608,940	
Vehicle Maintenance	208,940		
River Clean-up	400,000		
FY27 Operating Budget		**52,676,228**	**3%**

City of Carlsbad, NM
Lodgers' Tax Requests
FY27 - Interim Budget

PROMOTIONAL FUND

Agency	Advertising Event	FY24	FY25	FY26	FY27
Boys & Girls Club	Bingo Hall Advertising	-	-	-	5,000
Carlsbad Area Art Association	Annual Advertising	35,000	35,000	16,000	16,000
Carlsbad Community Concert Association	Continuing outreach and 2026 season	50,600	55,000	26,000	40,000
Carlsbad Community of Hope	Jericho Walk & Bike Run	46,500	-	9,000	10,000
Carlsbad Community Theatre	Theatre Tourism Campaign	20,000	40,000	19,000	25,000
Carlsbad Community Foundation	MLK Community Activities	10,000	-	7,000	7,000
Carlsbad Live	Advertising of WGPAC	-	-	40,000	60,500
Carlsbad MainStreet	Tourism Campaign	105,200	200,000	150,000	130,000
Carlsbad Soccer League	Cavern City Christmas Classic Tournament	-	7,502	10,000	10,000
Cavern City Events LLC	Renaissance Festival Advertising	-	80,000	60,000	60,000
Chamber of Commerce	Christmas on the Pecos	92,000	88,000	75,000	75,000
Chamber of Commerce	Marketing campaign	330,000	330,000	300,000	310,000
Chamber of Commerce	Rumble on the Pecos Car Show	-	-	14,375	14,375
City of Carlsbad	City Sponsored Events	160,000	170,000	170,000	180,000
City of Carlsbad	Annual Library Advertising	40,000	60,000	28,000	30,000
City of Carlsbad	Annual Museum Advertising	40,000	70,000	40,000	30,000
City of Carlsbad	Cascades Recreation Center Advertising	-	-	-	7,500
Creative Carlsbad Arts Council	Annual Advertising	6,000	-	26,000	30,000
First Carlsbad Methodist Church	Fallapalooza Advertising	-	-	3,000	3,700
Friends of the Living Desert	Annual Advertising	30,200	32,200	25,000	25,000
United Way	Dancing with the Stars	-	18,000	18,000	17,000
United Way	Cinco de Mayo Tournament Advertising	-	15,000	10,000	10,000
		965,500	**1,200,702**	**1,046,375**	**1,096,075**

NON-PROMOTIONAL FUND

Agency	Advertising Event	FY24	FY25	FY26	FY27
Chamber of Commerce	PRV Maintenance, Staffing & Facility Cost	332,500	332,500	332,500	332,500
Carlsbad Mainstreet	Holiday Decorations	50,000	50,000	45,000	45,000
Mainstreet Cavern Theatre Management	Cavern Theatre	-	250,000	200,000	200,000
City of Carlsbad	Annual PRV Building Maint	20,000	20,000	20,000	20,000
City of Carlsbad	Annual Audit	2,800	2,800	2,800	3,000
City of Carlsbad	4th of July Fireworks	65,000	120,000	145,000	160,000
City of Carlsbad	Annual Holiday Décor for HAP	110,000	110,000	110,000	150,000
City of Carlsbad	Drone Show	-	-	50,000	60,000
		580,300	**885,300**	**905,300**	**970,500**

City of Carlsbad, NM
Outside Agency Requests
FY27 - Interim Budget

GENERAL FUND

Outside Agency Requests	FY22	FY23	FY24	FY25	FY26	FY27 Request	Approved
Affirming Heart Victim Services	20,000	20,000	20,000	25,000	25,000	25,000	-
Boys & Girls Club*	65,000	70,000	75,000	75,000	100,000	150,000	150,000
Carlsbad Battered Families Shelter	-	-	-	30,000	30,000	30,000	30,000
Carlsbad Chamber - Retirement Division	44,250	44,250	46,462	46,462	46,462	46,462	46,462
Carlsbad Chamber of Commerce	-	-	-	75,000	95,000	95,000	95,000
Carlsbad Chamber of Commerce - City Economic Fund	-	-	-	35,000	40,000	40,000	40,000
Carlsbad Community Anti-Drug/Gang Coalition	24,000	24,000	24,000	24,000	44,000	90,000	44,000
Carlsbad Community of Hope Center	24,000	28,800	30,240	40,000	42,000	40,000	40,000
Carlsbad Dept of Development**	224,200	226,360	264,000	100,000	200,000	200,000	200,000
Carlsbad MainStreet	60,000	90,000	90,000	90,000	100,000	100,000	100,000
Carlsbad Transitional Housing & Homeless Shelter	32,000	36,000	40,000	60,000	60,000	100,000	100,000
Eddy Lea Energy Alliance	25,000	25,000	25,000	25,000	25,000	25,000	25,000
MyPower Mentoring Circles	-	-	-	20,000	75,000	75,000	75,000
Pecos Valley Drug Taskforce	-	-	-	25,000	25,000	25,000	25,000
SENMEDD	7,641	7,641	7,641	7,641	7,641	7,641	7,641
Southeast NM Community Action Corporation	15,000	20,000	20,000	60,000	60,000	100,000	60,000
	541,091	**592,051**	**642,343**	**738,103**	**975,103**	**1,149,103**	**1,038,103**
Carlsbad Municipal Schools							
Natatorium	13,000	13,000	13,000	13,000	25,000	45,000	45,000
Summer Recreation Program	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Summer Reading Academy	-	39,000	-	-	-	-	-
Youth Citizenship	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Tutoring Program	25,000	30,000	30,000	30,000	30,000	30,000	30,000
STEAM after School Program	15,000	-	15,000	-	-	-	-
Crossing Guards Program	-	-	-	-	-	100,000	100,000
	75,000	**104,000**	**80,000**	**65,000**	**77,000**	**197,000**	**197,000**
TOTALS	**616,091**	**696,051**	**722,343**	**803,103**	**1,052,103**	**1,346,103**	**1,235,103**

*The budget committee agrees to a one-time payment of $50,000 for the replacement of the roof
*The budget committee agrees to 4 (quarterly) $50,000 payments contingent upon quarterly presentations at Council

City of Carlsbad, NM
New Capital/Project Funding
FY27 - Interim Budget

Fund	Fund Name	Dept	Department Name	Project Name	Project Description	Amount Requested	Amount Recommended	Vehicle	Notes
101	General Fund	117	IT	FY27-IT-Annual-Server & Storage	Server and Storage upgrades or Replacements	100,000	100,000		
101	General Fund	120	Police	FY27-PD-Mast Security Trailers/Cameras	Telescoping Mast Security Trailers (3) with Cameras, Solar Powered, 22 ft Telescoping Electric Mast	108,330	109,000		
101	General Fund	120	Police	FY27-PD-CSI Units	(2) 2026 Ford F150 Trucks + Upfit (includes Storage Shell & Deck Storage	130,000	130,000	1	
101	General Fund	120	Police	FY27-PD-Pulsar Thermal Binocular	Surveillance Tool - Thermal Pattern Binocular	8,100	9,000		
101	General Fund	120	Police	FY27-PD-K9-Replace K9	Replace K9 Echo (Retired in 2025) EST includes K9 and Handler & Dog Training	15,000	15,000		
101	General Fund	120	Police	FY27-PD-Annual-K9 & Unit	New K9 in case of a killed in action or Injury - Includes K9, Training (Handler and Dog) and Vehicle.	115,000	115,000	2	
101	General Fund	130	Fire	FY27-FD-Laptop Computers	Toughbook Computers for Ambulances	85,000	85,000		
101	General Fund	130	Fire	FY27-FD-Fire Station Badge Readers	Fire Station Badge Reader Access System	50,000	50,000		
101	General Fund	143	Performing Arts Center	FY27-PAC-Ceiling Tile Replacement	Annex ceiling tile replacement	50,000	75,000		
101	General Fund	144	Airport	FY27-Airport-Snow Plow	Snow plow equipment and supplies	50,000	50,000		
101	General Fund	144	Airport	FY27-Airport-Gator	This equipment is a boom sprayer intended to increase our weed-elimination coverage area.	95,000	95,000	3	
101	General Fund	144	Airport	FY27-Airport-Windsock	Replacement and Labor	35,000	35,000		
101	General Fund	146	Golf Course	FY27-Golf-Gator	Additional Gator for maintenance	46,000	46,000	4	
101	General Fund	146	Golf Course	FY27-Golf-Walk-in Cooler	For storage of concession supplies and alcohol. 8X14. Sit in the Cart Barn for drinks.	20,000	20,000		
101	General Fund	147	Waterpark	FY27-Waterpark-Inline Strainers	Replacement - parts are no longer available for current equip	30,000	30,000		
101	General Fund	147	Waterpark	FY27-Waterpark-Replacement Valves	Identified by Safety Committee	12,000	12,000		
101	General Fund	147	Waterpark	FY27-Waterpark-Pool Vacuum	Large pool vacuum for main pool	8,000	8,000		
101	General Fund	147	Waterpark	FY27-Waterpark-Handicap Lifts	Replace inoperable/unrepairable lifts	20,000	20,000		
101	General Fund	151	Facility Maintenance	FY27-FM-Annual-HVAV	Annual HVAC	250,000	250,000		
101	General Fund	151	Facility Maintenance	FY27-FM-Annual-Sewer & Water	Annual Sewer & Water	150,000	150,000		
101	General Fund	151	Facility Maintenance	FY27-FM-Event Enclosed Trailer	Event Enclosed Trailer	15,000	15,000		
101	General Fund	151	Facility Maintenance	FY27-FM-Building Furniture	Furnish and equip new Facility Maintenance building	Discussion	-		Ops-$200k
101	General Fund	151	Facility Maintenance	FY27-FM-Building Paying & Fencing	San Jose FM Building Paving & Fencing	90,000	90,000		
101	General Fund	152	Street	FY27-Streets-Snow Plow Attachment-Loader	Snow Plow Attachment for the Loader	43,000	43,000		
101	General Fund	152	Street	FY27-Streets-Snow Plow Attachment-Dump Truck	Snow Plow Attachment plus Salt Spreader for Dump Truck	60,000	60,000		
101	General Fund	152	Street	FY27-Streets-Asphalt Burner	Infrared Asphalt Burner-aid in patching, better patch, quicker	30,000	30,000		
101	General Fund	152	Street	FY27-Streets-Boom Mower	To mow embankments	72,000	72,000	5	
101	General Fund	153	Parks	FY27-Parks-Leaf & Grass Vacuum	Vacuum to remove grass clippings and leaves in city parks	85,000	85,000		
101	General Fund	153	Parks	FY27-Parks-Shade Structure-Bryan Cir Park	Playground shade cover at Bryan Circle Park	85,000	85,000		
101	General Fund	153	Parks	FY27-Parks-Trailer for Trencher	Trailer for Trencher	12,500	12,500		
101	General Fund	153	Parks	FY27-Parks-Irrigation Work Truck	F-250 with utility bed for irrigation crew	70,000	70,000	6	
101	General Fund	153	Parks	FY27-Annual-Parks-Batting Cages-Arcadia Park	Batting cages at Arcadia Park	72,000	72,000		
101	General Fund	153	Parks	FY27-Parks-Annual-Basketball Court -Beach	Basketball court re-surface at Lake Carlsbad Beach	72,000	72,000		
101	General Fund	153	Parks	FY27-Parks-Shooting Range-RC Airport	Resurface RC runways at Shooting Range Airport	15,000	15,000		
101	General Fund	153	Parks	FY27-Parks-Boat Dock Addition/Floating Bridge	Boat Dock addition to floating bridge	76,535	77,000		Christmas on the Pecos
101	General Fund	153	Parks	FY27-Parks-Annual-Park Improvements	Annual park improvements	DISCUSSION	300,000		
101	General Fund	153	Parks	FY27-Parks-Fitness Court Shade Canopy	Fitness Court Shade Canopy	156,000	160,000		
101	General Fund	155	Garage	FY27-Garage-Pressure Washer Equp	Replacement Pressure Washer equipment for wash bay at Public Works	15,000	15,000		

City of Carlsbad, NM
New Capital/Project Funding
FY27 - Interim Budget

Fund	Fund Name	Dept	Department Name	Project Name	Project Description	Amount Requested	Amount Recommended	Vehicle	Notes
101	General Fund	157	Construction	FY27-Construction-Foreman Truck	F-150 Extended Cab Foreman Truck -Replacement	53,000	53,000	7	
101	General Fund	157	Construction	FY27-Construction-Foreman Truck	F-150 Extended Cab Foreman Truck -Replacement	53,000	53,000	8	
101	General Fund	157	Construction	FY27-Construction-Superintendent Truck	Field Maintenance Superintendent Truck Ford F-150 - New Postion	58,000	53,000	9	
101	General Fund	158	Projects	FY27-Projects-201 S. Halagueno Furniture & Staging	201 S. Halagueno Furniture & Staging	240,000	-		Ops- Amount $200k
101	General Fund	158	Projects	FY27-Projects-Hamilton Roofing TRMP Service	Hamilton Roofing TRMP Service	600,000	350,000		Reevaluate mid-year
101	General Fund	160	Planning & Regulation	FY27-PER-Annual-ROW Acquisitions	Annual ROW Acquistions	-	100,000		
101	General Fund	160	Planning & Regulation	FY27-PER-Annual-ADA Compliance	Annual ADA Compliance	-	30,000		
101	General Fund	161	Cemetery	FY27-Cemetery-Front Gates	Furnish and install (2) automatic gates at the cemetery	60,000	60,000		
200	GRT Capital Outlay	200	GRT Capital Outlay	FY27-Carlsbad Event Center	Purchase the Carlsbad Events Center FY27=$1.5M, FY28=$1M, FY29=$1M	-	1,500,000		
201	Capital Projects	201	Capital Projects	FY27-FD-Type 1 Ambulance-GRANT	SB240-Capital Outlay Grant - New Type 1 Ambulance	600,000	600,000		
201	Capital Projects	201	Capital Projects	FY27-Adult Respite Center-GRANT	HB248	-	56,250		Supports Project 101557-$225k
201	Capital Projects	201	Capital Projects	FY27-ARSC-Vehicle-GRANT	HB248	-	332,500		
201	Capital Projects	201	Capital Projects	FY27-ARSC-Vehicle-GRANT	HB248	-	245,000		
201	Capital Projects	201	Capital Projects	FY27-Friendship Park Pedestrian Bridge-GRANT	NM Outdoor Recreation Division grant	1,000,000	1,771,008		City match of $771,008
201	Capital Projects	201	Capital Projects	FY27-IT-Coucil Chambers IT Replacement	Replace all Equipment and add screens to each station.	240,000	240,000		
201	Capital Projects	201	Capital Projects	FY27-FD-REM Team Upgrades	New UTV w/ upfitting and required tools for REM Team	120,000	120,000		
201	Capital Projects	201	Capital Projects	FY27-Golf-Driving Range Netting	Netting for the side of the driving range	160,000	160,000		
201	Capital Projects	201	Capital Projects	FY27-FM-Annual-Roof Replacement	Annual Roof Replacement	1,000,000	300,000		Reevaluate mid-year
201	Capital Projects	201	Capital Projects	FY27-Streets-Water Truck	Water Truck for Public Works	245,000	245,000	10	
201	Capital Projects	201	Capital Projects	FY27-Parks-Playground Surface-Cass Park	PIP for playground at Cass Park	165,000	165,000		
201	Capital Projects	201	Capital Projects	FY27-Parks-Annual-Park Fences-Cass & Davis	Park Fences at Cass and Davis Park	175,000	175,000		
201	Capital Projects	201	Capital Projects	FY27-Executive-City Hall Courtyard	City Hall Courtyard	DISCUSSION			Reevaluate-waiting for final design, engineering, cost estimates
201	Capital Projects	201	Capital Projects	FY27-Exeutive-City Hall Security Package	City Hall Security Package	DISCUSSION			Reevaluate-waiting for final design, engineering, cost estimates
201	Capital Projects	201	Capital Projects	FY27-PD-Second Elevator	PD Second Elevator	DISCUSSION			Reevaluate-waiting for final design, engineering, cost estimates
201	Capital Projects	201	Capital Projects	FY27-PD-Second Floor Remodel	PD Second Floor Remodel	DISCUSSION			Reevaluate-waiting for final design, engineering, cost estimates
201	Capital Projects	201	Capital Projects	FY27-FD-Station 7 Generator	Fire Station #7 Generator	262,859	280,000		
201	Capital Projects	201	Capital Projects	FY27-FD-Portable Radios	Digital portable radios	400,000	400,000		
201	Capital Projects	201	Capital Projects	FY27-Library-Fire Alarm	New System - propriary system is obsolete for upgrades	230,000	230,000		
201	Capital Projects	201	Capital Projects	FY27-FD-Station 2 Bathroom Remodel	Sta 2 bathroom remodel to seperate male/female facilities	300,000	300,000		
201	Capital Projects	201	Capital Projects	FY27-Library-Sewer Replacement	Library, Museum, Sewer Replacement	400,000	400,000		
201	Capital Projects	201	Capital Projects	FY27-Projects-201 S. Halagueno Re-roof	201 S. Halagueno Re-roof	360,000	-		
201	Capital Projects	201	Capital Projects	FY27-Housing Projects	Housing Projects		360,000		
201	Capital Projects	201	Capital Projects	FY27-PER-Office Safety Remodel	To build walls to close off the public lobby from the office areas and to secure access behind the front counter; to finish out the offices for the 311 Operator and Department Administrative Coordinator, creating actual office space instead of cubicle space; to create a small vestibule area with a payment window at the entrance to the Cemetery office, and to open a doorway access from the Cemetery office to the Planning & Regulation offices; to create an additional closet space in the Municipal courtroom; to close off and create additonal office spaces in the north portion of the office; to install a window access fire escape ladder; includes construction administration costs and design requests	387,600	400,000		

City of Carlsbad, NM
New Capital/Project Funding
FY27 - Interim Budget

Fund	Fund Name	Dept	Department Name	Project Name	Project Description	Amount Requested	Amount Recommended	Vehicle	Notes
201	Capital Projects	201	Capital Projects	FY27-Parks-Historic House Relocation	105 South Alameda St -Historically significant house, relocate to Heritage Park	-	200,000		
300	Sports Complex	300	Sports Complex	FY27-Sports Complex-RV Park	RV Park - Sports Complex	DISCUSSION	-		Project Postponed
300	Sports Complex	300	Sports Complex	FY27-Sports Complex-Fitness Court	Add an additional Fitness Court	-	450,000		
320	Street Improvements	320	Street Improvements	FY27-Street Impr-Annual-Medians	Annual Median Improvements	100,000	100,000		
320	Street Improvements	320	Street Improvements	FY27-Street Impr-Annual-Streets	Annual Street Improvements	DISCUSSION	1,200,000		
320	Street Improvements	320	Street Improvements	FY27-Street Impr-Annual-Maint	Annual Street Improvements	-	250,000		
320	Street Improvements	320	Street Improvements	FY26-Calloway Dr Roundabout	Increase FY26 Project to $1.1M	300,000	300,000		
320	Street Improvements	320	Street Improvements	FY27-Street Impr-Roadrunner Roundabout	Roadrunner Artwork for Calloway Dr. Roundabout	300,000	300,000		
360	Cannabis Revenue	360	Cannabis Revenue	FY27-PD-Patrol Units	(4) 2026 Ford Explorers + Upfit, Graphics & Equipment	368,376	369,000	11	
360	Cannabis Revenue	360	Cannabis Revenue	FY27-PD-Utility Unit	(1) 2026 Ford F150 4x4 Truck + Basic Upfit	75,000	75,000	12	
650	LT-Non Promotional	650	LT-Non Promotional	FY27-RWRC-Exterior Stucco/Paint	Complete stucco repair and paint to front, back and west walls	675,000	700,000		
650	LT-Non Promotional	650	LT-Non Promotional	FY27-RWRC-Annex Building	Detached metal annex bldg for added practice & activity space	1,637,500	-		Defer to Future FY
650	LT-Non Promotional	650	LT-Non Promotional	FY27-Golf-Championship Course Bunkers	Adding bunkers to course to increase competitive playablity	575,000	-		Defer to Future FY
650	LT-Non Promotional	650	LT-Non Promotional	FY27-Golf-Hole 6 Pond Liner & Fountain	Pond Liner for hole #6 to add fountain and water feature	460,000	-		Defer to Future FY
650	LT-Non Promotional	650	LT-Non Promotional	FY27-Parks-MLK Plaza Rebuild	MLK Plaza Rebuild	DISCUSSION	-		Reevaluate for Final Budget
650	LT-Non Promotional	650	LT-Non Promotional	FY27-Parks-Neon Alley	Mainstreet Partner Project	-	50,000		
650	LT-Non Promotional	650	LT-Non Promotional	FY26-Musem-HAP-Electrical Upgrades	HAP Electrical Upgrades	750,000	250,000		Increase 101612 to $750k, current budget is $500k
680	LT-Discretionary	680	LT-Discretionary	FY27-RWRC-Roof Drains	RWRC Roof Drains	634,804	700,000		
680	LT-Discretionary	680	LT-Discretionary	FY26-Par 3 Lights	Par 3 lights	125,000	125,000		
700	Water & Sewer	700	Water	FY27-Water-Annual-Wellfield Rehab/Upagrades	Annual Water Wellfield Rehab-Upgrade	500,000	500,000		
700	Water & Sewer	700	Water	FY27-Water-Annual-Water Service	Annual Water Services	225,000	225,000		
700	Water & Sewer	700	Water	FY27-Water-Annual-Mainline Extension	Annual Mainline Extension	100,000	100,000		
700	Water & Sewer	700	Water	FY27-Water-Annual-Engineering	Annual Engineering	100,000	100,000		
700	Water & Sewer	700	Water	FY27-Water-Annual-Valve Installation	Annual Valve Installation	50,000	50,000		
700	Water & Sewer	700	Water	FY27-Water-Eng Lead Service Line Replace	Engineering Lead Service Line Replacements (Tree Streets)	200,000	200,000		
700	Water & Sewer	700	Water	FY27-Water-Eng Dark Canyon Waterline	Dark Canyon Waterline Crossing (Engineering)	175,000	175,000		
700	Water & Sewer	700	Water	FY27-Water-Forklifts / Pallet Jacks	Forklifts/ Pallet Jacks	50,000	50,000		
700	Water & Sewer	700	Water	FY27-E Greene St Waterline Upgrade-GRANT	SB240-Capital Outlay Grant-Supports continous development on Greene Street		1,516,000		
700	Water & Sewer	701	WWTP	FY27-WWTP-Annual-Engineering	Annual Engineering	50,000	50,000		
700	Water & Sewer	701	WWTP	FY27-WWTP-Lawn Mower/Equipment	Lawn Mower & Equipment	25,000	25,000		
700	Water & Sewer	701	WWTP	FY27-WWTP-Variable Frequency Drive	Variable Frequency Drive (replacements)	350,000	350,000		
700	Water & Sewer	702	Double Eagle	FY27-DE-Annual-Wellfield Rehab/Upagrades	Well Rehab	200,000	300,000		
700	Water & Sewer	702	Double Eagle	FY27-DE-Annual-Waterline Upgrades	Annual Waterline Upgrades	100,000	100,000		
700	Water & Sewer	702	Double Eagle	FY27-DE-Annual-Wellfield Upgrades	Annual Wellfield Upgrades	100,000	100,000		
700	Water & Sewer	702	Double Eagle	FY27-DE-Annual-Engineering	Annual Engineering	100,000	100,000		
700	Water & Sewer	702	Double Eagle	FY27-DE-SCADA Upgrades	SCADA Upgrades	50,000	50,000		
700	Water & Sewer	703	Collections	FY27-Collections-Annual-Pump Replacement	Repair and Maintenance on lift station pumps	100,000	100,000		
700	Water & Sewer	703	Collections	FY27-Collections-Annual-Manhole Rehab	Repair and Maintenance on Manholes	100,000	100,000		
700	Water & Sewer	703	Collections	FY27-Collections-Annual-Sewer Line Extension	Repair and Upgrade on sewer lines	150,000	150,000		

City of Carlsbad, NM
New Capital/Project Funding
FY27 - Interim Budget

Fund	Fund Name	Dept	Department Name	Project Name	Project Description	Amount Requested	Amount Recommended	Vehicle	Notes
700	Water & Sewer	703	Collections	FY27-Collections-Annual-Engineering	Engineering for projects	100,000	100,000		
700	Water & Sewer	703	Collections	FY27-Collections-Manhole Survey Camera	Purchase a camera for surveys on manholes	25,000	25,000		
700	Water & Sewer	703	Collections	FY27-Collections-Work Horse Easement Machine	Able to clean and maintain sewer lines in easments	112,000	112,000		
700	Water & Sewer	703	Collections	FY27-Collections-Win Can Program/Sewer Camera	Program to operate sewer camera efficiently	20,000	20,000		
700	Water & Sewer	703	Collections	FY27-Collections-LS-Shaw Street	Add to existing	1,200,000	780,000		
700	Water & Sewer	703	Collections	FY27-Collections-LS-Shaw Street-GRANT	SB240-Capital Outlay Grant-Supplements the Cost of upgrading the Shaw LS		420,000		
700	Water & Sewer	703	Collections	FY27-Primary Lift Construction	Critical project	9,000,000	9,000,000		
700	Water & Sewer	704	Env Services	FY27-ES-Auto Samplers	2 Battery Operated Auto Samplers	30,000	30,000		
700	Water & Sewer	704	Env Services	FY27-ES-Annual-Lab Equipment	Lab Equipment	10,000	30,000		
720	Solid Waste	730	Solid Waste	FY27-SWD-Rubicon Route Software	Rubicon 3YR Contract	150,000	150,000		
720	Solid Waste	730	Solid Waste	FY27-SWD-Annual-Rolloff Containers	Roll off containers	100,000	100,000		
720	Solid Waste	730	Solid Waste	FY27-SWD-Zacklift Towing Body	Zacklift Towing Body	150,000	150,000		
720	Solid Waste	730	Solid Waste	FY27-SWD-Old Landfill Costs	Old Landfill Costs	250,000	250,000		
720	Solid Waste	730	Solid Waste	FY27-SWD-Hardware Tablets	Hardware-Tablets for the Routeware	100,000	100,000		
720	Solid Waste	730	Solid Waste	FY27-SWD-ARC Trucks (3)	ARC Trucks (3)	1,750,000	1,750,000	13	Lead time ~14 months
720	Solid Waste	730	Solid Waste	FY27-SWD-Telehandler Forklift	Telehandler Forklift	275,000	275,000	14	
					Total	**31,453,604**	**34,358,258**		
					Less Grants	**600,000**	**3,169,750**		
					Total City Funds	**30,853,604**	**31,188,508**		

No	Department	FY27 Vehicle Request	New or Replacement	New Vehicle Brief Justification	Replacement Vehicle Information				
					Make	Model	Year	Mileage	Brief Justification for Replacement
1	Police	CSI Unit 1511	Replacement		Dodge	Ram	2014	61,368	Vehicle is more than 10 years old with extensive exterior deterioration and interior wear & tear.
1	Police	CSI Unit 1512	Replacement		Dodge	Ram	2014	64,446	Vehicle is more than 10 years old with extensive exterior deterioration and interior wear & tear.
2	Police	(1) K9 Ford Expedition	New	Annual - Recurring request should there be a loss of unit due to unforeseen circumstances.					
3	Airport	Pro Gator	New	This equipment is a boom sprayer intended to increase our weed-elimination coverage area					
4	Golf Course	Gator	New	Additianl Gator for increased maintenance					
5	Streets	Boom Mower	New	New piece of equipment primarily to service our sloped bar ditches along the CID that carry the water flow during major flood events. This maintenance area runs from north Carlsbad to south Carlsbad. Staff can currently only safely maintain the drain surfaces, leaving the slopes severely overgrown with brush like mesquite and wild trees. Leaving this has made the area more habitable for homeless encampments. This is also a sensitive area to apply herbicide with possibilities of leaching onto private property downstream. This is an important piece of equipment that should have been part of our fleet many years ago. Thank you for your consideration					
6	Parks	Ford F-250	Replacement		Ford	F-250	2016	60,404	Always in the shop for mechanical issues, 12 years old.
7	Construction	Ford F-150	Replacement		Ford	F-150	2012	67,296	14 year old vehicle
8	Construction	Ford F-150	Replacement		Ford	F-150	2014	61,758	12 year old vehicle
9	Construction	Ford F-150	New	Field Maintenance Superintendent Truck Ford F-150 - New Postion					
10	Streets	Water Truck	Replacement		Ford		1998	322,730	Currently, operators struggle to engage the PTO shaft or are unable to make it work. This Unit has been overhauled in the last year, yet issues still persist. The new truck requested will be a very versatile piece of equipment with the growing need to use a water truck for many task here at PW, not to mention this truck can be and will be used to combat snow and ice in the future.
11	Police	Patrol Ford Explorer	Replacement		Dodge	Charger	2013	49,939	Vehicle was sent to Auction 2/04/26
11	Police	Patrol Ford Explorer	Replacement		Dodge	Charger	2013	73,865	Vehicle was sent to Auction 2/04/26
11	Police	Patrol Ford Explorer	Replacement		Dodge	Charger	2013	84,416	Vehicle was sent to Auction 2/04/26
11	Police	Patrol Ford Explorer	Replacement		Dodge	Charger	2014	70,559	Vehicle was sent to Auction 2/04/26

No	Department	FY27 Vehicle Request	New or Replacement	New Vehicle Brief Justification	Replacement Vehicle Information				
					Make	Model	Year	Mileage	Brief Justification for Replacement
12	Police	PD Utility Unit	New	The need for a 4x4 truck presents at times in the field.					
13	Solid Waste	(1) Front Load ARC Truck	New	Transitioning Commerical routes to front Load Containers					
13	Solid Waste	(1) Sideload Barrel Truck	Replacement		Crane(CCC)	Scorpion	2016	102,000	Lived its useful life, Major structure repairs needed Unit 15395 Sent to Auction 2026
13	Solid Waste	(1) Sideload Conatiner Truck	Replacement		Peterbilt	Impact	2007	219,376	Lived its useful life, Major structure repairs needed Unit 10789 Sent to Auction 2026
14	Solid Waste	(1) Telehandler Forklift	New	Used in moving 3,6 & 8 Yard containers in Container Yard					

City of Carlsbad, NM
Street Improvement Plan
FY27 - Interim Budget

District	Name	From	To	Category	Price
#1	Plum Street	San Jose	Laredo	**TOM**	$100,000.00
#1 & #3	South Olive Street	Lea Street	Mermod	**TOM**	$270,000.00
#4	Orchard Lane	N. Canal	Desert Willow Dr	**TOM**	$250,000.00
#4	East Green Industrial Park	East Entrance	West Entrance	**TOM**	$500,000.00
				Total	**$1,120,000.00**

TOM (Thin Overlay Mix)

A high-performance overlay mix placed at a 1" thickness, primarily used for preservation of existing pavements, high and low volume roadway, and roadways where a crack- resistant mix is needed. Durable, flexible and resistant to rutting and/or cracking.

City of Carlsbad, NM
W&S Loan Summary
as of: February 2026

	Waste Water Treatment Plan	Sheep's Draw 5 Million Gallon Tank	Tatum to Double Eagle Waterline Connection	**TOTALS**
Original				
Loan Org. Year	2018	2025	2025	
Term	20 Years	22 Years	22 Years	
Interest Rate	1%	0.25%	0.25%	
Principal	$19,414,220	$7,916,862	$17,092,884	
Interest	$2,934,271	$121,224	$489,703	
Debt Forgiveness	$0	($3,958,431)	($1,102,173)	
	$22,348,491	$4,079,655	$16,480,414	
Remaining				
Term	12 Years	22 Years	22 Years	
Interest Rate	1%	0.25%	0.25%	
Current Balance	$12,995,247	$4,079,655	$16,480,414	**$33,555,316**
Yearly Payment	$1,090,387	$203,159	$1,023,848	**$2,317,394**

City of Carlsbad, NM

Carryover Capital/Project Funding

FY27 - Interim Budget

Project Code	Department	Description	Project Type	Revised Budget	Actuals	AvailableBudget
101114	110	FY25-Office Remodel	CAP	480,000	386,049	93,951
101069	111	FY24-BLM-Land ARC and Appraisal	CAP	185,000	117,451	67,549
101305	112	FY25-Tyler Justice Suite	CAP	70,000	66,227	3,773
101122	117	FY25-Website	CAP	85,000	76,410	8,590
101093	120	FY24-PD-4th Floor Remodel Design	CAP	440,000	151,921	288,079
101596	120	FY25-Drones (2)	CAP	10,000	-	10,000
101132	120	FY25-PD-InDigital Text-to-911	CAP	7,709	4,750	2,959
101327	120	FY25-PD-Tyler Public Safety	CAP	246,490	93,870	152,620
101384	120	FY26-PD-Dispatch Centr Bldg Upgrade	CAP	100,000	-	100,000
101385	120	FY26-PD-Dispatch Computer Upgrades	CAP	55,000	44,712	10,288
101567	120	FY26-PD-Multifactor Authentication	CAP	50,000	43,562	6,438
101619	120	FY26-Vehicle	CAP	100,000	42,906	57,094
101136	130	FY25-FD Ambulances (2)	CAP	900,000	-	900,000
101387	130	FY26-FD Cardiac Monitor	CAP	60,000	8,247	51,753
101390	130	FY26-FD Remodel Sta #3 Bathrooms	CAP	291,502	6,798	284,704
101627	130	FY26-Staton 6 Roof Replacement	CAP	201,000	-	201,000
101620	130	FY26-Tire Changer	CAP	11,500	10,999	501
101625	130	FY26-Trailer	CAP	18,500	-	18,500
100892	140	FY24-HAP Improvements	CAP	388,856	302,980	85,876
101366	140	FY25-Concession Equipment	CAP	17,000	11,371	5,629
101571	141	FY26-Grant-in-Aid	CAP	11,000	6,069	4,931
101393	142	FY26-Storage Units	CAP	48,865	-	48,865
101157	143	FY25-Door Replacement	CAP	185,000	170,232	14,768
101396	144	FY26-John Deere	CAP	72,000	-	72,000
100899	145	FY24-Exterior Paint	CAP	328,000	147,493	180,507
101397	146	FY26-Equipment Lift	CAP	18,000	-	18,000
101400	147	FY26-Expansion	CAP	10,000	-	10,000
101401	147	FY26-Storage	CAP	10,000	-	10,000
101399	147	FY26-Waterpark Showers	CAP	30,000	6,768	23,232
101078	148	FY24-San Jose Facility Maintenance	CAP	500,000	144,571	355,429
100532	150	FY22-Pate Renovations	CAP	202,324	2,324	200,000
100734	150	FY23-ARSC Improvements	CAP	210,000	794	209,206
101435	150	FY25-ARSC Sewer Line	CAP	300,000	104,609	195,392
101173	150	FY25-Artificial Grass	CAP	25,000	-	25,000
101172	150	FY25-Street Lights	CAP	35,000	13,720	21,280
101176	151	FY25-Gator/Skid Sprayer	CAP	64,288	32,704	31,583
101178	151	FY25-Mower	CAP	11,000	-	11,000
101405	151	FY26-Annual Bldg Sewer & Water Repl	CAP	250,000	119,563	130,437
101403	151	FY26-Annual HVAC	CAP	150,000	117,976	32,024
101402	151	FY26-Annual Roof Replacement	CAP	700,000	605,850	94,150
101599	152	FY26-Canal St Traffic Signal	CAP	115,985	-	115,985
101407	152	FY26-Trailer	CAP	17,500	-	17,500

City of Carlsbad, NM

Carryover Capital/Project Funding

FY27 - Interim Budget

Project Code	Department	Description	Project Type	Revised Budget	Actuals	AvailableBudget
101090	153	FY24-Shorthorn Remediation	CAP	100,000	60,410	39,590
101199	153	FY25-Annual Park Improvements	CAP	883,311	868,258	15,053
101587	153	FY26-Annual Park Improvements	CAP	500,000	12,125	487,875
101414	153	FY26-Blodgett St Restroom	CAP	285,000	12,337	272,663
101417	153	FY26-Boat Docks	CAP	305,000	13,424	291,576
101588	153	FY26-Disc Golf	CAP	60,000	-	60,000
101583	153	FY26-Mechanical Building	CAP	50,969	47,304	3,664
101418	153	FY26-Park Fence	CAP	225,000	90,481	134,519
101621	153	FY26-Smith Park Basketball Court	CAP	80,000	-	80,000
101582	153	FY26-Tennis Courts Electrical	CAP	50,000	17,431	32,569
101428	158	FY26-Plotter/Scanner	CAP	35,000	-	35,000
101427	158	FY26-Smart Board	CAP	15,000	-	15,000
101432	160	FY26-Foundation Repair	CAP	50,000	-	50,000
101429	160	FY26-Office Safety Remodel	CAP	64,356	-	64,356
101430	160	FY26-Roof Access Safety Ladder	CAP	21,800	-	21,800
101431	160	FY26-ROW Acquisition	CAP	130,233	30,233	100,000
General Fund						**5,874,258**
101059	200	FY24-ARSC Renovations	CAP	375,000	12,446	362,554
101561	200	FY26-BLM Land Purchase	CAP	6,000,000	-	6,000,000
Capital Outlay Fund						**6,362,554**
100754	201	FY23-ARSC Renovations Ph III GRANT	CAP	1,338,918	21,830	1,317,088
101108	201	FY24-ARSC Outdoor Imp FED GRANT	CAP	400,000	21,516	378,484
100931	201	FY24-ARSC Renovations GRANT	CAP	402,306	44,114	358,192
101048	201	FY24-Dark Canyon FED Grant	CAP	1,375,010	748,518	626,492
100935	201	FY24-N Mesa SC Renovations GRANT	CAP	431,021	-	431,021
100936	201	FY24-Riverwalk Renovations GRANT	CAP	750,000	730,533	19,467
101353	201	FY25- Storm Drain Ext Fed GRANT	CAP	2,000,000	-	2,000,000
101347	201	FY25-Lower Tansill Area 5 FED GRANT	CAP	1,500,000	-	1,500,000
101325	201	FY25-Museum Annex Renovation GRANT	CAP	525,000	80,202	444,798
101216	201	FY25-Riverwalk Rec Center GRANT	CAP	500,000	107,822	392,178
101373	201	FY25-Shelter Improvements GRANT	CAP	72,412	40,901	31,511
101444	201	FY26-Affordable Housing Infr GRANT	CAP	1,500,000	-	1,500,000
101615	201	FY26-ARSC Rec & Pickleball GRANT	CAP	1,455,650	-	1,455,650
101629	201	FY26-DFA Match Shorthorn Rehab GRANT	CAP	500,000	-	500,000
101628	201	FY26-L&WC Shorthorn Rehab GRANT	CAP	500,000	-	500,000
101603	201	FY26-Museum Annex GRANT	CAP	1,145,711	-	1,145,711
101630	201	FY26-NMDOT TLPA Grant	CAP	2,201,271	-	2,201,271
101445	201	FY26-PD-Public Safety Complex GRANT	CAP	500,000	-	500,000
101440	201	FY26-PD-Units (8) GRANT	CAP	800,000	598,077	201,924
101580	201	FY26-Sunset Park Trail GRANT	CAP	547,879	-	547,879

City of Carlsbad, NM

Carryover Capital/Project Funding

FY27 - Interim Budget

Project Code	Department	Description	Project Type	Revised Budget	Actuals	AvailableBudget
101624	201	FY24-San Jose Facility Maintenance	CAP	1,000,000	-	1,000,000
101359	201	FY25-BLM Land Project	CAP	977,315	31,614	945,701
101304	201	FY25-Building - 201 S. Halagueno	CAP	2,399,770	986,928	1,412,842
101337	201	FY25-Cascades Senior Center	CAP	1,535,000	1,521,688	13,312
101338	201	FY25-Cemetery Irrigation	CAP	382,000	206,533	175,467
101213	201	FY25-PD-4th Floor Remodel	CAP	2,100,000	1,832,744	267,256
101363	201	FY25-PD-Carport	CAP	95,000	-	95,000
101362	201	FY25-PD-Firearms Training Building	CAP	600,000	328,303	271,697
101215	201	FY25-Shorthorn Improvements	CAP	1,600,000	12,882	1,587,118
101597	201	FY26-Acoustic Panels	CAP	200,000	105,937	94,063
101606	201	FY26-Avalon Village Design/Eng	CAP	300,000	-	300,000
101564	201	FY26-Cascades SC Equipment/Furnish	CAP	800,000	410,392	389,608
101447	201	FY26-FD Admin Vehicles	CAP	250,000	199,250	50,750
101446	201	FY26-FD Type 1 Ambulance	CAP	500,000	-	500,000
101626	201	FY26-Friendship Park Docks	CAP	235,000	-	235,000
101610	201	FY26-Infill House	CAP	250,000	-	250,000
101607	201	FY26-Kircher Housing Design/Eng	CAP	300,000	-	300,000
101616	201	FY26-Kircher Housing Infrastructure	CAP	2,000,000	-	2,000,000
101614	201	FY26-Lifepak 35 Monitors (5)	CAP	325,000	33,012	291,988
101439	201	FY26-North Mesa Remodel	CAP	500,000	-	500,000
101579	201	FY26-Water Park Master Plan	CAP	125,000	-	125,000
101632	201	FY26-MLK Park	CAP	300,000	-	300,000
Capital Projects						**27,156,467**
101049	202	FY24-Concrete Terminal Apron GRANT	CAP	5,000,000	1,545,720	3,454,280
101217	202	FY25-RWY 3/21 Rehab Design GRANT	CAP	260,634	77,890	182,744
101589	202	FY26-Runway Lighting 03/21 GRANT	CAP	99,535	14,780	84,755
101575	202	FY26-TSA Compliance	CAP	2,000,000	112,480	1,887,520
Airport Improvements Fund						**5,609,298**
101450	240	FY26-Transfer Station	CAP	800,000	34,847	765,153
Lanfill-Construction Fund						
100760	300	FY23-RV Parking	CAP	464,484	33,615	430,869
101349	300	FY25-Indoor Basketball Center Study	CAP	30,000	10,740	19,260
101451	300	FY26-Shuttle Carts (3)	CAP	60,000	-	60,000
101613	300	FY26-Soccer Field	CAP	100,000	-	100,000
101560	300	FY26-Sports Complex Road	CAP	500,000	279,137	220,863
Sports Complex Fund						**830,992**
100271	320	FY20-Canal St Storm Drain-GRANT	CAP	600,000	387,809	212,191
101086	320	FY24- Old Cavern Hwy Sidewalks	CAP	1,300,000	144,772	1,155,228

City of Carlsbad, NM

Carryover Capital/Project Funding

FY27 - Interim Budget

Project Code	Department	Description	Project Type	Revised Budget	Actuals	AvailableBudget
100942	320	FY24-Annual Street Improvements	CAP	3,563,071	3,500,475	62,595
101218	320	FY25-Annual Street Improvements	CAP	2,283,224	2,067,807	215,417
101455	320	FY26-Annual Street Improvements	CAP	1,803,706	97,495	706,210
101456	320	FY26-Calloway Dr Roundabout	CAP	800,000	20,942	779,058
101457	320	FY26-OCH Design and Traffic Signal	CAP	800,000	-	800,000
101454	320	FY26-Old Cavern Hwy GRANT	CAP	770,000	-	770,000
101458	320	FY26-San Jose/Wood Improvement	CAP	250,000	-	250,000
Street Improvements Fund						**4,950,699**
101460	360	FY26-PD-Units (3)	CAP	300,000	244,353	55,647
Cannabis Fund						
101436	500	FY25-FD Aerial Apparatus Ladder Tru	CAP	2,000,000	-	2,000,000
101631	500	FY26-Fire Engine	CAP	900,000	-	900,000
Fire Protection Fund						**2,900,000**
101321	570	FY25-Bus Finder Devices (10) GRANT	CAP	121,000	-	121,000
101320	570	FY25-Replacement Buses (2) GRANT	CAP	407,074	247,724	159,350
101592	570	FY26-2025 Chevrolet Silverado GRANT	CAP	72,312	-	72,312
101591	570	FY26-Bus Finder/Solar Light GRANT	CAP	121,000	-	121,000
101593	570	FY26-Infotainment for Buses GRANT	CAP	11,901	-	11,901
Municipal Transit Fund						**485,563**
101091	580	FY24-CDBG Senior Ctr Impr FED GRANT	CAP	825,000	82,500	742,500
CDBG Fund						
101026	650	FY24-Pool Deck Resurfacing	CAP	500,000	2,900	497,100
101220	650	FY25-Port Jefferson Remodel	CAP	1,490,000	855,318	634,682
101467	650	FY26-DIgital Kiosk	CAP	20,000	-	20,000
101465	650	FY26-Disc Golf	CAP	40,000	18,123	21,877
101466	650	FY26-Display Cases	CAP	25,000	2,297	22,703
101469	650	FY26-Driving Range Net	CAP	165,000	-	165,000
101462	650	FY26-Hockey Rink	CAP	230,000	225,119	4,881
101468	650	FY26-Pro Shop Remodel	CAP	135,000	-	135,000
101464	650	FY26-Riverwalk Painting	CAP	122,000	-	122,000
Lodgers' Tax Non-Promotional Fund						**1,623,243**
101042	680	FY24-Driving Range Improvements	CAP	350,000	311,532	38,468
100985	680	FY24-Golf Course Restrooms	CAP	363,218	244,871	118,347
101222	680	FY25-Jed Howard Improvements	CAP	1,000,000	59,859	940,141
100951	680	FY24-Par 3 lights	CAP	300,000	127,427	174,355
101612	680	FY26-HAP Electrical Service	CAP	500,000	-	500,000

City of Carlsbad, NM

Carryover Capital/Project Funding

FY27 - Interim Budget

Project Code	Department	Description	Project Type	Revised Budget	Actuals	AvailableBudget
Lodgers' Tax Discretionary Fund						**1,771,312**
100953	700	FY24-Lead Service Line Inventory	CAP	150,000	46,669	103,331
101052	700	FY24-Meter Reading System GRANT	CAP	500,000	339,614	160,386
101029	700	FY24-Rose Street	CAP	54,167	231	53,936
101227	700	FY25-Annual Well Rehab	CAP	400,000	45,101	354,899
101231	700	FY25-East Greene St	CAP	1,800,000	322,211	1,477,789
101233	700	FY25-Sheep's Draw Generator GRANT	CAP	700,000	-	700,000
101232	700	FY25-Trench Box	CAP	250,000	4,599	245,401
101478	700	FY26-Annual Mainline Extension	CAP	160,000	-	160,000
101477	700	FY26-Annual Water Services	CAP	207,835	133,431	74,404
101473	700	FY26-East Greene Waterline	CAP	4,303,000	7,654	4,295,346
101472	700	FY26-Generators Sheep Draw	CAP	750,000	-	750,000
101617	700	FY26-Kircher Housing Infrastructure	CAP	2,000,000	-	2,000,000
101608	700	FY26-Mckittrick Waterline	CAP	1,500,000	-	1,500,000
101602	700	FY26-Sheep's Draw Tank 5 CITY	CAP	1,583,138	-	1,583,138
101601	700	FY26-Sheep's Draw Tank 5 GRANT	CAP	3,958,431	-	3,958,431
101480	700	FY26-Sheep's Draw Tank 5 LOAN	CAP	3,958,431	-	3,958,431
100562	701	FY22-Final Clarifier	CAP	185,156	164,306	20,850
100800	701	FY23-Digester	CAP	500,000	145,755	354,245
100961	701	FY24-Variable Frequency Drive	CAP	321,565	302,658	18,907
101234	701	FY25-Second Bank UV	CAP	1,305,000	222,264	1,082,736
101483	701	FY26-Asphalt Rehab	CAP	720,000	-	720,000
101239	702	FY25-DE Waterline Replacement GRANT	CAP	1,000,000	-	1,000,000
101339	702	FY25-Tatum Waterline PER	CAP	300,000	40,218	259,782
101485	702	FY26-Annual DE Wellfield Upgrades	CAP	100,000	1,145	98,855
101563	702	FY26-DE Waterline EPA FED Grant	CAP	959,752	-	959,752
101600	702	FY26-Tatum/DE Waterline GRANT	CAP	1,102,173	-	1,102,173
101486	702	FY26-Tatum/DE Waterline LOAN	CAP	15,990,711	-	15,990,711
101487	702	FY26-Tatum/DE Waterline Conn GRANT	CAP	1,050,000	-	1,050,000
100573	703	FY22-Primary Lift Station	CAP	300,000	161,712	138,288
101054	703	FY24-Wet Well Construction GRANT	CAP	1,000,000	614,095	385,905
101309	703	FY25-Calloway Drive Sewer Ext	CAP	800,000	708,121	91,879
101307	703	FY25-Natl Pks Hwy Sewer Ext	CAP	5,200,000	4,831,523	368,477
101493	703	FY26-Annual Engineering	CAP	100,000	38,618	61,382
101491	703	FY26-Annual Pump Repair	CAP	50,000	-	50,000
101604	703	FY26-Flumes Subdivision Lift Statio	CAP	400,000	-	400,000
101605	703	FY26-Primary Lift St Repairs	CAP	1,250,000	128,234	1,121,766
101490	703	FY26-Sewer Line Upgrade	CAP	625,000	45,032	579,968
101497	704	FY26-Replacement Lab Equipment	CAP	25,000	-	25,000
101496	704	FY26-Sampling Equipment	CAP	30,000	-	30,000
Water & Sewer Fund						**47,286,169**

City of Carlsbad, NM

Carryover Capital/Project Funding

FY27 - Interim Budget

Project Code	Department	Description	Project Type	Revised Budget	Actuals	AvailableBudget
100813	730	FY23-Truck Safety Camera System	CAP	250,000	235,241	14,759
100980	730	FY24-Security Lighting	CAP	125,000	91,216	33,784
101503	730	FY26-Annual Roll Off Containers	CAP	120,000	97,852	22,148
101499	730	FY26-ARC Trucks (2)	CAP	1,000,000	463,769	536,231
101501	730	FY26-Frontload Truck	CAP	525,000	-	525,000
101498	730	FY26-Hardware	CAP	175,000	-	175,000
101500	730	FY26-Roll Off Truck	CAP	350,000	254,147	95,853
Solid Waste Fund						**1,402,776**
						107,816,631

City of Carlsbad, NM
FY27 Operating Detail

ORG	OBJ	DEPARTMENT	ACCOUNT	DESCRIPTION	AMOUNT
10110	63100	Mayor & Council	101-10-1000-110-0000-63100-	Fees-Filing	200
10110	64475	Mayor & Council	101-10-1000-110-0000-64475-	Ops-Material & Supplies	1,800
10110	66000	Mayor & Council	101-10-1000-110-0000-66000-	Empl-Dues & Subscriptions	800
10110	66200	Mayor & Council	101-10-1000-110-0000-66200-	Empl-Per Diem	1,000
10110	66300	Mayor & Council	101-10-1000-110-0000-66300-	Empl-Mileage	1,000
10111	61000	Executive & Legislative	101-10-1000-111-0000-61000-	ConProf-Advertising	7,000
10111	61200	Executive & Legislative	101-10-1000-111-0000-61200-	ConProf-General	815,000
10111	61550	Executive & Legislative	101-10-1000-111-0000-61550-	ConProf-Legal	99,700
10111	61650	Executive & Legislative	101-10-1000-111-0000-61650-	ConProf-Oil & Gas	50,000
10111	61700	Executive & Legislative	101-10-1000-111-0000-61700-	ConProf-Outside Agencies	1,235,103
10111	61900	Executive & Legislative	101-10-1000-111-0000-61900-	ConProf-Contract	13,200
10111	63050	Executive & Legislative	101-10-1000-111-0000-63050-	Fees-County Prop Tax Valu	60,600
10111	63100	Executive & Legislative	101-10-1000-111-0000-63100-	Fees-Filing	600
10111	63300	Executive & Legislative	101-10-1000-111-0000-63300-	Fees-Public Notices	20,200
10111	64475	Executive & Legislative	101-10-1000-111-0000-64475-	Ops-Material & Supplies	76,500
10111	64800	Executive & Legislative	101-10-1000-111-0000-64800-	Ops-Uniforms	1,400
10111	64825	Executive & Legislative	101-10-1000-111-0000-64825-	Ops-Vehicle	4,300
10111	65000	Executive & Legislative	101-10-1000-111-0000-65000-	Maint-Building	200
10111	65550	Executive & Legislative	101-10-1000-111-0000-65550-	Maint-Vehicle	800
10111	66000	Executive & Legislative	101-10-1000-111-0000-66000-	Empl-Dues & Subscriptions	159,400
10111	66100	Executive & Legislative	101-10-1000-111-0000-66100-	Empl-Training	8,000
10111	66200	Executive & Legislative	101-10-1000-111-0000-66200-	Empl-Per Diem	9,500
10111	66300	Executive & Legislative	101-10-1000-111-0000-66300-	Empl-Mileage	2,600
10111	66400	Executive & Legislative	101-10-1000-111-0000-66400-	Empl-Transportation	500
10111	66500	Executive & Legislative	101-10-1000-111-0000-66500-	Empl-Personnel	1,000
10111	67400	Executive & Legislative	101-10-1000-111-0000-67400-	Util-Telephone & Communication	1,100
10112	61200	Judicial	101-10-1000-112-0000-61200-	ConProf-General	185,100
10112	61750	Judicial	101-10-1000-112-0000-61750-	ConProf-Software	45,600
10112	64475	Judicial	101-10-1000-112-0000-64475-	Ops-Material & Supplies	18,200
10112	64800	Judicial	101-10-1000-112-0000-64800-	Ops-Uniforms	1,400
10112	66000	Judicial	101-10-1000-112-0000-66000-	Empl-Dues & Subscriptions	1,000
10112	66100	Judicial	101-10-1000-112-0000-66100-	Empl-Training	26,600
10112	66200	Judicial	101-10-1000-112-0000-66200-	Empl-Per Diem	25,500
10112	66300	Judicial	101-10-1000-112-0000-66300-	Empl-Mileage	2,000
10112	66400	Judicial	101-10-1000-112-0000-66400-	Empl-Transportation	1,000
10112	66500	Judicial	101-10-1000-112-0000-66500-	Empl-Personnel	300
10112	67400	Judicial	101-10-1000-112-0000-67400-	Util-Telephone & Communication	1,100
10113	61750	City Clerk	101-10-1000-113-0000-61750-	ConProf-Software	103,200
10113	64475	City Clerk	101-10-1000-113-0000-64475-	Ops-Material & Supplies	18,000
10113	64825	City Clerk	101-10-1000-113-0000-64825-	Ops-Vehicle	500
10113	64990	City Clerk	101-10-1000-113-0000-64990-	Ops-Misc	12,600
10113	65550	City Clerk	101-10-1000-113-0000-65550-	Maint-Vehicle	500
10113	66000	City Clerk	101-10-1000-113-0000-66000-	Empl-Dues & Subscriptions	4,700
10113	66100	City Clerk	101-10-1000-113-0000-66100-	Empl-Training	8,100
10113	66200	City Clerk	101-10-1000-113-0000-66200-	Empl-Per Diem	12,400
10113	66300	City Clerk	101-10-1000-113-0000-66300-	Empl-Mileage	600
10114	61000	Human Resources	101-10-1000-114-0000-61000-	ConProf-Advertising	5,000
10114	61200	Human Resources	101-10-1000-114-0000-61200-	ConProf-General	103,200
10114	64475	Human Resources	101-10-1000-114-0000-64475-	Ops-Material & Supplies	23,100
10114	66000	Human Resources	101-10-1000-114-0000-66000-	Empl-Dues & Subscriptions	6,000
10114	66100	Human Resources	101-10-1000-114-0000-66100-	Empl-Training	5,600
10114	66200	Human Resources	101-10-1000-114-0000-66200-	Empl-Per Diem	1,500
10114	66300	Human Resources	101-10-1000-114-0000-66300-	Empl-Mileage	100
10114	66450	Human Resources	101-10-1000-114-0000-66450-	Empl-Tuition Reimbursement	50,000
10114	66600	Human Resources	101-10-1000-114-0000-66600-	Empl-Service Awards	3,000
10115	61200	Finance-Admin	101-10-1000-115-0000-61200-	ConProf-General	263,600

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ORG	OBJ	DEPARTMENT	ACCOUNT	DESCRIPTION	AMOUNT
10115	61750	Finance-Admin	101-10-1000-115-0000-61750-	ConProf-Software	590,000
10115	63100	Finance-Admin	101-10-1000-115-0000-63100-	Fees-Filing	1,200
10115	63250	Finance-Admin	101-10-1000-115-0000-63250-	Fees-Penalties & Fines	5,000
10115	63300	Finance-Admin	101-10-1000-115-0000-63300-	Fees-Public Notices	4,500
10115	64025	Finance-Admin	101-10-1000-115-0000-64025-	Ops-Bank Charges	1,100
10115	64475	Finance-Admin	101-10-1000-115-0000-64475-	Ops-Material & Supplies	48,700
10115	64600	Finance-Admin	101-10-1000-115-0000-64600-	Ops-Postage & Shipping	60,000
10115	64825	Finance-Admin	101-10-1000-115-0000-64825-	Ops-Vehicle	400
10115	64990	Finance-Admin	101-10-1000-115-0000-64990-	Ops-Misc	400
10115	65050	Finance-Admin	101-10-1000-115-0000-65050-	Maint-Equipment	100
10115	65550	Finance-Admin	101-10-1000-115-0000-65550-	Maint-Vehicle	200
10115	66000	Finance-Admin	101-10-1000-115-0000-66000-	Empl-Dues & Subscriptions	300
10115	66100	Finance-Admin	101-10-1000-115-0000-66100-	Empl-Training	100
10115	66200	Finance-Admin	101-10-1000-115-0000-66200-	Empl-Per Diem	6,400
10115	66500	Finance-Admin	101-10-1000-115-0000-66500-	Empl-Personnel	1,000
10115	67100	Finance-Admin	101-10-1000-115-0000-67100-	Util-Electric	26,000
10115	67200	Finance-Admin	101-10-1000-115-0000-67200-	Util-Gas	1,000
10115	67400	Finance-Admin	101-10-1000-115-0000-67400-	Util-Telephone & Communication	25,800
10115	67500	Finance-Admin	101-10-1000-115-0000-67500-	Util-Water	4,100
10116	61200	Grant Programs	101-10-1000-116-0000-61200-	ConProf-General	301,500
10116	61750	Grant Programs	101-10-1000-116-0000-61750-	ConProf-Software	62,000
10116	63300	Grant Programs	101-10-1000-116-0000-63300-	Fees-Public Notices	3,000
10116	64475	Grant Programs	101-10-1000-116-0000-64475-	Ops-Material & Supplies	3,000
10116	64600	Grant Programs	101-10-1000-116-0000-64600-	Ops-Postage & Shipping	300
10116	66000	Grant Programs	101-10-1000-116-0000-66000-	Empl-Dues & Subscriptions	6,000
10116	66100	Grant Programs	101-10-1000-116-0000-66100-	Empl-Training	12,000
10116	66200	Grant Programs	101-10-1000-116-0000-66200-	Empl-Per Diem	12,000
10116	67400	Grant Programs	101-10-1000-116-0000-67400-	Util-Telephone & Communication	1,800
10117	61200	Information Technology	101-10-1000-117-0000-61200-	ConProf-General	342,600
10117	64115	Information Technology	101-10-1000-117-0000-64115-	Ops-Comp Hardware/Software	277,500
10117	64475	Information Technology	101-10-1000-117-0000-64475-	Ops-Material & Supplies	23,800
10117	64825	Information Technology	101-10-1000-117-0000-64825-	Ops-Vehicle	200
10117	66100	Information Technology	101-10-1000-117-0000-66100-	Empl-Training	11,500
10117	66500	Information Technology	101-10-1000-117-0000-66500-	Empl-Personnel	100
10117	67400	Information Technology	101-10-1000-117-0000-67400-	Util-Telephone & Communication	54,300
10118	61200	Safety	101-10-1000-118-0000-61200-	ConProf-General	30,000
10118	64675	Safety	101-10-1000-118-0000-64675-	Ops-Safety Train / Supplies	58,000
10118	64800	Safety	101-10-1000-118-0000-64800-	Ops-Uniforms	500
10118	64825	Safety	101-10-1000-118-0000-64825-	Ops-Vehicle	5,000
10118	65550	Safety	101-10-1000-118-0000-65550-	Maint-Vehicle	1,000
10118	66000	Safety	101-10-1000-118-0000-66000-	Empl-Dues & Subscriptions	200
10118	66100	Safety	101-10-1000-118-0000-66100-	Empl-Training	20,000
10118	66200	Safety	101-10-1000-118-0000-66200-	Empl-Per Diem	7,000
10119	63225	GRTR Fees	101-10-1000-119-0000-63225-	Fees-NMTRD GRTR	1,260,000
10120	61200	PD - Admin	101-15-2000-120-0000-61200-	ConProf-General	1,220,600
10120	61750	PD - Admin	101-15-2000-120-0000-61750-	ConProf-Software	678,700
10120	61900	PD - Admin	101-15-2000-120-0000-61900-	ConProf-Contract	330,000
10120	64000	PD - Admin	101-15-2000-120-0000-64000-	Ops-Ammo/Range	15,000
10120	64100	PD - Admin	101-15-2000-120-0000-64100-	Ops-Canine Supplies	5,000
10120	64475	PD - Admin	101-15-2000-120-0000-64475-	Ops-Material & Supplies	112,000
10120	64505	PD - Admin	101-15-2000-120-0000-64505-	Ops-PD SWAT	150,100
10120	64525	PD - Admin	101-15-2000-120-0000-64525-	Ops-Police Supplies	150,000
10120	64600	PD - Admin	101-15-2000-120-0000-64600-	Ops-Postage & Shipping	2,800
10120	64650	PD - Admin	101-15-2000-120-0000-64650-	Ops-Recruitment	25,200
10120	64775	PD - Admin	101-15-2000-120-0000-64775-	Ops-Tools & Equip	56,300
10120	64800	PD - Admin	101-15-2000-120-0000-64800-	Ops-Uniforms	48,900

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ORG	OBJ	DEPARTMENT	ACCOUNT	DESCRIPTION	AMOUNT
10120	64825	PD - Admin	101-15-2000-120-0000-64825-	Ops-Vehicle	183,600
10120	65000	PD - Admin	101-15-2000-120-0000-65000-	Maint-Building	82,800
10120	65050	PD - Admin	101-15-2000-120-0000-65050-	Maint-Equipment	29,500
10120	65550	PD - Admin	101-15-2000-120-0000-65550-	Maint-Vehicle	155,100
10120	66000	PD - Admin	101-15-2000-120-0000-66000-	Empl-Dues & Subscriptions	5,300
10120	66100	PD - Admin	101-15-2000-120-0000-66100-	Empl-Training	118,900
10120	66200	PD - Admin	101-15-2000-120-0000-66200-	Empl-Per Diem	144,300
10120	66400	PD - Admin	101-15-2000-120-0000-66400-	Empl-Transportation	6,000
10120	66500	PD - Admin	101-15-2000-120-0000-66500-	Empl-Personnel	20,000
10120	66600	PD - Admin	101-15-2000-120-0000-66600-	Empl-Service Awards	9,000
10120	67100	PD - Admin	101-15-2000-120-0000-67100-	Util-Electric	45,900
10120	67200	PD - Admin	101-15-2000-120-0000-67200-	Util-Gas	2,400
10120	67400	PD - Admin	101-15-2000-120-0000-67400-	Util-Telephone & Communication	145,000
10120	67500	PD - Admin	101-15-2000-120-0000-67500-	Util-Water	15,700
10130	61200	Fire - Admin	101-15-2500-130-0000-61200-	ConProf-General	645,800
10130	61750	Fire - Admin	101-15-2500-130-0000-61750-	ConProf-Software	28,200
10130	64225	Fire - Admin	101-15-2500-130-0000-64225-	Ops-Fire EMS	124,500
10130	64275	Fire - Admin	101-15-2500-130-0000-64275-	Ops-Fire HAZ-MAT	7,000
10130	64300	Fire - Admin	101-15-2500-130-0000-64300-	Ops-Fire Prevention	14,900
10130	64475	Fire - Admin	101-15-2500-130-0000-64475-	Ops-Material & Supplies	130,300
10130	64575	Fire - Admin	101-15-2500-130-0000-64575-	Ops-PPE	150,000
10130	64600	Fire - Admin	101-15-2500-130-0000-64600-	Ops-Postage & Shipping	2,600
10130	64775	Fire - Admin	101-15-2500-130-0000-64775-	Ops-Tools & Equip	137,900
10130	64800	Fire - Admin	101-15-2500-130-0000-64800-	Ops-Uniforms	100,000
10130	64825	Fire - Admin	101-15-2500-130-0000-64825-	Ops-Vehicle	121,100
10130	65000	Fire - Admin	101-15-2500-130-0000-65000-	Maint-Building	51,300
10130	65050	Fire - Admin	101-15-2500-130-0000-65050-	Maint-Equipment	42,500
10130	65550	Fire - Admin	101-15-2500-130-0000-65550-	Maint-Vehicle	215,000
10130	66000	Fire - Admin	101-15-2500-130-0000-66000-	Empl-Dues & Subscriptions	2,000
10130	66100	Fire - Admin	101-15-2500-130-0000-66100-	Empl-Training	102,400
10130	66200	Fire - Admin	101-15-2500-130-0000-66200-	Empl-Per Diem	96,500
10130	66400	Fire - Admin	101-15-2500-130-0000-66400-	Empl-Transportation	3,000
10130	66500	Fire - Admin	101-15-2500-130-0000-66500-	Empl-Personnel	80,000
10130	67100	Fire - Admin	101-15-2500-130-0000-67100-	Util-Electric	35,000
10130	67200	Fire - Admin	101-15-2500-130-0000-67200-	Util-Gas	10,900
10130	67400	Fire - Admin	101-15-2500-130-0000-67400-	Util-Telephone & Communication	28,900
10130	67500	Fire - Admin	101-15-2500-130-0000-67500-	Util-Water	17,600
10140	60290	Community Development	101-25-3000-140-0000-60290-	Insur-Misc	2,000
10140	61200	Community Development	101-25-3000-140-0000-61200-	ConProf-General	96,600
10140	64475	Community Development	101-25-3000-140-0000-64475-	Ops-Material & Supplies	13,900
10140	64775	Community Development	101-25-3000-140-0000-64775-	Ops-Tools & Equip	3,600
10140	64800	Community Development	101-25-3000-140-0000-64800-	Ops-Uniforms	400
10140	64825	Community Development	101-25-3000-140-0000-64825-	Ops-Vehicle	1,000
10140	64875	Community Development	101-25-3000-140-0000-64875-	Ops-Volunteer Recognition	12,600
10140	65000	Community Development	101-25-3000-140-0000-65000-	Maint-Building	1,500
10140	65550	Community Development	101-25-3000-140-0000-65550-	Maint-Vehicle	1,000
10140	66000	Community Development	101-25-3000-140-0000-66000-	Empl-Dues & Subscriptions	4,700
10140	66100	Community Development	101-25-3000-140-0000-66100-	Empl-Training	10,000
10140	66200	Community Development	101-25-3000-140-0000-66200-	Empl-Per Diem	5,000
10140	66300	Community Development	101-25-3000-140-0000-66300-	Empl-Mileage	500
10140	66500	Community Development	101-25-3000-140-0000-66500-	Empl-Personnel	100
10140	67100	Community Development	101-25-3000-140-0000-67100-	Util-Electric	16,500
10140	67200	Community Development	101-25-3000-140-0000-67200-	Util-Gas	3,700
10140	67500	Community Development	101-25-3000-140-0000-67500-	Util-Water	2,000
10141	61200	Library	101-25-3000-141-0000-61200-	ConProf-General	11,400
10141	61750	Library	101-25-3000-141-0000-61750-	ConProf-Software	27,400

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ORG	OBJ	DEPARTMENT	ACCOUNT	DESCRIPTION	AMOUNT
10141	64075	Library	101-25-3000-141-0000-64075-	Ops-Books	128,000
10141	64430	Library	101-25-3000-141-0000-64430-	Ops-Library Grants	129,900
10141	64475	Library	101-25-3000-141-0000-64475-	Ops-Material & Supplies	35,000
10141	64600	Library	101-25-3000-141-0000-64600-	Ops-Postage & Shipping	5,000
10141	65000	Library	101-25-3000-141-0000-65000-	Maint-Building	14,300
10141	65050	Library	101-25-3000-141-0000-65050-	Maint-Equipment	16,500
10141	66000	Library	101-25-3000-141-0000-66000-	Empl-Dues & Subscriptions	3,700
10141	66100	Library	101-25-3000-141-0000-66100-	Empl-Training	5,600
10141	66200	Library	101-25-3000-141-0000-66200-	Empl-Per Diem	5,000
10141	66500	Library	101-25-3000-141-0000-66500-	Empl-Personnel	500
10141	67100	Library	101-25-3000-141-0000-67100-	Util-Electric	34,000
10141	67200	Library	101-25-3000-141-0000-67200-	Util-Gas	2,900
10141	67400	Library	101-25-3000-141-0000-67400-	Util-Telephone & Communication	5,000
10141	67500	Library	101-25-3000-141-0000-67500-	Util-Water	29,100
10142	61200	Museum	101-25-3000-142-0000-61200-	ConProf-General	67,800
10142	61750	Museum	101-25-3000-142-0000-61750-	ConProf-Software	4,000
10142	64175	Museum	101-25-3000-142-0000-64175-	Ops-Exhibits	23,800
10142	64475	Museum	101-25-3000-142-0000-64475-	Ops-Material & Supplies	30,100
10142	64600	Museum	101-25-3000-142-0000-64600-	Ops-Postage & Shipping	1,500
10142	65000	Museum	101-25-3000-142-0000-65000-	Maint-Building	10,900
10142	65050	Museum	101-25-3000-142-0000-65050-	Maint-Equipment	600
10142	66000	Museum	101-25-3000-142-0000-66000-	Empl-Dues & Subscriptions	1,300
10142	66100	Museum	101-25-3000-142-0000-66100-	Empl-Training	6,200
10142	66200	Museum	101-25-3000-142-0000-66200-	Empl-Per Diem	1,200
10142	66500	Museum	101-25-3000-142-0000-66500-	Empl-Personnel	400
10142	67100	Museum	101-25-3000-142-0000-67100-	Util-Electric	1,500
10142	67400	Museum	101-25-3000-142-0000-67400-	Util-Telephone & Communication	1,200
10143	61200	Performing Arts Center	101-25-3000-143-0000-61200-	ConProf-General	102,800
10143	64775	Performing Arts Center	101-25-3000-143-0000-64775-	Ops-Tools & Equip	15,000
10143	65000	Performing Arts Center	101-25-3000-143-0000-65000-	Maint-Building	500
10143	67100	Performing Arts Center	101-25-3000-143-0000-67100-	Util-Electric	40,000
10143	67200	Performing Arts Center	101-25-3000-143-0000-67200-	Util-Gas	2,000
10143	67400	Performing Arts Center	101-25-3000-143-0000-67400-	Util-Telephone & Communication	2,100
10143	67500	Performing Arts Center	101-25-3000-143-0000-67500-	Util-Water	10,100
10144	61200	Airport	101-25-3000-144-0000-61200-	ConProf-General	53,700
10144	61750	Airport	101-25-3000-144-0000-61750-	ConProf-Software	11,400
10144	63300	Airport	101-25-3000-144-0000-63300-	Fees-Public Notices	100
10144	64425	Airport	101-25-3000-144-0000-64425-	Ops-Landscaping	18,200
10144	64475	Airport	101-25-3000-144-0000-64475-	Ops-Material & Supplies	21,800
10144	64800	Airport	101-25-3000-144-0000-64800-	Ops-Uniforms	4,700
10144	64825	Airport	101-25-3000-144-0000-64825-	Ops-Vehicle	9,000
10144	65000	Airport	101-25-3000-144-0000-65000-	Maint-Building	4,000
10144	65050	Airport	101-25-3000-144-0000-65050-	Maint-Equipment	8,400
10144	65550	Airport	101-25-3000-144-0000-65550-	Maint-Vehicle	4,800
10144	66100	Airport	101-25-3000-144-0000-66100-	Empl-Training	5,800
10144	66200	Airport	101-25-3000-144-0000-66200-	Empl-Per Diem	500
10144	66500	Airport	101-25-3000-144-0000-66500-	Empl-Personnel	1,000
10144	67100	Airport	101-25-3000-144-0000-67100-	Util-Electric	27,700
10144	67200	Airport	101-25-3000-144-0000-67200-	Util-Gas	2,800
10144	67400	Airport	101-25-3000-144-0000-67400-	Util-Telephone & Communication	4,100
10144	67500	Airport	101-25-3000-144-0000-67500-	Util-Water	16,900
10145	61200	Riverwalk Recreation	101-25-3000-145-0000-61200-	ConProf-General	12,700
10145	64475	Riverwalk Recreation	101-25-3000-145-0000-64475-	Ops-Material & Supplies	74,100
10145	64800	Riverwalk Recreation	101-25-3000-145-0000-64800-	Ops-Uniforms	5,000
10145	64825	Riverwalk Recreation	101-25-3000-145-0000-64825-	Ops-Vehicle	900
10145	65000	Riverwalk Recreation	101-25-3000-145-0000-65000-	Maint-Building	38,600

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ORG	OBJ	DEPARTMENT	ACCOUNT	DESCRIPTION	AMOUNT
10145	65050	Riverwalk Recreation	101-25-3000-145-0000-65050-	Maint-Equipment	1,500
10145	65550	Riverwalk Recreation	101-25-3000-145-0000-65550-	Maint-Vehicle	100
10145	66100	Riverwalk Recreation	101-25-3000-145-0000-66100-	Empl-Training	1,000
10145	66300	Riverwalk Recreation	101-25-3000-145-0000-66300-	Empl-Mileage	2,500
10145	66500	Riverwalk Recreation	101-25-3000-145-0000-66500-	Empl-Personnel	600
10145	67100	Riverwalk Recreation	101-25-3000-145-0000-67100-	Util-Electric	59,400
10145	67200	Riverwalk Recreation	101-25-3000-145-0000-67200-	Util-Gas	5,200
10145	67400	Riverwalk Recreation	101-25-3000-145-0000-67400-	Util-Telephone & Communication	4,600
10145	67500	Riverwalk Recreation	101-25-3000-145-0000-67500-	Util-Water	34,600
10146	61200	Golf	101-25-3000-146-0000-61200-	ConProf-General	471,400
10146	63250	Golf	101-25-3000-146-0000-63250-	Fees-Penalties & Fines	2,600
10146	64475	Golf	101-25-3000-146-0000-64475-	Ops-Material & Supplies	78,500
10146	64825	Golf	101-25-3000-146-0000-64825-	Ops-Vehicle	15,600
10146	65000	Golf	101-25-3000-146-0000-65000-	Maint-Building	2,100
10146	65050	Golf	101-25-3000-146-0000-65050-	Maint-Equipment	24,600
10146	65500	Golf	101-25-3000-146-0000-65500-	Maint-Turf	55,600
10146	65550	Golf	101-25-3000-146-0000-65550-	Maint-Vehicle	100
10146	66000	Golf	101-25-3000-146-0000-66000-	Empl-Dues & Subscriptions	1,800
10146	66100	Golf	101-25-3000-146-0000-66100-	Empl-Training	700
10146	66200	Golf	101-25-3000-146-0000-66200-	Empl-Per Diem	1,300
10146	66500	Golf	101-25-3000-146-0000-66500-	Empl-Personnel	1,100
10146	67100	Golf	101-25-3000-146-0000-67100-	Util-Electric	38,400
10146	67200	Golf	101-25-3000-146-0000-67200-	Util-Gas	1,500
10146	67500	Golf	101-25-3000-146-0000-67500-	Util-Water	2,700
10147	61200	Water Park	101-25-3000-147-0000-61200-	ConProf-General	59,100
10147	64125	Water Park	101-25-3000-147-0000-64125-	Ops-Concessions	8,300
10147	64475	Water Park	101-25-3000-147-0000-64475-	Ops-Material & Supplies	21,700
10147	64800	Water Park	101-25-3000-147-0000-64800-	Ops-Uniforms	7,000
10147	65000	Water Park	101-25-3000-147-0000-65000-	Maint-Building	139,500
10147	65050	Water Park	101-25-3000-147-0000-65050-	Maint-Equipment	18,000
10147	65300	Water Park	101-25-3000-147-0000-65300-	Maint-Pool	48,800
10147	66100	Water Park	101-25-3000-147-0000-66100-	Empl-Training	1,300
10147	66200	Water Park	101-25-3000-147-0000-66200-	Empl-Per Diem	4,400
10147	66500	Water Park	101-25-3000-147-0000-66500-	Empl-Personnel	600
10147	67100	Water Park	101-25-3000-147-0000-67100-	Util-Electric	24,500
10147	67200	Water Park	101-25-3000-147-0000-67200-	Util-Gas	500
10147	67400	Water Park	101-25-3000-147-0000-67400-	Util-Telephone & Communication	5,300
10147	67500	Water Park	101-25-3000-147-0000-67500-	Util-Water	14,900
10148	61200	Sr. Rec - San Jose	101-25-3000-148-0000-61200-	ConProf-General	300
10148	67100	Sr. Rec - San Jose	101-25-3000-148-0000-67100-	Util-Electric	4,000
10148	67200	Sr. Rec - San Jose	101-25-3000-148-0000-67200-	Util-Gas	300
10148	67500	Sr. Rec - San Jose	101-25-3000-148-0000-67500-	Util-Water	4,100
10149	65000	Sr. Rec - N. Mesa	101-25-3000-149-0000-65000-	Maint-Building	5,000
10149	67100	Sr. Rec - N. Mesa	101-25-3000-149-0000-67100-	Util-Electric	10,200
10149	67200	Sr. Rec - N. Mesa	101-25-3000-149-0000-67200-	Util-Gas	1,200
10149	67400	Sr. Rec - N. Mesa	101-25-3000-149-0000-67400-	Util-Telephone & Communication	9,700
10149	67500	Sr. Rec - N. Mesa	101-25-3000-149-0000-67500-	Util-Water	2,900
10150	61200	Sr. Rec-Alejandro Ruiz	101-25-3000-150-0000-61200-	ConProf-General	6,000
10150	64475	Sr. Rec-Alejandro Ruiz	101-25-3000-150-0000-64475-	Ops-Material & Supplies	20,000
10150	64825	Sr. Rec-Alejandro Ruiz	101-25-3000-150-0000-64825-	Ops-Vehicle	100
10150	65000	Sr. Rec-Alejandro Ruiz	101-25-3000-150-0000-65000-	Maint-Building	17,400
10150	65050	Sr. Rec-Alejandro Ruiz	101-25-3000-150-0000-65050-	Maint-Equipment	5,800
10150	66500	Sr. Rec-Alejandro Ruiz	101-25-3000-150-0000-66500-	Empl-Personnel	200
10150	67100	Sr. Rec-Alejandro Ruiz	101-25-3000-150-0000-67100-	Util-Electric	14,900
10150	67200	Sr. Rec-Alejandro Ruiz	101-25-3000-150-0000-67200-	Util-Gas	2,500
10150	67400	Sr. Rec-Alejandro Ruiz	101-25-3000-150-0000-67400-	Util-Telephone & Communication	14,400

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ORG	OBJ	DEPARTMENT	ACCOUNT	DESCRIPTION	AMOUNT
10150	67500	Sr. Rec-Alejandro Ruiz	101-25-3000-150-0000-67500-	Util-Water	10,100
10151	61200	Facility Maintenance	101-25-3000-151-0000-61200-	ConProf-General	31,800
10151	64475	Facility Maintenance	101-25-3000-151-0000-64475-	Ops-Material & Supplies	215,000
10151	64775	Facility Maintenance	101-25-3000-151-0000-64775-	Ops-Tools & Equip	13,700
10151	64800	Facility Maintenance	101-25-3000-151-0000-64800-	Ops-Uniforms	3,600
10151	64825	Facility Maintenance	101-25-3000-151-0000-64825-	Ops-Vehicle	13,800
10151	65000	Facility Maintenance	101-25-3000-151-0000-65000-	Maint-Building	21,300
10151	65050	Facility Maintenance	101-25-3000-151-0000-65050-	Maint-Equipment	4,700
10151	65200	Facility Maintenance	101-25-3000-151-0000-65200-	Maint-Leased Properties	100,000
10151	65310	Facility Maintenance	101-25-3000-151-0000-65310-	Maint-Roofs	400,000
10151	65550	Facility Maintenance	101-25-3000-151-0000-65550-	Maint-Vehicle	11,500
10151	66100	Facility Maintenance	101-25-3000-151-0000-66100-	Empl-Training	5,000
10151	66200	Facility Maintenance	101-25-3000-151-0000-66200-	Empl-Per Diem	7,500
10151	66500	Facility Maintenance	101-25-3000-151-0000-66500-	Empl-Personnel	1,000
10152	61200	Streets	101-20-4000-152-0000-61200-	ConProf-General	309,400
10152	63250	Streets	101-20-4000-152-0000-63250-	Fees-Penalties & Fines	100
10152	64425	Streets	101-20-4000-152-0000-64425-	Ops-Landscaping	20,000
10152	64475	Streets	101-20-4000-152-0000-64475-	Ops-Material & Supplies	200,000
10152	64600	Streets	101-20-4000-152-0000-64600-	Ops-Postage & Shipping	1,200
10152	64725	Streets	101-20-4000-152-0000-64725-	Ops-Street Signs & Markings	80,000
10152	64775	Streets	101-20-4000-152-0000-64775-	Ops-Tools & Equip	5,300
10152	64800	Streets	101-20-4000-152-0000-64800-	Ops-Uniforms	10,000
10152	64825	Streets	101-20-4000-152-0000-64825-	Ops-Vehicle	51,500
10152	65000	Streets	101-20-4000-152-0000-65000-	Maint-Building	9,000
10152	65050	Streets	101-20-4000-152-0000-65050-	Maint-Equipment	40,000
10152	65550	Streets	101-20-4000-152-0000-65550-	Maint-Vehicle	48,400
10152	66000	Streets	101-20-4000-152-0000-66000-	Empl-Dues & Subscriptions	500
10152	66100	Streets	101-20-4000-152-0000-66100-	Empl-Training	4,000
10152	66200	Streets	101-20-4000-152-0000-66200-	Empl-Per Diem	1,000
10152	66300	Streets	101-20-4000-152-0000-66300-	Empl-Mileage	600
10152	66500	Streets	101-20-4000-152-0000-66500-	Empl-Personnel	1,200
10152	67200	Streets	101-20-4000-152-0000-67200-	Util-Gas	1,600
10152	67300	Streets	101-20-4000-152-0000-67300-	Util-Street Lighting & Signals	621,400
10152	67400	Streets	101-20-4000-152-0000-67400-	Util-Telephone & Communication	1,900
10152	67500	Streets	101-20-4000-152-0000-67500-	Util-Water	5,200
10153	61200	Parks	101-20-4000-153-0000-61200-	ConProf-General	347,000
10153	64425	Parks	101-20-4000-153-0000-64425-	Ops-Landscaping	13,200
10153	64475	Parks	101-20-4000-153-0000-64475-	Ops-Material & Supplies	187,700
10153	64480	Parks	101-20-4000-153-0000-64480-	Ops-Parks & Rec Board	5,000
10153	64510	Parks	101-20-4000-153-0000-64510-	Ops-Pecos River Comm	10,000
10153	64800	Parks	101-20-4000-153-0000-64800-	Ops-Uniforms	9,800
10153	64825	Parks	101-20-4000-153-0000-64825-	Ops-Vehicle	41,200
10153	65000	Parks	101-20-4000-153-0000-65000-	Maint-Building	8,700
10153	65050	Parks	101-20-4000-153-0000-65050-	Maint-Equipment	24,300
10153	65275	Parks	101-20-4000-153-0000-65275-	Maint-Playground Equip	31,700
10153	65355	Parks	101-20-4000-153-0000-65355-	Maint-Shooting Range	9,100
10153	65450	Parks	101-20-4000-153-0000-65450-	Maint-Tennis Courts	2,000
10153	65550	Parks	101-20-4000-153-0000-65550-	Maint-Vehicle	11,100
10153	65555	Parks	101-20-4000-153-0000-65555-	Maint-Will Merchant	100,000
10153	66100	Parks	101-20-4000-153-0000-66100-	Empl-Training	2,200
10153	66200	Parks	101-20-4000-153-0000-66200-	Empl-Per Diem	1,200
10153	66500	Parks	101-20-4000-153-0000-66500-	Empl-Personnel	1,500
10153	67100	Parks	101-20-4000-153-0000-67100-	Util-Electric	100,000
10153	67400	Parks	101-20-4000-153-0000-67400-	Util-Telephone & Communication	1,100
10153	67500	Parks	101-20-4000-153-0000-67500-	Util-Water	550,000
10154	61200	Community Service	101-20-4000-154-0000-61200-	ConProf-General	300

ORG	OBJ	DEPARTMENT	ACCOUNT	DESCRIPTION	AMOUNT
10154	64325	Community Service	101-20-4000-154-0000-64325-	Ops-Graffiti Removal	4,000
10154	64475	Community Service	101-20-4000-154-0000-64475-	Ops-Material & Supplies	15,000
10154	64775	Community Service	101-20-4000-154-0000-64775-	Ops-Tools & Equip	7,200
10154	64800	Community Service	101-20-4000-154-0000-64800-	Ops-Uniforms	64,500
10154	64825	Community Service	101-20-4000-154-0000-64825-	Ops-Vehicle	13,500
10154	65000	Community Service	101-20-4000-154-0000-65000-	Maint-Building	1,000
10154	65050	Community Service	101-20-4000-154-0000-65050-	Maint-Equipment	11,300
10154	65550	Community Service	101-20-4000-154-0000-65550-	Maint-Vehicle	1,000
10154	66100	Community Service	101-20-4000-154-0000-66100-	Empl-Training	2,000
10154	66500	Community Service	101-20-4000-154-0000-66500-	Empl-Personnel	500
10155	61200	Garage	101-20-4000-155-0000-61200-	ConProf-General	21,900
10155	64475	Garage	101-20-4000-155-0000-64475-	Ops-Material & Supplies	25,000
10155	64775	Garage	101-20-4000-155-0000-64775-	Ops-Tools & Equip	3,000
10155	64800	Garage	101-20-4000-155-0000-64800-	Ops-Uniforms	8,200
10155	64825	Garage	101-20-4000-155-0000-64825-	Ops-Vehicle	8,900
10155	65000	Garage	101-20-4000-155-0000-65000-	Maint-Building	10,300
10155	65050	Garage	101-20-4000-155-0000-65050-	Maint-Equipment	6,400
10155	65550	Garage	101-20-4000-155-0000-65550-	Maint-Vehicle	4,000
10155	66100	Garage	101-20-4000-155-0000-66100-	Empl-Training	2,400
10155	66200	Garage	101-20-4000-155-0000-66200-	Empl-Per Diem	400
10155	66500	Garage	101-20-4000-155-0000-66500-	Empl-Personnel	300
10155	67100	Garage	101-20-4000-155-0000-67100-	Util-Electric	24,800
10155	67200	Garage	101-20-4000-155-0000-67200-	Util-Gas	1,500
10155	67400	Garage	101-20-4000-155-0000-67400-	Util-Telephone & Communication	5,600
10155	67500	Garage	101-20-4000-155-0000-67500-	Util-Water	9,500
10156	61200	Electrical	101-20-4000-156-0000-61200-	ConProf-General	400
10156	64475	Electrical	101-20-4000-156-0000-64475-	Ops-Material & Supplies	29,300
10156	64800	Electrical	101-20-4000-156-0000-64800-	Ops-Uniforms	4,000
10156	64825	Electrical	101-20-4000-156-0000-64825-	Ops-Vehicle	16,700
10156	65000	Electrical	101-20-4000-156-0000-65000-	Maint-Building	200
10156	65050	Electrical	101-20-4000-156-0000-65050-	Maint-Equipment	200
10156	65550	Electrical	101-20-4000-156-0000-65550-	Maint-Vehicle	20,000
10156	66000	Electrical	101-20-4000-156-0000-66000-	Empl-Dues & Subscriptions	900
10156	66100	Electrical	101-20-4000-156-0000-66100-	Empl-Training	9,500
10156	66200	Electrical	101-20-4000-156-0000-66200-	Empl-Per Diem	19,000
10156	66500	Electrical	101-20-4000-156-0000-66500-	Empl-Personnel	5,000
10156	67400	Electrical	101-20-4000-156-0000-67400-	Util-Telephone & Communication	2,000
10157	61200	Construction	101-20-4000-157-0000-61200-	ConProf-General	600
10157	64475	Construction	101-20-4000-157-0000-64475-	Ops-Material & Supplies	30,000
10157	64705	Construction	101-20-4000-157-0000-64705-	Ops-Sidewalks	89,400
10157	64800	Construction	101-20-4000-157-0000-64800-	Ops-Uniforms	12,700
10157	64825	Construction	101-20-4000-157-0000-64825-	Ops-Vehicle	18,600
10157	65000	Construction	101-20-4000-157-0000-65000-	Maint-Building	300
10157	65050	Construction	101-20-4000-157-0000-65050-	Maint-Equipment	13,000
10157	65550	Construction	101-20-4000-157-0000-65550-	Maint-Vehicle	10,000
10157	66000	Construction	101-20-4000-157-0000-66000-	Empl-Dues & Subscriptions	300
10157	66100	Construction	101-20-4000-157-0000-66100-	Empl-Training	2,500
10157	66200	Construction	101-20-4000-157-0000-66200-	Empl-Per Diem	2,000
10157	66500	Construction	101-20-4000-157-0000-66500-	Empl-Personnel	600
10157	67400	Construction	101-20-4000-157-0000-67400-	Util-Telephone & Communication	600
10158	61200	Projects	101-20-4000-158-0000-61200-	ConProf-General	500,500
10158	61750	Projects	101-20-4000-158-0000-61750-	ConProf-Software	10,000
10158	64475	Projects	101-20-4000-158-0000-64475-	Ops-Material & Supplies	250,000
10158	64600	Projects	101-20-4000-158-0000-64600-	Ops-Postage & Shipping	200
10158	64800	Projects	101-20-4000-158-0000-64800-	Ops-Uniforms	800
10158	64825	Projects	101-20-4000-158-0000-64825-	Ops-Vehicle	15,000

ORG	OBJ	DEPARTMENT	ACCOUNT	DESCRIPTION	AMOUNT
10158	65550	Projects	101-20-4000-158-0000-65550-	Maint-Vehicle	4,100
10158	66000	Projects	101-20-4000-158-0000-66000-	Empl-Dues & Subscriptions	1,000
10158	66100	Projects	101-20-4000-158-0000-66100-	Empl-Training	9,000
10158	66200	Projects	101-20-4000-158-0000-66200-	Empl-Per Diem	6,000
10158	66400	Projects	101-20-4000-158-0000-66400-	Empl-Transportation	500
10158	66500	Projects	101-20-4000-158-0000-66500-	Empl-Personnel	500
10158	67100	Projects	101-20-4000-158-0000-67100-	Util-Electric	5,800
10158	67200	Projects	101-20-4000-158-0000-67200-	Util-Gas	1,500
10158	67400	Projects	101-20-4000-158-0000-67400-	Util-Telephone & Communication	15,000
10158	67500	Projects	101-20-4000-158-0000-67500-	Util-Water	3,400
10160	61200	Planning & Regulation	101-35-5000-160-0000-61200-	ConProf-General	56,200
10160	61300	Planning & Regulation	101-35-5000-160-0000-61300-	ConProf-Demolition Services	200,000
10160	61510	Planning & Regulation	101-35-5000-160-0000-61510-	ConProf-Infrastructure Reimbur	500,000
10160	61650	Planning & Regulation	101-35-5000-160-0000-61650-	ConProf-Oil & Gas	500,000
10160	61750	Planning & Regulation	101-35-5000-160-0000-61750-	ConProf-Software	126,400
10160	63100	Planning & Regulation	101-35-5000-160-0000-63100-	Fees-Filing	300
10160	64475	Planning & Regulation	101-35-5000-160-0000-64475-	Ops-Material & Supplies	47,700
10160	64800	Planning & Regulation	101-35-5000-160-0000-64800-	Ops-Uniforms	1,000
10160	64825	Planning & Regulation	101-35-5000-160-0000-64825-	Ops-Vehicle	6,000
10160	65000	Planning & Regulation	101-35-5000-160-0000-65000-	Maint-Building	14,400
10160	65550	Planning & Regulation	101-35-5000-160-0000-65550-	Maint-Vehicle	5,000
10160	66000	Planning & Regulation	101-35-5000-160-0000-66000-	Empl-Dues & Subscriptions	2,500
10160	66100	Planning & Regulation	101-35-5000-160-0000-66100-	Empl-Training	9,400
10160	66200	Planning & Regulation	101-35-5000-160-0000-66200-	Empl-Per Diem	12,100
10160	66300	Planning & Regulation	101-35-5000-160-0000-66300-	Empl-Mileage	1,100
10160	66400	Planning & Regulation	101-35-5000-160-0000-66400-	Empl-Transportation	1,000
10160	66500	Planning & Regulation	101-35-5000-160-0000-66500-	Empl-Personnel	600
10160	67100	Planning & Regulation	101-35-5000-160-0000-67100-	Util-Electric	14,000
10160	67200	Planning & Regulation	101-35-5000-160-0000-67200-	Util-Gas	1,500
10160	67400	Planning & Regulation	101-35-5000-160-0000-67400-	Util-Telephone & Communication	16,500
10160	67500	Planning & Regulation	101-35-5000-160-0000-67500-	Util-Water	7,400
10161	61200	Cemetery	101-30-5000-161-0000-61200-	ConProf-General	1,000
10161	61750	Cemetery	101-30-5000-161-0000-61750-	ConProf-Software	6,100
10161	61900	Cemetery	101-30-5000-161-0000-61900-	ConProf-Contract	445,000
10161	64112	Cemetery	101-30-5000-161-0000-64112-	Ops-Cemetery Markers	100,000
10161	64425	Cemetery	101-30-5000-161-0000-64425-	Ops-Landscaping	13,700
10161	64475	Cemetery	101-30-5000-161-0000-64475-	Ops-Material & Supplies	32,000
10161	64825	Cemetery	101-30-5000-161-0000-64825-	Ops-Vehicle	100
10161	65000	Cemetery	101-30-5000-161-0000-65000-	Maint-Building	500
10161	66000	Cemetery	101-30-5000-161-0000-66000-	Empl-Dues & Subscriptions	400
10161	66500	Cemetery	101-30-5000-161-0000-66500-	Empl-Personnel	100
10161	67100	Cemetery	101-30-5000-161-0000-67100-	Util-Electric	5,400
10161	67500	Cemetery	101-30-5000-161-0000-67500-	Util-Water	110,800
10162	61200	Sr. Rec - Cascades	101-25-3000-162-0000-61200-	ConProf-General	19,500
10162	64475	Sr. Rec - Cascades	101-25-3000-162-0000-64475-	Ops-Material & Supplies	25,800
10162	64800	Sr. Rec - Cascades	101-25-3000-162-0000-64800-	Ops-Uniforms	700
10162	64825	Sr. Rec - Cascades	101-25-3000-162-0000-64825-	Ops-Vehicle Fuel	700
10162	64990	Sr. Rec - Cascades	101-25-3000-162-0000-64990-	Ops-Misc	300
10162	65000	Sr. Rec - Cascades	101-25-3000-162-0000-65000-	Maint-Building	15,000
10162	65050	Sr. Rec - Cascades	101-25-3000-162-0000-65050-	Maint-Equipment	2,800
10162	65550	Sr. Rec - Cascades	101-25-3000-162-0000-65550-	Maint-Vehicle	900
10162	66100	Sr. Rec - Cascades	101-25-3000-162-0000-66100-	Empl-Training	2,000
10162	66200	Sr. Rec - Cascades	101-25-3000-162-0000-66200-	Empl-Per Diem	2,000
10162	66500	Sr. Rec - Cascades	101-25-3000-162-0000-66500-	Empl-Personnel	700
10162	67100	Sr. Rec - Cascades	101-25-3000-162-0000-67100-	Util-Electric	10,200
10162	67200	Sr. Rec - Cascades	101-25-3000-162-0000-67200-	Util-Gas	1,200

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ORG	OBJ	DEPARTMENT	ACCOUNT	DESCRIPTION	AMOUNT
10162	67400	Sr. Rec - Cascades	101-25-3000-162-0000-67400-	Util-Telephone & Communication	9,700
10162	67500	Sr. Rec - Cascades	101-25-3000-162-0000-67500-	Util-Water	2,900
10202	64025	Payroll	102-10-1000-102-0000-64025-	Ops-Bank Charges	300
20000	63225	GRT Capital Outlay	200-10-6000-200-0000-63225-	Fees-NMTRD GRTR	276,000
20202	61200	Airport Improvements	202-10-6000-202-0000-61200-	ConProf-General	50,000
20202	65900	Airport Improvements	202-10-6000-202-0000-65900-	Maint-Misc	22,200
23030	61600	Landfill-Closure	230-60-6000-230-0000-61600-	ConProf-Methane Monitoring	30,000
23030	63200	Landfill-Closure	230-60-6000-230-0000-63200-	Fees-Ground Water Sampling	30,000
23030	64375	Landfill-Closure	230-60-6000-230-0000-64375-	Ops-Landfill Closure	10,000
24040	64400	Landfill-Construction	240-60-6000-240-0000-64400-	Ops-Landfill Op & Equip	2,120,000
30000	61200	Sports Complex	300-25-3000-300-0000-61200-	ConProf-General	217,000
30000	63225	Sports Complex	300-25-3000-300-0000-63225-	Fees-NMTRD GRTR	117,100
30000	64475	Sports Complex	300-25-3000-300-0000-64475-	Ops-Material & Supplies	20,500
30000	64800	Sports Complex	300-25-3000-300-0000-64800-	Ops-Uniforms	5,800
30000	64825	Sports Complex	300-25-3000-300-0000-64825-	Ops-Vehicle	11,400
30000	65000	Sports Complex	300-25-3000-300-0000-65000-	Maint-Building	3,600
30000	65050	Sports Complex	300-25-3000-300-0000-65050-	Maint-Equipment	10,200
30000	65500	Sports Complex	300-25-3000-300-0000-65500-	Maint-Turf	11,000
30000	65550	Sports Complex	300-25-3000-300-0000-65550-	Maint-Vehicle	2,300
30000	66500	Sports Complex	300-25-3000-300-0000-66500-	Empl-Personnel	600
30000	67100	Sports Complex	300-25-3000-300-0000-67100-	Util-Electric	123,700
30000	67400	Sports Complex	300-25-3000-300-0000-67400-	Util-Telephone & Communication	57,600
30000	67500	Sports Complex	300-25-3000-300-0000-67500-	Util-Water	31,900
32020	65900	Streets Improvement	320-20-4000-320-0000-65900-	Maint-Misc	250,000
35050	62000	Local Government Correction	350-10-1000-350-0000-62000-	Prisoners-Per Diem	250,000
36060	63226	Cannabis Fund	360-10-1000-360-0000-63226-	Fees-Cannabis	15,000
40101	60200	Insurance	401-10-1000-401-0000-60200-	Insur-Admin	50,000
40101	60205	Insurance	401-10-1000-401-0000-60205-	Insur-Airport	20,000
40101	60210	Insurance	401-10-1000-401-0000-60210-	Insur-Auto	50,000
40101	60215	Insurance	401-10-1000-401-0000-60215-	Insur-Auto Damage	82,000
40101	60220	Insurance	401-10-1000-401-0000-60220-	Insur-Claims Paid	200,000
40101	60225	Insurance	401-10-1000-401-0000-60225-	Insur-Crime	6,000
40101	60230	Insurance	401-10-1000-401-0000-60230-	Insur-EDP Equipment	4,000
40101	60235	Insurance	401-10-1000-401-0000-60235-	Insur-Fine Arts	4,000
40101	60250	Insurance	401-10-1000-401-0000-60250-	Insur-Law Enforcement	445,000
40101	60255	Insurance	401-10-1000-401-0000-60255-	Insur-Liability	455,000
40101	60265	Insurance	401-10-1000-401-0000-60265-	Insur-Pro Shop	1,500
40101	60270	Insurance	401-10-1000-401-0000-60270-	Insur-Property	520,000
40101	60275	Insurance	401-10-1000-401-0000-60275-	Insur-Public Officials & Epl	280,000
40101	60280	Insurance	401-10-1000-401-0000-60280-	Insur-Unemployment Comp	35,000
40202	60100	Workers' Compensation	402-10-1000-402-0000-60100-	WC-Admin	25,000
40202	60110	Workers' Compensation	402-10-1000-402-0000-60110-	WC-Excess Policy Premium	370,000
40202	60120	Workers' Compensation	402-10-1000-402-0000-60120-	WC-Expense	55,000
40202	60130	Workers' Compensation	402-10-1000-402-0000-60130-	WC-Medical	200,000
40202	60140	Workers' Compensation	402-10-1000-402-0000-60140-	WC-Settlement	125,000
40202	60150	Workers' Compensation	402-10-1000-402-0000-60150-	WC-Weekly Benefits	300,000
42020	60200	Health Insurance	420-10-1000-420-0000-60200-	Insur-Admin	50,000
42020	60220	Health Insurance	420-10-1000-420-0000-60220-	Insur-Claims Paid	9,695,100
50101	64225	Emergency Medical Services	501-15-2500-501-0000-64225-	Ops-Fire EMS	60,000
52020	64525	Law Enforcement Protection	520-15-2000-520-0000-64525-	Ops-Police Supplies	86,500
52020	66100	Law Enforcement Protection	520-15-2000-520-0000-66100-	Empl-Training	100,000
55050	61200	Beautification	550-60-7300-550-0000-61200-	ConProf-General	245,600
55050	64050	Beautification	550-60-7300-550-0000-64050-	Ops-Beautification Grant	26,600
55050	64425	Beautification	550-60-7300-550-0000-64425-	Ops-Landscaping	56,500
55050	64475	Beautification	550-60-7300-550-0000-64475-	Ops-Material & Supplies	26,300
55050	64825	Beautification	550-60-7300-550-0000-64825-	Ops-Vehicle	800

City of Carlsbad, NM
FY27 Operating Detail

ORG	OBJ	DEPARTMENT	ACCOUNT	DESCRIPTION	AMOUNT
55050	66000	Beautification	550-60-7300-550-0000-66000-	Empl-Dues & Subscriptions	1,800
55050	66100	Beautification	550-60-7300-550-0000-66100-	Empl-Training	12,400
55050	66200	Beautification	550-60-7300-550-0000-66200-	Empl-Per Diem	2,900
57070	61200	Municipal Transit	570-20-4000-570-0000-61200-	ConProf-General	6,600
57070	61750	Municipal Transit	570-20-4000-570-0000-61750-	ConProf-Software	21,900
57070	64475	Municipal Transit	570-20-4000-570-0000-64475-	Ops-Material & Supplies	22,000
57070	64775	Municipal Transit	570-20-4000-570-0000-64775-	Ops-Tools & Equip	6,600
57070	64800	Municipal Transit	570-20-4000-570-0000-64800-	Ops-Uniforms	1,700
57070	64825	Municipal Transit	570-20-4000-570-0000-64825-	Ops-Vehicle	65,400
57070	65000	Municipal Transit	570-20-4000-570-0000-65000-	Maint-Building	7,900
57070	65050	Municipal Transit	570-20-4000-570-0000-65050-	Maint-Equipment	5,000
57070	65550	Municipal Transit	570-20-4000-570-0000-65550-	Maint-Vehicle	50,000
57070	66000	Municipal Transit	570-20-4000-570-0000-66000-	Empl-Dues & Subscriptions	1,600
57070	66100	Municipal Transit	570-20-4000-570-0000-66100-	Empl-Training	3,500
57070	66200	Municipal Transit	570-20-4000-570-0000-66200-	Empl-Per Diem	3,100
57070	66500	Municipal Transit	570-20-4000-570-0000-66500-	Empl-Personnel	1,100
57070	67100	Municipal Transit	570-20-4000-570-0000-67100-	Util-Electric	3,900
57070	67200	Municipal Transit	570-20-4000-570-0000-67200-	Util-Gas	1,000
57070	67400	Municipal Transit	570-20-4000-570-0000-67400-	Util-Telephone & Communication	16,100
57070	67500	Municipal Transit	570-20-4000-570-0000-67500-	Util-Water	2,600
60000	68400	LT-Promotional	600-25-3000-600-0000-68400-	LT-Promo-City	247,500
60000	68700	LT-Promotional	600-25-3000-600-0000-68700-	LT-Promo-Outside	848,575
65000	68400	LT-Non Promotional	650-25-3000-650-0000-68400-	LT-NP-City	393,000
65000	68700	LT-Non Promotional	650-25-3000-650-0000-68700-	LT - NP-Outside	577,500
70000	61200	Water	700-50-7000-700-0000-61200-	ConProf-General	309,300
70000	61750	Water	700-50-7000-700-0000-61750-	ConProf-Software	70,000
70000	63350	Water	700-50-7000-700-0000-63350-	Fees-Water Conservation	98,900
70000	63400	Water	700-50-7000-700-0000-63400-	Fees-Water Franchise	20,000
70000	64425	Water	700-50-7000-700-0000-64425-	Ops-Landscaping	6,100
70000	64475	Water	700-50-7000-700-0000-64475-	Ops-Material & Supplies	154,100
70000	64575	Water	700-50-7000-700-0000-64575-	Ops-PPE	10,600
70000	64600	Water	700-50-7000-700-0000-64600-	Ops-Postage & Shipping	35,100
70000	64675	Water	700-50-7000-700-0000-64675-	Ops-Safety Train / Supplies	1,100
70000	64775	Water	700-50-7000-700-0000-64775-	Ops-Tools & Equip	30,000
70000	64800	Water	700-50-7000-700-0000-64800-	Ops-Uniforms	12,500
70000	64825	Water	700-50-7000-700-0000-64825-	Ops-Vehicle	89,900
70000	64990	Water	700-50-7000-700-0000-64990-	Ops-Misc	10,600
70000	65000	Water	700-50-7000-700-0000-65000-	Maint-Building	64,200
70000	65050	Water	700-50-7000-700-0000-65050-	Maint-Equipment	175,000
70000	65350	Water	700-50-7000-700-0000-65350-	Maint-Service Line	661,500
70000	65550	Water	700-50-7000-700-0000-65550-	Maint-Vehicle	88,600
70000	66000	Water	700-50-7000-700-0000-66000-	Empl-Dues & Subscriptions	5,600
70000	66100	Water	700-50-7000-700-0000-66100-	Empl-Training	2,400
70000	66200	Water	700-50-7000-700-0000-66200-	Empl-Per Diem	4,500
70000	66400	Water	700-50-7000-700-0000-66400-	Empl-Transportation	1,000
70000	66500	Water	700-50-7000-700-0000-66500-	Empl-Personnel	400
70000	67100	Water	700-50-7000-700-0000-67100-	Util-Electric	803,800
70000	67200	Water	700-50-7000-700-0000-67200-	Util-Gas	1,400
70000	67400	Water	700-50-7000-700-0000-67400-	Util-Telephone & Communication	35,800
70000	67500	Water	700-50-7000-700-0000-67500-	Util-Water	4,100
70001	61200	Waste Water	700-55-7000-701-0000-61200-	ConProf-General	79,800
70001	63300	Waste Water	700-55-7000-701-0000-63300-	Fees-Public Notices	1,000
70001	64475	Waste Water	700-55-7000-701-0000-64475-	Ops-Material & Supplies	59,400
70001	64575	Waste Water	700-55-7000-701-0000-64575-	Ops-PPE	5,500
70001	64600	Waste Water	700-55-7000-701-0000-64600-	Ops-Postage & Shipping	34,300
70001	64775	Waste Water	700-55-7000-701-0000-64775-	Ops-Tools & Equip	25,000

City of Carlsbad, NM
FY27 Operating Detail

ORG	OBJ	DEPARTMENT	ACCOUNT	DESCRIPTION	AMOUNT
70001	64800	Waste Water	700-55-7000-701-0000-64800-	Ops-Uniforms	2,500
70001	64825	Waste Water	700-55-7000-701-0000-64825-	Ops-Vehicle	2,900
70001	65000	Waste Water	700-55-7000-701-0000-65000-	Maint-Building	4,700
70001	65050	Waste Water	700-55-7000-701-0000-65050-	Maint-Equipment	150,000
70001	65550	Waste Water	700-55-7000-701-0000-65550-	Maint-Vehicle	5,000
70001	66000	Waste Water	700-55-7000-701-0000-66000-	Empl-Dues & Subscriptions	1,200
70001	66100	Waste Water	700-55-7000-701-0000-66100-	Empl-Training	3,800
70001	66200	Waste Water	700-55-7000-701-0000-66200-	Empl-Per Diem	6,200
70001	66500	Waste Water	700-55-7000-701-0000-66500-	Empl-Personnel	300
70001	67100	Waste Water	700-55-7000-701-0000-67100-	Util-Electric	166,900
70001	67400	Waste Water	700-55-7000-701-0000-67400-	Util-Telephone & Communication	7,000
70001	67500	Waste Water	700-55-7000-701-0000-67500-	Util-Water	900
70002	61200	Double Eagle	700-50-7000-702-0000-61200-	ConProf-General	39,000
70002	64475	Double Eagle	700-50-7000-702-0000-64475-	Ops-Material & Supplies	41,900
70002	64575	Double Eagle	700-50-7000-702-0000-64575-	Ops-PPE	400
70002	64775	Double Eagle	700-50-7000-702-0000-64775-	Ops-Tools & Equip	15,000
70002	64800	Double Eagle	700-50-7000-702-0000-64800-	Ops-Uniforms	2,000
70002	64825	Double Eagle	700-50-7000-702-0000-64825-	Ops-Vehicle	29,700
70002	65050	Double Eagle	700-50-7000-702-0000-65050-	Maint-Equipment	61,100
70002	65350	Double Eagle	700-50-7000-702-0000-65350-	Maint-Service Line	77,400
70002	65550	Double Eagle	700-50-7000-702-0000-65550-	Maint-Vehicle	17,800
70002	66000	Double Eagle	700-50-7000-702-0000-66000-	Empl-Dues & Subscriptions	1,000
70002	66100	Double Eagle	700-50-7000-702-0000-66100-	Empl-Training	800
70002	66200	Double Eagle	700-50-7000-702-0000-66200-	Empl-Per Diem	1,500
70002	66500	Double Eagle	700-50-7000-702-0000-66500-	Empl-Personnel	600
70002	67100	Double Eagle	700-50-7000-702-0000-67100-	Util-Electric	128,700
70002	67200	Double Eagle	700-50-7000-702-0000-67200-	Util-Gas	800
70002	67400	Double Eagle	700-50-7000-702-0000-67400-	Util-Telephone & Communication	5,800
70002	67500	Double Eagle	700-50-7000-702-0000-67500-	Util-Water	300
70003	61200	Collection System	700-55-7000-703-0000-61200-	ConProf-General	38,000
70003	64475	Collection System	700-55-7000-703-0000-64475-	Ops-Material & Supplies	45,300
70003	64775	Collection System	700-55-7000-703-0000-64775-	Ops-Tools & Equip	26,500
70003	64800	Collection System	700-55-7000-703-0000-64800-	Ops-Uniforms	4,400
70003	64825	Collection System	700-55-7000-703-0000-64825-	Ops-Vehicle	24,900
70003	65000	Collection System	700-55-7000-703-0000-65000-	Maint-Building	8,700
70003	65050	Collection System	700-55-7000-703-0000-65050-	Maint-Equipment	125,000
70003	65350	Collection System	700-55-7000-703-0000-65350-	Maint-Service Line	50,000
70003	65550	Collection System	700-55-7000-703-0000-65550-	Maint-Vehicle	19,500
70003	66000	Collection System	700-55-7000-703-0000-66000-	Empl-Dues & Subscriptions	800
70003	66100	Collection System	700-55-7000-703-0000-66100-	Empl-Training	3,800
70003	66200	Collection System	700-55-7000-703-0000-66200-	Empl-Per Diem	6,200
70003	66500	Collection System	700-55-7000-703-0000-66500-	Empl-Personnel	2,000
70003	67100	Collection System	700-55-7000-703-0000-67100-	Util-Electric	71,700
70003	67400	Collection System	700-55-7000-703-0000-67400-	Util-Telephone & Communication	4,200
70003	67500	Collection System	700-55-7000-703-0000-67500-	Util-Water	15,300
70004	61200	Lab Environmental Services	700-55-7000-704-0000-61200-	ConProf-General	8,600
70004	64475	Lab Environmental Services	700-55-7000-704-0000-64475-	Ops-Material & Supplies	42,400
70004	64600	Lab Environmental Services	700-55-7000-704-0000-64600-	Ops-Postage & Shipping	1,500
70004	64800	Lab Environmental Services	700-55-7000-704-0000-64800-	Ops-Uniforms	1,400
70004	64825	Lab Environmental Services	700-55-7000-704-0000-64825-	Ops-Vehicle	800
70004	65050	Lab Environmental Services	700-55-7000-704-0000-65050-	Maint-Equipment	1,000
70004	65550	Lab Environmental Services	700-55-7000-704-0000-65550-	Maint-Vehicle	200
70004	66000	Lab Environmental Services	700-55-7000-704-0000-66000-	Empl-Dues & Subscriptions	1,000
70004	66100	Lab Environmental Services	700-55-7000-704-0000-66100-	Empl-Training	1,900
70004	66200	Lab Environmental Services	700-55-7000-704-0000-66200-	Empl-Per Diem	2,200
70004	66500	Lab Environmental Services	700-55-7000-704-0000-66500-	Empl-Personnel	100

City of Carlsbad, NM
FY27 Operating Detail

ORG	OBJ	DEPARTMENT	ACCOUNT	DESCRIPTION	AMOUNT
70004	67400	Lab Environmental Services	700-55-7000-704-0000-67400-	Util-Telephone & Communication	400
72030	61200	Solid Waste Disposal	720-60-7300-730-0000-61200-	ConProf-General	404,800
72030	61500	Solid Waste Disposal	720-60-7300-730-0000-61500-	ConProf-Household Hazardous Wa	151,500
72030	63225	Solid Waste Disposal	720-60-7300-730-0000-63225-	Fees-NMTRD GRTR	72,000
72030	64475	Solid Waste Disposal	720-60-7300-730-0000-64475-	Ops-Material & Supplies	113,500
72030	64600	Solid Waste Disposal	720-60-7300-730-0000-64600-	Ops-Postage & Shipping	35,000
72030	64750	Solid Waste Disposal	720-60-7300-730-0000-64750-	Ops-SWD Containers	380,000
72030	64775	Solid Waste Disposal	720-60-7300-730-0000-64775-	Ops-Tools & Equip	5,000
72030	64800	Solid Waste Disposal	720-60-7300-730-0000-64800-	Ops-Uniforms	18,000
72030	64825	Solid Waste Disposal	720-60-7300-730-0000-64825-	Ops-Vehicle	394,400
72030	65000	Solid Waste Disposal	720-60-7300-730-0000-65000-	Maint-Building	3,000
72030	65050	Solid Waste Disposal	720-60-7300-730-0000-65050-	Maint-Equipment	10,500
72030	65550	Solid Waste Disposal	720-60-7300-730-0000-65550-	Maint-Vehicle	782,400
72030	66000	Solid Waste Disposal	720-60-7300-730-0000-66000-	Empl-Dues & Subscriptions	600
72030	66100	Solid Waste Disposal	720-60-7300-730-0000-66100-	Empl-Training	4,300
72030	66200	Solid Waste Disposal	720-60-7300-730-0000-66200-	Empl-Per Diem	6,000
72030	66500	Solid Waste Disposal	720-60-7300-730-0000-66500-	Empl-Personnel	7,000
72030	67400	Solid Waste Disposal	720-60-7300-730-0000-67400-	Util-Telephone & Communication	3,300
72030	67500	Solid Waste Disposal	720-60-7300-730-0000-67500-	Util-Water	1,100
72031	64400	Sandpoint Landfill	720-60-7300-731-0000-64400-	Ops-Landfill Op & Equip	2,000,000
75060	61200	Special Museum	750-65-7600-760-0000-61200-	ConProf-General	200
75060	64475	Special Museum	750-65-7600-760-0000-64475-	Ops-Material & Supplies	9,800
79090	61200	Golf Pro Shop	790-65-7900-790-0000-61200-	ConProf-General	98,200
79090	61750	Golf Pro Shop	790-65-7900-790-0000-61750-	ConProf-Software	4,850
79090	64125	Golf Pro Shop	790-65-7900-790-0000-64125-	Ops-Concessions	46,000
79090	64310	Golf Pro Shop	790-65-7900-790-0000-64310-	Ops-Golf Merchandise	317,400
79090	64315	Golf Pro Shop	790-65-7900-790-0000-64315-	Ops-Golf Alcohol	60,500
79090	64475	Golf Pro Shop	790-65-7900-790-0000-64475-	Ops-Material & Supplies	41,500
79090	64800	Golf Pro Shop	790-65-7900-790-0000-64800-	Ops-Uniforms	6,800
79090	64825	Golf Pro Shop	790-65-7900-790-0000-64825-	Ops-Vehicle	300
79090	65000	Golf Pro Shop	790-65-7900-790-0000-65000-	Maint-Building	3,700
79090	65050	Golf Pro Shop	790-65-7900-790-0000-65050-	Maint-Equipment	6,900
79090	66000	Golf Pro Shop	790-65-7900-790-0000-66000-	Empl-Dues & Subscriptions	1,100
79090	66100	Golf Pro Shop	790-65-7900-790-0000-66100-	Empl-Training	500
79090	66200	Golf Pro Shop	790-65-7900-790-0000-66200-	Empl-Per Diem	1,000
79090	66500	Golf Pro Shop	790-65-7900-790-0000-66500-	Empl-Personnel	1,000
79090	67100	Golf Pro Shop	790-65-7900-790-0000-67100-	Util-Electric	16,100
79090	67200	Golf Pro Shop	790-65-7900-790-0000-67200-	Util-Gas	1,100
79090	67400	Golf Pro Shop	790-65-7900-790-0000-67400-	Util-Telephone & Communication	14,200
79090	67500	Golf Pro Shop	790-65-7900-790-0000-67500-	Util-Water	6,600
85050	69000	NMFA-Water & Sewer	850-70-7000-850-0000-69000-	Debt-Principal	968,500
85050	69100	NMFA-Water & Sewer	850-70-7000-850-0000-69100-	Debt-Interest	115,500
85050	69200	NMFA-Water & Sewer	850-70-7000-850-0000-69200-	Debt-Loan Fees	56,400
98080	60270	ELEA	980-10-1000-980-0000-60270-	Insur-Property	3,000
98080	61550	ELEA	980-10-1000-980-0000-61550-	ConProf-Legal	10,000
98080	61800	ELEA	980-10-1000-980-0000-61800-	ConProf-Miscellaneous	100,000
98080	63300	ELEA	980-10-1000-980-0000-63300-	Fees-Public Notices	3,000
98080	64475	ELEA	980-10-1000-980-0000-64475-	Ops-Material & Supplies	2,000
98080	66200	ELEA	980-10-1000-980-0000-66200-	Empl-Per Diem	20,000
					52,676,228

City of Carlsbad, NM
FY27 Revenue Detail

FUND	ORG	OBJ	ACCOUNT	DESCRIPTION	AMOUNT
General Fund	101	30000	101-00-0000-000-0000-30000-	GRTR-Municipal GRT	35,100,000
General Fund	101	30010	101-00-0000-000-0000-30010-	GRTR-Muni Share	29,640,000
General Fund	101	30030	101-00-0000-000-0000-30030-	GRTR-Infrastructure	3,120,000
General Fund	101	30100	101-00-0000-000-0000-30100-	Tax-Property	5,000,000
General Fund	101	30300	101-00-0000-000-0000-30300-	Tax-Auto Lic General	12,000
General Fund	101	31000	101-00-0000-000-0000-31000-	Franchise-TDS	90,000
General Fund	101	31010	101-00-0000-000-0000-31010-	Franchise-XCEL	775,000
General Fund	101	31020	101-00-0000-000-0000-31020-	Franchise-NM Gas	35,000
General Fund	101	31025	101-00-0000-000-0000-31025-	Franchise-PVT	20,000
General Fund	101	31030	101-00-0000-000-0000-31030-	Franchise-Windstream	35,000
General Fund	101	31040	101-00-0000-000-0000-31040-	Franchise-City of Carlsbad	20,000
General Fund	101	32000	101-00-0000-000-0000-32000-	License-Business	50
General Fund	101	32005	101-00-0000-000-0000-32005-	License-Cannabis	1,700
General Fund	101	32010	101-00-0000-000-0000-32010-	License-Dog	550
General Fund	101	32020	101-00-0000-000-0000-32020-	License-Liquor	2,500
General Fund	101	32100	101-00-0000-000-0000-32100-	Permits-Building	200,000
General Fund	101	32110	101-00-0000-000-0000-32110-	Permits-Cemetery Monuments	3,000
General Fund	101	32120	101-00-0000-000-0000-32120-	Permits-Electrical	55,000
General Fund	101	32130	101-00-0000-000-0000-32130-	Permits-Golf Carts	15,000
General Fund	101	32150	101-00-0000-000-0000-32150-	Permits-Plumbing/Mechanical	35,000
General Fund	101	32190	101-00-0000-000-0000-32190-	Permits-Misc	3,500
General Fund	101	33000	101-00-0000-000-0000-33000-	Fees-Business Reg	55,000
General Fund	101	33001	101-00-0000-000-0000-33001-	Fees-Cemetery Lots	75,000
General Fund	101	33002	101-00-0000-000-0000-33002-	Fees-Cemetery Op/Cl	70,000
General Fund	101	33005	101-00-0000-000-0000-33005-	Fees-Golf Green	250,000
General Fund	101	33007	101-00-0000-000-0000-33007-	Fees-Library	3,200
General Fund	101	33010	101-00-0000-000-0000-33010-	Fees-Notary	250
General Fund	101	33012	101-00-0000-000-0000-33012-	Fees-Rental	30,000
General Fund	101	33013	101-00-0000-000-0000-33013-	Fees-Rental Waterpark	6,000
General Fund	101	33015	101-00-0000-000-0000-33015-	Fees-Senior Centers	8,000
General Fund	101	33016	101-00-0000-000-0000-33016-	Fees-Sub Division	2,000
General Fund	101	33022	101-00-0000-000-0000-33022-	Fees-Waterpark	85,000
General Fund	101	33023	101-00-0000-000-0000-33023-	Fees-Zoning	5,000
General Fund	101	34000	101-00-0000-000-0000-34000-	Services-Ambulance	35,000
General Fund	101	34045	101-00-0000-000-0000-34045-	Services-Lifeline Billing	1,100,000
General Fund	101	34300	101-00-0000-000-0000-34300-	Concessions-Waterpark	8,000
General Fund	101	34320	101-00-0000-000-0000-34320-	Concessions-Misc	500
General Fund	101	35045	101-00-0000-000-0000-35045-	Lease-Courtesy Pawn	260
General Fund	101	35100	101-00-0000-000-0000-35100-	Lease-Cave/Karst	36,000
General Fund	101	35200	101-00-0000-000-0000-35200-	Lease-Port Jefferson	6,000
General Fund	101	35900	101-00-0000-000-0000-35900-	Lease-Misc	40,000
General Fund	101	37000	101-00-0000-000-0000-37000-	County-Appropriation	742,500
General Fund	101	37005	101-00-0000-000-0000-37005-	County-DWI Grant	1,000
General Fund	101	37140	101-00-0000-000-0000-37140-	State-Library Grant	129,900
General Fund	101	37160	101-00-0000-000-0000-37160-	State-Operation Buckle Down	2,500
General Fund	101	37165	101-00-0000-000-0000-37165-	State-Operation DWI	8,000
General Fund	101	37170	101-00-0000-000-0000-37170-	State-STEP	15,000
General Fund	101	37240	101-00-0000-000-0000-37240-	Federal-WIPP Fire	7,000
General Fund	101	37290	101-00-0000-000-0000-37290-	Federal-Misc	70,000
General Fund	101	38008	101-00-0000-000-0000-38008-	Misc-Oil & Gas	5,000,000
General Fund	101	38009	101-00-0000-000-0000-38009-	Misc-Printing & Copying	18,000
GRT Capital Outlay	200	30020	200-00-0000-000-0000-30020-	GRTR-Capital Outlay	5,460,000
Capital Projects	201	37199	201-00-0000-000-0000-37199-	State-Misc	10,766,049
Capital Projects	201	37290	201-00-0000-000-0000-37290-	Federal-Misc	3,439,010
Capital Projects	201	38001	201-00-0000-000-0000-38001-	Misc-Donations	2,000,000

City of Carlsbad, NM
FY27 Revenue Detail

FUND	ORG	OBJ	ACCOUNT	DESCRIPTION	AMOUNT
Airport Improvements	202	35000	202-00-0000-000-0000-35000-	Lease-AP BMB Equip Hold	13,201
Airport Improvements	202	35005	202-00-0000-000-0000-35005-	Lease-AP Advanced Air	2,640
Airport Improvements	202	35020	202-00-0000-000-0000-35020-	Lease-AP Celtech Corp	2,800
Airport Improvements	202	35021	202-00-0000-000-0000-35021-	Lease-AP CNB	50
Airport Improvements	202	35022	202-00-0000-000-0000-35022-	Lease-AP Danforth	1,200
Airport Improvements	202	35030	202-00-0000-000-0000-35030-	Lease-AP Fed Express	3,890
Airport Improvements	202	35040	202-00-0000-000-0000-35040-	Lease-AP Chandler	4,960
Airport Improvements	202	35050	202-00-0000-000-0000-35050-	Lease-AP Air Methods	2,500
Airport Improvements	202	35055	202-00-0000-000-0000-35055-	Lease-AP Shane Pittman	1,125
Airport Improvements	202	37145	202-00-0000-000-0000-37145-	State-NM Aviation Grant	20,000
Airport Improvements	202	37150	202-00-0000-000-0000-37150-	State-NMDOT	4,729,458
Airport Improvements	202	37200	202-00-0000-000-0000-37200-	Federal-FAA Airport	282,473
Landfill-Reserve	220	37010	220-00-0000-000-0000-37010-	County-Landfill	111,000
Sports Complex	300	30030	300-00-0000-000-0000-30030-	GRTR-Infrastructure	3,120,000
Sports Complex	300	34310	300-00-0000-000-0000-34310-	Concessions-Sports Complex	2,500
Sports Complex	300	37199	300-00-0000-000-0000-37199-	State-Misc	80,000
Streets Improvement	320	30200	320-00-0000-000-0000-30200-	Tax-Gasoline 7-1-6.9	465,000
Streets Improvement	320	30210	320-00-0000-000-0000-30210-	Tax-Gasoline 7-1-6.27	285,000
Streets Improvement	320	30310	320-00-0000-000-0000-30310-	Tax-Auto Lic Street	120,000
Streets Improvement	320	37150	320-00-0000-000-0000-37150-	State-NMDOT	1,007,000
Local Government Correction	350	33004	350-00-0000-000-0000-33004-	Fees-Court Fines	420,000
Cannabis Fund	360	30350	360-00-0000-000-0000-30350-	Cannabis Revenue	365,000
Health Insurance	420	38006	420-00-0000-000-0000-38006-	Misc-Health Insurance-Employee	1,800,000
Health Insurance	420	38010	420-00-0000-000-0000-38010-	Misc-Health Insurance-City	7,945,100
Fire Protection	500	37125	500-00-0000-000-0000-37125-	State-Fire Allotment Grant	892,913
Emergency Medical Services	501	37115	501-00-0000-000-0000-37115-	State-EMS Grant	60,000
Law Enforcement Protection	520	37130	520-00-0000-000-0000-37130-	State-Law Enforcement Protecti	186,500
Beautification	550	37105	550-00-0000-000-0000-37105-	State-Beautification Grant	26,553
Municipal Transit	570	33017	570-00-0000-000-0000-33017-	Fees-Transit	35,000
Municipal Transit	570	33018	570-00-0000-000-0000-33018-	Fees-Transit Contract	23,000
Municipal Transit	570	37220	570-00-0000-000-0000-37220-	Federal-Transit Admin 5311	125,000
Municipal Transit	570	37230	570-00-0000-000-0000-37230-	Federal-Transit Op 5311	385,000
Municipal Transit	570	37235	570-00-0000-000-0000-37235-	Federal-Transit Cap 5311	586,628
CDBG Grant	580	37290	580-00-0000-000-0000-37290-	Federal-Misc	742,500
LT-Promo	600	30400	600-00-0000-000-0000-30400-	LT-Promotional	1,320,000
LT-Non Promotional	650	30402	650-00-0000-000-0000-30402-	LT-Non Promotional	1,980,000
LT-Discretionary	680	30404	680-00-0000-000-0000-30404-	LT-Discretionary	1,300,000
Water	700	33006	700-00-0000-000-0000-33006-	Fees-Late	235,000
Water	700	33008	700-00-0000-000-0000-33008-	Fees-Lien Interest	300
Water	700	33011	700-00-0000-000-0000-33011-	Fees-NSF	1,500
Water	700	33020	700-00-0000-000-0000-33020-	W&S Reconnect	145,000
Water	700	33021	700-00-0000-000-0000-33021-	W&S Tap	270,000
Water	700	34200	700-00-0000-000-0000-34200-	Services-Septage	370,000
Water	700	34210	700-00-0000-000-0000-34210-	Services-Effluent	500,000
Water	700	34220	700-00-0000-000-0000-34220-	Services-City Water	7,400,000
Water	700	34240	700-00-0000-000-0000-34240-	Services-Double Eagle	1,200,000
Water	700	34250	700-00-0000-000-0000-34250-	Services-Sewer	6,800,000
Water	700	34260	700-00-0000-000-0000-34260-	Services-W&S Analysis	50,000
Water	700	37192	700-00-0000-000-0000-37192-	State-NMFA Loan	25,009,746
Water	700	37199	700-00-0000-000-0000-37199-	State-Misc	3,881,156
Water	700	37290	700-00-0000-000-0000-37290-	Federal-Misc	959,752
Water	700	38001	700-00-0000-000-0000-38001-	Misc-Donations	2,000,000
Solid Waste	720	30040	720-00-0000-000-0000-30040-	GRTR-Environmental	1,560,000
Solid Waste	720	34100	720-00-0000-000-0000-34100-	Services-SWD	9,800,000
Solid Waste	720	38013	720-00-0000-000-0000-38013-	Misc-Scrap Sales	35,000

City of Carlsbad, NM
FY27 Revenue Detail

FUND	ORG	OBJ	ACCOUNT	DESCRIPTION	AMOUNT
Museum	750	33003	750-00-0000-000-0000-33003-	Fees-Classes	250
Museum	750	38090	750-00-0000-000-0000-38090-	Misc-All Other	5,000
Golf Pro Shop	790	33024	790-00-0000-000-0000-33024-	Fees-Range/Carts/Clubs	420,000
Golf Pro Shop	790	33028	790-00-0000-000-0000-33028-	Fees-Golf Tournament	50,000
Golf Pro Shop	790	33030	790-00-0000-000-0000-33030-	Fees-Minature Golf	25,000
Golf Pro Shop	790	34320	790-00-0000-000-0000-34320-	Concessions-Misc	60,000
Golf Pro Shop	790	38020	790-00-0000-000-0000-38020-	Misc-Alcohol Sales	120,000
Golf Pro Shop	790	38025	790-00-0000-000-0000-38025-	Misc-Golf Merchandise	475,000
ELEA	980	38090	980-00-0000-000-0000-38090-	Misc-All Other	119,000
					193,577,164

City of Carlsbad, NM
Incentive Pay Schedule
FY27 Interim Budget

Code	General - Education	Incentive (per hour)
e	Education-Associate Degree	$1.50
e	Education-Bachelor Degree	$2.50
e	Education-Master Degree	$3.50
e	Education-Doctorate	$4.50
e	Professional Certification Incentives	$1.50

Code	General - Personal Use	Incentive (per month)
	Cell Phone Stipend	$62.50
	Vehicle Stipend-City Council	$700.00
	Vehicle Stipend-Partial	$575.00
	Vehicle Stipend-Full	$1,000.00

Code	General - Non Union	Incentive (per hour)
s	General-Bilingual	$1.00
nn	General-Certified Building Official (CBO)	$2.50
mc	General-Certified City Clerk	$0.60
ge	General-EE98	Negotiable
ls	General-Muni Court Language Specialist	$1.25
po	General-Purchasing Officer	$1.00
si	General-St Inspector - Electrical	$0.50
si	General-St Inspector - Mechanic	$0.50
si	General-St Inspector - Plumbing	$0.50
ll	General-Landfill Operator	$0.30
mm	General-Transfer Station Operator	$0.30
ep	General-Event Planning Coordinator	$3.00

Code	International Brotherhood of Electrical Workers (IBEW)	Incentive (per hour)
i	IBEW-Work Zone Certification	$0.10
i	IBEW-Work Zone Certification + Level 1	$0.35
i	IBEW-Work Zone Certification + Level 1 + Level 2 Traffic Signal Electrician	$0.70
i	IBEW-Work Zone Certification + Level 1 + Level 2 Traffic Signal Technician	$0.70
i	IBEW-Work Zone Certification + Level 1 + Level 2 Traffic Signal Technician and Level 2 Traffic Signal Technician	$0.80
i	IBEW-All of the Above + Level 3	$1.20
w	IBEW-Water or Waste Water Certification-Level 1	$0.25
w	IBEW-Water or Waste Water Certification-Level 2	$0.35
w	IBEW-Water or Waste Water Certification-Level 3	$0.50
w	IBEW-Water or Waste Water Certification-Level 4	$0.70
bb	IBEW-A+ Computer Repair Technician	$0.70
bb	IBEW-EPA Refrigerant Certification	$0.70
cc	IBEW-CDL-A	$1.00

Code	United Steel Workers of American (USWA)	Incentive (per hour)
ab	USWA-Asbestos Certification	$0.30
jj	USWA-Automotive Service Excellence (ASE)-1 *	$0.25
jj	USWA-Automotive Service Excellence (ASE)-2 *	$0.25
jj	USWA-Automotive Service Excellence (ASE)-3 *	$0.25
jj	USWA-Automotive Service Excellence (ASE)-4 *	$0.25
jj	USWA-Automotive Service Excellence (ASE)-5 *	$0.25
jj	USWA-Automotive Service Excellence (ASE)-6 *	$0.25
jj	USWA-Automotive Service Excellence (ASE)-7 *	$0.25
kk	USWA-Automotive Service Excellence (ASE)-8 *	$0.25
cc	USWA-CDL-A	$1.00
cb	USWA-CDL-B	$0.50
pp	USWA-Certified Pool Operators (CPO)	$1.00
m	USWA-Composting Certification	$0.30
	USWA-Herbicides/Pesticides	$0.15
l	USWA-Library-Certification 1	$0.20
l	USWA-Library-Certification 2	$0.35
	USWA-On Call Status	$2.00 (limited)
pc	USWA-Plumber-Pipe Fitter Certification	$0.50
	USEA-Plumbing Permit (per permit)	$500.00
p	USWA-Public Applicator License (Chemicals)	$0.70
q	USWA-Compliance Sampling Certification	$0.30
t	USWA-Traffic Technician Certification-Level 1	$0.15
t	USWA-Traffic Technician Certification-Level 2	$0.35
t	USWA-Traffic Technician Certification-Level 3	$0.55
w	USWA-Water **and** Waster Water Certification-Level 4	$1.00
w	USWA-Water or Waste Water Certification-Level 1	$0.15
w	USWA-Water or Waste Water Certification-Level 2	$0.25
w	USWA-Water or Waste Water Certification-Level 3	$0.40
w	USWA-Water or Waste Water Certification-Level 4	$0.55

City of Carlsbad, NM
Incentive Pay Schedule
FY27 Interim Budget

Code	International Association of Fire Fighters (IAFF)	Incentive (per hour)
e	IAFF-Education-Associate Degree	$1.08
e	IAFF-Education-Bachelor Degree	$1.78
e	IAFF-Education-Master Degree	$2.50
	IAFF-Cell Phone Stipend	$25.00 (PP)
y	IAFF-Technical Rescue Team (TRT)	$0.80
f	IAFF-Field Training Officer (FTO)	$0.80
d	IAFF-Dive Rescue Team	$0.80
aa	IAFF-Critical Incident Stress Management (CISM) Team	$0.80
a	IAFF-Arson Investigation Team	$0.60
wl	IAFF-Wildland Firefighting Team	$0.60
at	IAFF-Advanced Technology Applications Team (ATAT)	$0.60
h	IAFF-HAZMAT Response Team	$0.60
te	IAFF-Tactical EMS (TEMS) Team	$0.40
v	IAFF-Aircraft Rescue and Firefighting (ARFF) Team	$0.40
s	IAFF-Bilingual	$0.40

Code	Carlsbad Police Officers' Association (CPOA)	Incentive (per hour)
s	CPOA-Spanish Speaking	$1.25
g	CPOA-Sign-Language	$1.25
	CPOA-On Call Status	$30.00 (per callout)
do	CPOA-Drone Operator	$1.25
c	CPOA-Academy Certified Instructor (Specialized)^	$1.25
ta	CPOA-Assistant/Terminal Agency Coordinator	$1.25
ee	CPOA-Traffic Crash Reconstructionist	$1.25
hh	CPOA-Armorer	$1.00
a	CPOA-Arson Investigator	$1.00
j	CPOA-Certified Crime Scene Investigator	$1.00
rr	CPOA-Child Safety Seat Technician	$1.00
x	CPOA-Communication Training Officer	$1.00
ci	CPOA-Cruelty Investigator	$1.00
gg	CPOA-Drug Recognition Expert (DRE)	$1.00
dd	CPOA-Euthanasia Technician	$1.00
o	CPOA-EyeDetect/Polygraph Operator	$1.00
fo	CPOA-FARO Operator	$1.00
f	CPOA-Field Training Officer (FTO)	$1.00
hg	CPOA-Honor Guard	$1.00
n	CPOA-Hostage Negotiator (Certified)	$1.00
ff	CPOA-Academy Certified Instructor (General)	$1.00
ii	CPOA-Internet Crimes Against Children (ICAC)	$1.00
k	CPOA-Key Operator	$1.00
ps	CPOA-Peer Support	$1.00
b	CPOA-SWAT Member	$1.00
u	CPOA-Tactical Dispatcher	$1.00
ac	CPOA-Animal Control Officer 2 Training Certification	$0.50
an	CPOA-Animal Control Officer 3 Training Certification (not to be stacked)	$1.00

* USWA-Automotive Service Excellence (ASE) includes: (1) Gasoline Engines, (2) Diesel Engines, (3) Drive train, (4) Brakes, (5) Suspension & Steering, (6) Electrical/Electronic Systems, (7) Heating, Ventilation, & Air Conditioning, and (8) Preventive Maintenance & Inspection

^ CPOA-Academy Certified Instructor (Specialized), includes: Firearms, Defensive Tactics, Use of Force, Less-Lethal, Intoxilyzer, and Master Instructor (Max of 4)

LINKED MINUTES OF A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, NEW MEXICO, HELD IN THE JANELL WHITLOCK MUNICIPAL COMPLEX BUILDING ON APRIL 28, 2026, AT 6:00 P.M.

Present:	Richard D. Lopez	Mayor
	Lisa A. Anaya Flores	Councilor *via phone*
	Edward T. Rodriguez	Councilor
	Karla Niemeier	Councilor
	Anthony Foreman	Councilor
	Mark C. Walterscheid	Councilor
	Jason O. Chavez	Councilor
	Jeff Forrest	Councilor
	Mary Garwood	Councilor
Absent:		
Also Present:	Wendy Austin	City Manager
	Ken Ahrens	Deputy City Manager
	K.C. Cass	Chief of Operations
	Barbra Hogsdon	City Attorney
	Nadine Mireles	City Clerk
	Jalynn Dominguez	Open Meetings Act Manager
	Stephan Brown	Compliance Clerk
	Dina Navarrette	Community Services Director
	Angie Barrios-Testa	Director of Grant Programs
	Mike Abell	Director of Utilities
	Melissa Salcido	Finance Director
	Tony Souza	Fire Chief
	Kyla Gonzales	HR Director
	Wayne Hatfield	IT Director
	Allan Henriksen	IT Technician
	Jeff Patterson	Planning Director
	Jessie Rodriguez	Police Chief
	Randy Galindo	Safety and Compliance Director
	Patrick Brownfield	Police Officer
	Diego Ramirez	Community Service Officer
	Stormie Gordan	Community Service Officer
	Shawn Burns	Community Service Officer
	Jordan Reyes	Police Sargent
	Michael Henson	Fire Lieutenant
	Albert Moisa	Solid Waste Superintendent
	Geoff Mamerow	Southwest Accounting Solutions LLC
	Audrey Platt	Noisy Water Winery

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Caleb Cunningham	Carlsbad Mainstreet
Clayton Bradley	Bradley Law
Liz Treat	Bohanna Huston
Christina Mann	Citizen

Time Stamps and headings below correspond to recording of meeting and the recording is hereby made a part of the official record.

0:00:00 **Call Meeting to Order**

0:00:34 Invocation – Pledge of Allegiance

Mayor Lopez announced that Item No. 14 would be removed from the agenda. He also stated that Item No. 8 would be updated to include:
A. Public Hearing
B. Consider Approval

Councilor Niemeier explained that during the recent Eddy County Community Day held at the CARC Campus, these officers Officer Diego Ramirez, Stormie Gordan, and Shawn assisted with a 5K event. She said two of the officers led participants along the designated route, while one followed behind to ensure safety. She noted that the officers stayed with the final runner, escorting her all the way back to the campus, and that Officer Burns accompanied her through to the finish line.

Councilor Niemeier expressed her appreciation to the three officers for the care and dedication they demonstrated toward the community.

0:04:03 **1. CITY OF CARLSBAD SERVICE AWARDS**
A. Andy Delfin, Carlsbad Fire Department — 5 years
B. Jordan Reyes, Carlsbad Police Department — 5 years
C. MaryAnn Dearing, Human Resources Department — 10 years
D. Michael Henson, Carlsbad Fire Department — 10 years
E. Michael Trujillo, Carlsbad Fire Department — 15 years
F. Todd Vannatter, Carlsbad Fire Department — 15 years
G. Larry Yturralde, Carlsbad Fire Department — 20 years
H. Wayne Hatfield, IT Department — 20 years
I. Albert Moisa, Solid Waste Department — 20 years
J. Diana Dorado, Public Works Cemetery Department — 25 years

0:04:27 **Mayor Lopez presented service awards honoring employees who have achieved 5, 10, 15, 20, and 25 years of service**

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0:10:28 **2. ANIMAL CONTROL WEEK RECOGNITION**

Chief Rodriguez recognized the animal control officers stating that the week of April 12-18 was recognized as Animal Control Week.

0:13:27 **3. NATIONAL PUBLIC SAFETY TELECOMMUNICATORS WEEK RECOGNITION**

Chief Rodriguez recognized the telecommunicators stating that the week of April 12-18 was recognized as National Public Safety Telecommunicators Week.

0:17:13 **4. PROFESSIONAL MUNICIPAL CLERKS WEEK RECOGNITION**

Mrs. Austin recognized the Municipal Clerks stating that the week of May 3-9 will be recognized as Professional Municipal Clerks Week.

0:20:11 **5. CONSIDER APPROVAL OF RESOLUTION 2026-26, A RESOLUTION FOR THE ACCEPTANCE AND APPROVAL OF THE INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2025**

Ms. Salcido introduced Geoff Mamerow, Senior Audit Manager with Southwest Accounting Solutions, LLC.

Mr. Mamerow presented the annual financial report for the fiscal year ending June 30, 2025. He reviewed key components of the report, including the Auditor's Report noting there were no findings, Statement of Net Position, Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balances (SRE), Combining Balance Sheet, and the Schedule of Findings and Questioned Costs.

0:43:18 **MOTION**

The motion was made by Councilor Chavez and seconded by Councilor Forrest to approve Resolution 2026-26, a Resolution for the Acceptance and Approval of the Independent Auditor's Report for the year ended June 30, 2025

0:43:29 **VOTE**

The vote was as follows; Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

0:43:49 **6. CITY OF CARLSBAD FINANCIALS – MARCH 2026**

Ms. Salcido reviewed the revenues and expenditures as of March 2026 for the ninth accounting period for Fiscal Year 2026.

0:45:20 **7. ROUTINE AND REGULAR BUSINESS**

A. Minutes of the City Council Meeting held on April 14, 2026

B. City Personnel Report

C. Agreements and Contracts

1) Consider Approval of Memorandum of Understanding (MOU) between the Carlsbad Police Department and the Eddy County Sheriff's Office

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D. Monthly Reports

1) Building Department - March 2026
2) Community Development Department - March 2026
3) Planning & Regulation Department - March 2026
4) Public Works Monthly Reports - March 2026
5) Utilities Department - March 2026

E. Set the Date: May 26, 2026

1) Ordinance authorizing the granting of an Oil and Gas Lease for certain Mineral Interests owned by the City of Carlsbad, in certain portions of Section 1, Township 23 South, Range 26 East, N.M.P.M., to Blaze Interests, LLC for a $15,574.00 per net acre lease bonus and a one-fourth (1/4th) Royalty

0:45:38 **Mayor Lopez asked Chief Rodriguez to discuss item C1 Consider Approval of Memorandum of Understanding (MOU) between the Carlsbad Police Department and the Eddy County Sheriff's Office.**

Chief Rodriguez explained that the agreement is between the Eddy County Sheriff's Office and the Carlsbad Police Department. He said this agreement, both departments will support one another in key areas such as emergency response, criminal investigations, traffic enforcement, and community policing. He said that protocols, command structure, and interagency coordination are clearly outlined. He stated that, financially, each department will remain responsible for its own personnel and equipment unless otherwise agreed to in writing. **Chief Rodriguez** added that either department may terminate participation with 30 days' written notice.

Mayor Lopez asked whether both departments would be cross-commissioned and able to operate regardless of jurisdiction. **Chief Rodriguez** said yes. He said when the county requests assistance, the Carlsbad Police Department may respond and provide support. **Mayor Lopez** asked what happens once the Carlsbad Police Department is notified that assistance is needed. **Chief Rodriguez** stated a request for assistance must be made by the Chief of Police, the Sheriff, or either's designated representative.

Councilor Garwood asked whether this is the first memorandum of understanding (MOU) between the City and the County. **Chief Rodriguez** said there have been previous agreements, but none specifically pertaining to special commissions.

0:52:01 **MOTION**

The motion was made by Councilor Chavez and seconded by Councilor Garwood to approve Routine and Regular Business

0:52:04 **VOTE**

The vote was as follows; Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

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0:52:27 **8. CONSIDER APPROVAL OF REQUEST FOR A WINEGROWER 1ST OFF-SITE LOCATION LIQUOR LICENSE WITH ON AND OFF PREMISE CONSUMPTION WITH PATIO SERVICE FOR LAST CHANCE RANCH, LLC DBA NOISY WATER WINERY**

Mr. Ahrens explained that Noisy Water Winery is opening a location at 108 N. Canyon Street. He stated that the winery has received preliminary approval for its license, pending final approval by the City Council. He said the property is zoned Commercial-1 District, where the sale and consumption of alcohol are permitted uses. **Mr. Ahrens** stated the State of New Mexico requires establishments serving alcohol to be located at least 300 feet from churches and schools, and that Noisy Water Winery meets these requirements.

Councilor Walterscheid asked whether Noisy Water Winery is based in New Mexico. **Mr. Ahrens** responded that he was unsure. **Audrey Platt**, representing Noisy Water Winery, confirmed that the business is based in New Mexico and that they grow their products within the state.

0:55:23 **A. Public Hearing**

0:55:37 **Mayor Lopez asked if anyone would like to speak regarding this item. No one appeared and the mayor declared the public hearing closed and reconvened the Council into regular session.**

0:55:42 **B. Consider Approval of request for a Winegrower 1st off-site location Liquor License with on and off premise consumption with patio service for Last Chance Ranch, LLC dba Noisy Water Winery**

0:55:50 **MOTION**

The motion was made by Councilor Niemeier and seconded by Councilor Foreman to approve a request for a Winegrower 1st off-site location Liquor License with on and off premise consumption with patio service for Last Chance Ranch, LLC dba Noisy Water Winery

0:55:53 **VOTE**

The vote was as follows; Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

0:56:16 **9. CONSIDER APPROVAL OF REQUEST BY CARLSBAD MAINSTREET TO SERVE ALCOHOL (BEER AND WINE) ON CITY PROPERTY DURING CAVERNFEST**

Mr. Ahrens stated Carlsbad MainStreet will hold its annual CavernFest on Friday, June 12, and Saturday, June 13, 2026. He said that organizers are requesting permission for alcohol service during the event. He said the designated alcohol service area will be operated by two licensed servers and will be fenced off from the rest of the event. He

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stated will be a single controlled entrance for attendees, with security personnel stationed at both the entrance and the serving area.

0:58:23 **Mayor Lopez asked if anyone in the audience would like to address the Council.**

Caleb Cunningham with Carlsbad Mainstreet stated that this year's CavernFest will be held at the Carlsbad beach area next to the band shell due to construction at the courthouse. He said Carlsbad MainStreet looks forward to hosting this event. He stated the event also serves as a way to give back to the district by helping local businesses apply for façade grants.

Mayor Lopez asked whether there is an estimated timeframe for how long the courthouse will be under construction. **Mr. Cunningham** responded that they had not been provided with a timeline.

1:00:54 **MOTION**
The motion was made by Councilor Foreman and seconded by Councilor Niemeier to approve a request by Carlsbad MainStreet to serve alcohol (beer and wine) on City property during CavernFest

1:01:00 **VOTE**
The vote was as follows; Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

1:01:39 **10. CONSIDER APPROVAL OF A BUSINESS LICENSE TO CONDUCT DOOR-TO-DOOR SOLICITATIONS OF INSURANCE ASSESSMENTS AND RELATED SERVICES BY FARM BUREAU FINANCIAL SERVICES, CONTACT TYLER ROMANS, PURSUANT TO CARLSBAD CODE OF ORDINANCES, CHAPTER 28, AS AMENDED BY ORD. 2012-16**
Mr. Patterson stated that Farm Bureau Financial Services is requesting a business license to conduct door-to-door solicitation of insurance assessments and related services. He noted that a background report was provided by the Carlsbad Police Department, compiled by Captain Gregory A. Perez, indicating that Farm Bureau Financial Services is a recognized insurance provider operating in multiple states. **Mr. Patterson** stated that the Planning Department recommends approval of the business license in compliance with Section 28-166 of the Carlsbad Code of Ordinances.

1:05:21 **Mayor Lopez asked if anyone in the audience would like to address the Council. No one appeared.**

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1:05:50 **MOTION**

The motion was made by Councilor Forrest and seconded by Councilor Walterscheid to deny a Business License to conduct door-to-door solicitations of insurance assessments and related services by Farm Bureau Financial Services, contact Tyler Romans, pursuant to Carlsbad Code of Ordinances, Chapter 28, as amended by Ord. 2012-16

1:06:03 **VOTE**

The vote was as follows; Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

1:06:21 **11. CONSIDER APPROVAL OF RENEWAL OF BUSINESS LICENSE FOR COURTESY SPORTING & PAWN, IN ACCORDANCE WITH CARLSBAD CODE OF ORDINANCES CHAPTER 28, ARTICLE II, SECTIONS 41-48, AND ARTICLE V, SECTIONS 136-141**

Mr. Patterson stated Courtesy Sporting & Pawn located at 1095 N Canal St, is requesting renewal of their annual business license. He said a report was provided by the Carlsbad Police Department noting no issues were found. He stated the Planning Department would recommend approval of this request.

1:07:24 **Mayor Lopez asked if anyone in the audience would like to address the Council. No one appeared.**

1:07:32 **MOTION**

The motion was made by Councilor Niemeier and seconded by Councilor Garwood to approve a Renewal of Business License for Courtesy Sporting & Pawn, in accordance with Carlsbad Code of Ordinances Chapter 28, Article II, Sections 41-48, and Article V, Sections 136-141

1:07:43 **VOTE**

The vote was as follows; Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

1:07:59 **12. CONSIDER APPROVAL OF A PERMIT APPLICATION SUBMITTED BY ENTERPRISE FIELD SERVICES LLC TO CONSTRUCT AND OPERATE A TWENTY (20)-INCH GAS GATHERING PIPELINE REFERRED TO AS THE MAVERIK LATERAL TO MILAGRO PIPELINE**

Mr. Patterson stated that the request includes a 20-inch buried steel gas pipeline known as the Maverick Lateral to Milagro Pipeline. He said that the pipeline will connect a Mewbourne Oil Company well site to a facility where the gas will be processed for transport. He stated that the portion of the pipeline within city limits is less than three-quarters of a mile in length. He said that the pipeline is buried at a minimum depth of 36 inches and will operate at a pressure not to exceed 1,480 pounds per square inch (PSI). **Mr. Patterson** noted that the pipeline has already been installed and, in accordance with Ordinance Chapter 34, Section 34-32, the City retained a qualified

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inspector. He identified the inspector as Clayton Bradley of the Bradley Law Office. **Mr. Patterson** stated that the Planning Department recommends approval of the request. **Councilor Walterscheid** asked whether the operating PSI is safe. **Mr. Bradley** responded that 1,480 PSI represents the maximum operating pressure, while the normal operating pressure for the pipeline is approximately 300 PSI.

Councilor Chavez asked whether there is an emergency shut-off valve. **Mr. Bradley** confirmed that the operators have emergency shut-off valves and explained that modern pipeline systems are designed to automatically shut down in the event of a leak or loss of pressure.

Councilor Rodriguez asked where the pipeline crosses within city limits. **Mr. Bradley** stated that it runs through the Carlson Ranch Subdivision near the airport.

Councilor Foreman asked whether the permit request was due to the pipeline being taken over by a new operator. **Mr. Bradley** clarified that it was not; rather, construction of the pipeline began prior to submission of the application, and the third party responsible for constructing and maintaining the line was unaware that a permit was required.

1:10:45 **Mayor Lopez asked if anyone in the audience would like to address the Council. No one appeared.**

1:15:28 **MOTION**
The motion was made by Councilor Foreman and seconded by Councilor Rodriguez to approve a Permit Application submitted by Enterprise Field Services LLC to Construct and Operate a Twenty (20)-Inch Gas Gathering Pipeline referred to as the Maverik Lateral to Milagro Pipeline

1:15:41 **VOTE**
The vote was as follows; Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

1:16:11 **13. CONSIDER APPROVAL OF A PERMIT APPLICATION SUBMITTED BY PLAINS ORYX DELAWARE OIL TRANSPORT, LLC TO CONSTRUCT AND OPERATE A SIX (6)-INCH CRUDE OIL PIPELINE REFERRED TO AS THE FRED GABAGOOL CRUDE OIL PIPELINE**
Mr. Patterson stated that this request includes a 6-inch steel oil transport pipeline known as the Fred Gabagool Crude Oil Pipeline. He explained that the pipeline will connect a Permian Resources well site to a facility where the crude oil will be prepared for transport. He noted that the pipeline is approximately 2.53 miles in length, with less than three-quarters of a mile located within city limits. He further stated that the pipeline will be buried at a minimum depth of 36 inches and will operate at a pressure not to exceed 740 pounds per square inch (PSI). **Mr. Patterson** explained that, following

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review of the permit application in accordance with Ordinance Chapter 34, Section 34-32, the City retained a qualified inspector, identified as Clayton Bradly of the Bradly Law Office. He added that the Planning Department recommends approval of the request.

Councilor Chavez asked whether the proposed crossing at Greene Street would impact one of the City's major water lines. **Mr. Patterson** responded that a minimum separation of 48 inches is required between water lines and other structures. **Councilor Chavez** asked whether the city would inspect the crossing after completion. **Mr. Patterson** confirmed that it would.

Councilor Garwood asked who the City's point of contact would be for this type of application. **Mr. Patterson** stated that Ron Myers, Environmental Permitting Manager would serve as the primary contact.

1:20:09 **Mayor Lopez asked if anyone in the audience would like to address the Council. No one appeared.**

1:21:32 **MOTION**
The motion was made by Councilor Foreman and seconded by Councilor Forrest to approve a Permit Application submitted by Plains Oryx Delaware Oil Transport, LLC to Construct and Operate a Six (6)-Inch Crude Oil Pipeline referred to as the Fred Gabagool Crude Oil Pipeline

1:21:43 **VOTE**
The vote was as follows; Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

1:22:01 **15. CONSIDER APPROVAL OF RESOLUTION 2026-28 A RESOLUTION ADOPTING THE CARLSBAD LONG RANGE TRANSPORTATION PLAN UPDATE 2026**
Mr. Patterson stated that the Carlsbad Long Range Transportation Plan (LRTP) is intended to review and analyze the City's transportation network, from pedestrian facilities to the accommodation of heavy truck traffic. He explained that the plan fulfills requirements necessary to secure funding opportunities through the New Mexico Department of Transportation (NMDOT) and the Federal Highway Administration (FHWA). He further stated that the plan meets the requirements of a Safety Action Plan, and that approval of the Resolution would satisfy the first key component of that plan. **Mr. Patterson** emphasized that the City of Carlsbad is committed to implementing the LRTP's safety recommendations, with the goal of eliminating all crash-related fatalities and injuries by 2040. He then introduced Liz Treat, Planner with Bohannan Huston.

Ms. Treat reviewed the LRTP, highlighting key components including the plan's purpose, goals, public engagement efforts, safety analysis, recommendations related to

bicycle facilities, pedestrian facilities, freight, roadway networks, as well as prioritized recommendations and the Safety Action Plan.
Councilor Walterscheid stated that the city should prioritize rerouting large truck traffic out of city limits. **Mayor Lopez** agreed, noting that some city streets are designated as state highways and would require action at the state level to change their designation.

Councilor Chavez asked when the crash data was collected. **Ms. Treat** responded that the data covered the years 2019 through 2023, as it was the most recent information available from NMDOT. **Councilor Chavez** also inquired about the definition of a heavy truck used in the crash data. **Ms. Treat** stated that the data reflects crashes involving heavy trucks as reported by NMDOT, but she was unsure whether the classification is based on weight, size, or other criteria.

Councilor Garwood asked what steps would follow adoption of the Resolution and whether the city would take action on the plan's goals. **Mr. Patterson** stated that, in order to change the designated truck route through the city currently identified as the Lea Street connection to Canyon Street the City would need to coordinate with the Southeast Regional Transportation Planning Organization. **Mayor Lopez** added that staff would begin working on a Resolution.

Mrs. Austin asked whether the Resolution would focus specifically on the Lea Street issue or the entire plan. **Mayor Lopez** responded that the Lea Street issue should be addressed first.

Councilor Forrest asked whether Canal Street and Pierce Street are still designated as state highways. **Mayor Lopez** confirmed that they are.

1:41:36 **MOTION**
The motion was made by Councilor Garwood and seconded by Councilor Foreman to approve Resolution 2026-28 a Resolution adopting the Carlsbad Long Range Transportation Plan Update 2026

1:41:48 **VOTE**
The vote was as follows; Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

1:42:02 **16. CONSIDER APPROVAL OF RESOLUTION 2026-29, A RESOLUTION REQUIRING THE REMOVAL OF THE RUINS, RUBBISH, WRECKAGE, DEBRIS, AND/OR WEEDS AT 708 JASON STREET OWNER: MICHAEL SHANE WRIGHT**
Ms. Hogsdon stated that the subject property located at 708 Jason Street is requiring the removal of the ruins, rubbish, wreckage, debris, and/or weeds. She noted that the residence appears to be occupied. She further stated that city utilities are not currently

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connected to the property. She said the site was inspected by Code Enforcement in December, and a citation was issued and sent via certified mail; however, it was returned as unclaimed. **Ms. Hogsdon** reported that the Fire Marshal inspected the property on March 3, 2026, and found it to be in violation, identifying it as an extreme fire hazard due to the accumulation of trash, debris, and outdoor storage of combustible materials within ten feet of the property line. She explained that if the Resolution is adopted, it would require the removal of ruins, rubbish, wreckage, debris, and/or weeds within 30 days of service of the Resolution.

1:45:13 **Mayor Lopez asked if anyone in the audience would like to address the Council. No one appeared.**

1:45:21 **MOTION**
The motion was made by Councilor Rodriguez and seconded by Councilor Garwood to approve Resolution 2026-29, a Resolution requiring the removal of the ruins, rubbish, wreckage, debris, and/or weeds at 708 Jason Street Owner: Michael Shane Wright

1:45:29 **VOTE**
The vote was as follows; Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

1:45:46 **17. PUBLIC COMMENTS AND ANNOUNCEMENTS. ALL COMMENTS MUST BE RESPECTFUL AND COURTEOUS (THREE-MINUTE TIME LIMIT PER PERSON)**
Christina Mann stated if the fountain located in the Pecos River in front of the Riverwalk Recreation Center was removed it would save money and energy. She explained that she has read a newspaper post about a bee keeper located in New Mexico stating that it's hard to keep good bees so he has resulted to breeding killer bees. She said that neither one of the honey bee's species that he is breeding are native to America.

1:51:58 **18. COUNCIL COMMITTEE REPORTS**
Councilor Chavez stated recently he attended an Energy Communities Alliance (ECA) conference about new artificial intelligence centers. He said there is the possibility for one at or near the WIPP site.

1:52:54 **19. CONSIDER APPROVAL TO CONVENE INTO CLOSED SESSION PURSUANT TO SECTION 10-15-1(H)(8), NMSA 1978, DISCUSSION OF THE PURCHASE, ACQUISITION OR DISPOSAL OF REAL PROPERTY**

1:53:08 **MOTION**
The motion was made by Councilor Niemeier and seconded by Councilor Garwood to approve to convene into closed session pursuant to Section 10-15-1(H)(8), NMSA 1978, discussion of the purchase, acquisition or disposal of real property

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1:53:16 **VOTE**
The vote was as follows; Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

1:53:43 **20. CONSIDER APPROVAL TO RECONVENE INTO OPEN SESSION**

1:53:43 **MOTION**
The motion was made by Councilor Chavez and seconded by Councilor Anaya-Flores to approve to reconvene into open session

1:53:43 **VOTE**
The vote was as follows; Yes - Niemeier, Walterscheid, Anaya-Flores, Chavez, Garwood, Foreman, Rodriguez, Forrest; No - None; Absent - None; the motion carried.

1:53:46 **21. CONSIDER APPROVAL OF STATEMENT REGARDING CLOSED SESSION. PURSUANT TO THE REQUIREMENTS OF THE OPEN MEETINGS ACT, THE CLOSED SESSION WAS HELD TO DISCUSS MATTERS UNDER NMSA 1978 SECTION 10-15-1(H)(8), DISCUSSION OF THE PURCHASE, ACQUISITION, OR DISPOSAL OF REAL PROPERTY; THIS WAS THE ONLY MATTER DISCUSSED DURING THE CLOSED SESSION**

1:53:47 **MOTION**
The motion was made by Councilor Chavez and seconded by Councilor Rodriguez to approve statement regarding closed session. Pursuant to the requirements of the Open Meetings Act, the closed session was held to discuss matters under NMSA 1978 Section 10-15-1(H)(8), discussion of the purchase, acquisition, or disposal of real property; this was the only matter discussed during the closed session

1:54:29 **Adjourned**
With no further business to discuss, the Mayor declared the meeting adjourned at 8:25 PM.

_____
Richard D. Lopez, Mayor

ATTEST:

_____
Nadine Mireles, City Clerk

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CITY OF CARLSBAD

PERSONNEL REPORT

May 12, 2026

APPOINTMENTS:

NAME	DATE	DEPARTMENT	CLASSIFICATION
Kristopher S. Abney	05/13/26	Police	Animal Control Officer
Zachery Burnell	05/13/26	Water Park	Lifeguard
Jody Cottingham	05/13/26	Golf	Caretaker
Jesse G. Fuentes	05/13/26	Sports Complex	Seasonal Laborer
Obed J. Fuentez	05/13/26	Facility Maintenance	Seasonal Laborer
Norah R. Gallagher	05/13/26	Water Park	Lifeguard
Davin L. Graziano	05/13/26	Water Park	Lifeguard
Alexia Jones	05/13/26	Water Park	Lifeguard
Kanyon M. Kitchens	05/13/26	Library	BPA Intern
Kieana M. Munoz	05/13/26	Water Park	Lifeguard
Jeremiah S. Otero-Ernest	05/13/26	Police	Animal Control Officer
Kiana Parham	05/13/26	Water Park	WP Rec Attendant
Kason J. Perez	05/13/26	Sports Complex	Seasonal Laborer
Trevor J. Pope	05/13/26	Water Park	WP Rec Attendant
Derek T. Quintela	05/13/26	Community Service	Caretaker
Pauline U. Saizon	05/13/26	Water Park	WP Rec Attendant

TERMINATIONS:

NAME	DATE	DEPARTMENT	CLASSIFICATION	REASON
Shannon Agee	04/28/26	Executive	Program Assistant	Declined job offer
Misty Balcazar	04/22/26	Finance	Payroll Manager	Resigned
Spencer Butler	04/24/26	Library	BPA Student	Resigned
Robert Carrillo	04/24/26	Facility Maintenance	Facility Maintenance	Resigned
Daniel Loza	04/23/26	Fire	FF Rookie/EMT-B	Resigned

INTERNAL TRANSFERS AND PROMOTIONS:

NAME	DATE	DEPARTMENT	CLASSIFICATION
Yamileth Dorado	04/27/26	Executive	Administrative Coordinator
J. Jason Moyers	04/27/26	Projects	Building Plans Examiner

CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Chief Jessie Rodriguez 4/29/2026

SUBJECT: Recommendation for Employment

DATE: 04/29/2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Kristopher Abney Classification/Position: Animal Control Officer 1
Department: Police Department

- [x] Regular [x] Full-time [x] Hourly $23.30 per hour
- [ ] Seasonal [ ] Part-time [ ] Salary $_____ per annum
- [ ] Temporary [ ] On call

Education Level:

- [ ] High School Diploma [x] GED or equivalent
- [ ] Associates Degree _____
- [ ] Bachelors Degree _____
- [ ] Masters Degree _____
- [ ] Other _____

Employment:

Present or last Employer: Lovington Animal Shelter
City and State: Lovington, New Mexico 88260
From November 2025 to Present Classification: Supervisor of animal shelter.
Duties: Manage Office / appointments / shelter

Related Experience: Applicant has already holds a ACO 1 Certification.

Comments: _____

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CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Dina Navarrette, Community Development Director

SUBJECT: Recommendation for Employment

DATE: 5/01/2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Zachery Burnell Classification/Position: Lifeguard

Department: 147- Water Park

☐ Regular ☐ Full-time ☒ Hourly $17.50 per hour

☒ Seasonal ☒ Part-time ☐ Salary $_____ per annum

☐ Temporary ☐ On call

Education Level:

☐ High School Diploma ☐ GED or equivalent

☐ Associates Degree _____

☐ Bachelors Degree _____

☐ Masters Degree _____

☒ Other currently attends Carlsbad High School

Employment:

Present or last Employer: McAlister's Deli

City and State: Carlsbad, NM

From February 2026 to Present Classification: Cashier

Duties: Greet customers as they enter the restaurant, take orders and serve food to customers in dining area. Close out register at the end of the shift, clean the dining area after each guest as well as at closing.

Related Experience: _____

Comments: Zachery demonstrated determination and a great work ethic through out the lifeguard course. He demonstrated all the characteristics of a professional lifeguard and his desire to achieve challenging tasks with persistence and effort stood out. Zachery will be a strong team member and valuable member of the lifeguard team.

PF-13 11/25

CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Dina Navarrette, Community Development Director

SUBJECT: Recommendation for Employment

DATE: April 28, 2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Jody Cottingham Classification/Position: Caretaker

Department: 146-Golf Course

- [x] Regular
- [ ] Seasonal
- [ ] Temporary
- [x] Full-time
- [ ] Part-time
- [ ] On call
- [x] Hourly $27.38 per hour
- [ ] Salary $_____ per annum

Education Level:

- [ ] High School Diploma
- [x] GED or equivalent
- [ ] Associates Degree
- [ ] Bachelors Degree
- [ ] Masters Degree
- [ ] Other

Employment:

Present or last Employer: BJ Campbell

City and State: Carlsbad, NM

From December, 2024 to Present Classification: Foreman

Duties: Mechanic

Related Experience: Previously worked at the Golf Course in a seasonal position.

Comments: Jody has previous experience at the Golf Course and will be a great benefit to the Golf Course Crew.

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CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Dina Navarrette, Community Development Director

SUBJECT: Recommendation for Employment

DATE: 04/17/2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Jesse Fuentes Classification/Position: Seasonal Laborer

Department: 300-Bob Forrest Youth Sports Complex

☐ Regular	■ Full-time	■ Hourly	$ 19.74 per hour
■ Seasonal	☐ Part-time	☐ Salary	$ _____ per annum
☐ Temporary	☐ On call		

Education Level:

■ High School Diploma ☐ GED or equivalent

☐ Associates Degree _____

☐ Bachelors Degree _____

☐ Masters Degree _____

☐ Other _____

Employment:

Present or last Employer: City of Carlsbad

City and State: Carlsbad, NM

From 06/01/2025 to 08/10/2025 Classification: Seasonal Laborer

Duties: Mowing, weed eating, picking up trash, digging holes, general manual labor.

Related Experience: Jesse has previously worked with the Sports Complex in the past and has experience in performing manual labor tasks like mowing, weed eating, picking up trash and other facility maintenance needs.

Comments: Jesse's previous work experience combined with his work ethic will make him an asset to the Sports Complex.

PF-13 11/25

CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Frank Fierro III FGF

SUBJECT: Recommendation for Employment

DATE: 4-29-2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Obed Fuentez Classification/Position: Seasonal Laborer

Department: Facility Maintenance

- ☐ Regular ☒ Full-time ☒ Hourly $19.74 per hour
- ☒ Seasonal ☐ Part-time ☐ Salary $_____ per annum
- ☐ Temporary ☐ On call

Education Level:

- ☒ High School Diploma ☐ GED or equivalent
- ☐ Associates Degree _____
- ☐ Bachelors Degree _____
- ☐ Masters Degree _____
- ☐ Other _____

Employment:

Present or last Employer: Mosaic Potash

City and State: Carlsbad, NM

From 2-2015 to 4-2025 Classification: Facility Maintenance Mechanic

Duties: Maintenance mechanic, wildlife hazer, warehouse clerk, production labor Kmag, security clerk, labor crew, clean-up crew

Related Experience: _____

Comments: _____

PF-13 11/25

CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Dina Navarrette, Community Development Director

SUBJECT: Recommendation for Employment

DATE: 5/01/2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Norah Gallagher Classification/Position: Lifeguard

Department: 147- Water Park

- ☐ Regular ☐ Full-time ☒ Hourly $17.50 per hour
- ☒ Seasonal ☒ Part-time ☐ Salary $_____ per annum
- ☐ Temporary ☐ On call

Education Level:

☒ High School Diploma ☐ GED or equivalent

- ☐ Associates Degree
- ☐ Bachelors Degree
- ☐ Masters Degree
- ☐ Other

Employment:

Present or last Employer: Cascade's Grill

City and State: Carlsbad, NM

From 5/12/2025 to 7/1/2025 Classification: Server

Duties: Provide high quality customer service to customers in dining area. Ensure timely delivery of drinks and meals for best quality. Collaborate with kitchen and support staff to ensure smooth operations and maintain cleanliness and organization in dining area.

Related Experience: Norah's past work experience has developed strong customer service and communication skills. She has gained the ability to multitask, and manage time efficiently in a fast paced environment.

Comments: Norah carries herself with confidence and maturity. She was professional and engaged throughout the lifeguard class that she participated in and communicated very well during the skill sessions. Norah will be a valuable addition to the lifeguard team at the Water Park.

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CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Dina Navarrette, Community Development Director

SUBJECT: Recommendation for Employment

DATE: 5/01/2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Davin Graziano Classification/Position: Lifeguard

Department: 147- Water Park

- ☐ Regular ☐ Full-time ☒ Hourly $17.50 per hour
- ☒ Seasonal ☒ Part-time ☐ Salary $_____ per annum
- ☐ Temporary ☐ On call

Education Level:

- ☐ High School Diploma ☐ GED or equivalent
- ☐ Associates Degree
- ☐ Bachelors Degree
- ☐ Masters Degree
- ☒ Other currently attends SENMC, Early College

Employment:

Present or last Employer: Starbucks

City and State: Carlsbad, NM

From 8/23/2025 to 12/14/2025 Classification: Barista

Duties: Greet customers as they entered the store, take orders, craft drinks and make food to order. Maintain a clean work space and dining area for customers as well as restocking inventory.

Related Experience: In his past employment Davin developed a strong work ethic, reliability and the ability to provide excellent customer service in a fast-paced environment. As a student attending the early college he has gained maturity and strong time management skills.

Comments: Davin demonstrated maturity and professionalism throughout the lifeguard certification course he attended. His work experience in customer service and high expectations he has set for himself in attending the Early College makes him a valuable addition to any team. Davin will be a great addition to the Lifeguard staff at the Water Park.

PF-13 11/25

CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Dina Navarrette, Community Development Director

SUBJECT: Recommendation for Employment

DATE: 5/01/2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Alexia Jones Classification/Position: Lifeguard

Department: 147-Water Park

- ☐ Regular ☐ Full-time ☒ Hourly $17.50 per hour
- ☒ Seasonal ☒ Part-time ☐ Salary $_____ per annum
- ☐ Temporary ☐ On call

Education Level:

- ☒ High School Diploma ☐ GED or equivalent
- ☐ Associates Degree
- ☐ Bachelors Degree
- ☐ Masters Degree
- ☒ Other Currently attending NMSU

Employment:

Present or last Employer: Dianne Joop

City and State: Carlsbad, NM

From 12/30/2024 to 7/31/2025 Classification: Theater Tech Intern

Duties: Supported live performances with sound and light, collaborated with directors and performers to ensure a seamless show. When needed troubleshoot and maintain equipment including set up and break down before and after performances.

Related Experience: Alexia's work history has helped her develop a close attention to detail and confidence in high pressure environments. She has the ability to problem solve where needed and take and follow directions when given to her.

Comments: Alexia is currently attending NMSU and strives to excel in every endeavor she takes on. She is thoughtful in her responses and carries herself with maturity and professionalism. Alexia will be a valuable addition to the lifeguard team at the Water Park.

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CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Dina Navarrette, Director of Community Development

SUBJECT: Recommendation for Employment

DATE: April 28th, 2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Kanyon Kitchens Classification/Position: BPA Intern

Department: Library

- [x] Regular
- [ ] Seasonal
- [ ] Temporary
- [ ] Full-time
- [ ] Part-time
- [ ] On call
- [x] Hourly $13.48 per hour
- [ ] Salary $_____ per annum

Education Level:

- [ ] High School Diploma
- [ ] GED or equivalent
- [ ] Associates Degree
- [ ] Bachelors Degree
- [ ] Masters Degree
- [x] Other: Current CHS student. Graduation 2027.

Employment:

Present or last Employer: Carlsbad High School Library

City and State: Carlsbad, New Mexico

From 2025 to Current Classification: Library Office Alde

Duties: Process and label new books, shelve nonfiction books, assist running the circulation desk, and other duties as assigned.

Related Experience: Kanyon has a year of school library experience.

Comments: Kanyon's work and volunteer experience makes her the top candidate.

PF-13 11/25

CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Dina Navarrette, Community Development Director

SUBJECT: Recommendation for Employment

DATE: 5/01/2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Kleana Munoz Classification/Position: Lifeguard

Department: 147-Water Park

☐ Regular	☐ Full-time	■ Hourly	$17.50 per hour
■ Seasonal	■ Part-time	☐ Salary	$_____ per annum
☐ Temporary	☐ On call		

Education Level:

☐ High School Diploma ☐ GED or equivalent

☐ Associates Degree _____

☐ Bachelors Degree _____

☐ Masters Degree _____

■ Other Currently attending Carlsbad High School

Employment:

Present or last Employer: N/A

City and State: _____

From _____ to _____ Classification: _____

Duties: _____

Related Experience: Kleana has participated in many sports through community programs as well as school. She has gained the ability to work with a team, set and achieve goals through hard work and dedication and work independently to improve her performance.

Comments: Kleana has developed a strong work ethic and drive to meet expectations. She participated in power lifting this season and exceeded all goals she set for herself showing that hard work and determination will produce results. She displayed that mentality throughout the lifeguard course that she participated in as well. Kleana will be an asset to the Water Park staff and we look forward to working with her this season.

PF-13 11/25

CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Chief Jessie Rodriguez 4/29/2026

SUBJECT: Recommendation for Employment

DATE: 04/29/2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Jeremiah Otero-Ernest Classification/Position: Animal Control Officer 1

Department: Police Department

- [x] Regular [x] Full-time [x] Hourly $23.30 per hour
- [ ] Seasonal [ ] Part-time [ ] Salary $_____ per annum
- [ ] Temporary [ ] On call

Education Level:

- [x] High School Diploma [ ] GED or equivalent
- [ ] Associates Degree _____
- [ ] Bachelors Degree _____
- [ ] Masters Degree _____
- [ ] Other _____

Employment:

Present or last Employer: Pump Ninjas LLC.

City and State: Carlsbad NM 88220

From January 2025 to Present Classification: Employee

Duties: Build tanks / Keeps Inventory / Maintain the shop.

Related Experience: _____

Comments: _____

PF-13 11/25

CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Dina Navarrette, Community Development Director

SUBJECT: Recommendation for Employment

DATE: 5/1/2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Kiana Parham Classification/Position: Attendant

Department: 147- Water Park

- ☐ Regular ☐ Full-time ☒ Hourly $15.00 per hour
- ☒ Seasonal ☒ Part-time ☐ Salary $_____ per annum
- ☐ Temporary ☐ On call

Education Level:

- ☐ High School Diploma ☐ GED or equivalent
- ☐ Associates Degree
- ☐ Bachelors Degree
- ☐ Masters Degree
- ☒ Other Currently attends Carlsbad High School

Employment:

Present or last Employer: N/A

City and State: _____

From _____ to _____ Classification: _____

Duties: _____

Related Experience: This will be Kiana's first employment experience and she looks forward to working for the City of Carlsbad.

Comments: Kiana is involved in sports through school where she has strengthened her communication skills and also developed her ability to work well with many different people. Kiana understands the importance of time and task management along with the importance of providing quality customer service to every patron.

PF-13 11/25

CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Dina Navarrette, Community Development Director 4/21/26

SUBJECT: Recommendation for Employment

DATE: 04/17/2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Kason Perez Classification/Position: Seasonal Laborer

Department: 300-Bob Forrest Youth Sports Complex

☐ Regular	■ Full-time	■ Hourly $19.74 per hour
■ Seasonal	☐ Part-time	☐ Salary $_____ per annum
☐ Temporary	☐ On call	

Education Level:

■ High School Diploma ☐ GED or equivalent

☐ Associates Degree _____

☐ Bachelors Degree _____

☐ Masters Degree _____

☐ Other _____

Employment:

Present or last Employer: Lowe's

City and State: Carlsbad, NM

From 11/22/2024 to 05/28/2025 Classification: Unloader

Duties: Unload merchandise from delivery trucks, sorting & organizing & moving stock.

Related Experience: Kason has experience in performing manual labor, including how to use a lawn mower along with other hand tools.

Comments: Kason is a great fit for this position and will be an asset to the Sports Complex.

PF-13 11/25

CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Dina Navarrette, Community Development Director

SUBJECT: Recommendation for Employment

DATE: 5/1/2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Trevor Pope Classification/Position: Attendant

Department: 147- Water Park

☐ Regular ☐ Full-time ☒ Hourly $15.00 per hour

☒ Seasonal ☒ Part-time ☐ Salary $_____ per annum

☐ Temporary ☐ On call

Education Level:

☐ High School Diploma ☐ GED or equivalent

☐ Associates Degree

☐ Bachelors Degree

☐ Masters Degree

☒ Other Currently attends Loving High School

Employment:

Present or last Employer: Little Caesars

City and State: Carlsbad, NM

From 1/01/2025 to 5/01/2025 Classification: Kitchen Staff

Duties: Cook pizzas and other menu items to fill customer orders.

Related Experience: Trevor has worked in customer service at his previous jobs. He has developed time management, and the ability to prioritize tasks given through out the day through his previous work experience.

Comments: Trevor plays football for Loving High School and enjoys working in a team. His previous experience in customer service and work ethic will be a welcome addition to the Water Park front desk staff.

PF-13 11/25

CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Patrick Cass, Director of Public Works

SUBJECT: Recommendation for Employment

DATE: April 29, 2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Derek Quintela Classification/Position: Caretaker
Department: Community Service

- [x] Regular
- [x] Full-time
- [x] Hourly $ 27.38 per hour
- [ ] Seasonal
- [ ] Part-time
- [ ] Salary $ _____ per annum
- [ ] Temporary
- [ ] On call

Education Level:

- [x] High School Diploma
- [ ] GED or equivalent
- [ ] Associates Degree _____
- [ ] Bachelors Degree _____
- [ ] Masters Degree _____
- [ ] Other _____

Employment:

Present or last Employer: Lowes
City and State: Carlsbad, NM
From 03/2026 to Present Classification: Merchandising Service Associate
Duties: Stocking, maintenance of plants, and other duties as assigned.

Related Experience: Work well with others, done labor work from previous jobs.

Comments: _____

CITY OF CARLSBAD

RECOMMENDATION FOR EMPLOYMENT

Richard D. Lopez, Mayor — Wendy D. Austin, City Manager

TO: The Honorable Mayor Richard D. Lopez & Members of the City Council

FROM: Dina Navarrette, Community Development Director

SUBJECT: Recommendation for Employment

DATE: 5/1/2026

The following applicant has met all pre-employment requirements and is hereby recommended for employment with the City of Carlsbad subject to a pre-hire medical examination:

General Information:

Name: Pauline Saizon Classification/Position: Attendant

Department: 147- Water Park

☐ Regular	☐ Full-time	☒ Hourly $15.00 per hour
☒ Seasonal	☒ Part-time	☐ Salary $_____ per annum
☐ Temporary	☐ On call	

Education Level:

☐ High School Diploma ☐ GED or equivalent

☐ Associates Degree _____

☐ Bachelors Degree _____

☐ Masters Degree _____

☒ Other Currently attends Carlsbad High School

Employment:

Present or last Employer: N/A

City and State: _____

From _____ to _____ Classification: _____

Duties: _____

Related Experience: This will be Pauline's first employment experience and she looks forward to working for the City of Carlsbad.

Comments: Pauline demonstrates a polite and courteous demeanor and communicates with respect and professionalism. As a high school athlete she has developed a strong sense of responsibility, teamwork, and commitment. Her positive attitude and willingness to learn will make her a valuable addition to the Water Park staff.

PF-13 11/25

CITY OF CARLSBAD
AGENDA BRIEFING
MEMORANDUM

Council Meeting Date: May 12, 2026

DEPARTMENT: Finance	**BY**: Matthew Fletcher	**DATE**: 04/30/2026

SUBJECT:
Consider Approval to Award RFP 2026-06 to Enriched Communities, LLC for Affordable Housing Development Project

BACKGROUND, ANALYSIS AND IMPACT: (Safety and Welfare/Financial/Personnel/Infrastructure/etc.)
The City of Carlsbad has acquired property for the purpose of creating affordable housing opportunities to further support and foster economic growth, job creation and quality of life through attracting and retaining business and industry. In order to accomplish this goal, increased housing opportunities are imperative to the mission of attracting and maintaining a sustainable workforce in the community.

The City conducted an RFP to solicit proposals from qualified developers and/or grantees for the purpose of developing a multifamily housing complex on approximately 10 acres of City-owned land on Kircher Street. The complex will be developed and managed by the development team for the purpose of providing affordable housing options to the community in accordance with the Affordable Housing Act, NMSA 6-27-1 and the City of Carlsbad Housing Ordinance 24-51.

The City received three proposals from qualified developers. The proposals were evaluated by a committee consisting of both City staff and members from the community.

The evaluation committee selected Enriched Communities LLC as the recommended awardee, with an aggregate score of 97.8 out of a possible 100 points.

DEPARTMENT RECOMMENDATION:
The City recommends awarding RFP 2026-06 to Enriched Communites LLC.

BOARD/COMMISSION/COMMITTEE ACTION:
-

Reviewed by:

City Manager: Wendy D Austin	Date: May 7, 2026

Attachments:
1. RFP2026-06 Evaluation Score Sheet

Enriched Communities LLC

Proximity to or Familiarity with the Contracting Agency: 4.8

General Qualifications: 14.6

Specific Qualifications: 19.6

Experience with Similar Projects: 34

Best Beneficial Use for the City of Carlsbad: 24.8

New Mexico Preference - Resident Vendor : 0

New Mexico Resident Veterans/Native American Business Preference: 0

Total Score: 97.8

SIRE GROUP LLC

Proximity to or Familiarity with the Contracting Agency: 3

General Qualifications: 11

Specific Qualifications: 14.8

Experience with Similar Projects: 25

Best Beneficial Use for the City of Carlsbad: 18.6

New Mexico Preference - Resident Vendor : 0

New Mexico Resident Veterans/Native American Business Preference: 0

Total Score: 72.4

Thomas Development Group, LLC

Proximity to or Familiarity with the Contracting Agency: 3.8

General Qualifications: 13.8

Specific Qualifications: 19.2

Experience with Similar Projects: 33.6

Best Beneficial Use for the City of Carlsbad: 20.6

New Mexico Preference - Resident Vendor : 0

New Mexico Resident Veterans/Native American Business Preference: 0

Total Score: 91

City of Carlsbad
Personnel Department

Action Report
Month of April 2026

City of Carlsbad
Personnel Department Action Report
Month of April 2026

2026 YEAR TO DATE TOTALS	Beginning of Year	New Hires	Termina-tions	End of Year to Date
# of Employees	513	35	26	522

EMPLOYEE REPORT	Beginning of Month	New Hires	Termina-tions	Transfers In	Transfers Out	End of Month
Full-Time Employees	477	4	5	1	0	477
Part-Time/Temp Employees	43	5	2	0	1	45
Total Employees	520	9	7	1	1	522
Administrative	30	0	0	1	0	31
Judicial	8	0	0	0	0	8
Finance	20	0	1	0	1	18
Police	91	1	0	0	0	92
Fire	78	0	1	0	0	77
Community Development	73	6	1	0	0	78
Planning & Regulation	46	0	1	0	0	45
Utilities	68	1	0	0	0	69
Transportation & Facilities	106	1	3	0	0	104
TOTAL	520	9	7	1	1	522

WEEKLY INDEMNITY	Beginning of Month	New Claims	Released To Work	Terminated	End of Month
Employees on WI	6	0	2	0	4

UNEMPLOYMENT CLAIMS	Claims Received	Claims Returned	Claims Denied	Claims Approved	Claims Pending	Claims Appealed
Current Month	0	0	0	0	0	0

Drug Tests	Number Given
Pre-employment	20
Probationary	0
Post Accident	21
Random	7
Periodic	0
Probable Cause	1

Physical Examinations	Number Given
Pre-employment	22
Return to Work Evaluation	0
Functional Capacity Evaluation	0

Testing	Number Given
None	

Vacancies Bid	Department
Account Clerk 1, part-time	Finance
Caretaker	Community Service
Container Maintenance Assistant	Solid Waste
Environmental Permit Technician	Planning
Grant Compliance Accountant	Grants Program
Heavy Equipment Operator I/II	Water
Irrigation Foreman	Parks
Irrigation Maintenance	Parks
Master Mechanic	Garage
Payroll Manager	Finance
Pro Shop Attendant	Pro Shop
Records Clerk	Police
Solid Waste Supervisor	Solid Waste
Waste Water Foreman	Collections
Waste Water Operator/Apprentice	Collections

Vacancies Advertised	Applications Received
Account Clerk 1, part-time	41
Animal Control Officer	17
ARC Driver	6
Beautification Assistant	8
Caretaker (Community Service)	24
Certified Building Inspector	Pending
Container Maintenance Assistant	16
CSO/Law Enforcement Officer Transition	Pending
Environmental Permit Technician	15
Firefighter/EMT	Pending
Grant Compliance Accountant	10
Heavy Equipment Operator I/II (Water)	Pending
Irrigation Foreman (Parks)	0
Irrigation Maintenance (Parks)	14
Lifeguard	Pending
Master Mechanic	3
Patrolman	Pending
Payroll Manager	Pending
Pro Shop Attendant	14
Pro Shop Attendant, part-time	0
Records Clerk	Pending
Rec Center Attendant, on-call	48
Seasonal Laborer (Facility Maintenance)	19
Seasonal Laborer (Golf)	25
Seasonal Laborer (Parks)	26
Seasonal Laborer (Sports Complex)	28
Seasonal Recreation Attendant (Riverwalk)	18
Senior Rec Center Attendant, part-time	Pending
Solid Waste Supervisor	3
Sports & Rec Attendant, on-call	Pending
Telecommunicator	Pending
Transit Driver, on-call	Pending
Waste Water Foreman (Collections)	Pending
Waste Water Foreman (Waste Water)	Pending
WW Operator/Apprentice (Collections)	15

CITY OF CARLSBAD
AGENDA BRIEFING
MEMORANDUM

Council Meeting Date: May 12, 2026

DEPARTMENT: Grants	**BY**: Angie Barrios-Testa	**DATE**: 04/30/2026

SUBJECT:
Consider Approval to accept a Memorandum of Agreement between the City of Carlsbad and the State of New Mexico Energy, Minerals, and Natural Resources Department, State Parks Division for the Carlsbad Shorthorn Park Rehabilitation Project

BACKGROUND, ANALYSIS AND IMPACT: (Safety and Welfare/Financial/Personnel/Infrastructure/etc.)
The City of Carlsbad submitted a 2024 Land and Water Conservation Fund (LWCF) grant application to the New Mexico Energy, Minerals, and Natural Resources Department (EMNRD) in January 2025. This federal funding is made available through the LWCF Act of 1965, administered by the National Parks Service and managed at the state level by EMNRD.
This grant award, in the amount of $500,000, will support the construction of a dog park and pickleball court, as well as the installation of new playground equipment, parking, trails, restroom facilities, lighting, shade pavilions, a batting cage, seating areas, fencing, landscaping, a multi-use field, irrigation and seeding, signage, and other site amenities at the City's Shorthorn Park. The City has budgeted the project under No. 101628 for the $500,000 LWCF grant and under No. 101629 for the required 1:1 match of $500,000 from the New Mexico Department of Finance and Administration Matching Grant Program.
If the City Council accepts the grant award and approves the enclosed Memorandum of Agreement, the City agrees to maintain and operate the facility for its intended purpose in perpetuity. The park must be maintained in an attractive and inviting condition for the general public, and the property must remain reasonably open, accessible, and safe for public use. An LWCF acknowledgment sign must also be displayed at the project site upon completion. The City will incur project expenditures upfront and submit eligible costs to EMNRD for reimbursement.
This marks the City's second successful LWCF grant award. The previous award, totaling $200,000, supported the Alejandro Ruiz Senior Center Walking and Exercise Project, which is currently underway.

DEPARTMENT RECOMMENDATION:
City Council to consider accepting and approving the Memorandum of Agreement between the State of New Mexico Energy, Minerals, and Natural Resources State Parks Division, and the City of Carlsbad, and to designate the Mayor to sign the enclosed agreement and related documents.

BOARD/COMMISSION/COMMITTEE ACTION:
-

Reviewed by:

City Manager: Wendy D Austin	Date: May 7, 2026

Attachments:
1. MOA 26-521-0500-0227 Carlsbad Shorthorn Park LWCF CLEAN

**MEMORANDUM OF AGREEMENT
BETWEEN THE
STATE OF NEW MEXICO,
ENERGY, MINERALS AND
NATURAL RESOURCES DEPARTMENT,
STATE PARKS DIVISION
AND
CITY OF CARLSBAD**

THIS MEMORANDUM OF AGREEMENT (MOA) is made and entered into by the State of New Mexico, Energy, Minerals and Natural Resources Department (EMNRD), State Parks Division (Division) and City of Carlsbad (Entity).

WHEREAS, the Division, pursuant to NMSA 1978, Sections 16-1-1 *et seq*., and the Federal Land and Water Conservation Fund (LWCF) Act of 1965 (P.L. 88-578), is responsible for administering the LWCF program for New Mexico; and

WHEREAS, EMNRD and Entity desire to enter into this Agreement for administrative efficiency so that the project detailed in the Application (Attachment A) can be carried out through a single program; and

WHEREAS, EMNRD is bound by the terms and conditions of the U.S. Department of the Interior, National Park Service (NPS) Notice of Funding Award for LWCF projects and that requirement carries over to the Entity as well,

NOW, THEREFORE, IT IS MUTUALLY AGREED BETWEEN THE PARTIES THAT THE METHOD BY WHICH THIS PURPOSE SHALL BE ACCOMPLISHED IS AS FOLLOWS:

1. Entity shall:

A. Construct a dog park and pickleball court; install new play equipment, parking, trails, restroom facilities, lighting, shade pavilions, a batting cage, seating areas, fencing, landscaping, multi-use field, irrigation and seeding, sign, and site amenities at Shorthorn Park property as described in Attachment A, and in compliance with the regulations and policies implementing the LWCF Act and the U.S. Department of the Interior, National Park Service (NPS) LWCF State Assistance Program Federal Financial Assistance Manual (Attachment B), as may be amended (available at https://www.emnrd.nm.gov/spd/land-and-water-conservation-fund/).

B. Notify EMNRD in writing if Entity proposes to convert the land or facilities referenced in Paragraph 1.A. above to non-recreational uses, or in the event they become obsolete and are to be destroyed, prior to taking any action.

C. Quiet claims against title and replace property found to have defective title with other properties if this occurs after project completion pursuant to the LWCF conversion provisions found in 36 CFR 59.

D. File with the county clerk where the property is located and keep a permanent record in Entity's property records and available for public inspection to the effect that the property described in the scope of this Agreement, and the signed and dated project boundary

map made part of this Agreement, has been acquired or developed with LWCF assistance and cannot be converted to other than public outdoor recreation use without the written approval of the U.S. Secretary of the Interior.

E. Install and maintain at least one sign acknowledging that the work involved under this Agreement was financed in part by the NPS under the provisions of the LWCF in partnership with the Division.

F. Provide a match in the amount of Two million, seven hundred fifty-eight thousand, nine hundred fourteen dollars ($2,758,914.00) for this Project, as identified in Attachment A.

G. Submit requests for reimbursement on at least a quarterly schedule along with brief written progress reports to the Division as described in Attachment B, Chapter 8 – Post-completion and Stewardship.

H. Complete the Project and submit the final billing by March 16, 2029

I. Manage and maintain the Shorthorn Park LWCF in compliance with the regulations and policies implementing the LWCF Act and the LWCF State Assistance Program Federal Financial Assistance Manual (Attachment B), as may be amended.

J. Keep the project area reasonably open, accessible, and safe for public use.

K. Maintain the project area, as defined by the agreed-to LWCF Act Section 6(f)(3) boundary map (Attachment C), in perpetuity as an outdoor recreation area and not convert or transfer the property without EMNRD's and NPS's prior written approval and without meeting the requirements outlined in Attachment B.

L. Conduct the environmental preconstruction assessment recommendations from the US Fish & Wildlife Service IPaC found in Attachment D.

2. EMNRD shall:

A. Conduct inspections or coordinate self-inspections of the Project, every five years, as required by the LWCF Act and report the results to the NPS.

B. Ensure that Entity follows the Standards and Guidelines for the completed project as outlined in Attachment B.

C. Comply with the applicable Recipient requirements at:

https://www.emnrd.nm.gov/spd/land-and-water-conservation-fund/.

3. Compensation:

A. EMNRD shall pay Entity for services satisfactorily performed pursuant to Attachment A, and as specified below. This amount shall not exceed Five hundred thousand dollars ($500,000.00), including travel pursuant to Subparagraph B, New Mexico gross receipts taxes pursuant to Subparagraph C, and the invoicing and accounting requirements pursuant to

Subparagraph D of this Compensation Section. EMNRD shall make payment upon the satisfactory and timely completion of the work described in the Scope of Work and for no more than the maximum amount set forth below and in Attachment A:

LWCF Funds:	$500,000.00
Entity Match:	$2,758,914.00
Total:	$3,258,914.00

EMNRD MUST receive all invoices no later than 15 days after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date SHALL NOT BE PAID.

B. EMNRD shall pay such travel expenses as may be incurred in, and that are necessary for, this Agreement's performance at the rates established in the New Mexico Per Diem and Mileage Act, NMSA 1978, Sections 10-8-1, *et seq.* as implemented by the current Department of Finance and Administration (DFA) rule and the current EMNRD travel policy.

C. Entity shall be responsible for paying New Mexico Governmental Gross Receipts taxes levied on amounts payable under this Agreement.

D. Entity must submit detailed invoices accounting for all services performed, and expenses incurred, and which document the source and type of match, on at least a quarterly schedule. Invoices evidencing the propriety of each claim for payment must be supported by approved purchase order. Entity's allowable costs and cost principles shall be dictated by OMB Circular A-87. If EMNRD finds that the invoice services, or expenses are not acceptable, within 30 days of receipt of written notice from Entity that payment is requested for services received, EMNRD shall provide Entity a letter of exception explaining the defect or objection to the invoice, services, or expenses, and outlining steps Entity may take to provide remedial action. Upon certification by EMNRD that the invoice, services, or expenses have been received and accepted, EMNRD shall tender payment to Entity within 30 days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, EMNRD shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

4. Term: This MOA becomes effective upon EMNRD's signature. It shall be ongoing, unless with EMNRD's prior written approval, Entity transfers the Project to another entity, or in the event of transfer or conversion, if Entity provides a replacement property and the parties enter into a new agreement for the new location. Any transfer or conversion requires EMNRD to obtain NPS approval to be valid.

5. Project Termination:

A. The NPS Director may temporarily suspend federal assistance under the project pending corrective action by EMNRD or pending a decision to terminate the grant by the NPS.

B. EMNRD may unilaterally terminate the project at any time prior to the first payment on the project. After the initial payment, the project may be terminated, modified, or amended by EMNRD only by mutual agreement with the NPS.

C. The NPS Director may terminate the project in whole, or in part, at any time before the date of completion whenever it is determined that the Entity has failed to comply with the conditions of the grant. The NPS Director will promptly notify EMNRD in writing of the determination and the reasons for the termination, together with the effective date. Payments made EMNRD or recoveries by the NPS under projects terminated for cause shall be in accord with the legal rights and liabilities of the parties.

D. The NPS Director or EMNRD may terminate grants in whole or in part at any time before the date of completion when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated. The Entity shall not incur new obligations for the terminated portion after the effective date and shall cancel as many outstanding obligations as possible. The NPS may allow full credit to EMNRD for the federal share of the non-cancelable obligations, properly incurred by the Entity prior to termination.

E. Termination either for cause or for convenience requires that the project in question be brought to a state of recreational usefulness agreed upon by EMNRD and the NPS Director or that all funds provided by the NPS be returned.

6. Status of Entity: Entity and its agents and employees are independent contractors performing services for EMNRD and are not employees of the State of New Mexico. Entity and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the State of New Mexico as a result of this Agreement. Entity acknowledges that all sums received hereunder are reportable by the Entity for tax purposes, including without limitation, self-employment and business income tax. Entity agrees not to purport to bind the State of New Mexico unless the Entity has express written authority to do so, and then only within the strict limits of that written authority.

7. Assignment: Entity shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without EMNRD's prior written approval.

8. Subcontracting: Entity shall not subcontract any portion of the services to be performed under this Agreement or obligate itself in any manner to any third party, with respect to any rights or responsibilities under this Agreement, without EMNRD's prior written approval. EMNRD may disallow costs incurred by the Entity in relation to a subcontract if Entity does not obtain prior written approval.

A. Entity shall comply with 2 C.F.R. Sections 200.318 through 200.326 for procurement of subcontractors conducted pursuant to this Agreement.

B. Entity is required to provide EMNRD with evidence of competitive procurement for any subcontract, including records of advertisement of bid, proposals received, and methods to select each subcontractor.

C. Any subcontract agreement shall include all provisions necessary to allow Entity to meet its obligations and requirements under this Agreement and all provisions required by law.

D. Travel expense reimbursement requested for subcontractors, if applicable, shall be reimbursed in accordance with rates established in the New Mexico Per Diem and Mileage Act, NMSA 1978, § 10-8-1 *et seq*., as implemented by the current DFA Rule and EMNRD Travel Policy.

9. Release: Final payment of the amounts due under this Agreement shall operate as a release of EMNRD, its officers, and employees, and the State of New Mexico from all liabilities, claims, and obligations whatsoever arising from or under this Agreement.

10. Confidentiality: Any confidential information provided to or developed by Entity in the performance of this Agreement shall be kept confidential and shall not be made available by Entity to any individual or organization without EMNRD's prior written approval.

11. Conflict of Interest; Governmental Conduct Act: Entity warrants that it presently has no interest and that it shall not acquire any interest, direct or indirect, which would conflict in any manner with performance or other services required under this Agreement. Entity certifies that all applicable provisions of the requirements of the Governmental Conduct Act, NMSA 1978, §§ 10-16-1 through –18, including provisions related to contracting with, or employing, public officers, legislators, state employees, or former state employees, have been followed.

12. Amendment: This Agreement shall not be altered, changed, or amended except by written instrument executed and approved by the parties hereto. EMNRD may consider, with NPS approval, amendments to add a cost overrun for Formula grants issued from the State's yearly NPS LWCF appropriation. Only those additional costs incurred within the Formula grant project period will be considered for reimbursement. LWCF Formula grant projects are potentially eligible for NPS budget amendments upon completion of the project at the sole discretion of the NPS.

13. Merger: This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements, and understandings have been merged into this written Agreement. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless as embodied in this Agreement.

14. Penalties for Violation of Law: The Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities, and kickbacks.

15. Equal Opportunity Compliance: Entity agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Entity assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation, or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Entity is found not to be in compliance with these requirements during the life of this Agreement, Entity agrees to take appropriate steps to correct these deficiencies.

16. Applicable Law: The laws of the State of New Mexico shall govern this Agreement, without giving effect to New Mexico's choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with NMSA 1978, § 38-3-1(G). By execution of this Agreement, Entity acknowledges and agrees to the exclusive jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

17. Records and Audit:

A. Entity shall maintain detailed time and expenditure records that indicate the date, time, nature, and cost of services rendered during the Agreement's term and effect and retain them until six years after the termination date specified in Section 3, Term. These records shall be maintained and available within the State of New Mexico if the Entity has an office within the state; otherwise, Entity shall make such records available to EMNRD within 10 days upon EMNRD's request. During this time, such records shall be subject to inspection by EMNRD, DFA, the State Auditor, and NPS. Entity further agrees to include in all subcontracts hereunder the same right of inspection and audit against all subcontractors. EMNRD shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose EMNRD's right to recover excessive or illegal payments. The periods of inspection and audit may be extended for records, which relate to litigation or settlement of claims arising out of performance of this Agreement and costs and expenses related to this Agreement for which exception is under consideration by NPS or any authorized representative and shall continue until all potential litigation, appeals, claims, or exceptions have expired or been resolved.

B. If Entity receives $1,000,000 or more in federal funding from all sources in the aggregate in a fiscal year, Entity's financial records involving services and procurement under this Agreement shall be audited annually pursuant to all federal, state and local government audit requirements, and in accordance with the Single Audit Act Amendments of 1996, 2 C.F.R. 200, Subpart F – Audit Requirements, OMB Circular Compliance Supplement and Government Auditing Standards, as prescribed by the Single Audit Act of 1984, or any subsequent OMB Circular. Contractors who do not meet the $1,000,000 audit threshold (Tier 7), must complete the State of New Mexico – Office of the State Auditor Certification Form for Tier 1 and Tier 2, or the Office of the State Auditor Agreed Upon Procedures (Tiers 3-6) in accordance with the Audit Act, NMSA 1978, §§ 12-6-1 through 12-6-14, and 2.2.2.16 NMAC, Annual Financial Procedures Required for Local Public Bodies with Annual Revenues Less than Five Hundred Thousand Dollars. To comply with state audit requirements, Entity shall have one of the above-mentioned Forms or Agreed Upon Procedures on file with the Office of the State Auditor. Entity shall provide EMNRD with a copy of the independent financial audit, either in hard copy format or on disk, no more than 45 days after the audit's completion for each fiscal year this Agreement is in effect.

18. Liability: Neither party shall be responsible for liability incurred as a result of the other party's acts or omissions in connection with this Agreement. Any liability incurred with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, NMSA 1978, §§ 41-4-1, *et seq.*, as amended.

19. Procurement, Utilization, and Disposition of Property: Entity shall comply with NPS regulations regarding the disposition of property as specified in the LWCF State Assistance Program Federal Financial Assistance Manual (Attachment B), as may be amended.

20. Invalid Term or Condition: If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

21. Enforcement of Agreement: A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict performance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no waiver of a specified right by a party shall be effective to waive any other rights.

22. Notice: Except as otherwise specified herein, all notices hereunder shall be in writing and shall be given to the relevant party at its address or facsimile number set forth below, or such other address as such party may hereafter specify by notice to the other given by courier, by United States certified or registered mail, , or by other telecommunication device capable of creating a written record of such notice and its receipt.

To EMNRD:

LWCF Program Coordinator or LWCF Alternate State Liaison Officer
EMNRD, State Parks Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

General Counsel
EMNRD – Office of the Secretary
1220 S. St. Francis Drive
Santa Fe, NM 87505

To the Entity:

City of Carlsbad
Richard D. Lopez, Mayor
101 N. Halagueno St., Carlsbad, NM 88220
mayor.office@cityofcarlsbadnm.com
(575) 887-1191

To Risk Management Division:

Risk Management Division
General Services Department
P.O. Drawer 26100
Santa Fe, NM 87502-0110

23. Authority: If Entity is other than a natural person, the individual(s) signing this Agreement on behalf of Entity represent and warrant that he or she has the power and authority to bind Entity, and that no further action, resolution, or approval from Entity or any other entity is necessary to enter into a binding contract.

24. Acknowledgment: Entity shall acknowledge EMNRD and NPS as co-sponsors and funding sources in all news releases, programs, proceedings, and related publicity/publications for the project.

25. Attorney's Fees and Costs: Entity agrees that if a court of competent jurisdiction finds Entity has breached this Agreement, or amendments hereto, or to have committed any tortious act relating to this Agreement's scope, EMNRD may recover from Entity reasonable attorneys' fees and costs in connection with litigation brought to obtain the judicial determination and to collect any judgment.

26. Minimum Wage Rate: If applicable, Entity shall comply with minimum wage rates as established by the New Mexico Department of Workforce Solutions, Labor Relations Division, and with all other applicable requirements of that department, including posting of the wage rates in a prominent location on the site for hiring and performing of this Agreement.

27. Compliance with Law and Funding Source Conditions:

A. Entity shall comply with all applicable state and federal statutes, regulations, or rules, including without limitation those imposed as a consequence of funding pursuant to this Agreement and as described in Attachments B and D.

B. Compliance with NMSA 1978, § 66-7-374, Texting While Driving - Entity and Entity's employees shall not read or view a text message or manually type on a handheld mobile communication device for any purpose while driving a motor vehicle in connection with this Agreement, except to summon medical or other emergency help, or unless that device is an amateur radio and the driver holds a valid amateur radio operator license issued by the Federal Communications Commission.

C. Compliance with Trafficking Victims Protection Act of 2000 - Entity, Entity's employees, contractors, and contractors' employees shall not:

(1) engage in severe forms of trafficking in persons during this Agreement's term;

(2) procure a commercial sex act during this Agreement's term; or

(3) use forced labor in the performance of this Agreement.

D. Entity shall comply with 2 C.F.R. Sections 200.318 through 200.326 for procurement conducted pursuant to this Agreement.

E. Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

F. All contracts in excess of $10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

G. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

H. Contracts must include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

I. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

J. If this Agreement is valued at more than $150,000, Entity shall comply with all applicable standards orders or requirements issued under the federal Clean Air Act (42 U.S.C. § 7401 et seq.); Clean Water Act (33 U.S.C. § 1251 et seq.); Executive Order 11738 (Providing for Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans); and EPA regulations.

K. Entity shall not award contracts to parties listed on the governmentwide exclusions in the federal System for Award Management (SAM), in accordance with OMB guidelines that implement federal Executive Orders 12549 (3 C.F.R. page 1986, Comp., p. 189) and 12689 (3 C.F.R. part 1989 Comp., p. 235), “Debarment and Suspension.” SAM exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regularity authority other than Executive Order 12549.

L. If the value of this Agreement exceeds $100,000, Entity shall comply with the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352) regarding the limitations of use of appropriated funds to influence certain federal contracting and financial transactions

M. Entity must comply with Section 6002 of the Solid Waste Disposal Act, as amendment by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the U.S. Environmental Protection Agency (EPA) at 40 C.F.R. Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the items exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

N. Contract should, to the greatest extent practicable and consistent with law, purchase acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, or biobased, or are energy and water efficient; and are sustainable. This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products. Procurement of such items as prescribed in the guidelines of the U.S. Environmental Protection Agency (40 CFR Part 247).

O. Prohibition on certain telecommunications and video surveillance equipment or services.

(1) Recipients and subrecipients are prohibited from obligating or expending loan or grant funds to:

a. Procure or obtain covered telecommunications equipment or services;

b. Extend or renew a contract to procure or obtain covered telecommunications equipment or services; or

c. Enter into a contract (or extend or renew a contract) to procure or obtain covered telecommunications equipment or services.

(2) As described in section 889 of Public Law 115-232, “covered telecommunications equipment or services” means any of the following:

a. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);

b. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

c. Telecommunications or video surveillance services provided by such entities or using such equipment;

d. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes

to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country;

(3) For the purposes of this section, “covered telecommunications equipment or services” also include systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

(4) In implementing the prohibition under section 889 of Public Law 115-232, heads of executive agencies administering loan, grant, or subsidy programs must prioritize available funding and technical support to assist affected businesses, institutions, and organizations as is reasonably necessary for those affected entities to transition from covered telecommunications equipment or services, to procure replacement equipment or services, and to ensure that communications service to users and customers is sustained.

(5) When the recipient or subrecipient accepts a loan or grant, it is certifying that it will comply with the prohibition on covered telecommunications equipment and services in this section. The recipient or subrecipient is not required to certify that funds will not be expended on covered telecommunications equipment or services beyond the certification provided upon accepting the loan or grant and those provided upon submitting payment requests and financial reports.

(6) For additional information, see section 889 of Public Law 115-232 and § 200.471.

P. Domestic preferences for procurements - The entity should, to the greatest extent practicable and consistent with law, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards, contracts, and purchase orders under Federal awards.

(1) For purposes of this section:

a. “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

b. “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

(2) Federal agencies providing Federal financial assistance for infrastructure projects must implement the Buy America preferences set forth in 2 CFR part 184.

Q. Compliance with use of Small Businesses (SBs), Minority Business Enterprises (MBEs) and Women’s Business Enterprises (WBEs), Veteran-Owned Businesses (VBs), and Labor Surplus Area Firms (LSAFs) - Contractor shall take affirmative steps to assure that MBEs and WBEs are used when possible as sources of supplies and services. The affirmative steps shall include the following:

(1) including qualified SBs/MBEs/WBEs/VBs/LSAFs on solicitation lists;

(2) assuring that SBs/MBEs/WBEsVBs/LSAFs are solicited once they are identified;

(3) when economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum SB/MBE/WBE/VB/LSAF participation;

(4) where feasible, establishing delivery schedules which will encourage SB/MBE/WBE/VB/LSAF participation;

(5) encouraging use of the services of the U.S. Department of Commerce's Minority Business Development Agency and the U.S. Small Business Administration to identify SBs/MBEs/WBEs/VBs/LSAFs, as required; and

(6) if any subcontracts are to be let, requiring the subcontractor to take the affirmative steps listed above.

R. Entity shall comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234, 87 Stat. 975, approved December 31, 1976. Section 102(a) requires the purchase of flood insurance in communities where such insurance is available, as a condition for the receipt of any federal financial assistance for construction or acquisition purposes, for use in any area that has been identified as an area having special flood hazards by the Flood Insurance Administration of the Federal Emergency Management Agency.

S. Entity will comply with the terms of Title II and Title III, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646), 94 Stat. 1894 (1970), and the applicable regulations and procedures implementing such Act for all real property acquisitions and where applicable shall assure that the Act has been complied with for property to be developed with assistance under the project agreement.

T. Whistleblower Protection:

(1) If this Agreement is valued at more than $150,000, Entity shall inform its employees in writing, in the predominant language of the workforce, of the employee whistleblower rights and protections under 41 U.S.C. § 4712.

(2) Entity shall insert the substance of this clause, including this paragraph in all subcontracts over $150,000.

U. Minimum Wages Under Executive Order 13658 (January 2015):

(1) Definitions. As used in this clause:

"United States" means the 50 states and the District of Columbia.

"Worker":

a. means any person engaged in performing work on, or in connection with, a contract covered by Executive Order 13658, and

(i) whose wages under such contract are governed by the Fair Labor Standards Act (29 U.S.C. chapter 8), the Service Contract Labor Standards statute (41 U.S.C. chapter 67), or the Wage Rate Requirements (Construction) statute (40 U.S.C. chapter 31, subchapter IV),

(ii) other than individuals employed in a bona fide executive, administrative, or professional capacity, as those terms are defined in 29 C.F.R. Part 541,

(iii) regardless of the contractual relationship alleged to exist between the individual and the employer.

b. includes workers performing on, or in connection with, the contract whose wages are calculated pursuant to special certificates issued under 29 U.S.C. § 214(c); and

c. also includes any person working on, or in connection with, the contract and individually registered in a bona fide apprenticeship or training program registered with the Department of Labor's Employment and Training Administration, Office of Apprenticeship, or with a State Apprenticeship Agency recognized by the Office of Apprenticeship.

(2) Executive Order Minimum Wage Rate:

a. Entity shall pay to workers, while performing in the United States, and performing on, or in connection with, this Work Plan, a minimum hourly wage rate of $10.10 per hour beginning January 1, 2015.

b. Entity shall adjust the minimum wage paid, if necessary, beginning January 1, 2016 and annually thereafter, to meet the Secretary of Labor's annual E.O. minimum wage. The Administrator of the Department of Labor's Wage and Hour Division (the Administrator) will publish annual determinations in the Federal Register no later than 90 days before the effective date of the new E.O. minimum wage rate. The Administrator will also publish the applicable E.O. minimum wage on www.wdol.gov (or any successor website) and on all wage determinations issued under the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute. The applicable published E.O. minimum wage is incorporated by reference into this Work Plan.

c. Entity may request a price adjustment only after the effective date of the new annual E.O. minimum wage determination. Prices will be adjusted only if labor costs increase as a result of an increase in the annual E.O. minimum wage, and for associated labor costs and relevant subcontract costs. Associated labor costs shall include increases or decreases that result from changes in social security and unemployment taxes and workers' compensation insurance, but will not otherwise include any amount for general and administrative costs, overhead, or profit.

(i) Subcontractors may be entitled to adjustments due to the new minimum wage, pursuant to paragraph 2.b. Contractors shall consider any subcontractor requests for such price adjustment.

(ii) EMNRD will not adjust the contract price under this clause for any costs other than those identified in paragraph 2.c., and will not provide duplicate price adjustments with any price adjustment under clauses implementing the Service Contract Labor Standards statute or

the Wage Rate Requirements (Construction) statute.

d. Entity warrants that the prices in this Work Plan do not include allowance for any contingency to cover increased costs for which adjustment is provided under this clause.

e. A pay period under this clause may not be longer than semi-monthly, but may be shorter to comply with any applicable law or other requirement under this Work Plan establishing a shorter pay period. Workers shall be paid no later than one pay period following the end of the regular pay period in which such wages were earned or accrued.

f. Entity shall pay, unconditionally to each worker, all wages due free and clear without subsequent rebate or kickback. Entity may make deductions that reduce a worker's wages below the E.O. minimum wage rate only if done in accordance with 29 C.F.R. 10.23, Deductions.

g. Entity shall not discharge any part of its minimum wage obligation under this clause by furnishing fringe benefits or, with respect to workers whose wages are governed by the Service Contract Labor Standards statute, the cash equivalent thereof.

h. Nothing in this clause shall excuse Entity from compliance with any applicable federal or state prevailing wage law or any applicable law or municipal ordinance establishing a minimum wage higher than the E.O. minimum wage. However, wage increases under such other laws or municipal ordinances are not subject to price adjustment under this subpart.

i. Entity shall pay the E.O. minimum wage rate whenever it is higher than any applicable collective bargaining agreement(s) wage rate.

j. Entity shall follow the policies and procedures in 29 C.F.R. 10.24(b) and 10.28 for treatment of workers engaged in an occupation in which they customarily and regularly receive more than $30 a month in tips.

k. This clause applies to workers as defined in paragraph (a). As provided in that definition:

(i) workers are covered regardless of the contractual relationship alleged to exist between Entity or subcontractor and the worker;

(ii) workers with disabilities whose wages are calculated pursuant to special certificates issued under 29 U.S.C. § 214(c) are covered; and

(iii) workers who are registered in a bona fide apprenticeship program or training program registered with the Department of Labor's Employment and Training Administration, Office of Apprenticeship, or with a State Apprenticeship Agency recognized by the Office of Apprenticeship, are covered.

l. This clause does not apply to:

(i) Fair Labor Standards Act (FLSA)-covered individuals performing in connection with contracts covered by the E.O., i.e. those individuals who perform duties necessary to the performance of the Work Plan, but who are not directly engaged in performing the specific work

called for by the Work Plan, and who spend less than 20 percent of their hours worked in a particular workweek performing in connection with such Work Plans;

(ii) individuals exempted from the minimum wage requirements of the FLSA under 29 U.S.C. § 213(a) and § 214(a) and (b), unless otherwise covered by the Service Contract Labor Standards statute, or the Wage Rate Requirements (Construction) statute. These individuals include but are not limited to:-

(a) learners, apprentices, or messengers whose wages are calculated pursuant to special certificates issued under 29 U.S.C. § 214(a);

(b) students whose wages are calculated pursuant to special certificates issued under 29 U.S.C. § 214(b); and

(c) those employed in a bona fide executive, administrative, or professional capacity (29 U.S.C. § 213(a)(l) and 29 C.F.R. Part 541).

m. Notice. Entity shall notify all workers performing work on, or in connection with, this Work Plan of the applicable E.O. minimum wage rate under this clause. With respect to workers covered by the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, Entity may meet this requirement by posting, in a prominent and accessible place at the worksite, the applicable wage determination under those statutes. With respect to workers whose wages are governed by the FLSA, Entity shall post notice, using the poster provided by the Administrator, which can be obtained at www.dol.gov/whd/govcontracts, in a prominent and accessible place at the worksite. Contractors that customarily post notices to workers electronically may post the notice electronically provided the electronic posting is displayed prominently on any website that is maintained by the contractor, whether external or internal, and customarily used for notices to workers about terms and conditions of employment.

n. Payroll Records.

(i) Entity shall make and maintain records, for three years after completion of the work, containing the following information for each worker:

(a) name, address, and social security number;

(b) the worker's occupation(s) or classification(s);

(c) the rate or rates of wages paid;

(d) the number of daily and weekly hours worked by each worker;

(e) any deductions made; and

(f) total wages paid.

(ii) Entity shall make records pursuant to paragraph n. of this clause available for inspection and transcription by authorized representatives of the Administrator. Entity shall also make such records available upon request of EMNRD.

(iii) Entity shall make a copy of the Work Plan available, as applicable, for inspection or transcription by authorized representatives of the Administrator.

(iv) Failure to comply with this paragraph n. shall be a violation of 29 C.F.R. 10.26 and this Work Plan. Upon direction of the Administrator or upon EMNRD's own action, payment shall be withheld until such time as the noncompliance is corrected.

(v) Nothing in this clause limits or otherwise modifies Entity's payroll and recordkeeping obligations, if any, under the Service Contract Labor Standards statute, the Wage Rate Requirements (Construction) statute, the Fair Labor Standards Act, or any other applicable law.

(vi) Access. Entity shall permit authorized representatives of the Administrator to conduct investigations, including interviewing workers at the worksite during normal working hours.

(vii) Withholding. EMNRD, upon its own action or upon written request of the Administrator, will withhold funds or cause funds to be withheld, from Entity under this Work Plan or any other federally funded Work Plan or contract with the same Entity, sufficient to pay workers the full amount of wages required by this clause.

(viii) Disputes. Department of Labor has set forth in 29 C.F.R. 10.51, Disputes concerning contractor compliance, the procedures for resolving disputes concerning a contractor's compliance with Department of Labor regulations at 29 C.F.R. Part 10. Such disputes shall be resolved in accordance with those procedures and not the disputes clause of this Work Plan. These disputes include disputes between Entity (or any of its subcontractors) and EMNRD, the Department of Labor, or the workers or their representatives.

(ix) Anti-retaliation. Entity shall not discharge or in any other manner discriminate against any worker because such worker has filed any complaint or instituted or caused to be instituted any proceeding under or related to compliance with the E.O. or this clause, or has testified or is about to testify in any such proceeding.

(x) Subcontractor compliance. Entity is responsible for subcontractor compliance with the requirements of this clause and may be held liable for unpaid wages due subcontractor workers.

(xi) Subcontracts. Entity shall include the substance of this clause, including this paragraph K. in all subcontracts, regardless of dollar value, that are subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and are to be performed in whole or in part in the United States.

28. Insurance Coverage: Entity shall provide EMNRD a statement indicating that the activities described in Attachment A, are covered by insurance as set forth below, secured in accordance with any method allowed by applicable law, including self-insurance, pooling of self-insured reserves, or insurance provided by a third party, prior to commencing work under this Agreement. Entity shall maintain continuous coverage of the activities described in Attachment A, so long as this Agreement is in effect. Failure to maintain such coverage is reason for immediate termination of this Agreement. Entity shall notify EMNRD prior to cancellation or

expiration of any insurance required under this Agreement.

A. Worker's Compensation protection that complies with the requirements of the New Mexico Worker's Compensation Act, NMSA 1978, §§ 52-1-1, *et seq*., if applicable. If the Entity fails to comply with the Workers Compensation Act and applicable rules when required to do so, EMNRD may terminate this Agreement.

B. Comprehensive public liability protection covering property damage and personal injury liability that may arise under this Agreement and any amendments hereto, in amounts equal or greater than liability limits set forth in NMSA 1978, § 41-4-19, as it may be amended from time to time.

I. Flood insurance as required by the Flood Disaster Protection Act of 1973 (P.L. 93-234) for insurable facilities located within special flood hazard areas for which the Federal Insurance Administration has issued a flood hazard boundary map or a flood insurance rate map.

IN WITNESS WHEREOF, the parties have herein set their hand.

STATE OF NEW MEXICO, ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

By: _____ Date: _____
Cabinet Secretary or Designee

CITY OF CARLSBAD

By: _____ Date: _____
Authorized Representative Signature

_____
Entity's Printed Name and Title

Attachment A
Application

City of Carlsbad

New Mexico Energy, Minerals, and Natural Resources Department
Land and Water Conservation Fund

TRANSMITTAL LETTER

Person Authorized to negotiate a contract on behalf of the City of Carlsbad:

Name: Wendy D. Austin
Title: City Administrator
Telephone number: (575) 887-1191
Fax Number: (575) 887-8566
E-mail address: wdaustin@cityofcarlsbadnm.com

City of Carlsbad Contact for clarification:

Name: Angelica Barrios-Testa
Title: Director of Grant Programs
Telephone number: (575) 887-1191 Ext 7904
Fax Number: (575) 887-8566
E-mail address: abtesta@cityofcarlsbadnm.com

The City of Carlsbad accepts the General Provisions of the LWCF State and Local Assistance Program (Form C) and the Open Project Selection Process (Form D) and evaluation factors.

The City of Carlsbad has the required minimum of 50% matching funds of $500,000.00 available to complete the project within the grant term, which is tentatively scheduled for February 1, 2026, to February 28, 2028.

The City of Carlsbad is not requesting any LWCF state supplemental match from EMNRD.

As the landowner, the City of Carlsbad, New Mexico ensures public access to the project site funded by the LWCF Program in perpetuity.

Angelica Barrios-Testa
Director of Grant Services

01/02/2025

OMB Number: 4040-0004
Expiration Date: 11/30/2025

Application for Federal Assistance SF-424

* 1. Type of Submission:	* 2. Type of Application:	* If Revision, select appropriate letter(s):
☐ Preapplication	☒ New	
☒ Application	☐ Continuation	* Other (Specify):
☐ Changed/Corrected Application	☐ Revision	

* 3. Date Received:	4. Applicant Identifier:

5a. Federal Entity Identifier:	5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:	7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name:	Energy, Minerals and Natural Resources Dept., New Mexico

* b. Employer/Taxpayer Identification Number (EIN/TIN):	* c. UEI:
856000565	MJKLQGKGWHL9

d. Address:

* Street1:	1220 S. St. Francis Dr.
Street2:	
* City:	Santa Fe
County/Parish:	
* State:	NM: New Mexico
Province:	
* Country:	USA: UNITED STATES
* Zip / Postal Code:	87505-4225

e. Organizational Unit:

Department Name:	Division Name:
EMNRD	State Parks

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:	Ms.	* First Name:	Nav
Middle Name:			
* Last Name:	Khalsa		
Suffix:			

Title:	LWCF Program Coordinator
Organizational Affiliation:	EMNRD, State Parks Division

* Telephone Number:	505-570-7945	Fax Number:	
* Email:	nav.khalsa@emnrd.nm.gov		

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

DOI- Nationa_ Park Service

11. Catalog of Federal Domestic Assistance Number:

CFDA Title:

*** 12. Funding Opportunity Number:**

* Title:

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment | Delete Attachment | View Attachment

*** 15. Descriptive Title of Applicant's Project:**

35-01256 Car_sbad Shorthorn Park Rehabi_itation

Attach supporting documents as specified in agency instructions.

Add Attachments | Delete Attachments | View Attachments

1

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant: 3 * b. Program/Project: 2

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment | Delete Attachment | View Attachment

17. Proposed Project:

* a. Start Date: 03/01/2026 * b. End Date:

18. Estimated Funding ($):

* a. Federal	500,000.00
* b. Applicant	
* c. State	
* d. Local	2,758,914.00
* e. Other	
* f. Program Income	
* g. TOTAL	3,258,914.00

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on .

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☒ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment | Delete Attachment | View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)**

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name: Nav

Middle Name:

* Last Name: Khalsa

Suffix:

* Title: LWCF Program Coordinator

* Telephone Number: 505-370-7942 Fax Number:

* Email: nav.khalsa@emnrd.nm.gov

* Signature of Authorized Representative: Nav Khalsa * Date Signed: 1/28/26

OMB Number: 4040-0008
Expiration Date: 01/31/2019

BUDGET INFORMATION - Construction Programs

NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	$ 0.00	$	$ 0.00
2. Land, structures, rights-of-way, appraisals, etc.	$ 0.00	$	$ 0.00
3. Relocation expenses and payments	$ 0.00	$	$ 0.00
4. Architectural and engineering fees	$ 0.00	$	$ 0.00
5. Other architectural and engineering fees	$ 0.00	$	$ 0.00
6. Project inspection fees	$ 0.00	$	$ 0.00
7. Site work	$ 52,441.00	$	$ 52,441.00
8. Demolition and removal	$ 0.00	$	$ 0.00
9. Construction	$ 2,706,185.00	$	$ 2,706,185.00
10. Equipment	$ 0.00	$	$ 0.00
11. Miscellaneous	$ 500,288.00	$	$ 500,288.00
12. SUBTOTAL *(sum of lines 1-11)*	$ 3,258,914.00	$	$ 3,258,914.00
13. Contingencies	$ 0.00	$	$ 0.00
14. SUBTOTAL	$ 3,258,914.00	$	$ 3,258,914.00
15. Project (program) income	$ 0.00	$	$ 0.00
16. TOTAL PROJECT COSTS *(subtract #15 from #14)*	$ 3,258,914.00	$	$ 3,258,914.00
FEDERAL FUNDING			
17. Federal assistance requested, calculate as follows: (Consult Federal agency for Federal percentage share.) Enter the resulting Federal share.	Enter eligible costs from line 16c Multiply X 15.35 %		$ 500,000.00

OMB Approval No.4040-0009
Expiration Date: 06/30/2028

ASSURANCES - CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.

2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.

3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property aquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.

4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.

5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.

6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).

9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

Standard Form 424D (Rev. 7-97)

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11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.

12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.

14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is $10,000 or more.

15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
Nav Khalsa	LWCF Program Coordinator
APPLICANT ORGANIZATION	**DATE SUBMITTED**
ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT, NEW MEXICO	Not Submitted

SF-424D (Rev. 7-97) Back

35-01256 Carlsbad Shorthorn Park Rehabilitation Project

PROJECT NARRATIVE - PROJECT DATA SHEET

1. Project sponsor name: City of Carlsbad
2. Name of park/property: Shorthorn Park
3. Project title: Carlsbad Shorthorn Park Rehabilitation
4. Name of property title holder: City of Carlsbad
5. Project property address/location: 1800 Solano Drive, Carlsbad, NM 88220-3915
6. 2020 project property census jurisdiction population: 29,664
7. Statement of project type: Development
8. Statement that project creates a new park, expands an existing park or neither: neither
9. Statement clarifying if this park/resource previously benefitted from LWCF or UPARR funding or if the park/resource was obtained through the federal Lands to Parks Program: N/A
10. Brief statement explaining project specific work, and a second statement explaining overall project:

    i. Fill in specific work

    With LWCF funds, the City of Carlsbad will redevelop Shorthorn Park, located in a residential neighborhood, near the city center. Redevelopment will include grading the site, demolishing unsafe structures, such as restrooms and concession stands, and replacing them with modern, ADA-compliant facilities. Specific outcomes include: Electrical and utility upgrades park-wide; parking lot upgrades to include paving and line painting, sidewalks, curbs, and gutters; landscaping to include turfgrass seeding, tree planting, irrigation and lighting; installation of a double pickleball court, a 30 x 50’ large group pavilion with picnic tables, a 15’ x 15’ pavilion with picnic table, a 6’ x 10’ shade pavilion with benches, turf seeding and irrigation for soccer field, rolling soccer goals and backstop, new play equipment, playground surfacing, woodchip surfacing, and playground fencing; fenced dog park with chain link fence and dog waste stations; installation of one batting cage, two pre-manufactured restrooms, and ADA and LWCF signage.

    ii. Overall project

    The Shorthorn Park Rehabilitation will revitalize a currently under-utilized park and provide outdoor recreation opportunities for a variety of users, offering communities in the area a safe and welcoming gathering space for picnics, parties, dog-walking, and exercise.


NEW MEXICO
Carlsbad
La Huerta
Shorthorn Park
Carlsbad
Eddy Co
Shorthorn Park
1802 W Blodgett St
Carlsbad, New Mexico
Google Street View
Google
W Blodgett St
LOCATION MAP
35-01256
Carlsbad Shorthorn Park
Rehabilitation Project
1800 Solano Road
Carlsbad, NM 88220-3915



35-01256 Carlsbad Shorthorn Park Rehabilitation Project

LWCF 6(f)3 Official Boundary Map

LWCF Boundary: 4.62Acres
Park Total Acres: 4.62Acres
Location: 1800 Solano Rd.
Carlsbad, NM 88220-3915
32.432475, -104.248300

Nav Khalsa

Nav Khalsa ASLO 9/23/25

Green Area= Encumbered Boundary

- Light poles maintained by City of Carlsbad
- Power line within property boundary maintained by PNM (Public Service Company of New Mexico) Not an official easement

35-01256 Carlsbad Shorthorn Park Rehabilitation Project
LWCF 6(f)3 Official Boundary Map - - - - - - - -
LWCF Boundary: 4.62Acres Park Total Acres: 4.62Acres
Location: 1800 Solano Rd. Carlsbad, NM 88220-3915
32.432475, -104.248300



Nav Khalsa
Nav Khalsa, ASLO 12.4.2025



Scale : 1" = 40'-0"

Trees in this area are outside of the Area of Potential Effect

LEGEND

Owned by COC

6' Chain Link Fence

KEYED NOTES

1. Proposed playground
2. 30' X 50' Large group pavilion with picnic tables
3. Asphalt parking area
4. Flexible open turfgrass field
5. Proposed pickleball court
6. 4' ht. Black Vinyl Coated Chain Link Fencing (Dog Park)
7. Batting Cage
8. Pre-Manufactured Restroom Building
9. Pre-Manufactured Restroom Building
10. Backstops & Soccer Goals Perimeter
11. Walking Trail Connection
12. 15' X 15' Pavilion with picnic table
13. 6'x10' Shaded bench seating
14. 7' ht. Sound Screen CMU Wall (Dog Park)
15. Renovated Base Course Parking Area

Additional elements, location to be determined:
Dog waste stations (permanent fixture)
Trash receptacles (permanent fixture)

pland COLLABORATIVE

SITE PLAN

Shorthorn Park Rehabilitation Plan • JUNE 2025


35-01256 Carlsbad Shorthorn Park
4.63 Acres
Area of Potential Effect
Construction Materials Staging Area
Tokyo
Sushi
H&R Block
Solana Rd
Exterran
Manzana Rd
Solana Rd
Sunset Park
Lamont St
W Blodgett St
W Blodgett St
W Blodgett St
Lamont

PRE-AWARD SITE INSPECTION REPORT

1. State: New Mexico
   Project # 35-01256
   Project Period: ____ to __ TBD

   Date of Inspection: June 20, 2025
   Project Title: Sunset Park Development
   Shorthorn Park Inspection
   Type: __ Acq. X Dev. __ Combination

2. Inspector: Nav Khalsa
   Title: LWCF Program Coord.
   Agency: State Parks Division

   Accompanied by: Angelica Testa, Patrick McManus, Kenneth Cass
   Title: Planning Team
   Agency: City of Carlsbad

3. Findings: (If the answers to the questions listed below are "Yes," please identify the question by number and explain below.)

		Yes	No	N/A
A.	Does the land appear to be unsuitable for intended use/development?		X	
B.	Are there any reserved rights/restrictions?		X	
C.	Is the site located in a floodplain/wetland?		X	
D.	Is a Corps of Engineers or a Coast Guard permit necessary?		X	
E.	Are there any known historic/archeological sites?		X	
F.	Does the site appear to be on prime/unique farmland?		X	
G.	Are there any endangered species on the site?		X	
H.	Does there appear to be any potential health or safety problems?		X	
I.	Is the site adjacent to a National Wildlife Area, National Fish Hatchery or area under a small waterfowl production program?		X	
J.	Will the project result in displacement of persons, businesses, etc.?		X	
K.	Does there appear to be any private recreation facilities in the vicinity that the project may compete with?		X	
L.	Is the site near or adjacent to a National Park Service NRA, seashore, park or historic site?		X	
M.	Is the site located within the area designated under the Coastal Barrier's Act?		X	
N.	Does the area appear to present any physical difficulty in construction/eventual maintenance of the facility?		X	
O.	Does the area appear to be compatible for the proposed construction? (If no, explain below)	X		
P.	Have provisions been made to make facilities and programs accessible to the handicapped? (If No, explain below.) Note: Accessibility is required by Sec. 504 of the Rehabilitation Act of 1973, the Architectural Barriers Act of 1968, as amended, and the Americans with Disabilities Act of 1990.	X		

Revised 6/02

1

PRE-AWARD SITE INSPECTION REPORT

		Yes	No	N/A
Q.	Are the quality of materials proposed adequate for the facility(ies)? (Answer only if plans and specifications are available, otherwise note N/A.)	X		
R.	Does it appear that the proposed facility(ies) blend with the park and/or other existing or planned facilities?	X		
S.	Will the materials proposed for construction provide for the maximum life of this type of facility? (Answer only if plans and specifications are available, otherwise note N/A.)	X		
T.	Has the Sponsor (State or Local) sponsor been told (verbally or in writing) what a 6(f)(3) boundary is and the implications of conversion in use? (If No, explain below.)	X		
U.	Have the State and Local sponsor agreed on the exact 6(f)(3) boundary? (If No, explain below.)	X		

Explanation to questions:

ADA parking and ADA compliant trails are planned for this site. 'Pre fabricated restroom' is ADA accessible

Notes to future inspectors/other significant information:

PRE-AWARD SITE INSPECTION REPORT

	Yes	No	N/A
4. A. Photographs, with descriptive captions, are included. (Required for acquisition projects.)	X		
B. Important supportive documentation referenced in the report is attached.			X

Signature: Inspector: _____

Reviewer: NAV KHALSA
Name

LWCF Program Coordinator
Title

6/20/25
Date


35-01256 Carlsbad Shorthorn Park Pre-Award Site Inspection Photos
View of the park, facing southwest. W. Blodgett Street is the paved road shown on the left.


View of the park, facing north.
Solana Dr. (not shown) borders the western boundary of the park.



Walking path along the Carlsbad Irrigation Canal, outside the eastern boundary of the park; maintained by Carlsbad Irrigation Canal staff.



Existing basketball court will be demolished


View of the park, facing northwest.


Existing buildings are unsafe and will be demolished, located on the northern portion of the park
Shorthorn

City Park

203

SHORT FORM WARRANTY DEED—New Mexico Statutory Form—Approved by State Comptroller as Standard Form Oct. 6th, 1947.

WARRANTY DEED

W. E. CARTER and EUNICE CARTER, his wife, and MARTHA CARTER, a widow and single woman,

for consideration paid, grant..... to the City of Carlsbad

.....,

the following described real estate in Eddy County, New Mexico:

A portion of the SW¼ of Section 36, Twp. 21S, Range 26E, N.M.P.M., being more particularly described by metes and bounds as follows; to-wit:

From the Southeast corner of Section 36, Twp. 21S, R. 26E., N.M.P.M., bear N 89° 42' W, a distance of 2096.77', thence N 0° 37' E, a distance of 1301.59', thence N 89° 23' W, a distance of 641.55', thence S 89° 52' W, a distance of 670.66' to the point of beginning being the Southwest corner of said tract;

Thence N 20° 17' E, a distance of 189.89'; thence along the arc of a curve having a radius of 326.45' and whose long chord is N 15° 54.25' E, a distance of 49.86'; thence N 11° 31.5' E, a distance of 295.00'; thence along the arc of a curve having a radius of 80' and whose long chord is N 17° 13.25' W, a distance of 76.93'; thence N 44° 02' E, a distance of 194.18'; thence S 68° 10' E, a distance of 405.35'; thence along the arc of a curve having a radius of 75.80' and whose long chord is S 38° 32' E, a distance of 74.96'; thence along the arc of a curve having a radius of 85.74' and whose long chord is S 26° 54.5' W, a distance of 100.33'; thence S 62° 43' W, a distance of 202.25'; thence along the arc of a curve having a radius of 549.37' and whose long chord is S 41° 30' W, a distance of 397.63'; thence S 20° 17' W, a distance of 32.01'; thence S 89° 52' W, a distance of 170.72' to the point of beginning and containing in all 5.25 acres of ground more or less. Grantors reserve unto themselves, their heirs, executors, administrators and assigns an easement for street purposes over and across the following lands, to-wit:

Beginning at the Southwest corner of said tract: Thence N 20° 17' E, a distance of 189.89'; thence along the arc of a curve having a radius of 326.45' and whose long chord is N 15° 54.25' E, a distance of 49.86'; thence N 11° 31.5' E, a distance of 295.00'; thence along the arc of a curve having a radius of 80.00' and whose long chord is N 17° 13.25' E, a distance of 76.93'; thence N 44° 02' E a distance of 194.18'; thence S 68° 10' E, a distance of 10.78'; thence S 44° 02' W a distance of 168.89'; thence along the arc of a curve whose radius is 110.00' and whose long chord is S 14° 36.75' E, a distance of 96.92'; thence S 11° 31.5' W, a distance of 295.00'; thence along the arc of a curve whose radius is 356.45' and whose long chord is S 15° 54.25' W, a distance of 54.44'; thence S 20° 17' W, a distance of 137.71'; thence N 89° 52' E, a distance of 138.71'; thence S 20° 17' W, a distance of 32.01'; thence S 89° 52' W, a distance of 170.72', to the point of beginning.

The above described land to be used for park purposes.

with warranty covenants.

WITNESS our hands and seals this 24th day of March, 19 55.

Martha Carter (SEAL) W E Carter (SEAL)

.....(SEAL) Mrs Eunice Carter (SEAL)

STATE OF NEW MEXICO, County of Eddy } ss.

On this 24th day of March, 1955, before me personally appeared W E Carter and Eunice Carter, his wife and Martha Carter, a widow and single woman to me known to be the person s described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Witness my hand and seal the day and year last above written.

My commission expires May 13, 1958, 19.....

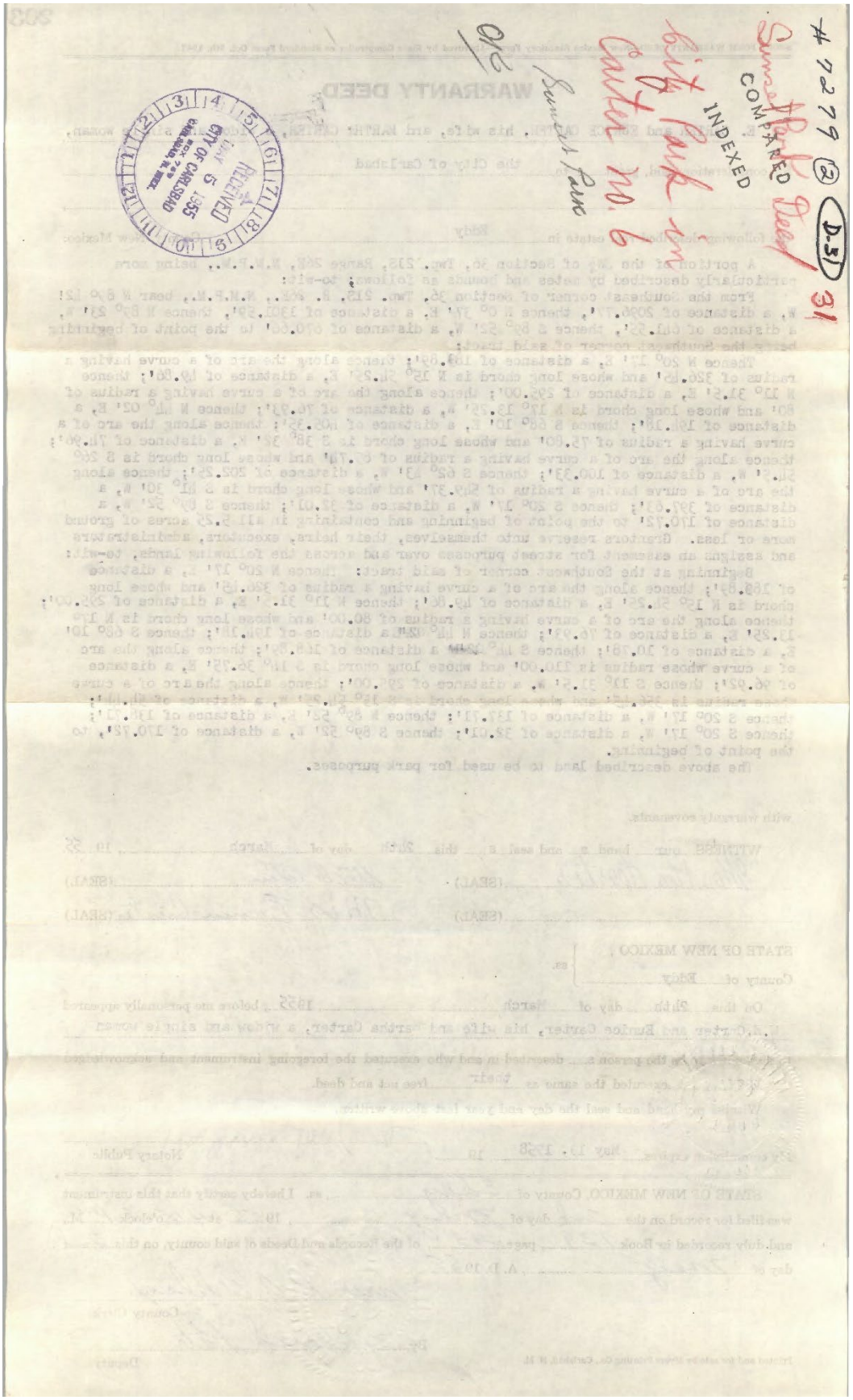
D. Kelly Campbell
Notary Public

STATE OF NEW MEXICO, County of Eddy, ss. I hereby certify that this instrument was filed for record on the 2nd day of May, 1955 at 4:45 o'clock P M., and duly recorded in Book 139, page 203, of the Records and Deeds of said county, on this 2nd day of May, A. D. 1955.

Mrs. R. A. Wiley
County Clerk

By Mildred Pate
Deputy

Printed and for sale by Myers Printing Co., Carlsbad, N. M.


#7279 (2) D-51 31
Sumner Park
COMPARED
INDEXED
City Park no 6
Carter no 6
Sumner Park
RECEIVED
MAY 15 1935
CITY OF CARLSBAD
EDDY CO. N. MEX.

GUARANTY TITLE COMPANY TRL NO.: 20-0001775CBD

103 W MERMOD
CARLSBAD, NEW MEXICO 88220
PH: 575-887-3593
FAX: 575-885-5204

TITLE REPORT LETTER

PREPARED FOR: CITY OF CARLSBAD
ATTN: EILEEN RIORDAN

RE: 1800 SOLANA ROAD
CARLSBAD, NM 88220

We have made a careful search of the records in the office of the County Clerk and Recorder for Eddy County, New Mexico on the following described property:

THE SURFACE ESTATE ONLY:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO
SECTION 36:TR A IN PT OF SW1/4

FROM: MAY 2, 1955 AT 4:15 P.M.
TO: MARCH 10, 2020 AT 7:00 A.M.

AND we find CITY OF CARLSBAD, NEW MEXICO to be the apparent record owner by WARRANTY DEED RECORDED IN RECORD DEED BOOK 139, PAGE 203, in the records of Eddy County, New Mexico.

WE FIND NO UNRELEASED MORTGAGES, JUDGMENTS OR LIENS OF RECORD, EXCEPT:

NONE

NOTE: THERE HAS BEEN NO SEARCH OF THE RECORDS FOR MATTERS PERTAINING TO EASEMENTS, RESTRICTIONS OR COVENANTS. THERE HAS BEEN NO SEARCH OF THE BANKRUPTCY RECORDS.

Ad Valorem of THE 2019 taxes ARE EXEMPT ACCOUNT #R060453 PARCEL #4-156-126-221-375

Name search limited to:
CITY OF CARLSBAD
W.E. CARTER
EUNICE CARTER
MARTHA CARTER

REMARKS:

This letter executed this 25TH DAY OF MARCH, 2020 at 7:00 A.M.

GUARANTY TITLE COMPANY
By _____
ANABEL U. GARCIA, Assistant Secretary

NOTE: This form has NOT been promulgated for use by the New Mexico Department of Insurance and is NOT a commitment or binder for title insurance purposes.

Liability under this title report letter is limited to the amount paid therefore.

Attachment B
LWCF Federal Financial Assistance Manual
Federal Financial Assistance Manual, Vol. 72.1 (available at
https://www.emnrd.nm.gov/spd/land-and-water-conservation-fund/

U.S. DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

LAND AND WATER CONSERVATION FUND
STATE ASSISTANCE PROGRAM



FEDERAL FINANCIAL ASSISTANCE MANUAL
Volume 72

Effective October 1, 2023

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CHAPTER 8 - POST-COMPLETION AND STEWARDSHIP

A. Purpose

Pursuant to the LWCF Act at 54 U.S.C. § 200301 et seq., 36 C.F.R. Part 59, and 2 C.F.R. § 200.316, this chapter contains the requirements for maintaining LWCF assisted sites and facilities in public outdoor recreation use following project completion and to assure that LWCF-assisted areas remain accessible to the general public including non-residents of assisted jurisdictions. These post-completion responsibilities apply to each area or facility for which LWCF assistance is obtained, regardless of the extent of participation of the program in the assisted area or facility and consistent with the contractual agreement between NPS and the State. Responsibility for compliance and enforcement of these requirements rests with the State for both State and locally sponsored projects (36 C.F.R. § 59.1). The responsibilities cited herein are applicable to the area depicted or otherwise described on the LWCF boundary map and/or as described in other project documentation approved by the NPS (36 C.F.R. § 59.1).

B. Operation and Maintenance

Property acquired or developed with LWCF assistance shall be operated and maintained as follows:

1. The property shall be maintained so as to appear attractive and inviting to the public.

2. Sanitation and sanitary facilities shall be maintained in accordance with applicable health standards.

3. Any outdoor recreation facilities should comply with all State and Federal legislation (e.g., 42 U.S.C. § 6901 et. seq. and the National Institute for Occupational Safety and Health (NIOSH) as required and compliance will be indicated by signs posted in visible public areas, statements in public information brochures, etc.

4. Properties shall be kept reasonably open, accessible, and safe for public use. Fire prevention, lifeguard, and similar activities shall be maintained for proper public safety.

5. Buildings, roads, trails, and other structures and improvements shall be kept in reasonable repair throughout their estimated lifetime to prevent undue deterioration and to encourage public use.

6. The facility shall be kept open for public use at reasonable hours and times of the year, according to the type of area or facility.

7. A posted LWCF acknowledgement sign shall remain displayed at the project site pursuant to Chapter 7.

C. Post-Completion Inspections and Reporting

1. Purpose. In accordance with 2 C.F.R. § 200.330 and the FAIR, in order to determine whether properties acquired or developed with LWCF assistance are being retained and used for outdoor recreation purposes in accordance with the project agreement and other applicable program requirements, a State post-completion inspection is to be made within five years after final billing and at least once every five years thereafter.

   The following points should be taken into consideration during the inspection of properties that have been developed for public use:

   a. Retention and use. Is the LWCF boundary area intact and the property being used for outdoor recreation purposes including those intended through the projects funded with LWCF assistance?

   b. Appearance. Is the property attractive and inviting to the public?

   c. Maintenance. Is upkeep and repair of structures and improvements adequate? Is there evidence of poor workmanship or use of inferior quality materials or construction? Is vandalism a problem? Is the area being maintained?

   d. Management. Does staffing and servicing of facilities appear adequate?

   e. Availability. Is there evidence of discrimination (including based on residence, see Section D below)? Is the property readily accessible and open to the public during reasonable hours and times of the year?

   f. Signing. Is the area properly signed to allow for user information and safety, and proper acknowledgement of the federal Land and Water Conservation Fund?

   g. Interim use. Where lands have been acquired but not yet developed, the inspection should determine whether the interim uses of the property are in accordance with agreements with the NPS.

2. Reporting. The real property reporting requirements enacted in the FAIR (2 C.F.R. § 1400.329(d)) has resulted in different standards for assisted areas that ever benefitted from an LWCF acquisition or combination grant vs. areas that have received development grants only. (It may simplify matters for States to follow the same process for all assisted areas.) For sites that received acquisition or combination grants, States are required to submit a status report to the NPS every 5 years, regardless of whether there are issues with the park. The SF-429 (cover page and Attachment A) are to be used. Within 90 days of completion of the on-site inspection, the State shall submit to NPS the SF-429 and a copy of the post-completion on-site inspection report. The inspection report should include the date of inspection, description of the findings, and if applicable, a summary report of issues found and corrective actions taken or to be taken. Reports should note the condition of assisted facilities, particularly those that are at or near the end of their useful life and may need a

declaration of obsolescence if rehabilitation is not possible. The report should include certification by the SLO that such obsolescence is not a result of neglect or inadequate maintenance on the part of the project sponsor (see Section M).

Submitting an SF-429 and on-site inspection report for a park site that received development grants only remains optional except the State must forward the reports if a post-completion compliance problem such as park closure or non-recreation or private use occurring within the LWCF boundary area is discovered, for NPS review and action. Copies of all reports must be retained in the State files. The State shall report to the NPS the project numbers of all sites inspected and the dates of inspection on an annual basis.

3. Applicability. The provisions of this section apply to the LWCF-assisted area encompassing the area or facility assisted by the LWCF, regardless of the extent of LWCF assistance in that area or facility. That is, in cases where assistance is provided only for an acquisition, the entire park or recreational area involved, including developments on the lands so acquired, are subject to the provisions of this section. Where development assistance is given, the lands of the park or recreation area identified on the LWCF boundary area map are subject to this section.

4. State responsibility. Responsibility for enforcement of the provisions of this section rests with the State. The NPS will inspect LWCF assisted areas and facilities from time to time, but it shall conduct such visits in concert or through consultation with the State agency or SLO.

5. Costs. The costs of making post-completion inspections by the State are allowable overhead charges for LWCF assistance and are allowable costs covered by the indirect cost rate.

6. NPS inspections. Properties acquired or developed with LWCF assistance shall be available for inspection by the NPS Director or other NPS representatives.

D. Availability to Users

1. Discrimination on the basis of race, color, national origin, religion, or sex. Pursuant to Title VI of the 1964 Civil Rights Act, property acquired or developed with LWCF assistance shall be open to entry and use by all persons regardless of race, color, or national origin, who are otherwise eligible. Title 43, Part 17 (43 C.F.R. Part 17), effectuates the provisions of Title VI. The prohibitions imposed by Title VI apply to park or recreation areas benefiting from federal assistance and to any other recreation areas administered by the State agency or local agency receiving the assistance. Discrimination is also prohibited on the basis of religion or sex.

2. Discrimination on the basis of residence. The Prohibition of Discrimination section of the LWCF Act (54 U.S.C. § 200305(i)) provides that, with respect to property acquired and/or developed with LWCF assistance, discrimination on the basis of residence, including preferential reservation, membership or annual permit systems is prohibited except to the

extent that reasonable differences in admission and other fees may be maintained on the basis of residence. This prohibition applies to both regularly scheduled and special events (36 C.F.R. § 59.4(a)).

Fees charged to nonresidents cannot exceed twice the amount charged to residents. Where there is no charge for residents, but a fee is charged to nonresidents, nonresident fees cannot exceed fees charged for residents at comparable State or local public facilities. Reservation, membership, or annual permit systems available to residents must also be available to nonresidents and the period of availability must be the same for both residents and nonresidents. Recipients are prohibited from providing residents the option of purchasing annual or daily permits while at the same time restricting nonresidents to the purchase of annual permits only (36 C.F.R. § 59.4(c)).

These provisions apply to whole recreation area within the LWCF boundary area. Nonresident fishing and hunting license fees are excluded from these requirements (36 C.F.R. § 59.4(c)).

3. Discrimination on the basis of disability. Section 504 of the Rehabilitation Act of 1973 requires no qualified person shall, on the basis of disability, be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination under any program or activity that receives or benefits from federal financial assistance. The Americans with Disabilities Act of 1990 (Public Law 100-336) simply references and reinforces these requirements for federally assisted programs.

4. Reasonable use limitations. Project sponsors may impose reasonable limits on the type and extent of use of areas and facilities acquired and/or developed with Fund assistance when such a limitation is necessary for maintenance or preservation. Thus, limitations may be imposed on the numbers of person using an area or facility or the type of users, such as "hunters only" or "hikers only." All limitations shall be in accordance with the applicable grant agreement and amendments.

E. Leasing and Concession Operations Within an LWCF Boundary Area

A project sponsor may provide for the operation of a LWCF boundary area by leasing the area/facility to a private organization or individual or by entering into a concession agreement with an operator to provide a public outdoor recreation opportunity at the Fund-assisted site.

As the principal grantee, the State is ultimately accountable for assuring compliance with the applicable federal requirements, and, therefore, the delegation or transfer of certain responsibilities to subrecipients or lessees does not relieve the State of its compliance burden. As the grant recipient, the State has agreed to provide suitable replacement property should the public use of the leased or concessioned area/facility be restricted or the outdoor recreation resource be compromised.

All lease documents and concession agreements for the operation of LWCF-assisted sites by private organizations or individuals must address the following:

1. In order to protect the public interest, the project sponsor must have a clear ability to periodically review the performance of the lessee/concessioner and terminate the lease/agreement if its terms and the provisions of the grant agreement, including standards of maintenance, public use, and accessibility, are not met.

2. The lease/agreement document should clearly indicate that the leased/concessioned area is to be operated by the lessee/concessioner for public outdoor recreation purposes in compliance with provisions of the LWCF Act and implementing regulations (36 C.F.R. Part 59. As such, the document should require the area be identified as publicly owned and operated as a public outdoor recreation facility in all signs, literature and advertising, and is operated by a lessee/concessioner as identified in the public information to eliminate the perception the area is private.

3. The lease/agreement document should require all fees charged by the lessee/concessioner to the public must be competitive with similar private facilities.

4. The lease/agreement document should make clear compliance with all Civil Rights and accessibility legislation (e.g., Title VI of Civil Rights Act, Section 504 of Rehabilitation Act, Americans with Disabilities Act) is required, and compliance will be indicated by signs posted in visible public areas, statements in public information brochures, etc.

F. Conversions of Use

Property acquired or developed with LWCF assistance shall be retained and used for public outdoor recreation. Any property so acquired and/or developed shall not be wholly or partly converted to other than public outdoor recreation uses without the approval of NPS pursuant to the LWCF Act (54 U.S.C. § 200305(f)(3)) and conversion requirements outlined in regulations (36 C.F.R. § 59.3). The conversion provisions of the LWCF Act, regulations, and these guidelines apply to each area or facility for which LWCF assistance is obtained, regardless of the extent of participation of the program in the assisted area or facility and consistent with the contractual agreement between NPS and the State.

Responsibility for compliance and enforcement of these provisions rests with the State for both State and locally sponsored projects (36 C.F.R. § 59.1). The responsibilities cited herein are applicable to the area depicted or otherwise described on the LWCF boundary area map and/or as described in other project documentation approved by the DOI. This mutually agreed to area normally exceeds that actually receiving LWCF assistance so as to assure the protection of a viable recreation area.

Local sponsors must consult early with the State LWCF manager when a conversion is under consideration or has been discovered. States must consult with their NPS-LWCF manager as early as possible in the conversion process for guidance and to sort out and discuss details of the conversion proposal to avoid mid-course corrections and unnecessary delays. A critical first step is for the State and NPS to agree on the size of the LWCF-assisted area (or LWCF-assisted property) impacted by any non-recreation, non-public use, especially prior to any appraisal activity. Any previous LWCF project agreements and actions must be identified and understood to determine the actual LWCF boundary area.

If the NPS is alerted or otherwise becomes aware of an ongoing conversion activity that has not been approved, NPS shall request the SLO to advise the project sponsor of the necessary prerequisites for approval of a conversion. If the conversion activity continues, NPS shall formally notify the State it must take appropriate action to preclude the project sponsor from proceeding further with the conversion, use, and occupancy of the area pending NPS independent review and decision of a formal conversion proposal (see Section 10 below).

The NPS has the authority to disapprove conversion requests and/or to reject proposed property substitutions if it is not in accordance with the provisions of the LWCF Act. This approval should not be considered a right of the project sponsor. The Regional Offices will coordinate closely with the Washington Office on any conversions that may be precedent setting and/or from which litigation is likely.

1. Situations that trigger a conversion include:

    a. Property interests are conveyed for private use or non-public outdoor recreation uses.

    b. Non-outdoor recreation uses (public or private) are made of the project area or a portion thereof, including those occurring on pre-existing rights-of-way and easements, or by a lessor.

    c. Unallowable indoor facilities are developed within the project area without NPS concurrence, such as unauthorized public facilities and sheltering of an outdoor facility.

    d. Public outdoor recreation use of property acquired or developed with LWCF assistance is terminated.

2. Situations that may not trigger a conversion if NPS determines that certain criteria are met include:

    a. Underground utility easements that do not impact the recreational use of the park and is restored to its original surface condition (see Section G below).

    b. Proposals to construct public facilities, such as recreation centers and indoor pool buildings, within an LWCF boundary area where it can be shown there is a gain or increased benefit to the public outdoor recreational opportunity. These proposals must be reviewed by the NPS as a "public facility request" (see Section I below). The State should consult with the NPS early in the formative stages of developing proposals to construct indoor facilities within an LWCF boundary area (see Section I below).

    c. Proposals for "temporary non-conforming uses," that is temporary non-recreation activities of less than a six-month duration within an LWCF boundary area, must be reviewed by the NPS (see Section K below).

d. Proposals to build sheltered facilities or to shelter existing facilities within an LWCF boundary area provided they do not change the overall public outdoor recreation characteristics and otherwise meet the sheltering criteria in Chapter 3. The NPS review and concurrence of such proposals will not trigger a conversion (see Section L below).

e. Proposals for changing the overall outdoor recreation use of an LWCF-assisted area from that intended in the original LWCF project agreement. These proposals must be reviewed by the NPS (see Section M below).

3. Prerequisites to the NPS consideration of conversions. Formal requests from the project sponsor for permission to convert LWCF assisted areas in whole or in part to other than public outdoor recreation uses must be submitted by the SLO to NPS in writing and conform to the prerequisites set forth in 36 C.F.R. § 59.3(b).

States shall consult with NPS when conversions are proposed or discovered and prior to making the formal request to NPS. States shall use the C&S Form to prepare its conversion proposal (see Chapter 4). The following prerequisites that must be met before NPS will consider the formal conversion request:

a. All practical alternatives to the conversion have been evaluated and rejected on a sound basis.

b. The fair market value of the property to be converted or lost has been established and the property proposed for substitution or new replacement recreation area is of at least equal fair market value as established by a State approved appraisal (prepared in accordance with the UASFLA (see Chapter 4), excluding the value of structures or facilities that will not directly enhance its outdoor recreation utility.

c. The property proposed for replacement is of reasonably equivalent usefulness and location as that being converted. Depending on the situation, and at the discretion of the NPS, the replacement property need not provide identical recreation experiences or be located at the same site, provided it is in a reasonably equivalent location. Generally, the replacement property should be administered by the same political jurisdiction as the converted property. NPS will consider State requests to change the project sponsor for any replacement property when it is determined a different political jurisdiction can meet the criteria for replacement properties. Equivalent usefulness and location will be determined based on the following criteria:

(1) Property to be converted must be evaluated in order to determine what recreation needs are being fulfilled by the facilities which exist and the types of outdoor recreation resources and opportunities available. The property being proposed for substitution must then be evaluated in a similar manner to determine if it will meet recreation needs that are at least like in magnitude and impact to the user community as the converted site. This criterion is applicable in the consideration of all conversion requests with the exception of those where wetlands are proposed as the replacement property.

Wetland areas and interests therein shall be considered to be of reasonably equivalent usefulness as compared to the recreational usefulness of the property proposed for conversion if they have been identified in the wetlands provisions of the SCORP in accordance with 54 U.S.C. § 200305(f)(3) of the LWCF Act and conversion requirements (36 C.F.R. § 59.3).

(2) Replacement property need not necessarily be directly adjacent to or close by the converted site. This policy provides the administrative flexibility to determine location recognizing that the property should meet existing public outdoor recreation needs. While generally this will involve the selection of a site serving the same community(ies) or area as the converted site, there may be exceptions. For example, if property being converted is in an area undergoing major demographic change and the area has no existing or anticipated future need for outdoor recreation, then the project sponsor should seek to locate the substitute area in another location within the jurisdiction. Should a local project sponsor be unable to replace converted property, the State would be responsible, as the primary recipient of federal assistance, for assuring compliance with these requirements and for the substitution of replacement property.

(3) The acquisition of one parcel of land may be used in satisfaction of several approved conversions (see Section 6 below) and vice versa.

d. The property proposed for replacement meets the eligibility requirements for LWCF assisted acquisitions (see Chapter 3). The replacement property must constitute or be part of a viable recreation area. Viability and recreational usefulness is dependent upon the proposed outdoor recreation development plan and timetable for the development of the replacement parks. If full development of the replacement site(s) will be delayed beyond three years from the date of conversion approval, the conversion proposal shall explain why this is necessary (see Chapter 3.B.7).

For proposed replacement property with a history of contamination, proposals must address the nature of the contamination, how the contaminated area has been or will be remediated, how the area will be developed into a safe, public outdoor recreation area, and how provisions will be put in place to monitor the new replacement recreation area to ensure public health and safety in perpetuity. Certain contaminated areas may not meet the equal or greater recreational usefulness prerequisite for replacement land. Early coordination with NPS for conversion proposals involving contaminated replacement land, even if remediated, is required (see 3.4 below).

Unless each of the following additional conditions (also see Chapter 3) is met, land currently owned by another public agency may not be used as replacement land for land acquired as part of an LWCF project:

(1) The replacement land was not originally acquired by the sponsor or selling agency for recreation.

(2) The replacement land has not been previously dedicated or managed for recreational purposes while in public ownership.

(3) No federal assistance was provided in the replacement land's original acquisition unless the assistance was provided under a program expressly authorized to match or supplement LWCF assistance.

(4) Where the project sponsor acquires replacement land from another public agency, the selling agency must be required by law to receive payment for the land so acquired (see Chapter 3.A.9).

An exception may be made to this condition only in the case of development projects for which the project sponsor's match was not derived from the cost of the purchase or value of a donation of the land to be converted, but from the value of the development itself. In this case, public land that has not been previously dedicated or managed for recreation/conservation use may be used as replacement land even if this land is currently owned by the project sponsor or is transferred from one public agency to another without cost.

e. In the case of LWCF-assisted areas that are partially rather than wholly converted, the impact of the converted portion on the remaining area shall be considered. If such a conversion is approved, the unconverted area must remain recreationally viable or be part of the conversion footprint.

f. All necessary coordination with other federal agencies has been satisfactorily accomplished including, for example, compliance with Section 4(f) of the Department of Transportation Act of 1966.

g. The guidelines for environmental review under NEPA have been satisfactorily completed and considered by NPS during its review of the proposed LWCF conversion action. In cases where the proposed conversion arises from another federal action, NPS final review of the State's proposal shall not occur until the NPS is assured all environmental review requirements for the other federal action have been met, e.g., Army Corps of Engineer permits.

The purpose and scope of the environmental review process must analyze not only the significant impacts to the LWCF-assisted area that will be lost, but also the development of the new replacement recreation area. The scope of the environmental review should not include impacts of the action precipitating the conversion on resources beyond the LWCF boundary area, such as impacts of a new housing development or a school on a neighborhood.

The environmental analysis must be conducted in a neutral and factual manner and result in statements that reflect this same neutrality so the interested and affected public can focus on and understand the details of the proposed federal action of an LWCF-assisted area being lost and providing the new replacement recreation area

according to 36 C.F.R. § 59.3. The environmental analysis documents should not include statements that promote or justify the action precipitating the conversion, such as proclaiming that the lost LWCF-assisted area is the best location for a new fire station.

For detailed guidance on NEPA and how to conduct environmental reviews for LWCF conversions, consult Chapter 4 of this manual, and the NPS.

h. Adherence to State intergovernmental review procedures as appropriate (see Chapter 4).

i. The proposed conversion and substitution are in accordance with the SCORP.

4. State preparation of conversion proposal for NPS review: To avoid any unnecessary delays, duplication of effort, and mid-course corrections, the States shall consult with NPS early when conversions are proposed or discovered to ensure:

   a. the extent of impact from the conversion activity on the LWCF boundary area is mutually agreed upon; and

   b. the acceptability of proposed new replacement recreation area has been explored prior to State/local sponsor expenditure of resources on appraisals and the required environmental review process to be undertaken in accordance with NEPA.

   The State shall coordinate the development of the conversion proposal including ensuring the project sponsor complies with applicable federal, State and local laws, regulations and permit requirements. As the proposal is developed, the State may enlist the assistance of NPS to provide technical guidance as needed, especially for complex and controversial conversions. A State's submission of a formal conversion request to NPS is a State's endorsement of the conversion. If a State does not concur or endorse the conversion, then the proposal should not be forwarded to NPS for formal review and decision.

5. NPS review of the State conversion proposal. NPS will conduct an independent review of the proposal using the conversion prerequisites and any other critical factors that may have arisen during proposal development. If the State has adequately addressed the prerequisites, and NPS finds no other reason to deny the request, the NPS administrative record will be documented as such and an amendment will be signed approving the conversion.

6. Banking excess fair market value of replacement land for future conversions. The acquisition of one parcel of replacement land may be used in satisfaction of several approved conversions.

   Excess fair market value (FMV) of a replacement property can be "banked" for a period not to exceed five years from the date of the initial conversion amendment. During this time period, the same project sponsor may process another conversion where the new

replacement property satisfies the equal usefulness criterion but falls short of the equal fair market value requirement, so the banked FMV is used to make up the difference.

The initial replacement property with the excess fair market value may not be used to satisfy the equal usefulness criterion for subsequent conversions unless additional conversions are anticipated by the sponsor at the time of the original conversion request and the accompanying documentation clearly addresses how the replacement property would satisfy the equal usefulness criteria for the original conversion as well as those that are anticipated.

7. Conversions on leased land. Should a conversion occur on leased land during the term of the lease, the State must comply with the conversion requirements of LWCF (54 U.S.C.§ 200305(f)(3)) including the provision of replacement land. In this instance, the conversion of the original lease can be replaced with a leasehold interest for a period of time that is not less than the time remaining on the original lease, and, which fulfills the recreation commitment agreed to in the original lease agreement.

   For existing projects that involve leases, the responsibility for retaining the property in recreation terminates at the end of the lease period unless the grant agreement calls for some other arrangement. Lease agreements containing a renewal clause that can be exercised by the lessee must be reviewed to ensure that LWCF compliance will continue throughout the duration of the next lease period.

8. Conversion proposal documentation. A conversion requires an amendment to the original project agreement. Therefore, the amendment should be submitted concurrently with the formal conversion request or at such time as all details of the conversion have been worked out with NPS (36 C.F.R. § 59.3(c)).

   The formal conversion proposal submission to NPS must include the following items:

   a. A recommendation letter briefly describing the conversion proposal and requesting NPS review and approval

   b. Standard Form 424 for amendments (see Chapter 7)

   c. C&S Form including the environmental resources survey, and an EA document analyzing the entire conversion proposal (the lost LWCF-assisted area, the remaining LWCF-assisted area for partial conversions, and the new replacement recreation area in one document).

   d. LWCF project amendment form identifying changes to the original LWCF boundary area caused by the conversion and to establish a new LWCF boundary around the new replacement recreation area(s)

   e. Signed and dated LWCF boundary area map for any remaining LWCF-assisted area resulting from a partial conversion, and for the new replacement recreation area(s)

f. Description and Notification Form (DNF)

Once the conversion has been approved by NPS, replacement property should be immediately acquired and developed according to the replacement proposal timetable. If development will be delayed beyond three years from the date of NPS conversion approval, then a request for delayed development beyond three years with a justification for the delay must be made to NPS (See Chapter 3.B.7.c).

9. Small conversions. Small conversions are partial conversions in which no more than ten percent (10%) of the whole LWCF-assisted area will be removed from having to comply with LWCF recreation area provisions. Whether a conversion can qualify for the policy should be established during the early consultation stage with the NPS and prior to developing the small conversion proposal.

   To qualify, the replacement property must be contiguous with the current site, or another existing park or recreation area, and otherwise meets the eligibility requirements for an acquisition grant (as outlined in Chapter 3.B. of the Manual). The existing park does not need to be currently administered as part of the LWCF recreation estate, but it will become subject to LWCF recreation area provisions going forward just as it would in the case of an acquisition grant as an expansion of an existing park. The replacement property must be made available to the public per the conversion regulations at 36 C.F.R. § 59.3.

   In addition, small conversions must qualify as a categorical exclusion under the NEPA. Small conversions by definition do not have the potential for significant environmental impacts to recreation resources; however, NPS requires documentation from the State to demonstrate that there are no significant environmental impacts on:

   - The recreation resources being removed from the LWCF recreation area;
   - The viability of the remaining land still subject to LWCF recreation area provisions and its surrounding environment; or
   - The new replacement parkland.

   Because small conversion proposals are less complex, NPS review and decision can be facilitated when:

   a. Minor or no environmental impacts would occur on resources being removed from the LWCF-assisted area, on the remaining LWCF-assisted area, and on the contiguous new replacement recreation area that will become subject to the provisions of LWCF per the environmental resources survey. This includes consideration of impacts to historic resources per the NHPA Section 106 process. The entire conversion proposal is categorically excluded from further environmental review under NEPA (see Chapter 4).

   b. The proposed conversion is not controversial.

   The State's proposal must include:

a. Transmittal letter describing the entire small conversion proposal.

b. Standard Form 424

c. C&S Form with the portion for conversions completed indicating that a categorical exclusion is justified.

d. LWCF project amendment form.

e. Description and Notification Form

f. Revised LWCF boundary area map indicating the deletion of the small converted area and the addition of the replacement property.

10. Discovering unauthorized conversions. When it is discovered that an LWCF-assisted area has been converted without NPS approval, a conversion proposal must be submitted to and reviewed by the NPS for approval. The NPS shall notify the State it is in violation of the grant contract, program regulations, and law, and an immediate resolution of the unapproved conversion must be expedited. The project sponsor shall be put on notice by the State it is ineligible for future grants until satisfactory steps have been taken towards resolution as determined by NPS. The federal action and undertaking will review the remaining actions required to meet the conditions of the Act (54 U.S.C. § 200305(f)(3)) and requirements of the conversion regulations (36 C.F.R. § 59.3). Typically, this entails review of the replacement property and development of recreation equivalency for public outdoor recreation.

    Resolution of the conversion will require State and NPS review of the conversion proposal as previously set forth in Section F.4 above including the provision of suitable replacement property.

    If the sponsor has already provided replacement property without NPS approval, the eligibility of the replacement land must meet the same LWCF requirements as if it had not yet been acquired. It is incumbent upon the State to make the case that the replacement land fully meets these requirements.

    Failure by the State to take steps to follow this procedure shall be considered cause for NPS to apply penalty options described in Section N below.

11. Conversions with delayed replacement. Exceptions to the immediate replacement requirement (see Section 8 above) will be allowed only when it is not possible for replacement property to be identified prior to the State's request for the conversion. The State must provide an express commitment to satisfy LWCF substitution requirements within a specified period, normally not to exceed one year following conversion approval for the LWCF-assisted area to be lost (36 C.F.R. § 59.3(c)). Such proposals are not routine and must include sufficient evidence to justify why such a delay is necessary. The commitment for delayed replacement will be in the form of an amendment to the grant agreement.

G. Underground Utility Easements and Rights-of-Way

Originally, this policy was written to apply only to utilities serving the park or local needs, such as water for agricultural irrigation, or distribution of gas or electricity to the park or local homes and businesses in communities adjacent to the park. The narrow right of way needed meant the impacts to existing public outdoor recreation were typically not significant.

Currently, many of the proposed underground "utility" projects involve installation of what is actually transportation infrastructure, both in their purpose and regulation, to facilitate efficient movement of goods and services. Often the alignments for these underground utility projects extend for miles beyond the LWCF recreation area, cross multiple jurisdictions including state lines, require land owners to surrender or give up a property right through an executed legal instrument (easement), and maintain standardized rights of way widths of 50 to 200 feet instead of the 20 to 30 feet more typical of local utility lines. Many of these do not meet the policy.

The State may allow installation of underground utilities within an LWCF boundary area as long as the ground above the alignment can be and is restored to its pre-existing condition to ensure the continuation of public outdoor recreational use of the area within 12 months after the ground is disturbed. Unless there is a pre-existing easement, the legal arrangement providing the rights for the utility must be a license or other limited use agreement. Arrangements that require granting property rights such as an easement will constitute a conversion.

If the recreation use is not restored within the 12-month period, or the utility installation results in permanent above-ground changes, the NPS shall be consulted to determine if the changes will trigger a conversion.

States are to consult with the NPS for all proposals involving the installation of any type of underground infrastructure (from fiber optic lines to pipelines) under LWCF-assisted areas throughout the State, where an entity is either:

1. exercising rights under a pre-existing easement or right-of-way to install new or expand capacity; or

2. requesting a new right-of-way where there is no pre-existing alignment.

If present or future outdoor recreation opportunities will be impacted in the easement area or in the remainder of the LWCF boundary area, a conversion will be triggered.

H. Commercial Signage within LWCF Boundary Areas

Commercial signs are only allowable within LWCF boundary areas when the advertising is attached to allowable park structures such as benches, fencing, walls, and buildings and are not inconsistent with the park setting and/or the built environment in which it is located (e.g., athletic fields). Signs may face either outside or inside the park. Commercial advertising in the form of a stand-alone structure such as a billboard that creates a footprint in the park, or commercial signage permanently affixed to a natural feature within the LWCF-assisted area, is a conversion regardless of which direction it faces.

I. Proposals to Construct Public Facilities

Public facility requests will only be concurred with if the public facility clearly enhances or benefits outdoor recreation use of the entire park, and the facility is compatible with and supportive of the outdoor recreation resources and opportunities of the LWCF-assisted area. The State shall use the C&S Form to document its public facility proposal using the following criteria and submit it along with a project amendment agreement and a recommendation for federal concurrence that a conversion is not triggered.

The NPS will consider requests to construct sponsor-funded public facilities when the following criteria have been met:

1. Uses of the facility will be compatible with and supportive of outdoor recreation at the rest of the site and recreation use remains the overall primary function of the site. The proposed public facility includes a recreation component and encourages the outdoor recreation use of the remaining LWCF boundary area.

2. All design and location alternatives have been adequately considered, documented, and rejected on a sound basis.

3. The proposed structure is compatible and significantly supportive of the outdoor recreation resources of the site, whether existing or planned. The park's outdoor recreation use must continue to be greater than that expected for any indoor uses, unless the site is a single use facility, such as a swimming pool building, which virtually occupies the entire site.

   Examples of uses which would not ordinarily be allowed include, but are not limited to, a community recreation center which takes up all or most of a small park site, clinics, police stations, restaurants catering primarily to the general public, fire stations, professional sports facilities or commercial resort or other facilities which: (1) are not accessible to the general public; or, (2) require memberships; or, (3) which, because of high user fees, have the effect of excluding elements of the public; or, (4) which include office, residential or elaborate lodging facilities.

   Restaurant-type establishments with indoor dining/seating that cater primarily to the outdoor recreating public must be reviewed under this public facility policy. Other park food service operations such as snack bars, carry-out food service, and concession stands with outdoor dining including pavilions and protected patios are allowable without further NPS if the primary purpose is to serve the outdoor recreating public.

4. Potential and future benefits to the total park's outdoor recreation utility must be identified in the proposal. Any costs or detriments should be documented and a net recreation benefit must result.

5. The proposed facility must be under the control and tenure of the public agency that sponsors and administers the original park area.

6. The proposal has been adequately reviewed at the state level and has been recommended by the SLO.

J. Pre-existing Buildings within LWCF Boundary Areas

Buildings located within the LWCF boundary area that were constructed before the award of an LWCF grant and establishment of the LWCF boundary area can be important backdrops or anchors that hold special meaning for park visitors and local communities. Restoration and reuse of these pre-existing buildings may offer opportunities for attracting visitors to a public park area and for keeping them secure and maintained, all while conducting operations that support the LWCF outdoor recreation purpose of the site.

A necessary first step for pre-existing building proposals is to determine if the subject building is included within the LWCF boundary area, and if so, whether it was constructed before or after LWCF boundary area was first established. If the building was constructed after the boundary was established or has yet to be constructed, please refer instead to the Public Facilities policy, in Section I above.

Allowable uses of pre-existing buildings constructed before the LWCF boundary area establishment where NPS approval is not required include the following supporting uses:

1. Site administration, operation and maintenance;
2. Visitor information, park interpretation, education, and historic structure tours;
3. Park safety and security;
4. Resource protection and park related research;
5. Site visitor amenities including lodging (see details below) and dining (see details below); gift shops/park stores; and comfort facilities; and
6. Assembly for park/outdoor recreation related meetings and public programs (see details below.

If the SLO determines the proposed use of a pre-existing building will primarily support the outdoor recreation purpose(s) within the LWCF boundary area, NPS review is not required. The NPS should be consulted if any of the above indoor uses will primarily support or serve other non-LWCF-assisted areas at the same time, other non-LWCF assisted areas in the system (e.g., system-wide maintenance facilities), and/or the non-park using public.

Lodging, Dining, and Meeting facilities: LWCF-assisted areas consist of many types of visitor amenities, including accommodations for lodging, dining, and meetings as follows:

Overnight accommodations: These types of indoor overnight accommodations are allowable when the primary purpose is serving visitors of the LWCF-assisted area as the primary market and not the general non-park using public:

1. Cabins
2. Multi-bed hostels
3. Multi-unit lodge

4. Bed and breakfast operations; inns

Dining: These types of indoor dining accommodations are allowable when the primary purpose is serving visitors of the LWCF-assisted area as the primary market and not the general non-park using public:

1. Restaurant-type establishments
2. Snack bars
3. Carry-out food service
4. Concession stands

Meeting facilities: Types of allowable indoor meeting uses include activities, meetings, events, classes, and programs primarily for outdoor recreation and park-related purposes.

Improvements to Pre-existing Buildings: NPS review and approval is not needed for proposed improvements or changes to buildings accommodating the allowable uses described above, including related renovations and support facilities such as parking and storage, as long as the intended use of these improvements is continued support of the primary outdoor recreation purpose of the LWCF-assisted area. The State is responsible for ensuring this purpose is maintained, and that the building improvements and enhancements will not dominate the outdoor recreation use of the LWCF-assisted area, which could trigger a conversion pursuant to the LWCF Act. However, improvements that will increase the footprint of the pre-existing building or supporting facilities will require review.

NPS review is required for uses of pre-existing buildings constructed before LWCF grant award if: the proposed building uses will primarily support and serve areas not within the LWCF boundary area, will support non-outdoor recreation purposes, and/or will support the non-park using public. For these uses, NPS review is required to determine if the use will trigger a conversion.

K. Requests for Temporary Non-Conforming Uses within LWCF Boundary Areas

All requests for temporary uses for purposes that do not conform to the public outdoor recreation requirement must be submitted to and reviewed by the State. The State, in turn, will submit a formal request to NPS describing the temporary non-conforming use proposal.

Continued use beyond six-months will not be considered temporary, but will result in a conversion of use and will require the State/project sponsor to provide new replacement recreation area(s) pursuant to 54 U.S.C. § 200305(f)(3) of the LWCF Act.

1. Criteria. NPS will use the following criteria to evaluate each request:

    a. The size of the LWCF-assisted area affected by any temporary non-recreation use shall not result in a significant impact on public outdoor recreation use. This means that the site of the temporary activity should be sufficiently small to restrict its impacts on other areas of a LWCF-assisted area.

b. A temporary use shall not result in permanent damage to the LWCF-assisted area, and appropriate measures will be taken to ensure the outdoor recreation area is restored for public recreation use and there are no residual impacts on the site once the temporary use is concluded.

c. No practical alternatives to the proposed temporary use exist.

d. The proposal has been adequately reviewed at the state level and has been recommended by the SLO.

2. Required proposal documentation. The State's formal proposal to NPS shall include:

a. SLO recommendation

b. C&S Form providing a complete description of the proposed temporary use, including

(1) start and completion dates;

(2) identification of the portion of the site affected, including a map showing the relationship of the temporary use site to the full area within the LWCF boundary area and a justification of why the area needed is the minimum necessary for the proposed use;

(3) an analysis of the alternatives to the proposed use that were considered;

(4) a description of both immediate impacts on the site as a result of the temporary use and any residual or long-term impacts on the site's environment or on recreation use;

(5) a description of any appropriate actions that will be taken to restore the site for public outdoor recreation use and a schedule for their implementation; and,

c. An acknowledgement by the SLO a full conversion will result if the temporary use has not ceased after the maximum six-month period allotted.

L. Sheltering Facilities within LWCF-assisted Areas

NPS approval is required to shelter an existing recreation facility located within an LWCF-assisted area. See Chapter 3.C.7 for further guidance.

M. Obsolete Facilities

Recipients are not required to continue operation of a particular recreation area or assisted facility beyond its useful life (36 C.F.R. § 59.3(d)). However, 54 U.S.C. § 200305(f)(3) of the LWCF Act and 36 C.F.R. § 59.1 of the regulations require project sponsors to continue to maintain the entire area within the LWCF boundary area in some form of public outdoor recreation use. The LWCF Act obligations cannot be discharged by declaring a facility obsolete.

Notwithstanding neglect or inadequate maintenance on the part of the project sponsor, a recreation area or facility may be determined to be obsolete if:

1. reasonable maintenance and repairs are not sufficient to keep the recreation area or facility operating;

2. changing recreation needs dictate a change in the type of facilities provided;

3. park operating practices dictate a change in the type of facilities required; or,

4. the recreation area or facility is destroyed by fire, natural disaster, or vandalism.

States may determine a facility is obsolete and permit its use to be discontinued or allow a particular type of recreation use of the LWCF assisted area to be changed provided that the project record maintained by the State is documented by the sponsor with a justification statement for determining obsolescence and the State concurs in the change. However, NPS approval must be obtained prior to any change from one LWCF allowable use to another when the proposed use would significantly contravene the original plans for the area. See Section L below for further guidance.

If, in the judgment of the State, the facility is needed and was lost through neglect or inadequate maintenance, then replacement facilities must be provided at the current value of the original investment.

LWCF assistance may be provided to renovate outdoor recreation facilities that have previously received LWCF assistance if the State determines the renovation is not required as a result of neglect or inadequate maintenance and the State documents the project record to that effect.

N. Significant Change of Use

The LWCF Act requires project sponsors maintain the entire area defined in the project agreement in some form of public outdoor recreation use. NPS approval must be obtained prior to any change from one eligible use to another when the proposed use would significantly contravene the original plans or intent for the area as described in the original LWCF project(s). NPS approval is not, however, required for each and every facility use change. Uses within an LWCF-assisted area should be viewed in the context of overall use and should be monitored in this context. A change from a swimming pool with substantial recreational development to a less intense area of limited development such as a passive park, or vice versa, would, for example, require NPS review and approval (36 C.F.R. § 59.3(d)).

The State shall notify the NPS in writing of a proposal to significantly change the use of LWCF-assisted area in advance of this occurrence. The NPS will expedite a determination of whether a formal review and approval process will be required. A primary NPS consideration in the review will be the consistency of the proposal with the SCORP.

If the change in use proposal requires a formal review and approval by NPS, the State shall complete the C&S Form (see Chapter 4).

Changes to other than public outdoor recreation use constitute a conversion and will require NPS approval and the substitution of replacement land in accordance with the LWCF Act.

O. Remedies for Failure to Comply with Federal Laws and Regulations

Pursuant to 2 C.F.R. § 200.339, when the NPS determines a State has violated or failed to comply with applicable federal law, regulations, and/or grant terms and conditions that govern the Program and the financial assistance awards issued under it, the NPS may impose additional conditions consistent with 2 C.F.R. § 200.208 on the State (and/or the State may impose them on the subrecipient). If the noncompliance cannot be remedied through these conditions, further actions may be taken as appropriate to the circumstances until compliance or correctional action has been accomplished. These actions include: temporarily withholding payment of federal funds to the State on account of such project, disallowing costs, suspending or terminating the award, initiating suspension or debarment proceedings, withholding funds for other projects of the State, withholding approval of further projects of the State, or taking other remedies that might be legally available.

Attachment C
LWCF Boundary Map



35-01256 Carlsbad Shorthorn Park Rehabilitation Project

LWCF 6(f)3 Official Boundary Map

LWCF Boundary: 4.62Acres
Park Total Acres: 4.62Acres
Location: 1800 Solano Rd. Carlsbad, NM 88220-3915
32.432475, -104.248300

Nav Khalsa

Nav Khalsa ASLO 9/23/25

Green Area= Encumbered Boundary

Light poles maintained by City of Carlsbad

Power line within property boundary maintained by PNM (Public Service Company of New Mexico) Not an official easement

Attachment D
US Fish & Wildlife Service IPaC Environmental Species Review

United States Department of the Interior

FISH AND WILDLIFE SERVICE
New Mexico Ecological Services Field Office
2105 Osuna Road Ne
Albuquerque, NM 87113-1001
Phone: (505) 346-2525 Fax: (505) 346-2542

In Reply Refer To: 09/23/2025 17:33:48 UTC
Project Code: 2025-0153307
Project Name: 35-01256 Carlsbad Shorthorn Park LWCF Improvements

Subject: List of threatened and endangered species that may occur in your proposed project location or may be affected by your proposed project

To Whom It May Concern:

Thank you for your recent request for information on federally listed species and important wildlife habitats that may occur in your project area. The U.S. Fish and Wildlife Service (Service) has responsibility for certain species of New Mexico wildlife under the Endangered Species Act (ESA) of 1973 as amended (16 USC 1531 et seq.), the Migratory Bird Treaty Act as amended (16 USC 701-715), and the Bald and Golden Eagle Protection Act as amended (16 USC 668-668(c)). We are providing the following guidance to assist you in determining which federally imperiled species may or may not occur within your project area, and to recommend some conservation measures that can be included in your project design.

The enclosed species list identifies threatened, endangered, proposed and candidate species, as well as proposed and final designated critical habitat, that may occur within the boundary of your proposed project and/or may be affected by your proposed project. The species list fulfills the requirements of the U.S. Fish and Wildlife Service (Service) under section 7(c) of the ESA of 1973, as amended (16 U.S.C. 1531 *et seq.*).

New information based on updated surveys, changes in the abundance and distribution of species, changed habitat conditions, or other factors could change this list. Please feel free to contact us if you need more current information or assistance regarding the potential impacts to federally proposed, listed, and candidate species and federally designated and proposed critical habitat. Please note that under 50 CFR 402.12(e) of the regulations implementing section 7 of the ESA, the accuracy of this species list should be verified after 90 days. The Service recommends that verification be completed by visiting the IPaC website at regular intervals during project planning and implementation for updates to species lists and information. An updated list may be requested through the IPaC system by completing the same process used to receive the enclosed list.

The purpose of the ESA is to provide a means whereby threatened and endangered species and

the ecosystems upon which they depend may be conserved. Under sections 7(a)(1) and 7(a)(2) of the ESA and its implementing regulations (50 CFR 402 *et seq.*), Federal agencies are required to utilize their authorities to carry out programs for the conservation of threatened and endangered species and to determine whether projects may affect threatened and endangered species and/or designated critical habitat.

A Biological Assessment is required for construction projects (or other undertakings having similar physical impacts) that are major Federal actions significantly affecting the quality of the human environment as defined in the National Environmental Policy Act (NEPA; 42 USC 4332(2) (c)). For projects other than major construction activities, the Service suggests that a biological evaluation similar to a Biological Assessment be prepared to determine whether the project may affect listed or proposed species and/or designated or proposed critical habitat. Recommended contents of a Biological Assessment are described at 50 CFR 402.12.

If a Federal agency determines, based on the Biological Assessment or biological evaluation, that listed species and/or designated critical habitat may be affected by the proposed project, the agency is required to consult with the Service pursuant to 50 CFR 402. In addition, the Service recommends that candidate species, proposed species and proposed critical habitat be addressed within the consultation. More information on the regulations and procedures for section 7 consultation, including the role of permit or license applicants, can be found in the "Endangered Species Consultation Handbook" at https://www.fws.gov/sites/default/files/documents/endangered-species-consultation-handbook.pdf.

Candidate Species and Other Sensitive Species

A list of candidate and other sensitive species in your area is also attached. Candidate species and other sensitive species are species that have no legal protection under the ESA, although we recommend that candidate and other sensitive species be included in your surveys and considered for planning purposes. The Service monitors the status of these species. If significant declines occur, these species could potentially be listed. Therefore, actions that may contribute to their decline should be avoided.

Lists of sensitive species including State-listed endangered and threatened species are compiled by New Mexico State agencies. These lists, along with species information, can be found at the following websites.

Biota Information System of New Mexico (BISON-M): www.bison-m.org

New Mexico State Forestry. The New Mexico Endangered Plant Program: https://www.emnrd.nm.gov/sfd/rare-plants/

New Mexico Rare Plant Technical Council, New Mexico Rare Plants: nmrareplants.unm.edu

Natural Heritage New Mexico, online species database: nhnm.unm.edu

WETLANDS AND FLOODPLAINS

Under Executive Orders 11988 and 11990, Federal agencies are required to minimize the destruction, loss, or degradation of wetlands and floodplains, and preserve and enhance their natural and beneficial values. These habitats should be conserved through avoidance, or mitigated to ensure that there would be no net loss of wetlands function and value.

We encourage you to use the National Wetland Inventory (NWI) maps in conjunction with ground-truthing to identify wetlands occurring in your project area. The Service's NWI program website, www.fws.gov/wetlands/Data/Mapper.html, integrates digital map data with other resource information. We also recommend you contact the U.S. Army Corps of Engineers for permitting requirements under section 404 of the Clean Water Act if your proposed action could impact floodplains or wetlands.

MIGRATORY BIRDS

In addition to responsibilities to protect threatened and endangered species under the ESA, there are additional responsibilities under the Migratory Bird Treaty Act (MBTA) and the Bald and Golden Eagle Protection Act (BGEPA) to protect native birds from project-related impacts. Any activity resulting in take of migratory birds, including eagles, is prohibited unless otherwise permitted by the Service (50 CFR 10.12 and 16 USC 668(a)). For more information regarding these Acts, see https://www.fws.gov/program/migratory-bird-permit/what-we-do.

It is the responsibility of the project proponent to comply with these Acts by identifying potential impacts to migratory birds and eagles within applicable NEPA documents (when there is a Federal nexus) or a Bird/Eagle Conservation Plan (when there is no Federal nexus). Proponents should implement conservation measures to avoid or minimize the production of project-related stressors or minimize the exposure of birds and their resources to the project-related stressors. For more information on avian stressors and recommended conservation measures, see https://www.fws.gov/library/collections/threats-birds. We also recommend review of the Birds of Conservation Concern list (https://www.fws.gov/media/birds-conservation-concern-2021) to fully evaluate the effects to the birds at your site. This list identifies migratory and non-migratory bird species (beyond those already designated as federally threatened or endangered) that represent top conservation priorities for the Service, and are potentially threatened by disturbance, habitat impacts, or other project development activities.

In addition to MBTA and BGEPA, Executive Order 13186: *Responsibilities of Federal Agencies to Protect Migratory Birds*, obligates all Federal agencies that engage in or authorize activities that might affect migratory birds, to minimize those effects and encourage conservation measures that will improve bird populations. Executive Order 13186 thereby provides additional protection for both migratory birds and migratory bird habitat. Please visit https://www.fws.gov/partner/council-conservation-migratory-birds for information regarding the implementation of Executive Order 13186.

We suggest you contact the New Mexico Department of Game and Fish, and the New Mexico

Energy, Minerals, and Natural Resources Department, Forestry Division for information regarding State protected and at-risk species fish, wildlife, and plants.

For further consultation with the Service we recommend submitting inquiries or assessments electronically to our incoming email box at nmesfo@fws.gov, where it will be more promptly routed to the appropriate biologist for review.

We appreciate your concern for threatened and endangered species. The Service encourages Federal agencies to include conservation of threatened and endangered species into their project planning to further the purposes of the Act. Please include the Consultation Code in the header of this letter with any request for consultation or correspondence about your project that you submit to our office.

Attachment(s):

- Official Species List
- Bald & Golden Eagles
- Migratory Birds

OFFICIAL SPECIES LIST

This list is provided pursuant to Section 7 of the Endangered Species Act, and fulfills the requirement for Federal agencies to "request of the Secretary of the Interior information whether any species which is listed or proposed to be listed may be present in the area of a proposed action".

This species list is provided by:

New Mexico Ecological Services Field Office
2105 Osuna Road Ne
Albuquerque, NM 87113-1001
(505) 346-2525

PROJECT SUMMARY

Project Code: 2025-0153307
Project Name: 35-01256 Carlsbad Shorthorn Park LWCF Improvements
Project Type: Recreation - Maintenance / Modification
Project Description: The City of Carlsbad applied for a NPS LWCF grant for improvements to its existing Shorthorn Park (formerly known as Sunset Park). The project area is located at 1802 West Blodgett Street, and is ca. 4.5 acres in size. It is owned by the City. Improvements on this previously developed parcel include installation of modern playground equipment, shaded gathering areas, multi-use trails, and a dog park. The project will begin upon award of the LWCF grant and will be completed within the 3-year lifespan of the grant.

Project Location:

The approximate location of the project can be viewed in Google Maps: https://www.google.com/maps/@32.433326449999996,-104.24738115557105,14z



Counties: Eddy County, New Mexico

ENDANGERED SPECIES ACT SPECIES

There is a total of 6 threatened, endangered, or candidate species on this species list.

Species on this list should be considered in an effects analysis for your project and could include species that exist in another geographic area. For example, certain fish may appear on the species list because a project could affect downstream species.

IPaC does not display listed species or critical habitats under the sole jurisdiction of NOAA Fisheries[1], as USFWS does not have the authority to speak on behalf of NOAA and the Department of Commerce.

See the "Critical habitats" section below for those critical habitats that lie wholly or partially within your project area under this office's jurisdiction. Please contact the designated FWS office if you have questions.

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1. NOAA Fisheries, also known as the National Marine Fisheries Service (NMFS), is an office of the National Oceanic and Atmospheric Administration within the Department of Commerce.

BIRDS

NAME	STATUS
Northern Aplomado Falcon *Falco femoralis septentrionalis* Population: U.S.A (AZ, NM) No critical habitat has been designated for this species. Species profile: https://ecos.fws.gov/ecp/species/1923 General project design guidelines: https://ipac.ecosphere.fws.gov/project/CBSDQEOGIJF73IZ43CIOZR4QXU/documents/generated/8928.pdf	Experimental Population, Non-Essential
Piping Plover *Charadrius melodus* Population: [Atlantic Coast and Northern Great Plains populations] - Wherever found, except those areas where listed as endangered. There is **final** critical habitat for this species. Your location does not overlap the critical habitat. Species profile: https://ecos.fws.gov/ecp/species/6039	Threatened
Southwestern Willow Flycatcher *Empidonax traillii extimus* There is **final** critical habitat for this species. Your location does not overlap the critical habitat. Species profile: https://ecos.fws.gov/ecp/species/6749 General project design guidelines: https://ipac.ecosphere.fws.gov/project/CBSDQEOGIJF73IZ43CIOZR4QXU/documents/generated/9177.pdf	Endangered

FISHES

NAME	STATUS
Pecos Bluntnose Shiner *Notropis simus pecosensis* There is **final** critical habitat for this species. Your location does not overlap the critical habitat. Species profile: https://ecos.fws.gov/ecp/species/4362 General project design guidelines: https://ipac.ecosphere.fws.gov/project/CBSDQEOGIJF73IZ43CIOZR4QXU/documents/generated/9170.pdf	Threatened

CLAMS

NAME	STATUS
Texas Hornshell *Popenaias popeii* There is **proposed** critical habitat for this species. Your location does not overlap the critical habitat. Species profile: https://ecos.fws.gov/ecp/species/919 General project design guidelines: https://ipac.ecosphere.fws.gov/project/CBSDQEOGIJF73IZ43CIOZR4QXU/documents/generated/9180.pdf	Endangered

INSECTS

NAME	STATUS
Monarch Butterfly *Danaus plexippus*	Proposed Threatened

NAME	STATUS
There is **proposed** critical habitat for this species. Your location does not overlap the critical habitat. Species profile: https://ecos.fws.gov/ecp/species/9743	

CRITICAL HABITATS

THERE ARE NO CRITICAL HABITATS WITHIN YOUR PROJECT AREA UNDER THIS OFFICE'S JURISDICTION.

YOU ARE STILL REQUIRED TO DETERMINE IF YOUR PROJECT(S) MAY HAVE EFFECTS ON ALL ABOVE LISTED SPECIES.

BALD & GOLDEN EAGLES

Bald and Golden Eagles are protected under the Bald and Golden Eagle Protection Act [2] and the Migratory Bird Treaty Act (MBTA) [1]. Any person or organization who plans or conducts activities that may result in impacts to Bald or Golden Eagles, or their habitats, should follow appropriate regulations and consider implementing appropriate avoidance and minimization measures, as described in the various links on this page.

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1. The Bald and Golden Eagle Protection Act of 1940.
2. The Migratory Birds Treaty Act of 1918.
3. 50 C.F.R. Sec. 10.12 and 16 U.S.C. Sec. 668(a)

Bald and Golden Eagles are protected under the Bald and Golden Eagle Protection Act and the Migratory Bird Treaty Act (MBTA). Any person or organization who plans or conducts activities that may result in impacts to Bald or Golden Eagles, or their nests, should follow appropriate regulations and implement required avoidance and minimization measures, as described in the various links on this page.

The data in this location indicates that no eagles have been observed in this area. This does not mean eagles are not present in your project area, especially if the area is difficult to survey. Please review the 'Steps to Take When No Results Are Returned' section of the Supplemental Information on Migratory Birds and Eagles document to determine if your project is in a poorly surveyed area. If it is, you may need to rely on other resources to determine if eagles may be present (e.g. your local FWS field office, state surveys, your own surveys).

Any person or organization who plans or conducts activities that may result in impacts to bald or golden eagles, or their habitats, should follow appropriate regulations and consider implementing appropriate conservation measures, as described in the links below. Specifically, please review the "Supplemental Information on Migratory Birds and Eagles".

MIGRATORY BIRDS

The Migratory Bird Treaty Act (MBTA) [1] prohibits the take (including killing, capturing, selling, trading, and transport) of protected migratory bird species without prior authorization by the Department of Interior U.S. Fish and Wildlife Service (Service).

1. The Migratory Birds Treaty Act of 1918.
2. The Bald and Golden Eagle Protection Act of 1940.
3. 50 C.F.R. Sec. 10.12 and 16 U.S.C. Sec. 668(a)

For guidance on when to schedule activities or implement avoidance and minimization measures to reduce impacts to migratory birds on your list, see the "Probability of Presence Summary" below to see when these birds are most likely to be present and breeding in your project area.

NAME	BREEDING SEASON
Black-chinned Sparrow *Spizella atrogularis* This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska. https://ecos.fws.gov/ecp/species/9447	Breeds Apr 15 to Jul 31
Broad-tailed Hummingbird *Selasphorus platycercus* This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska. https://ecos.fws.gov/ecp/species/11935	Breeds May 25 to Aug 21
Cactus Wren *Campylorhynchus brunneicapillus guttatus* This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA https://ecos.fws.gov/ecp/species/8834	Breeds Mar 5 to Sep 30
Cassin's Sparrow *Peucaea cassinii* This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA https://ecos.fws.gov/ecp/species/9512	Breeds Aug 1 to Oct 10
Clark's Grebe *Aechmophorus clarkii* This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska. https://ecos.fws.gov/ecp/species/10575	Breeds Jun 1 to Aug 31
Eastern Meadowlark *Sturnella magna* This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA https://ecos.fws.gov/ecp/species/9455	Breeds Apr 25 to Aug 31
Ferruginous Hawk *Buteo regalis* This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA https://ecos.fws.gov/ecp/species/6038	Breeds Mar 15 to Aug 15

Project code: 2025-0153307 09/23/2025 17:33:48 UTC

NAME	BREEDING SEASON
Henry's Common Nighthawk *Chordeiles minor henryi* This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA https://ecos.fws.gov/ecp/species/11979	Breeds May 21 to Aug 25
Long-billed Curlew *Numenius americanus* This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA https://ecos.fws.gov/ecp/species/5511	Breeds elsewhere
Scott's Oriole *Icterus parisorum* This is a Bird of Conservation Concern (BCC) only in particular Bird Conservation Regions (BCRs) in the continental USA https://ecos.fws.gov/ecp/species/11968	Breeds May 21 to Aug 15
Virginia's Warbler *Leiothlypis virginiae* This is a Bird of Conservation Concern (BCC) throughout its range in the continental USA and Alaska. https://ecos.fws.gov/ecp/species/9441	Breeds May 1 to Jul 31

PROBABILITY OF PRESENCE SUMMARY

The graphs below provide our best understanding of when birds of concern are most likely to be present in your project area. This information can be used to tailor and schedule your project activities to avoid or minimize impacts to birds. Please make sure you read "Supplemental Information on Migratory Birds and Eagles", specifically the FAQ section titled "Proper Interpretation and Use of Your Migratory Bird Report" before using or attempting to interpret this report.

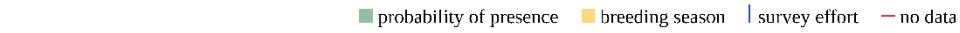
Probability of Presence (■)

Green bars; the bird's relative probability of presence in the 10km grid cell(s) your project overlaps during that week of the year.

Breeding Season (■)
Yellow bars; liberal estimate of the timeframe inside which the bird breeds across its entire range.

Survey Effort (|)
Vertical black lines; the number of surveys performed for that species in the 10km grid cell(s) your project area overlaps.

No Data (–)
A week is marked as having no data if there were no survey events for that week.





Additional information can be found using the following links:

- Eagle Management https://www.fws.gov/program/eagle-management
- Measures for avoiding and minimizing impacts to birds https://www.fws.gov/library/collections/avoiding-and-minimizing-incidental-take-migratory-birds
- Nationwide avoidance and minimization measures for birds
- Supplemental Information for Migratory Birds and Eagles in IPaC https://www.fws.gov/media/supplemental-information-migratory-birds-and-bald-and-golden-eagles-may-occur-project-action

IPAC USER CONTACT INFORMATION

Agency: New Mexico Energy, Minerals, and Natural Resources Department
Name: Robert Stokes
Address: NM State Parks
Address Line 2: 1220 S. St. Francis Drive
City: Santa Fe
State: NM
Zip: 87505
Email robert.stokes@emnrd.nm.gov
Phone: 5054790911

LEAD AGENCY CONTACT INFORMATION

Lead Agency: National Park Service
Name: Matthew Colwin
Email: matthew_colwin@nps.gov
Phone: 4026611514

CITY OF CARLSBAD
AGENDA BRIEFING
MEMORANDUM

Council Meeting Date: May 12, 2026

DEPARTMENT: Grants	**BY**: Angie Barrios-Testa	**DATE**: 04/30/2026

SUBJECT:
Consider Approval of Resolution 2026-32, a Resolution to adopt and allocate funds for an Outdoor Fitness Court as part of the 2026 National Fitness Campaign for the Bob Forrest Youth Sports Complex

BACKGROUND, ANALYSIS AND IMPACT: (Safety and Welfare/Financial/Personnel/Infrastructure/etc.)
On April 14, 2026, the City Council approved submitting a grant application to the National Fitness Campaign (NFC). Staff prepared and submitted the City's grant application on April 27, 2026, and has now received notification that it was selected as a 2026 BlueCross BlueShield (BCBS) New Mexico Grant Recipient in the amount of $80,000. This funding will be used to build a Fitness Court Studio at the Bob Forrest Youth Sports Complex.
Once approved, the City will be required to implement the project during the 2026-2027 Funding Cycle. The first step in the process is to accept the award and allocate up to at least $255,000 in matching funds by resolution. In anticipation of this award, the City has budgeted this project in the FY27 Preliminary Budget. Additionally, the City applied for a New Mexico Destination Forward Grant to offset this cost if successfully awarded.
Once the enclosed resolution is approved and the budget is made available, City staff will begin implementing the project. The City will work with the NFC representatives to successfully achieve the milestones outlined in the enclosed award letter and as required by the NFC and the 2026 Blue Cross Blue Shield New Mexico funding grant program.
This makes it the second award from the NFC. The City was awarded an NFC 2024 award of $60,000 for the Fitness Court along the Pecos River.

DEPARTMENT RECOMMENDATION:
If it is the will of the City Council, approve the enclosed resolution to adopt and allocate funds for an Outdoor Fitness Court as part of the 2026 National Fitness Campaign, and designate the Mayor signature authority on the resolution and related documents.

BOARD/COMMISSION/COMMITTEE ACTION:
-

Reviewed by:

City Manager: Wendy Austin	Date: May 7, 2026

Attachments:
1. Resolution 2026-32 (1)
2. Carlsbad, NM - 2026 Notice of Award & Grant Program Requirements
3. Health Impact Fact Sheet

4. Partner Folder Overview
5. 2. Design Guidelines - Site Planning Criteria
6. City-of-Carlsbad-New-Mexico Application

CITY OF CARLSBAD
RESOLUTION NO. 2026 -32

RESOLUTION TO ADOPT AND ALLOCATE FUNDS FOR AN OUTDOOR FITNESS COURT® AS PART OF THE 2026 NATIONAL FITNESS CAMPAIGN AT THE BOB FORREST YOUTH SPORTS COMPLEX

WHEREAS, the City of Carlsbad has submitted a Grant Application to National Fitness Campaign (NFC) for participation in the 2026 initiative to install and activate outdoor Fitness Courts® in over 1000 municipalities and schools across the country, and

WHEREAS, the City of Carlsbad, in collaboration with NFC, has identified the Bob Forrest Youth Sports Complex as an ideal location for a second Fitness Court® in Carlsbad, given its high-quality recreation infrastructure in a highly visible, connected, and active location, as well as the success of the one located along the Pecos River, and

WHEREAS, the City of Carlsbad will accept a $80,000 National Grant from the NFC Grant Committee and Statewide Partners, and endeavors to provide a local funding confirmation for $255,000 in compliance with the attached Grant Program Requirements to promote and implement a free-to-the-public outdoor Fitness Court®, and

WHEREAS, the City of Carlsbad understands that the scope of this project includes the installation of a concrete pad and the assembly of the Fitness Court, both to be completed by separate vendors external to the National Fitness Campaign. Additional funding requirements for the concrete installation and Fitness Court assembly are available in the attached Grant Program Requirement document provided by the National Fitness Campaign, and

WHEREAS, the City of Carlsbad City Council believes joining the National Fitness Campaign is an important step in building a healthier community, commits to funding/fundraising to participate in NFC's 2026 Campaign, and will earn local and regional recognition as a leader in providing accessible health and wellness infrastructure and programs.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CARLSBAD, NEW MEXICO, that:

The City of Carlsbad wishes to collaborate with NFC to join the National Fitness Campaign, implement the outdoor Fitness Court® program, and make fitness free for community residents and visitors.

PASSED, APPROVED, and ADOPTED by the governing body at its meeting on May 12, 2026.

_____
Richard D. Lopez, Mayor

ATTEST:

_____
Nadine Mireles, City Clerk

Congratulations!

Carlsbad, NM has been selected as a 2026 BCBS - NM Grant Recipient!

Dear Angelica,

On behalf of the National Fitness Campaign Grant Committee, we are pleased to share that Carlsbad, NM has been selected as a grant eligible partner in the 2026 BCBS - NM Campaign! This notification letter confirms eligibility for one (1) 2026 NFC Grant of $80,000. The next step is to schedule your official Grant Eligibility Award Call within the next 10 days, where the qualifications submitted in your Grant Application will be confirmed by the NFC team, and your Grant Program Requirements (GPR) will be aligned for eligibility and participation in this year's campaign. A copy of your GPR Document is attached to this formal award letter for your review, and is based on dates submitted in your Grant Application.

The $80,000 Grant Award will be confirmed pending 1) the submission of a Resolution of Adoption, endorsed by your local governing body or appropriate council within 30 days of the Award Call, 2) authorization to proceed, documented by formal funding confirmation (commonly a purchase order) and 3) confirmation of a scheduled shipping date for the Fitness Court and appropriate storage plans. Once set, GPR milestones must be met in order to maintain funding eligibility in the campaign.

To support this partnership and align your GPR milestones with your community's local adoption and funding processes, we have assigned a Partnership Manager – Allison Campbell – as your dedicated partner and champion in support of this partnership. Over the coming months, Allison will work with your team to support the path outlined in the GPR Document, assisting in the confirmation of required remaining funding, installation, and launch of your program.

The 2026 BCBS - NM Campaign is part of a national movement to make world-class fitness free and accessible in public spaces across the country, which is more important today than ever before – thank you for your commitment to supporting this goal.

Here is a sneak peak at what's ahead:

- Fitness Court® Launch – Cut the ribbon on your beautiful new outdoor gym & announce free fitness to the community!
- Classes & Challenges – Get residents moving & keep them engaged with ongoing group classes, individual training, and competitive events.
- Press & Promotions – Shine a spotlight on your community and local partners for joining this exciting and innovative wellness movement!

Once again, we are thrilled to invite you to join us as a partner in the 2026 BCBS - NM, and we look forward to making world-class fitness free in Carlsbad, NM!

Best in Fitness,



Mitch Menaged, Founder

Carlsbad, NM - National Fitness Campaign

2026 Funding Cycle Grant Program Requirements (GPR)

Important: *Grant Program Requirement (GPR) Dates must be adhered to in order to confirm grant availability within the awarded campaign year. While NFC strives to accommodate all approved applicants for participation, National Fitness Campaign cannot guarantee grant availability within each calendar year should approved milestone dates not be met, due to the volume of applicants joining the campaign and limited nature of Grant Funding in each state. Please contact your Partnership Development manager for more information.*

PHASE 1

MILESTONE 1: ADOPTION

Summary: Commit to project adoption and confirm intent to provide remaining matching funding

- Requirement: Complete Resolution of Adoption
- **On or Before: 5/13/2026**

MILESTONE 2: AUTHORIZATION TO PROCEED - FUNDING CONFIRMED

Summary: Approve and secure funding (as needed) and confirm total required remaining funding listed below.

- Requirement: Funding confirmation document submitted to NFC for remaining program funding (typically a Purchase Order (P.O). Refer to Official Quote and Funding Requirements Summary for details.
    - **Remaining Funding Requirement After Grant: $255,000 (Fitness Court Studio + Local Art + Shade)**
- **On or Before: 7/17/2026**

All external fundraising must be secured no later than 120 days from the Notice of Award*

MILESTONE 3: SHIPMENT FOR STORAGE

Summary: Identify Fitness Court® storage location and schedule Fitness Court® delivery

- Requirement: Accept Fitness Court® delivery and store at a secure location, prepare to be invoiced for remaining program funds due per Milestone 2.
- **Deadline: Within 2-4 weeks from completion of Milestone 2**

PHASE 2

MILESTONE 4: PLANNING, DESIGN & ART

Summary: Confirm Fitness Court Orientation and Site Layout, Approve Fitness Court® Art Designs

- Requirement: Approve Site Orientation, Site Plan and Approve artwork.
- **Deadline: July/August**

(Continued on Next Page)

MILESTONE 5: CONCRETE SLAB INSTALLATION

Summary: Review concrete slab drawings & schedule concrete installer, Confirm Art is produced and shipped.

- Requirement: Install concrete slab (cure time of 14 days before Fitness Court® installation, Spraylock additive required). Fill out the concrete slab inspection form upon completion.
    - **Estimated Funding Requirement: $0-$65,000 (Fitness Court Studio + Shade Prep)**
- **Deadline: August/September - pending weather**

MILESTONE 6: FITNESS COURT® ASSEMBLY

Summary: Select Fitness Court® Assembly Team - NFC's Approved Installation Network (AIN) is recommended pending local procurement requirements and policies.

- Requirement: Confirm installation timeline with NFC, provide completed installation photos for NFC inspection
    - **Estimated Funding Requirement: $71,750 (Fitness Court Studio + Shade)**
- **Deadline: September/October 2026 - pending weather**

MILESTONE 7: PRESS LAUNCH RIBBON CUTTING CEREMONY

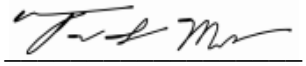
Summary: Hold Fitness Court® press launch & ribbon cutting event (in coordination with State Sponsor if applicable)

- Requirement: Promote press release, train ambassadors, hold launch within campaign year (weather permitting)
- **Deadline: October/November 2026 - pending weather**

MILESTONE 8: ATTEND OFFICIAL WELCOME TO CAMPAIGN VIRTUAL CALL

Summary: Attend NFC's official Welcome to Campaign call to share success of launch, initiate Fitness Court warranty, receive tools & services for Fitness Court activation, establish connection to long-term NFC Relationship Management Team

- Requirement: Schedule call with NFC & Local Leadership to attend Welcome to Campaign call. **Call completes formal grant obligations.*
- **Deadline: Scheduled within 2 weeks post Launch Event (Milestone 7)**

G.P.R. Authorized by:  *Trent Matthias - Campaign Director*

1. Physical Activity & Preventable Disease

- **Physical inactivity is linked to at least 35 chronic conditions** — including heart disease, type 2 diabetes, hypertension, breast and colon cancer, depression, and cognitive decline.[1]
- In the United States, **insufficient physical activity contributes to ~110,000 premature deaths annually** and roughly **$117 billion in avoidable health-care costs each year.**[2]
- Increasing moderate-to-vigorous activity by just **10 minutes per day** could prevent more than **100,000 deaths annually.**[3]
- One U.S. analysis estimated that **1.1 million cardiovascular disease cases** and **$5.4 billion** in direct medical expenditures were associated with inactivity.[4]

Sources:

1. Booth et al., *Prog Cardiovasc Dis* (2017) 64(1): 12-27 PubMed 28814614
2. CDC, "Physical Activity: Key Facts," 2023 (cdc.gov)
3. Saint-Maurice et al., *JAMA Intern Med* (2022) 182(3): 231-238 (dceg.cancer.gov)
4. Pratt et al., *Med Sci Sports Exerc* (2000) 32(9 Suppl): S605-S615 PubMed 15454355

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2. Quality of Life, Mental Health & Activity

- A meta-analysis found that adults meeting recommended physical activity levels had **~25% lower risk of depression** compared to those who were inactive; even at about half those activity levels the risk reduction was ~18%.[5]
- Regular physical activity significantly reduces the risk of **anxiety**: a meta-analysis across 11 cohorts found increasing physical activity was associated with up to **16% lower risk of anxiety**, with stronger reductions (~49%) in certain sub-groups.[6]
  Older adults engaging in higher levels of physical activity can gain an additional 6.3 years of healthy life (good self-rated health) and **2.9 years without chronic disease** between ages 50-75, compared with inactive peers.[7]
  A study of seniors found that those who were more physically active enjoyed **years of self-reported good health** and **years without difficulty in daily activities**, compared to sedentary older adults.[8]

Sources:

5. Systematic review/meta-analysis on physical activity & depression: PMC 9008579
6. Meta-analysis on physical activity & anxiety: PubMed 40534999
7. Older adults: additional years of healthy life (OUP Academic) (academic.oup.com)
8. Seniors' quality of life and daily function (PMC) (PMC 3978479)

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3. Built Environment & Behavior / Culture

- **Built environments that encourage walking and social interaction promote social cohesion and emotional well-being**, reinforcing mental-health resilience across communities.[9]
- A strong body of evidence shows that **walkability, mixed land use, safe streets, and access to green/open space** are positively correlated with **physical activity and lower obesity rates.**[10]
- In U.S. cities, each **10 % increase in land-use mix** is associated with a **25 % lower prevalence of overweight and obesity** among adults aged 50-75.[11]
- A review of **169 empirical studies** found that nearly **90 % reported beneficial relationships** between built-environment features (parks, trails, sidewalks, connectivity) and activity or weight outcomes.[12]
- Multiple longitudinal and intervention-based studies now show that intentionally modifying the built environment (e.g., creating walkable routes, adding exercise facilities, improving destination accessibility) **leads to measurable increases in physical activity**, providing strong proof that built environments *do* change behavior.[13]

Sources:

9. Coffee et al., *Health Place* (2013) 21: 163-169 PubMed 23501378
10. Sallis et al., *Health Place* (2012) 18(5): 795-803 PubMed 28784183
11. Frank et al., *Am J Prev Med* (2008) 35(2): 114-122 PubMed 18541175
12. Papas et al., *Obesity Reviews* (2007) 8(2): 115-129 PubMed 22897546
13. Smith et al., *Int J Behav Nutr Phys Act* (2022) 19: 142 IJBNPA

Congratulations on being awarded Grant Eligibility to join the National Fitness Campaign! The NFC team looks forward to supporting your team in successfully adopting, funding, and launching this initiative to create long term health impact for your community.

In support of next steps and compliance with your Grant Program Milestones (GPR) Document, we have provided the following document templates and folders of materials that will assist us in every step towards bringing free fitness to your community. As you work with the team at the National Fitness Campaign, additional custom documents and information will be shared as part of your Site Partner Folder structure.

All documents, resources, and files are organized based on the outline of your Grant Program Requirements (GPR) document as follows:

- Milestone 1: Adoption
- Milestone 2: Authorization to Proceed - Funding Confirmed
- Milestone 3: Shipment for Storage
- Milestone 4: Art
- Milestone 5 & 6: Install & Assembly
- Milestone 7: Launch

Milestone 1: Adoption	
Custom Resources	**Standard Resources**
Grant Application	Resolution of Adoption Template
Grant Program Requirements Document	-
Signed Resolution of Adoption	-

Milestone 2: Authorization to Proceed - Funding Confirmed	
Custom Resources	**Standard Resources**
Quote	Grant Funding Summary
Purchase Order (or equivalent)	NFC W9
Campaign Funding Requirements	Sole Source Letter & Appendix
-	Sponsor Support Documents

Milestone 3: Shipment for Storage	
Custom Resources	**Standard Resources**
-	Delivery Guidance Document
-	Packing List

Milestone 4: Art	
Custom Resources	**Standard Resources**
Print Proofs	Safety Warning
Art Files	-
State Art Standards	-

Milestone 5 & 6: Install & Assembly	
Custom Resources	**Standard Resources**
Project Documents	Concrete Slab Drawings
Installation Photos	Shade Structure Information
-	NFC Installer Network Overview
-	Additional Installation Information

Milestone 7: Launch	
Custom Resources	**Standard Resources**
Launch Photos	Launch Roadmap & Templates
-	Media Best Practices
-	Ambassador Files

DESIGN GUIDELINES SITE PLANNING CRITERIA

Strategies and Tools for successful Fitness Court® Integration



Site Planning Key Factors + Requirements

The following strategies are noted to help guide site placement of a Fitness Court® within the selected location. After the site is determined, there are several key factors to consider when placing the Fitness Court® within the park itself. These tools are meant to be deployed in all instances that will help guide and inform all planning processes - this ensures the ideal location within the park or along a trail is identified leading to higher usage of the Fitness Court over time, and encourages the maximum number of users.

LOCATION

When possible, the Fitness Court® should be placed along an active local or regional trail, significant natural element such as a body of water, and in a prominent location. It is also recommended to situation the Fitness Court® within a cluster of existing park amenities near a basketball or tennis court, soccer filed, or other similar recreation amenities.



ORIENTATION

The Fitness Court® should be oriented in a way that provides the greatest visibility to adjacent park users. The Fitness Court® should not face a wall or fence. See below for further explanation. Fitness Court® should be perpendicular to wall for sight-line safety and visibility concerns.



BUFFER ZONE

The Fitness Court® should not be located within 25’ of a wall or fence. This obscures all views to the back mural wall and could potentially create unsafe zones near the Fitness Court. Seatwalls between 18”-24” are encouraged as are 6” curb to deal with certain site grading conditions. Ideally a 2-3’ buffer is maintained between the Fitness Court, and seatwall or curb.



SAFETY

The Fitness Court® should be placed in an area of the park that can be monitored by surrounding residential and civic land uses. This helps keep “eyes” on the facility at all times of day and ensures there is no mis-use occurring during off-peak hours. In addition, when placed in the ideal location, there will be fewer opportunities for graffiti tagging and other defacement of city property.



VISIBILITY

In order to ensure the safety of its users, the Fitness Court® should be positioned in a way that does no obscure sight-lines onto the front of the facility. Fitness Courts® should be placed parallel to walkways, and face outward for maximum view-sheds.



Site Planning Key Factors + Requirements

CONNECTIVITY

Active regional trails help connect neighborhoods to parks and other recreational amenities. When available, Fitness Courts® should be placed no more that 10’ from an active trail to encourage users along the path of travel. In instances where multiple Fitness Courts® are located within a city, this begins to connect the network promoting health and wellness in the locale.



DISTANCE

All Fitness Courts® should be placed 150’ away from a playground or BBQ facility. This setback requirement should help deter children from playing on the Fitness Court®, and prevent any food waste or hot coals on the surface itself. Exceptions can be made in certain situations where site constraints are present, or there is proper fencing or landscape buffers around the adjacent park uses to discourage use by individuals 14 and under.



SITE INFRASTRUCTURE

Once the Fitness Court® is constructed, we encourage partners to integrate other site furnishings such as bike racks, water fountains, benches, shade structures, sight lighting etc. This can extend the use-time of the Fitness Court® into the evening hours and during hot summer months.



LAND USE

The Fitness Court® is designed for users 14+. It should be placed in an appropriate land use designation that encourages high use i.e parks, along trails, high schools, colleges etc. The Fitness Court should not be placed near an elementary school, middle school or leisure park. It should be placed in developed park areas that have like amenities such as a basketball courts, tennis courts, or pickle-ball field.



Do's and Don'ts | Case Studies

Below are a series of use cases for the Fitness Court®. This is meant to be a quick planning tool for all partners to help determine the most appropriate placement and finishing of the Fitness Court. In instances where the proposed location is unclear, the NFC design team will assist to further understand implications of the discussed site.

Best Use Cases for Fitness Court Placement

ACCESS
Walking + Cycling Infrastructure

✓ DO



Required to have direct access to the Fitness Court® from the adjacent trail for ADA purposes.

✗ DON'T



Don't place the Fitness Court® in an undeveloped open space. Future park master plans must be approved and funding secured if considering an undeveloped site.

LOCATION
Proximity

✓ DO



Do place the Fitness Court® near active trail, cycling, or walking loop.

✗ DON'T



Don't place the Fitness Court near a playground or splashpad facility.

Do's and Don'ts | Case Studies

ORIENTATION + SAFETY BUFFER
Setbacks + Distances

✓ DO



Do place Fitness Court at least 25' away from vertical structure i.e brick wall, any type of fencing. The Fitness Court®should be oriented perpendicular to the vertical surface. Do create open visual sightlines around Fitness Court®.

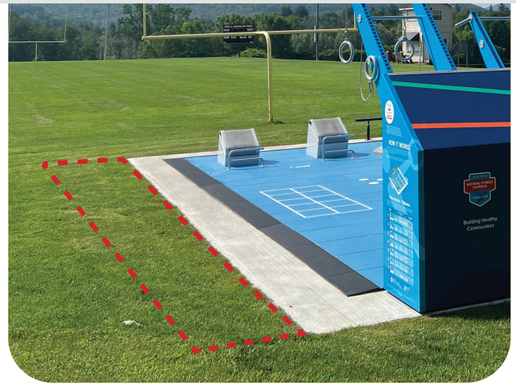
✗ DON'T



Don't place the Fitness Court® directly up against a fence or wall. This creates zones where individuals could potentially hide which could encourage misuse of the Fitness Court® or lead to vandalism of city property.

EDGE CONDITIONS
Surrounding Surfaces

✓ DO



Acceptable edge conditions include grass, landscape planting, mulch, hardscape or other rubber surfacing material.

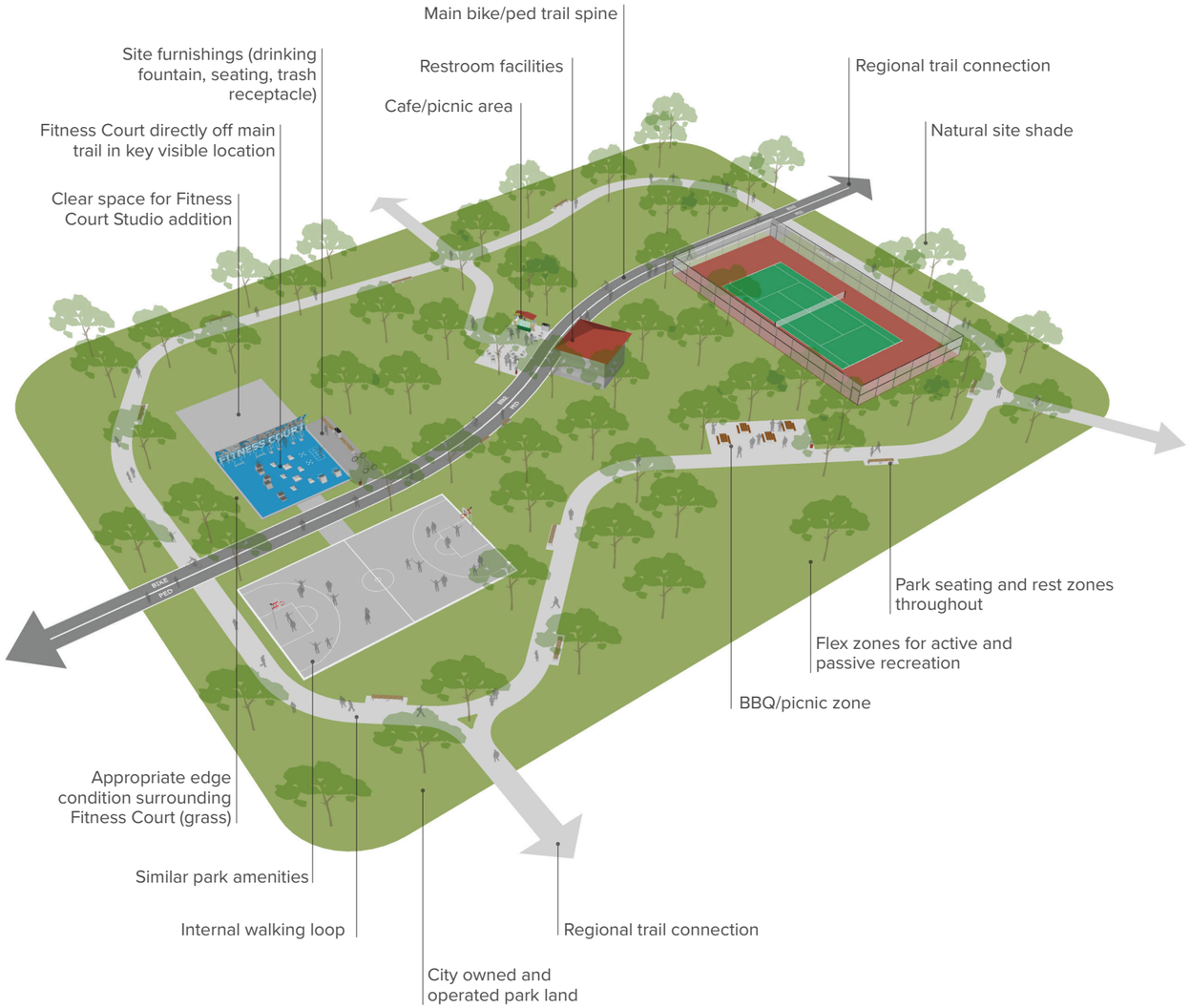
✗ DON'T



Unacceptable edge conditions include gravel, sand and decomposed granite. This poses a huge maintenance issue.

Conceptual Park Design: Fitness Court Integration

The graphic below depicts an ideal scenario for the Placement of the Fitness Court. It is along a major trail connector, has adequate space in the grass area behind for a Studio Fitness Court expansion, is clustered amongst other park recreation opportunities, and integrates various site furnishings to compliment the Fitness Court®. In addition there are several regional trail connections and a nice internal walking loop trail for users to enjoy. There are on site restroom facilities and a dining area that is spaced appropriately away from the Fitness Court® to avoid food and beverages from spilling on the surface.



Free, Fun and Fully Accessible Fitness Court Network

Acceptable Adjacent Amenities				Unacceptable Adjacent Amenities		
Basketball	Tennis	Pickleball	Soccer	Playground	Splashpad	BBQ

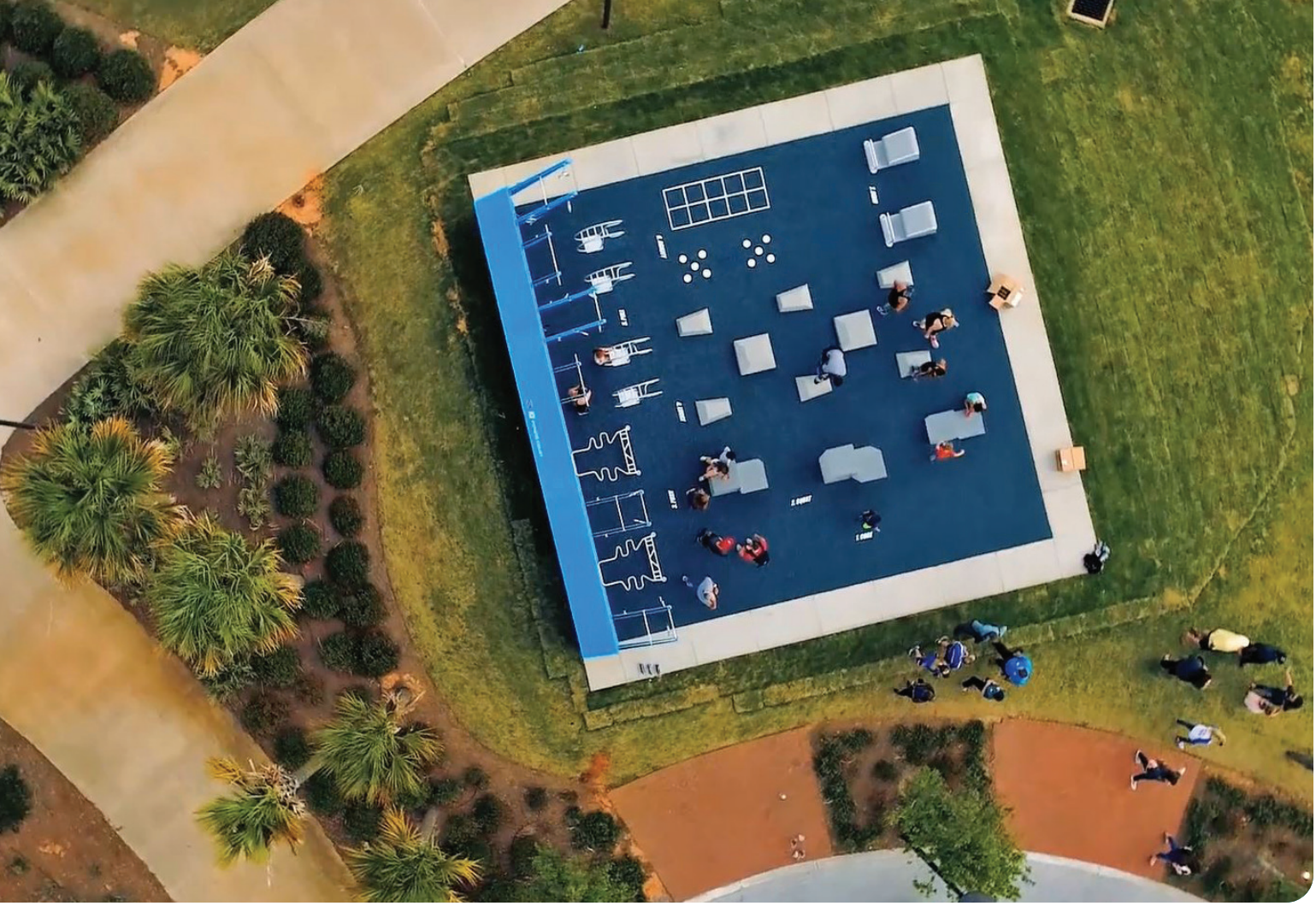
PLACEMENT IS CRITICAL



“Being able to walk to a state-of-the-art fitness center and now this beautiful park, only enhances the desirability of the area. We are proud to see so many people choosing to call Northwest Huntsville home.”

-Huntsville, AL District 1 Council Member Devyn Keith





National Fitness Campaign
San Francisco, CA
Tel. 415.702.4919
Nationalfitnesscampaign.com
info@nfchq.com

Monday, April 27, 2026

NFC 2026 GRANT APPLICATION

Congratulations on being selected to apply for funding and partnership with the National Fitness Campaign!

On behalf of our State Sponsors and Partners, we thank you for your participation in the official briefing process and congratulate you on being approved to submit an application for funding and possible selection as a leading partner in the National Fitness Campaign.

This application will confirm the qualifications discussed and reviewed with your Partnership Development Manager on the briefing and evaluation calls. It will also request additional detail regarding community eligibility and provide important details regarding grantee obligations if you are selected for this program and choose to accept the grant award. Please read and follow the instructions carefully prior to submitting your application.

For questions on the application, required documentation, or grant eligibility, please contact partnerships@nfchq.com or your Partnership Development Manager directly.

I. General Information

Legal Name of Organization	City of Carlsbad
Which state are you located in?	New Mexico
Application Type	City or County Government
Website URL:	https://www.cityofcarlsbadnm.com/Home
Applicant Name	Angie Barrios-Testa
Agency Address	101 N. Halagueno St. Carlsbad, NM, 88220-4943

Office Phone	(575) 887-1191
Cell Phone	(575) 652-1317
Email	abtesta@cityofcarlsbadnm.com

II. Agency Eligibility Details

Why should the National Fitness Campaign select your agency or municipality for funding in the Statewide Fitness Court Program?

The National Fitness Campaign should fund the City of Carlsbad to expand its successful Fitness Court program with a second Fitness Court/Studio Gym at the Bob Forrest Youth Sports Complex. Building on the strong performance of the existing Fitness Court along the Pecos River, this project represents the next phase in creating a connected, community-wide wellness network in southeastern New Mexico.

The City of Carlsbad—known as the pride of the Pecos—is a growing rural community located in Eddy County along the Pecos River and near the Guadalupe Mountains. As the community continues to grow, access to high-quality recreation and wellness infrastructure remains a key priority for both residents and visitors.

The City's updated 2025 Comprehensive Development Plan reinforces the importance of investing in community facilities that enhance quality of life, support public health, and ensure equitable access to recreation. Recent planning efforts and ICIP input continue to show strong demand for park and recreation amenities, with public parks remaining among the most utilized City assets and ongoing community interest in expanded and improved facilities.

The proposed second Fitness Court at the Bob Forrest Youth Sports Complex directly supports these goals by expanding access to free, high-quality fitness infrastructure in a highly visible, connected, and active location. The complex is a major recreational hub that hosts tournaments, daily programming, and community events, serving residents, youth athletes, and regional visitors. Its visibility and connectivity to existing amenities ensure consistent use and maximize both community and tourism impact.

Through the National Fitness Campaign program, the City will continue to advance key objectives of the Comprehensive Plan by:

- Expanding recreation infrastructure to meet the needs of a growing population;
- Improving equitable access to wellness amenities across the community; and
- Strengthening partnerships with local organizations, schools, and regional stakeholders to support shared use and long-term sustainability.

This project builds on a proven model and positions Carlsbad as a regional leader in delivering accessible, high-impact wellness infrastructure in a location that is highly visible, connected, and active, supporting community health, economic vitality, and quality of life.

Describe your existing recreation and wellness infrastructure for your audience, community members and visitors, especially any current or planned pedestrian-oriented design (i.e. trail systems, pedestrian focused amenities and services, Rails-to-Trails projects, planned bicycle pathways, etc.)

The City of Carlsbad continues to invest in recreation and wellness infrastructure that supports both residents and visitors while enhancing connectivity and quality of life. Former investments include significant upgrades to the Carlsbad Beach area, including soccer fields, pickleball courts, volleyball courts, picnic areas, and shade structures, all of which remain highly utilized community amenities.

The City's FY2027–2031 Infrastructure Capital Improvement Plan continues to prioritize pedestrian-oriented design, including walking and bicycle paths, expanded trail systems, and improved access to outdoor recreation. Notably, the City has made enhancements along the Pecos River at Lower Tansill, including new docks and a kayak launching area, stand-up paddleboarding, fishing, birdwatching, and dedicated picnic areas, expanding water-based recreation opportunities, and strengthening the City's connection to its natural assets.

The proposed Fitness Court/Studio Gym at the Bob Forrest Youth Sports Complex builds on this momentum by activating a highly visible, connected, and active recreation hub that serves a wide range of users. The complex is already a destination for youth sports tournaments, daily programming, and community events, and the City plans to continue enhancing this site with future investments, including an RV park with hookups to support overnight visitors and indoor basketball courts to expand year-round recreation opportunities.

Together, these investments reflect a coordinated approach to developing a connected recreation network that prioritizes accessibility, supports tourism, and provides high-quality wellness amenities for the community.

Describe current policies, initiatives and/or programs that contribute to health equity across all neighborhoods in your community.

The City of Carlsbad prioritizes health equity by investing in free, accessible recreational infrastructure that serves all residents and user groups. Projects such as the Fitness Court/Studio Gym at the Bob Forrest Youth Sports Complex are intentionally designed to remove barriers to participation by providing no-cost, inclusive wellness opportunities in highly visible and active public spaces. The City also supports shared-use recreational amenities, community programming, and partnerships that ensure residents of all ages and abilities have access to safe and welcoming environments for physical activity.

Provide an overview of existing funding measures in place that support parks and recreation and outdoor infrastructure in your community.

The City of Carlsbad supports parks, recreation, and outdoor infrastructure through a combination of local funding and leveraged external resources. The City actively pursues state, federal, and public-private partnership funding opportunities, including the National Fitness Campaign and other grant initiatives, to expand and enhance recreational amenities while reducing the burden on local funding sources.

Describe your current and future park, trail, and pedestrian infrastructure plans.

The City of Carlsbad continues to expand and enhance its recreation network through both current and planned investments. Existing efforts include improvements to the Pecos River corridor, such as enhancements at Lower Tansill, including new docks and a kayak launch area, as well as ongoing upgrades to parks and recreational facilities throughout the community.

In the coming months, the City will begin the Shorthorn Park Rehabilitation Project, located in another central area of Carlsbad, which will feature multi-use fields, a dog park, and the Sunset Area Trail surrounding the park. This project is supported by a combination of Land and Water Conservation Fund (LWCF) and New Mexico Department of Transportation Recreational Trails Program funding, as well as local investment. In addition, the City is planning to update its Parks and Recreation Plan to guide future development, ensure equitable access, and align with community needs.

At the Bob Forrest Youth Sports Complex, planned enhancements include the addition of the Fitness Court/Studio Gym, along with future development of an RV park and indoor basketball courts to support year-round recreation and tourism. These coordinated efforts reflect a long-term strategy to create a connected, accessible, and active community environment for residents and visitors alike.

Support: Who else among your community leadership has adopted or supported feasibility for partnership in the NFC initiative?

Mayor

Council/Board

City or Town Manager or Administrator(s)

Please list any community groups and organizations that will be involved with activating and promoting this initiative.

The City of Carlsbad will partner with key organizations to activate and promote the Carlsbad Fitness Court/Studio Gym at BFYSC. This includes internal departments—Projects, Community Development, Sports Complex, and Public Works—for coordination, programming, and long-term maintenance. The National Fitness Campaign will provide activation support, training, and national promotion, while

BlueCross BlueShield of New Mexico will support community health engagement and wellness programming.

Additional partners we are engaging are the Carlsbad Chamber of Commerce and Carlsbad MainStreet for tourism promotion and business engagement; Southeast New Mexico College and Carlsbad Municipal Schools for student and youth programming; and the Business Industry, such as Salado Isolation Mining Contractors, LLC (SIMCO) and the Carlsbad Department of Development, for workforce outreach. Local fitness instructors, youth sports organizations, and artists will also support programming and placemaking efforts.

The City is also applying to the New Mexico Economic Development Department's Destination Forward Grant Program to support project funding and expand tourism impact. Together, these partnerships will ensure strong community engagement, effective activation, and a high-quality experience for residents and visitors.

Are there any future park, trail, or campus masterplans for which you may be interested in utilizing NFC's Healthy Infrastructure Consultation and Services?

Yes

III. Multi Site Information

IMPORTANT:

The National Fitness Campaign's Grant Committee evaluates site locations based on a 30-point scale to ensure maximum health impact for NFC sponsors, partners, and your community. The criteria include visibility, accessibility, and connection to pedestrian infrastructure. Each category is worth 10 points, with consideration given to community size, density, and context.

In addition, it is crucial to note that site locations for Fitness Courts must adhere to the requirement of a minimum safe distance of 150 feet from the nearest playground or children's use area. This rule is essential for funding and partnership qualification, following national standards. Our commitment is to prioritize the safety and well-being of children in the selection process while aiming for impactful and successful Fitness Court placements.

Site #1 Name:

Bob Forrest Youth Sports Complex

Site #1 Google Maps or other web URL of location:

https://maps.app.goo.gl/1HmfADa8kmondxUW8

Site #1 Location Type:

Public Outdoor Park

Other

Each site partner is responsible for the site selection for their Fitness Court, associated risks, and proper use by appropriate age range. Please acknowledge you understand you have read and understand the information below.

Yes

Please confirm that the site location ensures a minimum safe distance of 150 feet from the nearest playground or children's play area, and 25 feet from any other fencing or wall structure, in accordance with national grant and safety standards.

Yes

Is this site both highly visible and easily accessible?

Yes

Has the site been approved by appropriate stakeholders or community leaders?

Yes

Is the site location connected to a multi-use trail and/or pedestrian infrastructure?

Yes

Are there additional recreation fields, offerings and/or amenities within this public space at large?

Yes

Please describe what makes this site an excellent option for a Fitness Court in your community.

The Bob Forrest Youth Sports Complex is an excellent location for a Fitness Court/Studio Gym because it is a highly visible, connected, and active recreation hub that already attracts a wide range of users. The complex hosts tournaments, daily programming, and community events, attracting residents, families, athletes, and regional visitors year-round. This consistent activity ensures strong usage and immediate impact.

The site is centrally located and easily accessible, with existing infrastructure, parking, and pedestrian connections that facilitate safe, convenient access. Its setting within an established recreational environment allows the Fitness Court to complement existing amenities while expanding opportunities for free, inclusive wellness activities.

Additionally, the City plans to continue investing in this site with future enhancements such as an RV park with hookups and indoor basketball courts, further increasing visitation and connectivity. These factors make the location ideal for maximizing visibility, accessibility, and long-term community and tourism benefits.

Do you plan to qualify additional sites for funding consideration at this time?

No

IV. Program Configuration, Funding, and Timing

IMPORTANT:

Local Funding requirements for participation in the 2026 National Fitness Campaign include 3 distinct funding steps. The partner is responsible for each of the following steps. If selected and approved for an NFC Healthy Cities Grant, grant funding would be available to support “Step 1” listed below. The Partner is still responsible for steps 2 and 3.

- Step 1: Campaign Partnership and Fitness Court Configuration
  Select:

- Fitness Court - $175,000
- Fitness Court Studio - $210,000

- Step 2: Local procurement and installation of concrete slab
  Funding Estimates:
  - Fitness Court - $25,000
  - Fitness Court Studio - $45,000
- Step 3: Assembly of Fitness Court
  Funding Estimates:
  - Fitness Court - $30,000
  - Fitness Court Studio - $37,750

Partners have the opportunity to include the following optional additions to their Fitness Court project.

- Upgraded Art Options
- Fitness Court Shade

Please note: Funding requirements for participation in the Campaign may fluctuate based on material costs and will be confirmed at the time of shipment.

Step 1 Funding - Campaign Partnership and Fitness Court Selection

Please select your preferred Fitness Court configuration:	Fitness Court Studio - $210,000
Please select your preferred art configuration:	Fitness Court Local Artist Program ($25,000)
Please select your Fitness Court Shade configuration:	Fitness Court Studio Shade ($100,000)
Please confirm that you have full funding support for Step 1 of the project currently available from your local budget or other in-hand funding channels.	Yes
Please provide brief description of source(s) of in-hand funding you intend to use for your local match for this portion of the project.	Local Capital Funds (Application in process to offset City Costs if awarded by the State)
When will full funding be available for Step 1 of the project?	July
What month of the year does your fiscal year begin?	July

IV. Program Configuration, Funding, and Timing

Step 2 Funding - Local procurement and installation of concrete slab:

IMPORTANT: Fitness Court Concrete Pad and Installation separate

Note: Fitness Court installation requires the construction of a concrete pad (per NFC specs), and engagement with an installation team to assemble the Fitness Court. Contact your partnership development manger for estimates on concrete pad costs, and installation costs.

Installation Estimates:

Concrete Pad - Fitness Court

- Fitness Court Concrete Pad: $25,000 or in-kind
- Fitness Court with Shade Concrete Pad: $30,000 or in-kind

Concrete Pad - Fitness Court Studio

- Fitness Court Studio Concrete Pad: $45,000 or in-kind
- Fitness Court Studio with Shade Concrete Pad: $55,000 or in-kind

How do you plan to accommodate the installation of the concrete pad? (Select all that apply)

Bid out to local contractor

Please confirm that you have full funding support for Step 2 of the project currently available from your local budget or other in-hand funding channels.

Yes

Please provide brief description of source(s) of in-hand funding you intend to use for your local match for this portion of the project.

Local Capital Funds (Application in process to offset City Costs if awarded by the State)

When will full funding be available for Step 2 of the project?

July

Step 3 Funding - Assembly of Fitness Court

Installation Estimates:

Installation/ Assembly - Fitness Court

- Fitness Court installation: $30,000
- Fitness Court Studio installation: $37,750

Installation / Assembly - Fitness Court Shade

- Fitness Court Shade Installation: $18,500

Fitness Court Studio Shade Installation: $30,000

Please confirm that you will be proceeding with a National Approved Installer Network Team.	Yes
Please confirm that you have full funding support for Step 3 of the project currently available from your local budget or other in-hand funding channels.	Yes
Please provide brief description of source(s) of in-hand funding you intend to use for your local match for this portion of the project.	Local Capital Funds (Application in process to offset City Costs if awarded by the State)
When will full funding be available for Step 3 of the project?	July

IV. Program Configuration, Funding, and Timing

General Funding Questions

Can you confirm that your first Fitness Court will be open and available for public use in 2026?	Yes
Is your agency/municipality tax exempt?	Yes
Please enter your tax exempt number:	85-6000111

Organizations who are awarded funding and partnership will be required to meet their local funding match and procure the Fitness Court and Campaign per their local policies and procedures. The integrated nature of the products and services of this program is frequently grounds for sole source by most, but not all local requirements. Some agencies do require a bid process for procurement. A sole source letter and appendix is provided by NFC for review and use if appropriate. Please acknowledge you will communicate your organization's chosen procurement method per your local polices and requirements following review of documentation provided by NFC.

Yes

V. Site Design, Installation and Maintenance

Please confirm that you have read and agree to the information listed below:

ART: All Fitness Courts include standard NFC Public Art Collection art and graphics and NFC standard design services. For additional funding, Fitness Courts can feature several versions of Custom Graphics designed by the NFC Design Studio and Local Artist program options. Please note that if you're applying for a state sponsor program, the art and color of the Fitness Court will follow the guidelines set by the State Sponsor. Your Partnership Development Manager can provide additional information if needed.

Yes

CONCRETE SLAB: The Fitness Court installation requires a 38'x38' concrete slab foundation. In the case of a Fitness Court Studio, a larger 38’x76’ concrete slab foundation is required. The concrete slab foundation should be installed by a separate contractor using engineering plans that are provided by NFC.

Yes

TIMELINESS OF INSTALLATION: The Fitness Court should be installed within the awarded campaign calendar year if weather permits. If immediate installation is not possible due to weather, it must be completed within nine (9) months of receipt of Fitness Court to avoid the potential expiration of adhesive-based products and paints. While NFC strives to be accommodating for unique scenarios, Partner recognizes NFC is not responsible for installation support and launch assistance beyond one (1) year from the original shipment of the Fitness Court.	Yes
ADDITONAL INSTALLATION COSTS: If Prevailing Wage is required there will be an additional $2,000 cost for installation of the Fitness Court or an additional $4,000 cost for installation of the Fitness Court with Shade.	Yes
ADDITONAL INSTALLATION COSTS: Equipment rentals may be needed for some sites. Depending on local availability of this equipment, we recommend a $2,000 contingency to help cover these costs if needed.	Yes
SITE STATUS: NFC may request site photographs or other inspection reports at the discretion of the National Grant Committee and sponsors to verify the status of the local site. If requested, these materials must be provided within 72 hours.	Yes
MAINTENANCE: Maintaining the Fitness Court is the responsibility of the local site partner. Acceptance of a Grant Award requires compliance with standard NFC maintenance protocols. These include properly cleaning and repairing any damages to the Fitness Court and Graphics for a minimum of 10 years.	Yes

SPONSORS: Sponsors providing funding for the Fitness Court shall not be held liable for any risk associated with the installation of or use of the Fitness Court.

Yes

STATE and REGIONAL HEALTH INSURANCE and HEALTHCARE SPONSORS: Applicant acknowledges that in accordance with NFC standards, if their organization is selected for this program, which includes funding support from a State or Regional Health Insurance or Healthcare Sponsor, that no other sponsors within the same business category aside from the NFC State or Regional Sponsor may be involved in contributing funding for this program, or recognized in any way. *I.E. Applicant may not seek funding from local hospital sponsor if NFC sponsor is a health system or hospital network, or seek funding from another health insurance sponsor if the the NFC sponsor is a health insurance company.*

Local sponsors outside of the same business category as the state or regional sponsor are permitted. For any questions regarding qualifying sponsors, please contact your Partnership Development Manager.

Yes

Would you be interested in learning about Fitness Court Care solutions?

Yes

VI. Partnership & Sponsors

Are you willing to host an opening day celebration at your Fitness Court inviting civic leaders, community supporters, and the local media?

Yes

Please confirm that you understand that NFC sponsors and partners reserve the right to provide new graphics and messaging on the rear of the Fitness Court for approved Fitness Courts at any time to support new tools, promotions and activation programs for your community. Agency or municipality shall be allowed to approve the new design but shall not unreasonably withhold approval.

Yes

In consideration of the initiative being funded through the NFC sponsorship program, and in some cases, local or regional sponsors, will you allow the identification of major sponsors on the Fitness Court mural wall?

Yes

VI. Partnerships & Sponsors (Continued)

Please confirm that you will support the mission of the campaign in the following ways:

Promote awareness of, and usage of, the Fitness Courts and demonstrate the value of an active lifestyle using the Fitness Court App, NFC website, and activation tools provided?	Yes
Promote sponsors who have supported the Campaign, and join relevant regional and national events and promotions?	Yes
Establish a long term point of contact at your community to support an annual partnership support call, providing updates for relevant tools, communication programs, and promotions to support continued engagement with your community?	Yes
Please provide name and contact information for this person	Angie Barrios-Testa
Phone	(575) 887-1191
Email	abtesta@cityofcarlsbadnm.com

VII. NFC Grant Award Acceptance

How will your organization accept the $30,000 - $60,000 Statewide Fitness Court® Program Grant Award of Eligibility and confirm that your matching funding will be available and committed to this program following appropriate local procedures and adoption steps?	Council/Board Resolution of Adoption

VIII. Applicant's E-Signature

The undersigned (authorized to sign on behalf of the applicant organization) certifies, to the best of their knowledge and belief, that the information contained in this application is true.

Further, NFC and the undersigned organization recognize that neither submitting this application nor being awarded NFC Grant Funding constitutes a binding commitment of any kind.

Signature



Date and Time of Signature	2026-04-24 15:58

CITY OF CARLSBAD
AGENDA BRIEFING
MEMORANDUM

Council Meeting Date: May 12, 2026

DEPARTMENT: Executive	**BY**: Wendy Austin	**DATE**: 05/05/2026

SUBJECT:
Consider Approval of Resolution 2026-33, a Resolution recognizing the critical role of the Waste Isolation Pilot Plant (WIPP) in the cleanup of National Defense Sites and acknowledging that the State of New Mexico's proposed restrictions on shipments to WIPP will slow the cleanup of the Nation's National Defense Sites

BACKGROUND, ANALYSIS AND IMPACT: (Safety and Welfare/Financial/Personnel/Infrastructure/etc.)
A resolution supporting WIPP and WIPP's mission to accomplish the cleanup of all the Nation's national defense sites and opposing the New Mexico Environment Department's (NMED) request to update the current WIPP permit to unreasonably prioritize shipments from Los Alamos.

DEPARTMENT RECOMMENDATION:

BOARD/COMMISSION/COMMITTEE ACTION:
-

Reviewed by:

City Manager: Wendy D Austin	Date: May 7, 2026

Attachments:
1. WIPP Resolution-2026-33 (1)

CITY OF CARLSBAD, NM

RESOLUTION NO. 2026-33

A RESOLUTION RECOGNIZING THE CRITICAL ROLE OF THE WASTE ISOLATION PILOT PLANT (WIPP) IN THE CLEANUP OF NATIONAL DEFENSE SITES AND ACKNOWLEDGING THAT THE STATE OF NEW MEXICO'S PROPOSED RESTRICTIONS ON SHIPMENTS TO WIPP WILL SLOW THE CLEANUP OF THE NATION'S NATIONAL DEFENSE SITES

WHEREAS, the City of Carlsbad, New Mexico (City) proudly supports the mission, success, and safety of the Waste Isolation Pilot Plant (WIPP), and

WHEREAS, the City recognizes WIPP as the only facility of its kind in the nation and that it provides a critical role in the cleanup of the national defense sites, and

WHEREAS, the City has always valued and supported the acceleration of shipments from all national defense sites, and

WHEREAS, the State of New Mexico has accepted the WIPP mission and has participated in the critical role in the Nation's environmental cleanup of national defense sites, and

WHEREAS, since operations have begun, WIPP has assisted in the remediation of twenty-two (22) national defense sites, and

WHEREAS, during the 2024 Permit Modification, prioritization was given to legacy waste while ensuring that WIPP could operate efficiently, and

WHEREAS, during the 2024 Permit Modification, "a Legacy TRU Waste Disposal Plan" was introduced into the permit to define the term "legacy waste" and to work with generators, storage sites, and stakeholders to accurately inventory this waste once defined, and

WHEREAS, during the 2024 Permit Modification, the permit established that Panel Twelve (12) be reserved for legacy TRU-waste from around the country, and

WHEREAS, the 2024 permit was touted by the New Mexico Environment Department (NMED) as being "successful negotiations," and

WHEREAS, the 2026 proposed Permit Modification, from NMED, would delay mining operations in order to maintain Panel 12 for shipments from only Los Alamos and not all national defense sites, and

WHEREAS, the 2026 proposed Permit Modification will be cost-prohibitive to the WIPP operations and create National safety concerns due to shipping delays, and

WHEREAS, there is currently enough space at WIPP to allow for shipments from all national defense sites and it would ultimately be detrimental to the entire Office of Environmental Management (EM) to prioritize waste at Los Alamos which may not be ready to ship; thereby, delaying cleanup at other national defense sites.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF CARLSBAD, NEW MEXICO, AS FOLLOWS:

The City encourages NMED to reconsider the necessity and effectiveness of the proposed 2026 Permit Modification, and

The City encourages NMED to explore alternative, more effective options to accelerate waste cleanup at Los Alamos, such as increasing characterization in a safe, responsible, and reliable manner and working with the Department of Energy to prioritize preparing Los Alamos shipments, and

The City encourages NMED to have open discussions and to collaborate with the Department of Energy, Los Alamos County, and the City of Carlsbad, under the 2024 WIPP permit.

APPROVED, PASSED, AND ADOPTED BY THE GOVERNING BODY OF THE CITY OF CARLSBAD THIS TWELFTH (12TH) DAY OF MAY, 2026

CITY OF CARLSBAD

_____

By: Richard D Lopez, Mayor

ATTEST

_____

Nadine Mireles, City Clerk

CITY OF CARLSBAD
AGENDA BRIEFING
MEMORANDUM

Council Meeting Date: May 12, 2026

DEPARTMENT: Executive	**BY**: Wendy Austin	**DATE**: 05/06/2026

SUBJECT:
Consider Approval of Resolution 2026-34, a Resolution in support of H.R. 7882 - To provide for the Leasing of Certain Deposits of Minerals Located Within the City of Carlsbad, New Mexico — Introduced During the 119th Congress

BACKGROUND, ANALYSIS AND IMPACT: (Safety and Welfare/Financial/Personnel/Infrastructure/etc.)

The attached resolution supports H. R. 7882, which was introduced during the 119th Congress. H. R. 7882 would amend the Mineral Leasing Act of 1920, and specifically Federal Code Part 3100-Oil and Gas, Section 3100.3-Authority, Part (a)(2)(iii), to allow the BLM to lease Federal minerals that are underlying incorporated cities, towns, and villages. Currently, the BLM is not permitted to lease minerals that are underlying incorporated cities, towns, and villages. In most instances, these minerals would be extracted through horizontal drilling.

Attached: (1) Resolution (2) H. R. 7882, (3) Mineral Leasing Act of 1920 (4) Federal Code 3100-Oil and Gas

DEPARTMENT RECOMMENDATION:

BOARD/COMMISSION/COMMITTEE ACTION:
-

Reviewed by:

City Manager: Wendy D Austin	Date: May 7, 2026

Attachments:
1. Res 2026-34 HR 7882 - Mineral Leasing
2. BILLS-119hr7882ih
3. Mineral Leasing Act of 1920 as Amended
4. 43 CFR Part 3100 (up to date as of 5-04-2026)

CITY OF CARLSBAD, NM

RESOLUTION NO. 2026-34

RESOLUTION IN SUPPORT OF H. R. 7882 – TO PROVIDE FOR THE LEASING OF CERTAIN DEPOSITS OF MINERALS LOCATED WITHIN THE CITY OF CARLSBAD, NEW MEXICO - INTRODUCED DURING THE 119TH CONGRESS

WHEREAS, H. R. 7882 was introduced during the 119th Congress and is titled, *To provide for the leasing of certain deposits of minerals located within the City of Carlsbad, New Mexico*, and

WHEREAS, H. R. 7882 was introduced by Representative Pete Stauber (R-MN) and is cosponsored by Representative Wesley Hunt (R-TX) and Representative August Pfluger (R-TX), and

WHEREAS, the Mineral Leasing Act of 1920 (as amended) and per Federal Code Part 3100-Oil and Gas Leasing, Section 3100.3-Authority, Part (a)(2)(iii), prohibits the Bureau of Land Management (BLM) from leasing federal minerals underlying "incorporated cities, towns, and villages," and

WHEREAS, these restrictions were logical when vertical drilling was the exclusive method for oil and gas extraction; but, with technological advancements in oil and gas extraction, including the development of horizontal drilling, this outdated prohibition is unnecessary, and

WHEREAS, H. R. 7882 would remedy this outdated prohibition, thereby unlocking a material source of revenue for the federal government and generating additional economic activity for the City of Carlsbad and the surrounding area, and

WHEREAS, the City of Carlsbad has robust local protections, through oil and gas ordinances, and supports safe drilling both within and outside the municipal boundaries, and particularly horizontal drilling outside the municipal boundaries for the purpose of reaching minerals within the City boundaries.

NOW THEREFORE, to prevent waste and to maximize the development of oil and gas minerals within the municipal boundaries of the City of Carlsbad, the Carlsbad City Council supports H. R. 7882 and urges all members of Congress to vote in favor of H. R. 7882.

APPROVED, PASSED, AND ADOPTED BY THE GOVERNING BODY OF THE CITY OF CARLSBAD THIS TWELFTH (12TH) DAY OF MAY, 2026

CITY OF CARLSBAD

_____

By: Richard D Lopez, Mayor

ATTEST

_____

Nadine Mireles, City Clerk

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

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119TH CONGRESS
2D SESSION

H. R. 7882

To provide for the leasing of certain deposits of minerals located within the City of Carlsbad, New Mexico.

IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 2026

Mr. STAUBER introduced the following bill; which was referred to the Committee on Natural Resources

---

A BILL

To provide for the leasing of certain deposits of minerals located within the City of Carlsbad, New Mexico.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LEASING OF CERTAIN DEPOSITS OF MINERALS LOCATED WITHIN CITY OF CARLSBAD, NEW MEXICO.

(a) IN GENERAL.—Notwithstanding the exclusion in the first section of the Mineral Leasing Act (30 U.S.C. 181) or the first sentence of section 3 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 352) with respect to incorporated cities, towns, and villages, and subject to

written consent provided by the City of Carlsbad, New Mexico, to the Secretary of the Interior, the Secretary may lease deposits of the minerals described in such section and such sentence that are located on covered land in accordance with the Mineral Leasing Act (30 U.S.C. 181 et seq.) or Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.), as applicable, and any other applicable Federal mineral leasing law.

(b) DEFINITIONS.—In this section:

(1) ACQUIRED LAND.—The term ''acquired land'' has the meaning given the term ''acquired lands'' in section 2 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351).

(2) COVERED LAND.—The term ''covered land'' means land that—

(A) is—

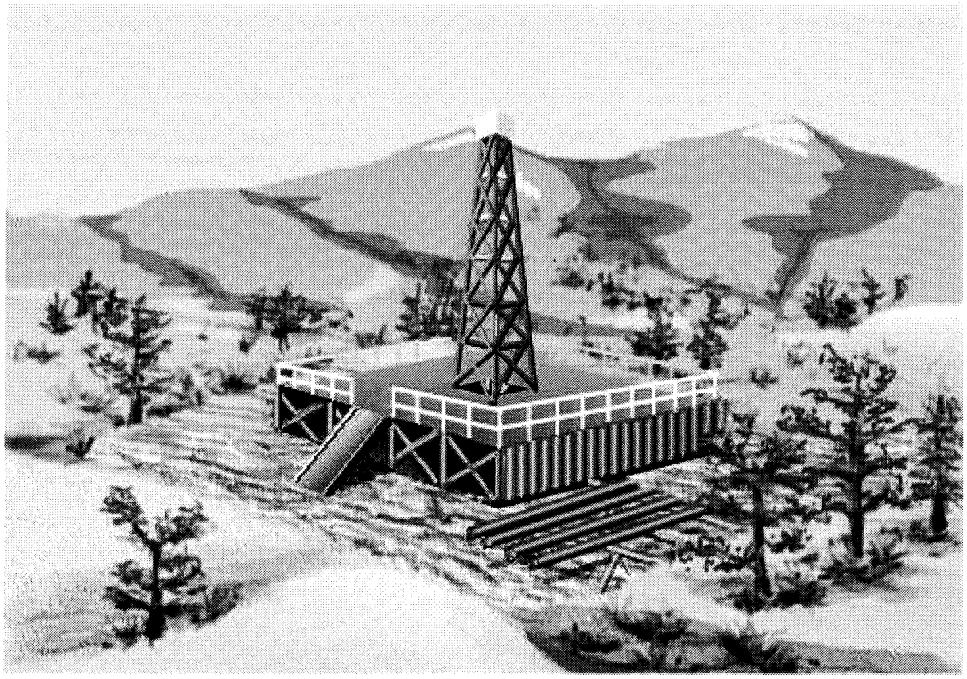
(i) owned by the United States within the meaning of the Mineral Leasing Act (30 U.S.C. 181 et seq.); or

(ii) acquired land; and

(B) located within the City of Carlsbad, New Mexico.

○

Mineral Leasing Act of 1920 as Amended



MINERAL LANDS LEASING ACT OF FEBRUARY 25, 1920
(Mineral Leasing Act of 1920)

And Subsequent Amendments
Including the Federal Onshore Oil and Gas
Leasing Reform Act of 1987

Title of Act	Page
MINERAL LANDS LEASING ACT OF FEBRUARY 25, 1920	1
Sec. 1	1
Secs. 2 through 8 ..... Coal	1
Secs. 9 through 12 ..... Phosphates	4
Secs. 13 through 20 .... Oil and Gas	5
Sec. 21 ..... Oil Shale	10
Sec. 22 ..... Alaska Oil Proviso	11
Sec. 23 through 25 ..... Sodium	11
Secs. 26 through 38 .... General Provisions Applicable to Coal, Phosphate, Sodium, Oil, Oil Shale, and Gas Leases	13
ACT OF APRIL 30, 1926 ..... amending section 27 of the Mineral Leasing Act	18
ACT OF FEBRUARY 7, 1927 ..... POTASSIUM ACT OF FEBRUARY 7, 1927 promoting mining of potash on public domain. Excerpts	19
ACT OF DECEMBER 11, 1928 ..... amending sections 23 and 24 of Mineral Leasing Act	20
ACT OF JUNE 27, 1930 ..... repayment of excess lease rents and royalties	21
ACT OF JULY 3, 1930 ..... amending sections 17 and 27 of Mineral Leasing Act	22
ACT OF MARCH 4, 1931 ..... amending sections 17 and 27 of Mineral Leasing Act	25
ACT OF FEBRUARY 9, 1933 ..... adding section 39 regarding suspension of operations/ production and suspension of rental payments	28
ACT OF JUNE 16, 1934 ..... amending Mineral Leasing Act regarding oil- or gas-prospecting permits and leases	29

Title of Act — Page

ACT OF AUGUST 21, 1935 30
amending Mineral Leasing Act secs. 13, 14, 17, and 28

ACT OF JULY 8, 1940 37
relating to rentals in certain oil and gas leases

ACT OF JULY 29, 1942 37
granting preference rights to certain oil and gas leases

ACT OF DECEMBER 24, 1942 38
encouraging discovery of oil and gas on public domain during continuance of present war

ACT OF NOVEMBER 28, 1943 39
authorizing Secretary of the Interior to settle certain claims

ACT OF JULY 13, 1946 39
encouraging and protecting oil refineries not having their own source of supply for crude oil by extending preference in disposing of royalty oil

ACT OF AUGUST 8, 1946 40
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ACT OF FEBRUARY 25, 1920

An Act To promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That deposits of coal, phosphate, sodium, oil, oil shale, or gas, and lands containing such deposits owned by the United States, including those in national forests, but excluding lands acquired under the Act known as the Appalachian Forest Act, approved March 1, 1911 (Thirty-sixth Statutes, page 961), and those in national parks, and in lands withdrawn or reserved for military or naval uses or purposes, except as hereinafter provided, shall be subject to disposition in the form and manner provided by this Act to citizens of the United States, or to any association of such persons, or to any corporation organized under the laws of the United States, or of any State or Territory thereof, and in the case of coal, oil, oil shale, or gas, to municipalities: *Provided*, That the United States reserves the right to extract helium from all gas produced from lands permitted, leased, or otherwise granted under the provisions of this Act, under such rules and regulations as shall be prescribed by the Secretary of the Interior: *Provided further*, That in the extraction of helium from gas produced from such lands, it shall be so extracted as to cause no substantial delay in the delivery of gas produced from the well to the purchaser thereof: *And provided further*, That citizens of another country, the laws, customs, or regulations of which, deny similar or like privileges to citizens or corporations of this country, shall not by stock ownership, stock holding, or stock control, own any interest in any lease acquired under the provisions of this Act.

FEDERALLY OWNED MINERAL LANDS
Sec. 1: See footnotes 1-4 for amendments.

COAL.

SEC. 2. That the Secretary of the Interior is authorized to, and upon the petition of any qualified applicant shall, divide any of the coal lands or the deposits of coal, classified and unclassified, owned by the United States, outside of the Territory of Alaska, into leasing tracts of forty acres each, or multiples thereof, and in such form as, in the opinion of the Secretary of the Interior, will permit the most economical mining of the coal in such tracts, but in no case exceeding two thousand five hundred and sixty acres in any one leasing tract, and thereafter the Secretary of the Interior shall, in his discretion, upon the request of any qualified applicant or on his own motion, from time to time, offer such lands or deposits of coal for leasing, and shall award leases thereon by competitive bidding or by such other methods as he may by general regulations adopt, to any qualified applicant: *Provided*, That the Secretary is hereby authorized, in awarding leases for coal lands heretofore improved and occupied or claimed in good faith, to consider and recognize equitable rights of such occupants or claimants: *Provided further*, That where prospecting or exploratory work is necessary to determine the existence or workability of coal deposits in any

COAL

COAL LEASES: LEASING TRACTS. ACREAGE. COMPETITIVE BIDDING.
Sec. 2: See footnotes 5-12 for amendments.

unclaimed, undeveloped area, the Secretary of the Interior may issue, to applicants qualified under this Act, prospecting permits for a term of two years, for not exceeding two thousand five hundred and sixty acres; and if within said period of two years thereafter, the permittee shows to the Secretary that the land contains coal in commercial quantities, the permittee shall be entitled to a lease under this Act for all or part of the land in his permit: *And provided further*, That no lease of coal under this Act shall be approved or issued until after notice of the proposed lease, or offering for lease, has been given for thirty days in a newspaper of general circulation in the county in which the lands or deposits are situated: *And provided further*, That no company or corporation operating a common carrier railroad shall be given or hold a permit or lease under the provisions of this Act for any coal deposits except for its own use for railroad purposes; and such limitations of use shall be expressed in all permits and leases issued to such companies or corporations, and no such company or corporation shall receive or hold more than one permit or lease for each two hundred miles of its railroad line within the State in which said property is situated, exclusive of spurs or switches and exclusive of branch lines built to connect the leased coal with the railroad, and also exclusive of parts of the railroad operated mainly by power produced otherwise than by steam: *And provided further*, That nothing herein shall preclude such a railroad of less than two hundred miles in length from securing and holding one permit or lease hereunder.

SEC. 3. That any person, association, or corporation holding a lease of coal lands or coal deposits under this Act may, with the approval of the Secretary of the Interior, upon a finding by him that it will be for the advantage of the lessee and the United States, secure modifications of his or its original lease by including additional coal lands or coal deposits contiguous to those embraced in such lease, but in no event shall the total area embraced in such modified lease exceed in the aggregate two thousand five hundred and sixty acres.

MODIFY ORIGINAL COAL LEASE
Sec. 3: See footnotes 13-18 for amendments.

SEC. 4. That upon satisfactory showing by any lessee to the Secretary of the Interior that all of the workable deposits of coal within a tract covered by his or its lease will be exhausted, worked out, or removed within three years thereafter, the Secretary of the Interior may, within his discretion, lease to such lessee an additional tract of land or coal deposits, which, including the coal area remaining in the existing lease, shall not exceed two thousand five hundred and sixty acres, through the same procedure and under the same conditions as in case of an original lease.

ADDITIONAL LEASING
Sec. 4: See footnote 19 for amendment.

SEC. 5. That if, in the judgment of the Secretary of the Interior, the public interest will be subserved thereby, lessees holding under lease areas not exceeding the maximum permitted under this Act may consolidate their leases through the surrender of the original leases and the inclusion of such areas in a new lease of not to exceed two thousand five hundred and sixty acres of contiguous lands.

CONSOLIDATING LEASES

SEC. 6. That where coal or phosphate lands aggregating two thousand five hundred and sixty acres and subject to lease hereunder do

NONCONTIGUOUS TRACTS

not exist as contiguous areas, the Secretary of the Interior is authorized, if, in his opinion the interests of the public and of the lessee will be thereby subserved, to embrace in a single lease noncontiguous tracts which can be operated as a single mine or unit.

ROYALTIES
Sec. 7: See footnote 20 for amendment.

SEC. 7. That for the privilege of mining or extracting the coal in the lands covered by the lease the lessee shall pay to the United States such royalties as may be specified in the lease, which shall be fixed in advance of offering the same, and which shall not be less than 5 cents per ton of two thousand pounds, due and payable at the end of each third month succeeding that of the extraction of the coal from the mine, and an annual rental, payable at the date of such lease and annually thereafter, on the lands or coal deposits covered by such lease, at such rate as may be fixed by the Secretary of the Interior prior to offering the same, which shall not be less than 25 cents per acre for the first year thereafter, not less than 50 cents per acre for the second, third, fourth, and fifth years, respectively, and not less than $1 per acre for each and every year thereafter during the continuance of the lease, except that such rental for any year shall be credited against the royalties as they accrue for that year. Leases shall be for indeterminate periods upon condition of diligent development and continued operation of the mine or mines, except when such operation shall be interrupted by strikes, the elements, or casualties not attributable to the lessee, and upon the further condition that at the end of each twenty-year period succeeding the date of the lease such readjustment of terms and conditions may be made as the Secretary of the Interior may determine, unless otherwise provided by law at the time of the expiration of such periods: *Provided*, That the Secretary of the Interior may, if in his judgment the public interest will be subserved thereby, in lieu of the provision herein contained requiring continuous operation of the mine or mines, provide in the lease for the payment of an annual advance royalty upon a minimum number of tons of coal, which in no case shall aggregate less than the amount of rentals herein provided for: *Provided further*, That the Secretary of the Interior may permit suspension of operation under such lease for not to exceed six months at any one time when market conditions are such that the lease can not be operated except at a loss.

OWN USE PROVISIONS
Sec. 8: See footnotes 21-22 for amendments.

SEC. 8. That in order to provide for the supply of strictly local domestic needs for fuel, the Secretary of the Interior may, under such rules and regulations as he may prescribe in advance, issue limited licenses or permits to individuals or associations of individuals to prospect for, mine, and take for their use but not for sale, coal from the public lands without payment of royalty for the coal mined or the land occupied, on such conditions not inconsistent with this Act as in his opinion will safeguard the public interests: *Provided*, That this privilege shall not extend to any corporations: *Provided further*, That in the case of municipal corporations the Secretary of the Interior may issue such limited license or permit, for not to exceed three hundred and twenty acres for a municipality of less than one hundred thousand population, and not to exceed one thousand two hundred and eighty acres for a municipality of not less than one hundred thousand and not more than one hundred and fifty thousand population; and not to exceed two thousand five hundred and sixty acres for a

municipality of one hundred and fifty thousand population or more, the land to be selected within the State wherein the municipal applicant may be located, upon condition that such municipal corporations will mine the coal therein under proper conditions and dispose of the same without profit to residents of such municipality for household use: *And provided further*, That the acquisition or holding of a lease under the preceding sections of this Act shall be no bar to the holding of such tract or operation of such mine under said limited license.

PHOSPHATES.

PHOSPHATES

LAND LEASING

Sec. 9: See footnotes 23-24 for amendments.

SEC. 9. That the Secretary of the Interior is hereby authorized to lease to any applicant qualified under this Act any lands belonging to the United States containing deposits of phosphates, under such restrictions and upon such terms as are herein specified, through advertisement, competitive bidding, or such other methods as the Secretary of the Interior may by general regulation adopt.

SIZE OF LEASE

Sec. 10: See footnote 25 for amendment.

SEC. 10. That each lease shall be for not to exceed two thousand five hundred and sixty acres of land to be described by the legal subdivisions of the public land surveys, if surveyed; if unsurveyed, to be surveyed by the Government at the expense of the applicant for lease, in accordance with rules and regulations prescribed by the Secretary of the Interior and the lands leased shall be conformed to and taken in accordance with the legal subdivisions of such survey; deposits made to cover expense of surveys shall be deemed appropriated for that purpose; and any excess deposits shall be repaid to the person, association, or corporation making such deposits or their legal representatives: *Provided*, That the land embraced in any one lease shall be in compact form, the length of which shall not exceed two and one half times its width.

ROYALTIES

Sec. 11: See footnote 26 for amendment.

SEC. 11. That for the privilege of mining or extracting the phosphates or phosphate rock covered by the lease the lessee shall pay to the United States such royalties as may be specified in the lease, which shall be fixed by the Secretary of the Interior in advance of offering the same, which shall be not less than 2 per centum of the gross value of the output of phosphates or phosphate rock at the mine, due and payable at the end of each third month succeeding that of the sale or other disposition of the phosphates or phosphate rock, and an annual rental payable at the date of such lease and annually thereafter on the area covered by such lease at such rate as may be fixed by the Secretary of the Interior prior to offering the lease, which shall be not less than 25 cents per acre for the first year thereafter, 50 cents per acre for the second, third, fourth, and fifth years, respectively, and $1 per acre for each and every year thereafter during the continuance of the lease, except that such rental for any year shall be credited against the royalties as they accrue for that year. Leases shall be for indeterminate periods upon condition of a minimum annual production, except when operation shall be interrupted by strikes, the elements, or casualties not attributable to the lessee, and upon the further condition that at the end of each twenty-year period succeeding the date of the lease such readjustment of

terms and conditions shall be made as the Secretary of the Interior shall determine unless otherwise provided by law at the time of the expiration of such periods: *Provided*, That the Secretary of the Interior may permit suspension of operation under such lease for not exceeding twelve months at any one time when market conditions are such that the lease can not be operated except at a loss. . . .

SEC. 12. That any qualified applicant to whom the Secretary of the Interior may grant a lease to develop and extract phosphates, or phosphate rock, under the provisions of this Act shall have the right to use so much of the surface of unappropriated and unentered lands, not exceeding forty acres, as may be determined by the Secretary of the Interior to be necessary for the proper prospecting for or development, extraction, treatment, and removal of such mineral deposits.

SURFACE USE
Sec. 12: See footnotes 27-28 for amendments.

OIL AND GAS.

SEC. 13. That the Secretary of the Interior is hereby authorized, under such necessary and proper rules and regulations as he may prescribe, to grant to any applicant qualified under this Act a prospecting permit, which shall give the exclusive right, for a period not exceeding two years, to prospect for oil or gas upon not to exceed two thousand five hundred and sixty acres of land wherein such deposits belong to the United States and are not within any known geological structure of a producing oil or gas field upon condition that the permittee shall begin drilling operations within six months from the date of the permit, and shall, within one year from and after the date of permit, drill one or more wells for oil or gas to a depth of not less than five hundred feet each, unless valuable deposits of oil or gas shall be sooner discovered, and shall, within two years from date of the permit, drill for oil or gas to an aggregate depth of not less than two thousand feet unless valuable deposits of oil or gas shall be sooner discovered. The Secretary of the Interior may, if he shall find that the permittee has been unable with the exercise of diligence to test the land in the time granted by the permit, extend any such permit for such time, not exceeding two years, and upon such conditions as he shall prescribe. Whether the lands sought in any such application and permit are surveyed or unsurveyed the applicant shall, prior to filing his application for permit, locate such lands in a reasonably compact form and according to the legal subdivisions of the public land surveys if the land be surveyed; and in an approximately square or rectangular tract if the land be an unsurveyed tract, the length of which shall not exceed two and one-half times its width, and if he shall cause to be erected upon the land for which a permit is sought a monument not less than four feet high, at some conspicuous place thereon, and shall post a notice in writing on or near said monument, stating that an application for permit will be made within thirty days after date of posting said notice, the name of the applicant, the date of the notice, and such a general description of the land to be covered by such permit by reference to courses and distances from such monument and such other natural objects and permanent monuments as will reasonably identify the land,

OIL AND GAS

GRANTING LEASES
Sec. 13: See footnotes 29-30 for amendments.

LOCATING LEASE

stating the amount thereof in acres, he shall during the period of thirty days following such marking and posting, be entitled to a preference right over others to a permit for the land so identified. The applicant shall, within ninety days after receiving a permit, mark each of the corners of the tract described in the permit upon the ground with substantial monuments, so that the boundaries can be readily traced on the ground, and shall post in a conspicuous place upon the lands a notice that such permit has been granted and a description of the lands covered thereby: *Provided*, That in the Territory of Alaska prospecting permits not more than five in number may be granted to any qualified applicant for periods not exceeding four years, actual drilling operations shall begin within two years from date of permit, and oil and gas wells shall be drilled to a depth of not less than five hundred feet, unless valuable deposits of oil or gas shall be sooner discovered, within three years from date of the permit and to an aggregate depth of not less than two thousand feet unless valuable deposits of oil or gas shall be sooner discovered, within four years from date of permit: *Provided further*, That in said Territory the applicant shall have a preference right over others to a permit for land identified by temporary monuments and notice posted on or near the same for six months following such marking and posting, and upon receiving a permit he shall mark the corners of the tract described in the permit upon the ground with substantial monuments within one year after receiving such permit.

RECEIVING LEASE FOR PERMITTED LAND

Sec. 14: See footnote 31 for amendment.

SEC. 14. That upon establishing to the satisfaction of the Secretary of the Interior that valuable deposits of oil or gas have been discovered within the limits of the land embraced in any permit, the permittee shall be entitled to a lease for one-fourth of the land embraced in the prospecting permit: *Provided*, That the permittee shall be granted a lease for as much as one hundred and sixty acres of said lands, if there be that number of acres within the permit. The area to be selected by the permittee, shall be in compact form and, if surveyed, to be described by the legal subdivisions of the public-land surveys; if unsurveyed, to be surveyed by the Government at the expense of the applicant for lease in accordance with rules and regulations to be prescribed by the Secretary of the Interior and the lands leased shall be conformed to and taken in accordance with the legal subdivisions of such surveys; deposits made to cover expense of surveys shall be deemed appropriated for that purpose, and any excess deposits may be repaid to the person or persons making such deposit or their legal representatives. Such leases shall be for a term of twenty years upon a royalty of 5 per centum in amount or value of the production and the annual payment in advance of a rental of $1 per acre, the rental paid for any one year to be credited against the royalties as they accrue for that year, with the right of renewal as prescribed in section 17 hereof. The permittee shall also be entitled to a preference right to a lease for the remainder of the land in his prospecting permit at a royalty of not less than 12½ per centum in amount or value of the production, and under such other conditions as are fixed for oil or gas leases in this Act, the royalty to be determined by competitive bidding or fixed by such other method as the Secretary may by regulations prescribe: *Provided*, That the Secretary shall have the right to reject any or all bids.

See footnote 99 for amendment.

ROYALTY

PERMITTEE FEES

SEC. 15. That until the permittee shall apply for lease to the one quarter of the permit area heretofore provided for he shall pay to the United States 20 per centum of the gross value of all oil or gas secured by him from the lands embraced within his permit and sold or otherwise disposed of or held by him for sale or other disposition.

WELL DRILLING NEAR LAND BOUNDARIES

Sec. 16: See footnote 32 for amendment.

SEC. 16. That all permits and leases of lands containing oil or gas, made or issued under the provisions of this Act, shall be subject to the condition that no wells shall be drilled within two hundred feet of any of the outer boundaries of the lands so permitted or leased, unless the adjoining lands have been patented or the title thereto otherwise vested in private owners, and to the further condition that the permittee or lessee will, in conducting his explorations and mining operations, use all reasonable precautions to prevent waste of oil or gas developed in the land, or the entrance of water through wells drilled by him to the oil sands or oil-bearing strata, to the destruction or injury of the oil deposits. Violations of the provisions of this section shall constitute grounds for the forfeiture of the permit or lease, to be enforced through appropriate proceedings in courts of competent jurisdiction.

KGS. COMPETITIVE BIDDING. ROYALTY

Sec. 17: See footnotes 33-42 for amendments.

SEC. 17. That all unappropriated deposits of oil or gas situated within the known geologic structure of a producing oil or gas field and the unentered lands containing the same, not subject to preferential lease, may be leased by the Secretary of the Interior to the highest responsible bidder by competitive bidding under general regulations to qualified applicants in areas not exceeding six hundred and forty acres and in tracts which shall not exceed in length two and one-half times their width, such leases to be conditioned upon the payment by the lessee of such bonus as may be accepted and of such royalty as may be fixed in the lease, which shall not be less than 12½ per centum in amount or value of the production, and the payment in advance of a rental of not less than $1 per acre per annum thereafter during the continuance of the lease, the rental paid for any one year to be credited against the royalties as they accrue for that year. Leases shall be for a period of twenty years, with the preferential right in the lessee to renew the same for successive periods of ten years upon such reasonable terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the time of the expiration of such periods. Whenever the average daily production of any oil well shall not exceed ten barrels per day, the Secretary of the Interior is authorized to reduce the royalty on future production when in his judgment the wells can not be successfully operated upon the royalty fixed in the lease. The provisions of this paragraph shall apply to all oil and gas leases made under this Act.

PRIOR TO JULY 3, 1910

SEC. 18. That upon relinquishment to the United States, filed in the General Land Office within six months after the approval of this Act, of all right, title, and interest claimed and possessed prior to July 3, 1910, and continuously since by the claimant or his predecessor in interest under the preexisting placer mining law to any oil or gas bearing land upon which there has been drilled one or more oil or gas wells to discovery embraced in the Executive order of withdrawal issued September 27, 1909, and not within any naval petroleum reserve, and upon payment as royalty to the United States

of an amount equal to the value at the time of production of one-eighth of all the oil or gas already produced except oil or gas used for production purposes on the claim, or unavoidably lost, from such land, the claimant, or his successor, if in possession of such land, undisputed by any other claimant prior to July 1, 1919, shall be entitled to a lease thereon from the United States for a period of twenty years, at a royalty of not less than 12½ per centum of all the oil or gas produced except oil or gas used for production purposes on the claim, or unavoidably lost: *Provided*, That not more than one-half of the area, but in no case to exceed three thousand two hundred acres, within the geologic oil or gas structure of a producing oil or gas field shall be leased to any one claimant under the provision of this section when the area of such geologic oil structure exceeds six hundred and forty acres. Any claimant or his successor, subject to this limitation, shall, however, have the right to select and receive the lease as in this section provided for that portion of his claim or claims equal to, but not in excess of, said one-half of the area of such geologic oil structure, but not more than three thousand two hundred acres.

All such leases shall be made and the amount of royalty to be paid for oil and gas produced, except oil or gas used for production purposes on the claim, or unavoidably lost, after the execution of such lease shall be fixed by the Secretary of the Interior under appropriate rules and regulations: *Provided, however*, That as to all like claims situate within any naval petroleum reserve the producing wells thereon only shall be leased, together with an area of land sufficient for the operation thereof, upon the terms and payment of royalties for past and future production as herein provided for in the leasing of claims. No wells shall be drilled in the land subject to this provision within six hundred and sixty feet of any such leased well without the consent of the lessee: *Provided, however*, That the President may, in his discretion, lease the remainder or any part of any such claim upon which such wells have been drilled, and in the event of such leasing said claimant or his successor shall have a preference right to such lease: *And provided further*, That he may permit the drilling of additional wells by the claimant or his successor within the limited area of six hundred and sixty feet theretofore provided for upon such terms and conditions as he may prescribe. ROYALTY

No claimant for a lease who has been guilty of any fraud or who had knowledge or reasonable grounds to know of any fraud, or who has not acted honestly and in good faith, shall be entitled to any of the benefits of this section.

Upon the delivery and acceptance of the lease, as in this section provided, all suits brought by the Government affecting such lands may be settled and adjusted in accordance herewith and all moneys impounded in such suits or under the Act entitled "An Act to amend an Act entitled 'An Act to protect the locators in good faith of oil and gas lands who shall have effected an actual discovery of oil or gas on the public lands of the United States, or their successors in interest,' approved March 2, 1911," approved August 25, 1914 (Thirty-eighth Statutes at Large, page 708), shall be paid over

to the parties entitled thereto. In case of conflicting claimants for leases under this section, the Secretary of the Interior is authorized to grant leases to one or more of them as shall be deemed just. All leases hereunder shall inure to the benefit of the claimant and all persons claiming through or under him by lease, contract, or otherwise, as their interests may appear, subject, however, to the same limitation as to area and acreage as is provided for claimant in this section: *Provided*, That no claimant acquiring any interest in such lands since September 1, 1919, from a claimant on or since said date claiming or holding more than the maximum allowed claimant under this section shall secure a lease thereon or any interest therein, but the inhibition of this proviso shall not apply to an exchange of any interest in such lands made prior to the 1st day of January, 1920, which did not increase or reduce the area or acreage held or claimed in excess of said maximum by either party to the exchange: *Provided further*, That no lease or leases under this section shall be granted, nor shall any interest therein, inure to any person, association, or corporation for a greater aggregate area or acreage than the maximum in this section provided for.

VALIDITY OF OIL AND GAS PLACER CLAIM

SEC. 18a. That whenever the validity of any gas or petroleum placer claim under preexisting law to land embraced in the Executive order of withdrawal issued September 27, 1909, has been or may hereafter be drawn in question on behalf of the United States in any departmental or judicial proceedings, the President is hereby authorized at any time within twelve months after the approval of this Act to direct the compromise and settlement of any such controversy upon such terms and conditions as may be agreed upon, to be carried out by an exchange or division of land or division of the proceeds of operation.

BONA FIDE OCCUPANT OR CLAIMANT

SEC. 19. That any person who on October 1, 1919, was a bona fide occupant or claimant of oil or gas lands under a claim initiated while such lands were not withdrawn from oil or gas location and entry, and who had previously performed all acts under then existing laws necessary to valid locations thereof except to make discovery, and upon which discovery had not been made prior to the passage of this Act, and who has performed work or expended on or for the benefit of such locations an amount equal in the aggregate of $250 for each location if application therefor shall be made within six months from the passage of this Act shall be entitled to prospecting permits thereon upon the same terms and conditions, and limitations as to acreage, as other permits provided for in this Act, or where any such person has heretofore made such discovery, he shall be entitled to a lease thereon under such terms as the Secretary of the Interior may prescribe unless otherwise provided for in section 18 hereof: *Provided*, That where such prospecting permit is granted upon land within any known geologic structure of a producing oil or gas field, the royalty to be fixed in any lease thereafter granted thereon or any portion thereof shall be not less than 12½ per centum of all the oil or gas produced except oil or gas used for production purposes on the claim, or unavoidably lost: *Provided, however*, That the provisions of this section shall not apply to lands reserved for the use of the Navy:

Provided, however, That no claimant for a permit or lease who has been guilty of any fraud or who had knowledge or reasonable grounds to know of any fraud, or who has not acted honestly and in good faith, shall be entitled to any of the benefits of this section.

All permits or leases hereunder shall inure to the benefit of the claimant and all persons claiming through or under him by lease, contract, or otherwise, as their interests may appear.

PREFERENCE RIGHT

SEC. 20. In the case of lands bona fide entered as agricultural, and not withdrawn or classified as mineral at the time of entry, but not including lands claimed under any railroad grant, the entryman or patentee, or assigns, where assignment was made prior to January 1, 1918, if the entry has been patented with the mineral right reserved, shall be entitled to a preference right to a permit and to a lease, as herein provided, in case of discovery; and within an area not greater than a township such entryman and patentees, or assigns holding restricted patents may combine their holdings, not to exceed two thousand five hundred and sixty acres for the purpose of making joint application. Leases executed under this section and embracing only lands so entered shall provide for the payment of a royalty of not less than 12½ per centum as to such areas within the permit as may not be included within the discovery lease to which the permittee is entitled under section 14 hereof.

OIL SHALE.

OIL SHALE

OIL SHALE LEASE
Sec. 21: See footnotes 43-45 for amendments.

SEC. 21. That the Secretary of the Interior is hereby authorized to lease to any person or corporation qualified under this Act any deposits of oil shale belonging to the United States and the surface of so much of the public lands containing such deposits, or land adjacent thereto, as may be required for the extraction and reduction of the leased minerals, under such rules and regulations, not inconsistent with this Act, as he may prescribe; that no lease hereunder shall exceed five thousand one hundred and twenty acres of land, to be described by the legal subdivisions of the public-land surveys, or if unsurveyed, to be surveyed by the United States, at the expense of the applicant, in accordance with regulations to be prescribed by the Secretary of the Interior. Leases may be for indeterminate periods, upon such conditions as may be imposed by the Secretary of the Interior, including covenants relative to methods of mining, prevention of waste, and productive development. For the privilege of mining, extracting, and disposing of the oil or other minerals covered by a lease under this section the lessee shall pay to the United States such royalties as shall be specified in the lease and an annual rental, payable at the beginning of each year, at the rate of 50 cents per acre per annum, for the lands included in the lease, the rental paid for any one year to be credited against the royalties accruing for that year; such royalties to be subject to readjustment at the end of each twenty-year period by the Secretary of the Interior: *Provided,* That for the purpose of encouraging the production of petroleum products from shales the Secretary may, in his discretion, waive the payment of any royalty and rental during the first five years of any lease: *Provided,* That any person having a valid claim to such minerals under existing laws on January 1,

1919, shall, upon the relinquishment of such claim, be entitled to a lease under the provisions of this section for such area of the land relinquished as shall not exceed the maximum area authorized by this section to be leased to an individual or corporation: *Provided, however*, That no claimant for a lease who has been guilty of any fraud or who had knowledge or reasonable grounds to know of any fraud, or who has not acted honestly and in good faith, shall be entitled to any of the benefits of this section: *Provided further*, That not more than one lease shall be granted under this section to any one person, association, or corporation.

ALASKA OIL PROVISO.

SEC. 22. That any bona fide occupant or claimant of oil or gas bearing lands in the Territory of Alaska, who, or whose predecessors in interest, prior to withdrawal had complied otherwise with the requirements of the mining laws, but had made no discovery of oil or gas in wells and who prior to withdrawal had made substantial improvements for the discovery of oil or gas on or for each location or had prior to the passage of this Act expended not less than $250 in improvements on or for each location shall be entitled, upon relinquishment or surrender to the United States within one year from the date of this Act, or within six months after final denial or withdrawal of application for patent, to a prospecting permit or permits, lease or leases, under this Act covering such lands, not exceeding five permits or leases in number and not exceeding an aggregate of one thousand two hundred and eighty acres in each: *Provided*, That leases in Alaska under this Act whether as a result of prospecting permits or otherwise shall be upon such rental and royalties as shall be fixed by the Secretary of the Interior and specified in the lease, and be subject to readjustment at the end of each twenty-year period of the lease: *Provided further*, That for the purpose of encouraging the production of petroleum products in Alaska the Secretary may, in his discretion, waive the payment of any rental or royalty not exceeding the first five years of any lease.

No claimant for a lease who has been guilty of any fraud or who had knowledge or reasonable grounds to know of any fraud, or who has not acted honestly and in good faith, shall be entitled to any of the benefits of this section.

SODIUM.

SEC. 23. That the Secretary of the Interior is hereby authorized and directed, under such rules and regulations as he may prescribe, to grant to any qualified applicant a prospecting permit which shall give the exclusive right to prospect for chlorides, sulphates, carbonates, borates, silicates, or nitrates of sodium dissolved in and soluble in water, and accumulated by concentration, in lands belonging to the United States for a period of not exceeding two years: *Provided*, That the area to be included in such a permit shall be not exceeding two thousand five hundred and sixty acres of land in reasonably compact form: *Provided further*, That the provisions of this section shall not apply to lands in San Bernardino County, California.

ALASKA OIL PROVISO

BONA FIDE OCCUPANT OR CLAIMANT
Sec. 22: See footnote 46 for amendment.

SODIUM

PROSPECTING PERMITS
Sec. 23: See footnote 47 for amendment.

QUALIFY FOR LEASE

Sec. 24: See footnote 48 for amendments.

SEC. 24. That upon showing to the satisfaction of the Secretary of the Interior that valuable deposits of one of the substances enumerated in section 23 hereof has been discovered by the permittee within the area covered by his permit and that such land is chiefly valuable therefor the permittee shall be entitled to a lease for one-half of the land embraced in the prospecting permit, at a royalty of not less than one-eighth of the amount or value of the production, to be taken and described by legal subdivisions of the public-land surveys, or if the land be not surveyed by survey executed at the cost of the permittee in accordance with the rules and regulations to be prescribed by the Secretary of the Interior. The permittee shall also have the preference right to lease the remainder of the lands embraced within the limits of his permit at a royalty of not less than one-eighth of the amount or value of the production to be fixed by the Secretary of the Interior. Lands known to contain such valuable deposits as are enumerated in section 23 hereof and not covered by permits or leases, except such lands as are situated in said county of San Bernardino, shall be held subject to lease, and may be leased by the Secretary of the Interior through advertisement, competitive bidding, or such other methods as he may by general regulations adopt, and in such areas as he shall fix, not exceeding two thousand five hundred and sixty acres; all leases to be conditioned upon the payment by the lessee of such royalty of not less than one-eighth of the amount or value of the production as may be fixed in the lease, and the payment in advance of a rental of 50 cents per acre for the first calendar year or fraction thereof and $1 per acre per annum thereafter during the continuance of the lease, the rental paid for any one year to be credited on the royalty for that year. Leases may be for indeterminate periods, subject to readjustment at the end of each twenty-year period, upon such conditions not inconsistent herewith as may be incorporated in each lease or prescribed in general regulation theretofore issued by the Secretary of the Interior, including covenants relative to mining methods, waste, period of preliminary development, and minimum production, and a lessee under this section may be lessee of the remaining lands in his permit.

EXCLUSIVE RIGHT OF USE

SEC. 25. That in addition to areas of such mineral land which may be included in any such prospecting permits or leases, the Secretary of the Interior, in his discretion, may grant to a permittee or lessee of lands containing sodium deposits, and subject to the payment of an annual rental of not less than 25 cents per acre, the exclusive right to use, during the life of the permit or lease, a tract of unoccupied nonmineral public land, not exceeding forty acres in area, for camp sites, refining works, and other purposes connected with and necessary to the proper development and use of the deposits covered by the permit or lease.

GENERAL PROVISIONS

DUE DILIGENCE

NUMBER OF LEASES HELD
Sec. 27: See footnotes 49-62 for amendments.

GENERAL PROVISIONS APPLICABLE TO COAL, PHOSPHATE, SODIUM, OIL, OIL SHALE, AND GAS LEASES.

SEC. 26. That the Secretary of the Interior shall reserve and may exercise the authority to cancel any prospecting permit upon failure by the permittee to exercise due diligence in the prosecution of the prospecting work in accordance with the terms and conditions stated in the permit, and shall insert in every such permit issued under the provisions of this Act appropriate provisions for its cancellation by him.

SEC. 27. That no person, association, or corporation, except as herein provided, shall take or hold more than one coal, phosphate, or sodium lease during the life of such lease in any one State; no person, association, or corporation shall take or hold, at one time, more than three oil or gas leases granted hereunder in any one State, and not more than one lease within the geologic structure of the same producing oil or gas field; no corporation shall hold any interest as a stockholder of another corporation in more than such number of leases; and no person or corporation shall take or hold any interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease under the provisions hereof, which, together with the area embraced in any direct holding of a lease under this Act, or which, together with any other interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease under the provisions hereof, for any kind of mineral leased hereunder, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee under this Act. Any interests held in violation of this Act shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in the United States district court for the district in which the property, or some part thereof, is located, except that any ownership or interest forbidden in this Act which may be acquired by descent, will, judgment, or decree may be held for two years and not longer after its acquisition: *Provided*, That nothing herein contained shall be construed to limit sections 18, 18a, 19, and 22 or to prevent any number of lessees under the provisions of this Act from combining their several interests so far as may be necessary for the purposes of constructing and carrying on the business of a refinery, or of establishing and constructing as a common carrier a pipe line or lines of railroads to be operated and used by them jointly in the transportation of oil from their several wells, or from the wells of other lessees under this Act, or the transportation of coal: *Provided further*, That any combination for such purpose or purposes shall be subject to the approval of the Secretary of the Interior on application to him for permission to form the same: *And provided further*, That if any of the lands or deposits leased under the provisions of this Act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of, or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or

form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or any agreement or understanding, written, verbal, or otherwise to which such lessee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of the amounts of lands provided in this Act, the lease thereof shall be forfeited by appropriate court proceedings.

PIPELINE RIGHTS-OF-WAY
Sec. 28: See footnotes 63-65 for amendments.

SEC. 28. That rights of way through the public lands, including the forest reserves, of the United States are hereby granted for pipeline purposes for the transportation of oil or natural gas to any applicant possessing the qualifications provided in section 1 of this Act, to the extent of the ground occupied by the said pipe line and twenty-five feet on each side of the same under such regulations as to survey, location, application, and use as may be prescribed by the Secretary of the Interior and upon the express condition that such pipe lines shall be constructed, operated, and maintained as common carriers: *Provided*, That the Government shall in express terms reserve and shall provide in every lease of oil lands hereunder that the lessee, assignee, or beneficiary, if owner, or operator or owner of a controlling interest in any pipe line or of any company operating the same which may be operated accessible to the oil derived from lands under such lease, shall at reasonable rates and without discrimination accept and convey the oil of the Government or of any citizen or company not the owner of any pipe line, operating a lease or purchasing gas or oil under the provisions of this Act: *Provided further*, That no right of way shall hereafter be granted over said lands for the transportation of oil or natural gas except under and subject to the provisions, limitations, and conditions of this section. Failure to comply with the provisions of this section or the regulations prescribed by the Secretary of the Interior shall be ground for forfeiture of the grant by the United States district court for the district in which the property, or some part thereof, is located in an appropriate proceeding.

EASEMENTS AND RIGHTS-OF-WAY

SEC. 29. That any permit, lease, occupation, or use permitted under this Act shall reserve to the Secretary of the Interior the right to permit upon such terms as he may determine to be just, for joint or several use, such easements or rights of way, including easements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same, or of other lands containing the deposits described in this Act, and the treatment and shipment of the products thereof by or under authority of the Government, its lessees, or permittees, and for other public purposes: *Provided*, That said Secretary, in his discretion, in making any lease under this Act, may reserve to the United States the right to lease, sell, or otherwise dispose of the surface of the lands embraced within such lease under existing law or laws hereafter enacted, in so far as said surface is not necessary for use of the lessee in extracting and removing the deposits therein: *Provided further*, That if such reservation is made it shall be so determined before the offering of

such lease: *And provided further*, That the said Secretary, during the life of the lease, is authorized to issue such permits for easements herein provided to be reserved.

SEC. 30. That no lease issued under the authority of this Act shall be assigned or sublet, except with the consent of the Secretary of the Interior. The lessee may, in the discretion of the Secretary of the Interior, be permitted at any time to make written relinquishment of all rights under such a lease, and upon acceptance thereof be thereby relieved of all future obligations under said lease, and may with like consent surrender any legal subdivision of the area included within the lease. Each lease shall contain provisions for the purpose of insuring the exercise of reasonable diligence, skill, and care in the operation of said property; a provision that such rules for the safety and welfare of the miners and for the prevention of undue waste as may be prescribed by said Secretary shall be observed, including a restriction of the workday to not exceeding eight hours in any one day for underground workers except in cases of emergency; provisions prohibiting the employment of any boy under the age of sixteen or the employment of any girl or woman, without regard to age, in any mine below the surface; provisions securing the workmen complete freedom of purchase; provision requiring the payment of wages at least twice a month in lawful money of the United States, and providing proper rules and regulations to insure the fair and just weighing or measurement of the coal mined by each miner, and such other provisions as he may deem necessary to insure the sale of the production of such leased lands to the United States and to the public at reasonable prices, for the protection of the interests of the United States, for the prevention of monopoly, and for the safeguarding of the public welfare: *Provided*, That none of such provisions shall be in conflict with the laws of the State in which the leased property is situated.

ASSIGNED OR SUBLET LEASES
Sec. 30: See footnotes 66-70 for amendments.

SEC. 31. That any lease issued under the provisions of this Act may be forfeited and canceled by an appropriate proceeding in the United States district court for the district in which the property, or some part thereof, is located whenever the lessee fails to comply with any of the provisions of this Act, of the lease, or of the general regulations promulgated under this Act and in force at the date of the lease; and the lease may provide for resort to appropriate methods for the settlement of disputes or for remedies for breach of specified conditions thereof.

FORFEITURE OR CANCELLATION OF LEASES
Sec. 31: See footnotes 71-77 for amendments.

SEC. 32. That the Secretary of the Interior is authorized to prescribe necessary and proper rules and regulations and to do any and all things necessary to carry out and accomplish the purposes of this Act, also to fix and determine the boundary lines of any structure, or oil or gas field, for the purposes of this Act: *Provided*, That nothing in this Act shall be construed or held to affect the rights of the States or other local authority to exercise any rights which they may have, including the right to levy and collect taxes upon improvements, output of mines, or other rights, property, or assets of any lessee of the United States.

FIX AND DETERMINE BOUNDARY LINES

FORMS AND OATH

SEC. 33. That all statements, representations, or reports required by the Secretary of the Interior under this Act shall be upon oath, unless otherwise specified by him, and in such form and upon such blanks as the Secretary of the Interior may require.

RESERVATION OF MINERALS

SEC. 34. That the provisions of this Act shall also apply to all deposits of coal, phosphate, sodium, oil, oil shale, or gas in the lands of the United States, which lands may have been or may be disposed of under laws reserving to the United States such deposits, with the right to prospect for, mine, and remove the same, subject to such conditions as are or may hereafter be provided by such laws reserving such deposits.

DISPOSITION OF RECEIPTS

Sec. 35: See footnotes 79-89 for amendments.

SEC. 35. That 10 per centum of all money received from sales, bonuses, royalties, and rentals under the provisions of this Act, excepting those from Alaska, shall be paid into the Treasury of the United States and credited to miscellaneous receipts; for past production 70 per centum, and for future production 52½ per centum of the amounts derived from such bonuses, royalties, and rentals shall be paid into, reserved, and appropriated as a part of the reclamation fund created by the Act of Congress, known as the Reclamation Act, approved June 17, 1902, and for past production 20 per centum, and for future production 37½ per centum of the amounts derived from such bonuses, royalties, and rentals shall be paid by the Secretary of the Treasury after the expiration of each fiscal year to the State within the boundaries of which the leased lands or deposits are or were located, said moneys to be used by such State or subdivisions thereof for the construction and maintenance of public roads or for the support of public schools or other public educational institutions, as the legislature of the State may direct: *Provided*, That all moneys which may accrue to the United States under the provisions of this Act from lands within the naval petroleum reserves shall be deposited in the Treasury as "Miscellaneous receipts."

ROYALTY PAID IN KIND ON DEMAND

Sec. 36: See footnote 90 for amendment.

SEC. 36. That all royalty accruing to the United States under any oil or gas lease or permit under this Act on demand of the Secretary of the Interior shall be paid in oil or gas.

Upon granting any oil or gas lease under this Act, and from time to time thereafter during said lease, the Secretary of the Interior shall, except whenever in his judgment it is desirable to retain the same for the use of the United States, offer for sale for such period as he may determine, upon notice and advertisement on sealed bids or at public auction, all royalty oil and gas accruing or reserved to the United States under such lease. Such advertisement and sale shall reserve to the Secretary of the Interior the right to reject all bids whenever within his judgment the interest of the United States demands; and in cases where no satisfactory bid is received or where the accepted bidder fails to complete the purchase, or where the Secretary of the Interior shall determine that it is unwise in the public interest to accept the offer of the highest bidder, the Secretary of the Interior, within his discretion, may readvertise such royalty for sale, or sell at private sale at not less than the market price for such period, or accept the value thereof from the lessee: *Provided, however*, That pending the making of a permanent contract for the sale of any royalty, oil or gas as herein provided, the Secretary of the Interior

may sell the current product at private sale, at not less than the market price: *And provided further*, That any royalty, oil, or gas may be sold at not less than the market price at private sale to any department or agency of the United States.

SEC. 37. That the deposits of coal, phosphate, sodium, oil, oil shale, and gas, herein referred to, in lands valuable for such minerals, including lands and deposits described in the joint resolution entitled "Joint resolution authorizing the Secretary of the Interior to permit the continuation of coal mining operations on certain lands in Wyoming," approved August 1, 1912 (Thirty-seventh Statutes at Large, page 1346), shall be subject to disposition only in the form and manner provided in this Act, except as to valid claims existent at date of the passage of this Act and thereafter maintained in compliance with the laws under which initiated, which claims may be perfected under such laws, including discovery.

DISPOSITION OF MINERAL DEPOSITS SUBJECT TO THIS ACT
Sec. 37: See footnote 91 for amendment.

SEC. 38. That, until otherwise provided, the Secretary of the Interior shall be authorized to prescribe fees and commissions to be paid registers and receivers of United States land offices on account of business transacted under the provisions of this Act.

FEES FOR TRANSACTIONS UNDER ACT
Sec. 38: See footnote 92 for amendment.

Approved, February 25, 1920.

NOTE:

Sec. 39: Added by the Act of 2/9/33 at p. 28 this text.

Sec. 39: See footnotes 93-98 for amendments.

Sec. 40: Added by the Act of 6/16/34 at p. 29 this text.

Sec. 41: Added by the Act of 12/22/87 at p. 136 this text.

Sec. 42: Added by the Act of 9/2/60 at p. 76 this text.

Sec. 43: Added by the Act of 12/22/87 at p. 139 this text.

Sec. 44: Added by the Act of 12/22/87 at p. 139 this text.

ACT OF APRIL 30, 1926

An Act To amend section 27 of the general leasing Act approved February 25, 1920 (Forty-first Statutes at Large, page 437).

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 27 of the general leasing Act approved February 25, 1920 (Forty-first Statutes at Large, page 437), is hereby amended to read as follows:

Sec. 27

ACREAGE HELD

That no person, association, or corporation, except as herein provided, shall take or hold coal, phosphate, or sodium leases or permits during the life of such leases or permits in any one State exceeding in aggregate acreage 2,560 acres for each of said minerals; no person, association, or corporation shall take or hold at one time oil or gas leases or permits exceeding in the aggregate 7,680 acres granted hereunder in any one State, and not more than 2,560 acres within the geologic structure of the same producing oil or gas field; and no person, association, or corporation shall take or hold at one time any interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof, which, together with the area embraced in any direct holding of a lease or leases, permit or permits, under this Act, or which, together with any other interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof for any kind of mineral leases hereunder, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee or permittee under this Act.

FORFEITURE OF INTEREST

Any interests held in violation of this Act shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in the United States district court for the district in which the property, or some part thereof, is located, except that any ownership or interest forbidden in this Act which may be acquired by descent, will, judgment, or decree may be held for two years and not longer after its acquisition: *Provided*, That nothing herein contained shall be construed to limit sections 18, 18a, 19, and 22 or to prevent any number of lessees under the provisions of this Act from combining their several interests so far as may be necessary for the purposes of constructing and carrying on the business of a refinery, or of establishing and constructing as a common carrier a pipe line or lines of railroads to be operated and used by them jointly in the transportation of oil from their several wells, or from the wells of other lessees under this Act, or the transportation of coal or to increase the acreage which may be acquired or held under section 17 of this Act: *Provided further*, That any combination for such purpose or purposes shall be subject to the approval of the Secretary of the Interior on application to him for permission to form the same. *And provided further*, That if any of the lands or deposits leased under the provisions of this Act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

whatsoever, so that they form a part of, or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or any agreement or understanding, written, verbal, or otherwise to which such lessee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of the amounts of lands provided in this Act, the lease thereof shall be forfeited by appropriate court proceedings.

Approved, April 30, 1926.

ACT OF FEBRUARY 7, 1927

ACT OF FEBRUARY 7, 1927

Excerpts

An Act To promote the mining of potash on the public domain.

SEC. 4. That prospecting permits or leases may be issued under the provisions of this Act for deposits of potassium in public lands, also containing deposits of coal or other minerals, on condition that such other deposits be reserved to the United States for disposal under appropriate laws: *Provided*, That if the interests of the Government and of the lessee will be subserved thereby, potassium leases may include covenants providing for the development by the lessee of chlorides, sulphates, carbonates, borates, silicates, or nitrates of sodium, magnesium, aluminum, or calcium, associated with the potassium deposits leased, on terms and conditions not inconsistent with the sodium provisions of the Act of February 25, 1920 (Forty-first Statutes at Large, page 437): *Provided further*, That where valuable deposits of mineral now subject to disposition under the general mining laws are found in fissure veins on any of the lands subject to permit or lease under this Act, the valuable minerals so found shall continue subject to disposition under the said general mining laws notwithstanding the presence of potash therein.

SODIUM PROVISIONS

SEC. 5. That the general provisions of sections 1 and 26 to 38, inclusive, of the Act of February 25, 1920, entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," are made applicable to permits and leases under this Act, the first and thirty-seventh sections thereof being amended to include deposits of potassium.

SECS. 1 and 26-38 MADE APPLICABLE TO THIS ACT.

NOTE: Other sections are not included.

ACT OF DECEMBER 11, 1928

An Act To amend sections 23 and 24 of the General Leasing Act approved February 25, 1920 (Forty-first Statutes at Large, page 437).

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 23 and 24 of the General Leasing Act approved February 25, 1920 (Forty-first Statutes at Large, page 437), are hereby amended to read as follows:

"SEC. 23. That the Secretary of the Interior is hereby authorized, under such rules and regulations as he may prescribe, to grant to any qualified applicant a prospecting permit which shall give the exclusive right to prospect for chlorides, sulphates, carbonates, borates, silicates, or nitrates of sodium, in lands belonging to the United States for a period of not exceeding two years: *Provided*, That the area to be included in such a permit shall not exceed two thousand five hundred and sixty acres of land in reasonably compact form.

Sec. 23

SODIUM LEASE ACREAGE

SEC. 24. That upon showing to the satisfaction of the Secretary of the Interior that valuable deposits of one of the substances enumerated in section 23 hereof have been discovered by the permittee within the area covered by his permit and that such land is chiefly valuable therefor, the permittee shall be entitled to a lease for any or all of the land embraced in the prospecting permit at a royalty of not less than 2 per centum of the quantity or gross value of the output of sodium compounds and other related products at the point of shipment to market; the lands in such lease to be taken in compact form by legal subdivisions of the public land surveys or, if the land be not surveyed, by survey executed at the cost of the permittee in accordance with regulations prescribed by the Secretary of the Interior. Lands known to contain valuable deposits of one of the substances enumerated in section 23 hereof and not covered by permits or leases shall be subject to lease by the Secretary of the Interior through advertisement, competitive bidding, or such other methods as he may by general regulations adopt and in such areas as he shall fix, not exceeding two thousand five hundred and sixty acres. All leases under this section shall be conditioned upon the payment by the lessee of such royalty as may be fixed in the lease, not less than 2 per centum of the quantity or gross value of the output of sodium compounds and other related products at the point of shipment to market, and the payment in advance of a rental of 25 cents per acre for the first calendar year or fraction thereof, 50 cents per acre for the second, third, fourth, and fifth calendar years respectively; and $1 per acre per annum thereafter during the continuance of the lease, such rental for any one year to be credited against royalties accruing for that year. Leases under this section shall be for a period of twenty years, with preferential right in the lessee to renew for successive periods of ten years upon such reasonable terms and conditions as may be prescribed by the

Sec. 24

QUALIFY FOR LEASE

ROYALTY

NOTE: Regarding all Mineral LEasing Act Sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

Secretary of the Interior unless otherwise provided by law at the expiration of such period: *Provided*, That nothing in this Act shall prohibit the mining and sale of sodium compounds under potassium leases issued pursuant to the Acts of October 2, 1917 (Fortieth Statutes at Large, page 297), and February 7, 1927 (Forty-fourth Statutes at Large, page 1057), nor the mining and sale of potassium compounds as a by-product from sodium leases taken under this section: *Provided further*, That on application by any lessee the Secretary of the Interior is authorized to modify the rental and royalty provisions stipulated in any existing sodium lease to conform to the provisions of this section."

Approved, December 11, 1928.

ACT OF JUNE 27, 1930

ACT OF JUNE 27, 1930

An Act Authorizing the repayment of rents and royalties in excess of requirements made under leases executed in accordance with the General Leasing Act of February 25, 1920.

REPAYMENT OF EXCESS PAYMENTS

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of the Act of Congress approved December 11, 1919 (41 Stat. L. 366), entitled "An Act to amend an Act approved March 26, 1908, entitled 'An Act to provide for the repayment of certain commissions, excess payments, and purchase moneys paid under the public land laws,'" is hereby made applicable to all payments in excess of lawful requirements made under the Act of Congress approved February 25, 1920 (41 Stat. L. 437), and under any statute relating to the sale, entry, lease, or other disposition of the public lands.

Approved, June 27, 1930.

NOTE: Repealed by Act of July 14, 1960.

REPEALED

ACT OF JULY 3, 1930

An Act To amend sections 17 and 27 of the General Leasing Act of February 25, 1920 (41 Stat. 437; U. S. C., title 30, sec. 226), as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 17 and 27 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, sec. 226), as amended, are amended to read as follows:

"SEC. 17. That all unappropriated deposits of oil or gas situated within the known geologic structure of a producing oil or gas field and the unentered lands containing the same, not subject to preferential lease, may be leased by the Secretary of the Interior to the highest responsible bidder by competitive bidding under general regulations to qualified applicants in areas not exceeding six hundred and forty acres and in tracts which shall not exceed in length two and one-half times their width, such leases to be conditioned upon the payment by the lessee of such bonus as may be accepted and of such royalty as may be fixed in the lease, which shall not be less than 12½ per centum in amount or value of the production, and the payment in advance of a rental of not less than $1 per acre per annum thereafter during the continuance of the lease, the rental paid for any one year to be credited against the royalties as they accrue for that year. Leases shall be for a period of twenty years, with the preferential right in the lessee to renew the same for successive periods of ten years upon such reasonable terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the time of the expiration of such periods: *Provided*, That any lease heretofore or hereafter issued under this Act that has become the subject of a cooperative or unit plan of development or operation of a single oil or gas pool, which plan has the approval of the Secretary of the Interior as necessary or convenient in the public interest, shall continue in force beyond said period of 20 years until the termination of such plan: *And provided further*, That the Secretary of the Interior shall report all leases so continued to Congress at the beginning of its next regular session after the date of such continuance. Whenever the average daily production of any oil well shall not exceed ten barrels per day, the Secretary of the Interior is authorized to reduce the royalty on future production when in his judgment the wells can not be successfully operated upon the royalty fixed in the lease. The provisions of this paragraph shall apply to all oil and gas leases made under this Act.

Sec. 17

KNOWN GEOLOGIC STRUCTURE

COMPETITIVE BIDDING

"SEC. 27. That no person, association, or corporation, except as herein provided, shall take or hold coal, phosphate, or sodium leases or permits during the life of such leases or permits in any one State exceeding in aggregate acreage two thousand five hundred and sixty acres for each of said minerals; no person, association, or corporation shall take or hold at one time oil or gas leases or permits exceeding in the aggregate seven thousand six hundred and eighty acres granted hereunder in any one State, and not more than two thousand five

Sec. 27

ACREAGE LIMITATIONS

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

hundred and sixty acres within the geologic structure of the same producing oil or gas field; and no person, association, or corporation shall take or hold at one time any interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof, which, together with the area embraced in any direct holding of a lease or leases, permit or permits, under this Act, or which, together with any other interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof for any kind of mineral leases hereunder, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee or permittee under this Act. Any interests held in violation of this Act shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in the United States district court for the district in which the property, or some part thereof, is located, except that any ownership or interest forbidden in this Act which may be acquired by descent, will, judgment, or decree may be held for two years and not longer after its acquisition: *Provided*, That nothing herein contained shall be construed to limit sections 18, 18a, 19, and 22 or to prevent any number of lessees under the provisions of this Act from combining their several interests so far as may be necessary for the purposes of constructing and carrying on the business of a refinery, or of establishing and constructing as a common carrier a pipe line or lines of railroads to be operated and used by them jointly in the transportation of oil from their several wells, or from the wells of other lessees under this Act, or the transportation of coal or to increase the acreage which may be acquired or held under section 17 of this Act: *Provided further*, That any combination for such purpose or purposes shall be subject to the approval of the Secretary of the Interior on application to him for permission to form the same: *And provided further*, That for the purpose of more properly conserving the natural resources of any single oil or gas pool or field, permittees and lessees thereof and their representatives may unite with each other or jointly or separately with others in collectively adopting and operating under a cooperative or unit plan of development or operation of said pool or field, whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest, and the Secretary of the Interior is thereunto authorized in his discretion, with the consent of the holders of leases involved, to establish, alter, change, or revoke drilling, producing, and royalty requirements of such leases, and to make such regulations with reference to such leases with like consent on the part of the lessee or lessees in connection with the institution and operation of any such cooperative or unit plan as he may deem necessary or proper to secure the proper protection of such public interest: *And provided further*, That except as herein provided, if any of the lands or deposits leased under the provisions of this Act shall be subleased, trusteed, possessed, or controlled by any device permanently, tem-

porarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form a part of, or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or any agreement or understanding, written, verbal, or otherwise to which such lessee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control, in excess of the amounts of lands provided in this Act, the lease thereof shall be forfeited by appropriate court proceedings.

SEC. 2. The amendments herein adopted to sections 17 and 27 of the General Leasing Act of February 25, 1920, as amended, shall expire at midnight on the 31st day of January, 1931.

Approved, July 3, 1930.

THESE AMENDMENTS EXPIRE JANUARY 31, 1931

ACT OF MARCH 4, 1931

An Act To amend sections 17 and 27 of the General Leasing Act of February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 184 and 226), as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 17 and 27 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 184 and 226), as amended, are amended and reenacted to read as follows:

"SEC. 17. That all unappropriated deposits of oil or gas situated within the known geologic structure of a producing oil or gas field and the unentered lands containing the same, not subject to preferential lease, may be leased by the Secretary of the Interior to the highest responsible bidder by competitive bidding under general regulations to qualified applicants in units reasonably compact of not exceeding six hundred and forty acres, such leases to be conditioned upon the payment by the lessee of such bonus as may be accepted and of such royalty as may be fixed in the lease, which shall not be less than 12½ per centum in amount or value of the production, and the payment in advance of a rental of not less than $1 per acre per annum thereafter during the continuance of the lease, the rental paid for any one year to be credited against the royalties as they accrue for that year.

Sec. 17
KNOWN GEOLOGIC STRUCTURES

COMPETITIVE BIDDING

"Leases shall be for a period of twenty years with the preferential right in the lessee to renew the same for successive periods of ten years upon such reasonable terms and conditions as may be prescribed by the Secretary of the department having jurisdiction thereof, unless otherwise provided by law at the time of the expiration of such periods: *Provided*, That any lease heretofore or hereafter issued under this Act that has become the subject of a cooperative or unit plan of development or operation of a single oil or gas pool, or area, or other plan for the conservation of the oil and gas of a single pool or area, which plan has the approval of the Secretary of the department or departments having jurisdiction over the Government lands included in said plan as necessary or convenient in the public interest, shall continue in force beyond said period of twenty years until the termination of such plan: *And provided further*, That said Secretary or Secretaries shall report all leases so continued to Congress at the beginning of its next regular session after the date of such continuance.

LEASE TERMS

"Any cooperative or unit plan of development or operation, which includes land owned by the United States, shall contain a provision whereby authority, limited as therein provided, is vested in the Secretary of the department or departments having jurisdiction over such land to alter or modify from time to time in his discretion the quantity and rate of production under said plan. The Secretary of the Interior is authorized whenever he shall deem such action necessary or in the public interest, with the consent of lessee, by order to suspend or modify the drilling or producing require-

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ments of any oil and gas lease heretofore or hereafter issued, and no lease shall be deemed to expire by reason of the suspension of production pursuant to any such order. Whenever the average daily production of any oil well shall not exceed ten barrels per day the Secretary of the Interior is authorized to reduce the royalty on future production when in his judgment the well can not be successfully operated upon the royalty fixed in the lease. The provisions of this section shall apply to all oil and gas leases made under this Act.

"SEC. 27. That no person, association, or corporation, except as herein provided, shall take or hold coal, phosphate, or sodium leases or permits during the life of such leases or permits in any one State exceeding in aggregate acreage two thousand five hundred and sixty acres for each of said minerals; no person, association, or corporation shall take or hold at one time oil or gas leases or permits exceeding in the aggregate seven thousand six hundred and eighty acres granted hereunder in any one State, and not more than two thousand five hundred and sixty acres within the geologic structure of the same producing oil or gas field; and no person, association, or corporation shall take or hold at one time any interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof, which, together with the area embraced in any direct holding of a lease or leases, permit or permits, under this Act, or which, together with any other interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof for any kind of mineral leases hereunder, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee or permittee under this Act. Any interests held in violation of this Act shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in the United States district court for the district in which the property, or some part thereof, is located, except that any ownership or interest forbidden in this Act which may be acquired by descent, will, judgment, or decree may be held for two years and not longer after its acquisition: *Provided*, That nothing herein contained shall be construed to limit sections 18, 18a, 19, and 22 or to prevent any number of lessees under the provisions of this Act from combining their several interests so far as may be necessary for the purposes of constructing and carrying on the business of a refinery, or of establishing and constructing as a common carrier a pipe line or lines of railroads to be operated and used by them jointly in the transportation of oil from their several wells, or from the wells of other lessees under this Act, or the transportation of coal or to increase the acreage which may be acquired or held under section 17 of this Act: *Provided further*, That any combination for such purpose or purposes shall be subject to the approval of the Secretary of the Interior on application to him for permission to form the same: *And provided further*, That for the purpose of more

Sec. 27

ACREAGE

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

properly conserving the natural resources of any single oil or gas pool or field, permittees and lessees thereof and their representatives may unite with each other or jointly or separately with others in collectively adopting and operating under a cooperative or unit plan of development or operation of said pool or field, whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest, and the Secretary of the Interior is thereunto authorized in his discretion, with the consent of the holders of leases or permits involved, to establish, alter, change, or revoke drilling, producing, and royalty requirements of such leases or permits, and to make such regulations with reference to such leases and permits with like consent on the part of the lessee or lessees and permittees in connection with the institution and operation of any such cooperative or unit plan as he may deem necessary or proper to secure the proper protection of such public interest: *And provided further*, That when any permit has been determined to be wholly or in part within the limits of a producing oil or gas field which permit has been included, with the approval of the Secretary of the Interior, in a unit operating agreement or other plan under this Act the Secretary of the Interior may issue a lease for the area of the permit so included in said plan without further proof of discovery: *Provided further*, That the Secretary of the Interior is hereby authorized, on such conditions as he may prescribe, to approve operating, drilling or development contracts made by one or more permittees or lessees in oil or gas leases or permits, with one or more persons, associations, or corporations, whenever in his discretion and regardless of acreage limitations, provided for in this Act, the conservation of natural products or the public convenience or necessity may require it or the interests of the United States may be best subserved thereby: *And provided further*, That except as herein provided, if any of the lands or deposits leased under the provisions of this Act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form a part of or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or any agreement or understanding, written, verbal, or otherwise, to which such lessee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control in excess of the amounts of lands provided in this Act, the lease thereof shall be forfeited by appropriate court proceedings: *And provided further*, That nothing in this Act shall be construed as affecting existing leases within the borders of the Naval Petroleum Reserves or agreements concerning operations thereunder or in relation to the same, but the Secretary of the Navy is hereby authorized, with the consent of the President, to enter into agreements such as those provided for herein, which agreements shall not, unless expressed therein, operate to extend the term of any lease affected thereby."

Approved, March 4, 1931.

ACT OF FEBRUARY 9, 1933

To further amend the Act approved February 25, 1920, entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain."

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act approved February 25, 1920 (41 Stat. L. 437), entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," be, and the same is hereby, further amended by adding thereto the following section:

"SEC. 39. In the event the Secretary of the Interior, in the interest of conservation, shall direct or shall assent to the suspension of operations and production of coal, oil, and/or gas under any lease granted under the terms of this Act, any payment of acreage rental prescribed by such lease likewise shall be suspended during such period of suspension of operations and production; and the term of such lease shall be extended by adding any such suspension period thereto: *Provided*, That nothing in this Act shall be construed as affecting existing leases within the borders of the naval petroleum reserves and naval oil-shale reserves."

Approved, February 9, 1933.

Sec. 39: ADDED

SUSPENSIONS

NOTE: Regarding all Mineral LEasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF JUNE 16, 1934

To amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and leases.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended, is amended by adding the following new section:

"SEC. 40. (a) All prospecting permits and leases for oil or gas made or issued under the provisions of this Act shall be subject to the condition that in case the permittee or lessee strikes water while drilling instead of oil or gas, the Secretary of the Interior may, when such water is of such quality and quantity as to be valuable and usable at a reasonable cost for agricultural, domestic, or other purposes, purchase the casing in the well at the reasonable value thereof to be fixed under rules and regulations to be prescribed by the Secretary: *Provided*, That the land on which such well is situated shall be reserved as a water hole under section 10 of the Act of December 29, 1916.

"(b) In cases where water wells producing such water have heretofore been or may hereafter be drilled upon lands embraced in any prospecting permit or lease heretofore issued under the Act of February 25, 1920, as amended, the Secretary may in like manner purchase the casing in such wells.

"(c) The Secretary may make such purchase and may lease or operate such wells for the purpose of producing water and of using the same on the public lands or of disposing of such water for beneficial use on other lands, and where such wells have heretofore been plugged or abandoned or where such wells have been drilled prior to the issuance of any permit or lease by persons not in privity with the permittee or lessee, the Secretary may develop the same for the purposes of this section: *Provided*, That owners or occupants of lands adjacent to those upon which such water wells may be developed shall have a preference right to make beneficial use of such water.

"(d) The Secretary may use so much of any funds available for the plugging of wells, as he may find necessary to start the program provided for by this section, and thereafter he may use the proceeds from the sale or other disposition of such water as a revolving fund for the continuation of such program, and such proceeds are hereby appropriated for such purpose.

"(e) Nothing in this section shall be construed to restrict operations under any oil or gas lease or permit under any other provision of this Act."

Approved, June 16, 1934.

Sec. 40: ADDED

WATER WELLS

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF AUGUST 21, 1935

To amend an Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, 226), as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 13, 14, 17, and 28 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; U. S. C., title 30, secs. 185, 221, 223, 226), as amended, are amended to read as follows:

Sec. 13

"SEC. 13. That the Secretary of the Interior is hereby authorized, and directed, under such necessary and proper rules and regulations as he may prescribe, to grant to any applicant qualified under this Act a prospecting permit, which shall give the exclusive right, for a period not exceeding two years, to prospect for oil or gas upon not to exceed two thousand five hundred and sixty acres of land wherein such deposits belong to the United States and are not within any known geological structure of a producing oil or gas field upon condition that the permittee shall begin drilling operations within six months from the date of the permit, and shall, within one year from and after the date of permit, drill one or more wells for oil or gas to a depth of not less than five hundred feet each, unless valuable deposits of oil or gas shall be sooner discovered, and shall, within two years from date of the permit, drill for oil or gas to an aggregate depth of not less than two thousand feet unless valuable deposits of oil or gas shall be sooner discovered: *Provided*, That said application was filed ninety days prior to the effective date of this amendatory Act. It being the intention of Congress that there shall be no discrimination as between applicants for prospecting permits, the Secretary of the Interior is directed, in every case where one or more permits have been issued, to issue permits to all other applicants for prospecting permits on the same structure, even though one or more of the permittees has developed the said structure into a producing oil or gas field, if said application for permit was filed prior to the development of such structure into a producing oil or gas field, and said applicant has otherwise complied with the law: *Provided further*, That when such permit is issued upon any structure after discovery, the royalty to be paid upon the preferential lease provided for in section 14 hereof shall be 10 per centum in amount or value of the production and the annual payment of a rental as provided in said section 14. No prospecting permit shall be granted upon any application filed after ninety days prior to the effective date of this amendatory Act. The Secretary of the Interior may, if he shall find that the permittee has been unable with the exercise of diligence to test the land in the time granted by the permit, extend any such permit for such time, not exceeding two years, and upon such conditions as he shall prescribe: *Provided*, That all permits outstanding on the effective date of this amendatory Act, which on said date shall not be subject to cancelation for violation of the law or operating regulations and which have theretofore been extended by the Secretary of the Interior, shall be,

TWO YEARS
ACREAGE

ROYALTY

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and the same are hereby, extended until December 31, 1937, subject to the applicable conditions of such prior extensions: *Provided further*, That the Secretary of the Interior is hereby authorized, to extend for an additional period of not to exceed one year any permit on which diligence has been exercised or on which drilling or prospecting has been suspended at the direction of the Secretary during the extension period hereby granted, but no extension of any permit beyond December 31, 1938, shall be granted under authority of this Act, or any other Act. Whether the lands sought in any such application and permit are surveyed or unsurveyed the applicant shall, prior to filing his application for permit, locate such lands in a reasonably compact form and according to the legal subdivisions of the public-land surveys if the land be surveyed; and in an approximately square or rectangular tract if the land be an unsurveyed tract, the length of which shall not exceed two and one-half times its width, and if he shall cause to be erected upon the land for which a permit is sought a monument not less than four feet high, at some conspicuous place thereon, and shall post a notice in writing on or near said monument, stating that an application for permit will be made within thirty days after date of posting said notice, the name of the applicant, the date of the notice, and such a general description of the land to be covered by such permit by reference to courses and distances from such monument and such other natural objects and permanent monuments as will reasonably identify the land, stating the amount thereof in acres, he shall during the period of thirty days following such marking and posting, be entitled to a preference right over others to a permit for the land so identified. The applicant shall, within ninety days after receiving a permit, mark each of the corners of the tract described in the permit upon the ground with substantial monuments, so that the boundaries can be readily traced on the ground, and shall post in a conspicuous place upon the lands a notice that such permit has been granted and a description of the lands covered thereby: *Provided further*, That in the Territory of Alaska prospecting permits not more than five in number may be granted to any qualified applicant for periods not exceeding four years, actual drilling operations shall begin within two years from date of permit, and oil and gas wells shall be drilled to a depth of not less than five hundred feet, unless valuable deposits of oil or gas shall be sooner discovered, within three years from date of the permit and to an aggregate depth of not less than two thousand feet unless valuable deposits of oil or gas shall be sooner discovered, within four years from date of permit: *Provided further*, That in said Territory the applicant shall have a preference right over others to a permit for land identified by temporary monuments and notice posted on or near the same for six months following such marking and posting, and upon receiving a permit he shall mark the corners of the tract described in the permit upon the ground with substantial monuments within one year after receiving such permit: *Provided further*, That any person holding a permit to prospect for oil or gas which shall not be

LOCATION

MONUMENTS

PREFERENCE RIGHT

subject to cancelation for violation of the law or operating regulations or which shall have been extended under the authority of this or any other Act, in force on or after the effective date of this amendatory Act, or for which timely and acceptable application for extension shall have been filed prior to said date, shall have the right prior to the termination of such permit to exchange the same for a lease to the area described in the permit without proof of discovery, at a royalty of not less than 12½ per centum or value of the production, to be determined by the Secretary of the Interior by general rule and under such other conditions as are fixed in section 17 of this Act: *Provided further*, That no such lease shall be subject to the acreage limitations of section 27 of this Act, as amended, until one year after the discovery of valuable deposits of oil or gas thereon: *Provided further*, That any application for any prospecting permit filed after ninety days prior to the effective date of this amendatory Act shall be considered as an application for lease under section 17 hereof: *And provided further*, That upon leases so granted in lieu of existing permits or granted to applicants for permits, no rentals shall be payable for the first two lease years, unless valuable deposits of oil or gas are sooner discovered within the boundaries of such lease.

"SEC. 14. That upon establishing to the satisfaction of the Secretary of the Interior that valuable deposits of oil or gas have been discovered within the limits of the land embraced in any permit, the permittee shall be entitled to a lease for one-fourth of the land embraced in the prospecting permit: *Provided*, That the permittee shall be granted a lease for as much as one hundred and sixty acres of said lands, if there be that number of acres within the permit. The area to be selected by the permittee, shall be in reasonably compact form and, if surveyed, to be described by the legal subdivisions of the public-land surveys; if unsurveyed, to be surveyed by the Government at the expense of the applicant for lease in accordance with rules and regulations to be prescribed by the Secretary of the Interior, and the lands leased shall be conformed to and be taken in accordance with the legal subdivisions of such surveys; deposits made to cover expense of surveys shall be deemed appropriated for that purpose, and any excess deposits may be repaid to the person or persons making such deposit or their legal representatives. Such leases shall be for a term of twenty years upon a royalty of 5 per centum in amount or value of the production and the annual payment in advance of a rental of $1 per acre, the rental paid for any one year to be credited against the royalties as they accrue for that year, and shall continue in force otherwise as prescribed in section 17 hereof for leases issued prior to the effective date of this amendatory Act. The permittee shall also be entitled to a preference right to a lease for the remainder of the land in his prospecting permit at a royalty of not less than 12½ per centum in amount or value of the production nor more than the royalty rate prescribed by regulation in force on January 1, 1935, for secondary leases issued under this section, and under such other conditions as are fixed for oil or gas leases issued under section 17 of this Act the royalty to be determined by competitive bidding or fixed by such other method as

Sec. 14

VALUABLE DEPOSITS

LEASE ACREAGE

20 YEAR LEASE TERMS

PREFERENCE RIGHT

ROYALTY

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the Secretary may by regulations prescribe: *Provided further*, That the Secretary shall have the right to reject any or all bids.

"SEC. 17. All lands subject to disposition under this Act which are known or believed to contain oil or gas deposits, except as herein otherwise provided, may be leased by the Secretary of the Interior after the effective date of this amendatory Act, to the highest responsible qualified bidder by competitive bidding under general regulations. Such lands shall be leased in units of not exceeding six hundred and forty acres, which shall be as nearly compact in form as possible. Such leases shall be conditioned upon the payment by the lessee of such bonus as may be accepted and of such royalty as may be fixed in the lease, which shall be not less than 12½ per centum in amount or value of the production and the payment in advance of a rental to be fixed in the lease of not less than 25 cents per acre per annum, which rental except as otherwise herein provided shall not be waived, suspended, or reduced unless and until a valuable deposit of oil or gas shall have been discovered within the lands leased: *Provided*, That the rental paid for any one year shall be credited against the royalties as they accrue for that year: *Provided further*, That in the event the Secretary of the Interior shall direct or shall assent to the suspension of operations or of production of oil or gas under any such lease, any payment of acreage rental as herein provided shall likewise be suspended during such period of suspension of operations or production: *And provided further*, That in the case of leases valuable only for the production of gas the Secretary of the Interior upon showing by the lessee that the lease cannot be successfully operated upon such rental or upon the royalty provided in the lease, may waive, suspend, or reduce such rental or reduce such royalty.

Sec. 17

COMPETITIVE BIDDING

"The Secretary of the Interior, for the purpose of more properly conserving the oil or gas resources of any area, field, or pool, may require that leases hereafter issued under any section of this Act be conditioned upon an agreement by the lessee to operate, under such reasonable cooperative or unit plan for the development and operation of any such area, field, or pool as said Secretary may determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States: *Provided*, That all leases operated under such plan approved or prescribed by said Secretary shall be excepted in determining holdings or control under the provisions of any section of this Act.

UNIT PLAN

"Leases hereafter issued under this section shall be for a period of five years and so long thereafter as oil or gas is produced in paying quantities when the lands to be leased are not within any known geological structure of a producing oil or gas field, and for a period of ten years and so long thereafter as oil or gas is produced in paying quantities when the lands to be leased are within any known geological structure of a producing oil or gas field: *Provided*, That no such lease shall be deemed to expire by reasons of suspension of prospecting, drilling, or production pursuant to any order or consent of the said Secretary: *Provided further*, That the person first making application for the lease of any lands not within any known geologic structure of a producing oil or gas field who is qualified to hold a lease under this Act, including applicants for permits whose

LANDS NOT WITHIN KGS

KGS

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applications were filed after ninety days prior to the effective date of this amendatory Act shall be entitled to a preference right over others to a lease of such lands without competitive bidding at a royalty, in the case of oil, of 12½ per centum in amount or value of the production when the said production does not exceed fifty barrels per well per day for the calendar month and of not less than 12½ per centum in amount or value of the production when the said production exceeds fifty barrels per well per day for the calendar month, and, in the case of gas, at a royalty of 12½ per centum in amount or value of the production when the said production does not exceed five million cubic feet per well per day for the calendar month and, when the said production exceeds five million cubic feet per well per day for the calendar month, at a royalty of not less than 12½ per centum in amount or value of the production.

"Leases issued prior to the effective date of this amendatory Act shall continue in force and effect in accordance with the terms of such leases and the laws under which issued: *Provided*, That any such lease that has become the subject of a cooperative or unit plan of development or operation, or other plan for the conservation of the oil and gas of a single area, field, or pool, which plan has the approval of the Secretary of the Department or Departments having jurisdiction over the Government lands included in said plan as necessary or convenient in the public interest, shall continue in force beyond said period of twenty years until the termination of such plan: *And provided further*, That said Secretary or Secretaries shall report all leases so continued to Congress at the beginning of its next regular session after the date of such continuance.

UNIT PLAN

"Any cooperative or unit plan of development and operation, which includes lands owned by the United States, shall contain a provision whereby authority, limited as therein provided, is vested in the Secretary of the department or departments having jurisdiction over such land to alter or modify from time to time in his discretion the rate of prospecting and development and the quantity and rate of production under said plan. The Secretary of the Interior is authorized whenever he shall deem such action necessary or in the public interest, with the consent of lessee, by order to suspend or modify the drilling or producing requirements of any oil and gas lease not subject to such a cooperative or unit plan, and no lease shall be deemed to expire by reason of the suspension of production pursuant to any such order.

DRAINAGE

"Whenever it appears to the Secretary of the Interior that wells drilled upon lands not owned by the United States are draining oil or gas from lands or deposits owned in whole or in part by the United States, the Secretary of the Interior is hereby authorized and empowered to negotiate agreements whereby the United States or the United States and its permittees, lessees, or grantees shall be compensated for such drainage, such agreements to be made with the consent of the permittees and lessees affected thereby.

ROYALTY REDUCTION

"Whenever the average daily production of the oil wells on an entire leasehold or on any tract or portion thereof segregated for royalty purposes shall not exceed ten barrels per well per day, or where the cost of production of oil or gas is such as to render further

production economically impracticable the Secretary of the Interior, for the purpose of encouraging the greatest ultimate recovery of oil and in the interest of conservation of natural resources, is authorized to reduce the royalty on future production when in his judgment the wells cannot be successfully operated upon the royalty fixed in the lease. The provision of this paragraph shall apply to all oil and gas leases issued under this Act, including those within an approved cooperative or unit plan of development and operation.

"Any lease issued after the effective date of this amendatory Act under the provisions of this section, except those earned as a preference right as provided in section 14 hereof, shall be subject to cancelation by the Secretary of the Interior after thirty days' notice upon the failure of the lessee to comply with any of the provisions of the lease, unless or until the land covered by any such lease is known to contain valuable deposits of oil or gas. Such notice in advance of cancelation shall be sent the lease owner by registered letter directed to the lease owner's record post-office address, and in case such letter shall be returned as undelivered, such notice shall also be posted for a period of thirty days in the United States Land Office for the district in which the land covered by such lease is situated, or in the event that there is no district land office for such leased land, then in the post office nearest such land. Leases covering lands known to contain valuable deposits of oil or gas shall be canceled only in the manner provided in section 31 of this Act.

Sec. 28

RIGHTS-OF-WAY

"SEC. 28. That rights-of-way through the public lands, including the forest reserves of the United States, may be granted by the Secretary of the Interior for pipe-line purposes for the transportation of oil or natural gas to any applicant possessing the qualifications provided in section 1 of this Act, to the extent of the ground occupied by the said pipe line and twenty-five feet on each side of the same under such regulations and conditions as to survey, location, application, and use as may be prescribed by the Secretary of the Interior and upon the express condition that such pipe lines shall be constructed, operated, and maintained as common carriers and shall accept, convey, transport, or purchase without discrimination, oil or natural gas produced from Government lands in the vicinity of the pipe line in such proportionate amounts as the Secretary of the Interior may, after a full hearing with due notice thereof to the interested parties and a proper finding of facts, determine to be reasonable: *Provided*, That the Government shall in express terms reserve and shall provide in every lease of oil lands hereunder that the lessee, assignee, or beneficiary, if owner, or operator or owner of a controlling interest in any pipe line or of any company operating the same which may be operated accessible to the oil derived from lands under such lease, shall at reasonable rates and without discrimination accept and convey the oil of the Government or of any citizen or company not the owner of any pipe line, operating a lease or purchasing gas or oil under the provisions of this Act: *Provided further*, That no right-of-way shall hereafter be granted over said lands for the transportation of oil or natural gas except under and subject to the provisions, limitations, and con-

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ditions of this section. Failure to comply with the provisions of this section or the regulations and conditions prescribed by the Secretary of the Interior shall be ground for forfeiture of the grant by the United States district court for the district in which the property, or some part thereof, is located in an appropriate proceeding."

Sec. 2

ROYALTY

SEC. 2. (a) That the Secretary of the Interior is authorized to issue new leases to lessees holding oil or gas leases under any of the provisions of this Act at the time this amendatory Act becomes effective, such new leases to be in lieu of the leases then held by such lessees and to be at a royalty rate of not less than 12½ per centum in amount or value of the production and upon such other terms and conditions as the Secretary of the Interior shall by general rule prescribe: *Provided*, That no limitation of acreage not provided for under the law or regulations under which any such old lease was issued shall be applicable to any such new lease.

(b) Nothing contained in this amendatory Act shall be construed to affect the validity of oil and gas prospecting permits or leases previously issued under the authority of the said Act of February 25, 1920, as amended, and in existence at the time this amendatory Act becomes effective, or impair any rights or privileges which have accrued under such permits or leases.

Sec. 3

NAVAL PETROLEUM RESERVES

NAVAL OIL-SHALE RESERVES

SEC. 3. That nothing in this amendatory Act shall be construed as affecting any lands within the borders of the naval petroleum reserves and naval oil-shale reserves or agreements concerning operations thereunder or in relation to the same, but the Secretary of the Navy is hereby authorized, with the consent of the President, to enter into agreements such as those provided for under the Act of March 4, 1931 (46 Stat. 1523), which agreement shall not, unless expressed therein, operate to extend the terms of any lease affected thereby.

Approved, August 21, 1935.

NOTE: Section 2 was REPEALED by the Act of 8/8/46.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF JULY 8, 1940

ACT OF JULY 8, 1940

Relating to rentals in certain oil and gas leases issued under authority of the Act of February 25, 1920, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, in the case of lands not within any known geologic structure of a productive oil or gas field, shall waive the rentals stipulated in oil and gas leases issued pursuant to section 17 of the Act of February 25, 1920, as amended by the Act of August 21, 1935 (49 Stat. 674), for the second and third lease years, unless a valuable deposit of oil or gas be sooner discovered.

Approved, July 8, 1940.

Sec. 17

LANDS NOT WITHIN KGS

NOTE: REPEALED by Act of 8/8/46.

ACT OF JULY 29, 1942

ACT OF JULY 29, 1942

To grant a preference right to certain oil and gas lessees.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That upon the expiration of the five-year term of any noncompetitive oil and gas lease issued pursuant to the provisions of the Act of August 21, 1935 (49 Stat. 674), amending the Act of February 25, 1920, and maintained in accordance with the applicable statutory requirements and regulations, the record title holder shall be entitled to a preference right over others to a new lease for the same land pursuant to the provisions of section 17 of the Act of February 25, 1920, as amended, and under such rules and regulations as are then in force, if he shall file an application therefor within ninety days prior to the date of the expiration of the lease. The preference right herein granted shall not apply to lands which on the date of the expiration of a lease are within the known geologic structure of a producing oil or gas field.

NONCOMPETITIVE LEASES

Sec. 17

SEC. 2. The Secretary of the Interior is authorized to make a compromise settlement of any claim for accrued rental under a lease issued pursuant to the provisions of section 13 of such Act of February 25, 1920, as amended, in any case in which he determines that it would be financially beneficial to the United States to make such a compromise settlement or in any case in which he determines that collection of the full amount of such accrued rental from the lessee is inadvisable because of the lessee's financial resources being limited.

Approved, July 29, 1942.

Sec. 13

RENTALS: SETTLEMENTS

NOTE: Section 1 was REPEALED by Act of 8/8/46.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF DECEMBER 24, 1942

To encourage the discovery of oil and gas on the public domain during the continuance of the present war.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, during the period of the national emergency proclaimed by the President May 27, 1941 (Proclamation Numbered 2487), upon a determination by the Secretary of the Interior that a new oil or gas field or deposit has been discovered by virtue of a well or wells drilled within the boundaries of any lease issued pursuant to the provisions of the Act, approved February 25, 1920, as amended (U. S. C., title 30, secs. 181–263), the royalty obligation of the lessee who drills such well or wells to the United States as to such new deposit shall be limited for a period of ten years following the date of such discovery to a flat rate of 12½ per centum in amount or value of all oil or gas produced from the lease.

Approved, December 24, 1942.

ROYALTY

ACT OF NOVEMBER 28, 1943

ACT OF NOVEMBER 28, 1943

To authorise the Secretary of the Interior to settle certain claims.

SURRENDER OF LEASE

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to accept the surrender of any lease issued pursuant to any of the provisions of the Act of February 25, 1920 (41 Stat. 437; 30 U. S. C., sec. 181 and the following), or any amendment thereof, where the surrender is filed in the General Land Office subsequent to the accrual but prior to the payment of the yearly rental due under the lease, upon payment of the accrued rental on a pro rata monthly basis for the portion of the lease year prior to the filing of the surrender. The authority granted to the Secretary of the Interior by this Act shall extend only to cases in which he finds that the failure of the lessee to file a timely surrender of the lease prior to the accrual of the rental was not due to a lack of reasonable diligence, but it shall not extend to claims or cases which have been referred to the Department of Justice for purposes of suit.

Approved November 28, 1943.

ACT OF JULY 13, 1946

ACT OF JULY 13, 1946

To encourage and protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act.

Sec. 36

OIL REFINERY PREFERENCES

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 36 of the Act of February 25, 1920 (41 Stat. 451, U. S. C., 1940 edition, title 30, sec. 192), is amended, in order to assist small business enterprise by encouraging the operation of oil refineries not having an adequate supply of crude oil, by adding before the first proviso in the second paragraph thereof the following: "*Provided*, That inasmuch as the public interest will be served by the sale of royalty oil to refineries not having their own source of supply for crude oil, the Secretary of the Interior, when he determines that sufficient supplies of crude oil are not available in the open market to such refineries, is authorized and directed to grant preference to such refineries in the sale of oil under the provisions of this section, for processing or use in such refineries and not for resale in kind, and in so doing may sell to such refineries at private sale at not less than the market price any royalty oil accruing or reserved to the United States under leases issued pursuant to this Act, as amended: *Provided further*, That in selling such royalty oil the Secretary of the Interior may at his discretion prorate such oil among such refineries in the area in which the oil is produced:".

Approved July 13, 1946.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF AUGUST 8, 1946

To amend the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of oil and gas on the public domain, and for other purposes.

Sec. 1

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of February 25, 1920 (41 Stat. 437; 30 U. S. C., sec. 181 and the following), as amended be amended to read as follows:

"That deposits of coal, phosphate, sodium, potassium, oil, oil shale, or gas, and lands containing such deposits owned by the United States, including those in national forests, but excluding lands acquired under the Act known as the Appalachian Forest Act, approved March 1, 1911 (36 Stat. 961), and those in incorporated cities, towns, and villages and in national parks and monuments, those acquired under other Acts subsequent to February 25, 1920, and lands within the naval petroleum and oil-shale reserves, except as hereinafter provided, shall be subject to disposition in the form and manner provided by this Act to citizens of the United States, or to associations of such citizens, or to any corporation organized under the laws of the United States, or of any State or Territory thereof, or in the case of coal, oil, oil shale, or gas, to municipalities. Citizens of another country, the laws, customs, or regulations of which deny similar or like privileges to citizens or corporations of this country, shall not by stock ownership, stock holding, or stock control, own any interest in any lease acquired under the provisions of this Act.

HELIUM

"The United States reserves the ownership of and the right to extract helium from all gas produced from lands leased or otherwise granted under the provisions of this Act, under such rules and regulations as shall be prescribed by the Secretary of the Interior: *Provided further*, That in the extraction of helium from gas produced from such lands it shall be so extracted as to cause no substantial delay in the delivery of gas produced from the well to the purchaser thereof."

Sec. 16

SEC. 2. Section 16 of the Act is amended to read as follows:

PREVENTION OF WASTE

"SEC. 16. That all leases of lands containing oil or gas, made or issued under the provisions of this Act, shall be subject to the condition that the lessee will, in conducting his explorations and mining operations, use all reasonable precautions to prevent waste of oil or gas developed in the land, or the entrance of water through wells drilled by him to the oil sands or oil-bearing strata, to the destruction or injury of the oil deposits. Violations of the provisions of this section shall constitute grounds for the forfeiture of the lease, to be enforced as provided in this Act."

Sec. 17

SEC. 3. Section 17 of the Act is amended to read as follows:

KGS

"SEC. 17. All lands subject to disposition under this Act which are known or believed to contain oil or gas deposits may be leased by the Secretary of the Interior. When the lands to be leased are within any known geological structure of a producing oil or gas field, they shall be leased to the highest responsible qualified bidder by competitive bidding under general regulations, in units of not exceeding six

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

hundred and forty acres, which shall be as nearly compact in form as possible, upon the payment by the lessee of such bonus as may be accepted by the Secretary and of such royalty as may be fixed in the lease which shall be not less than 12½ per centum in amount or value of the production removed or sold from the lease. When the lands to be leased are not within any known geological structure of a producing oil or gas field, the person first making application for the lease who is qualified to hold a lease under this Act shall be entitled to a lease of such lands without competitive bidding. Such leases shall be conditioned upon the payment by the lessee of a royalty of 12½ per centum in amount or value of the production removed or sold from the lease. Leases issued under this section shall be for a primary term of five years and shall continue so long thereafter as oil or gas is produced in paying quantities.

LANDS NOT WITHIN KGS

"Any lease issued under this Act upon which there is production during or after the primary term shall not terminate when such production ceases if diligent drilling operations are in progress on the land under lease during such period of nonproduction.

"Upon the expiration of the primary term of any noncompetitive lease maintained in accordance with applicable statutory requirements and regulations, the record titleholder thereof shall be entitled to a single extension of the lease, unless then otherwise provided by law, for such lands covered by it as are not on the expiration date of the lease within the known geological structure of a producing oil or gas field or withdrawn from leasing under this section. A withdrawal, however, shall not affect the right to an extension if actual drilling operations on such lands were commenced prior thereto and were being diligently prosecuted on such expiration date. No withdrawal shall be effective within the meaning of this section until ninety days after notice thereof shall be mailed, registered mail, to each lessee to be affected by such withdrawal. Such extension shall be for a period of five years and so long thereafter as oil or gas is produced in paying quantities and shall be subject to such rules and regulations as are in force at the expiration of the initial five-year term of the lease. No extension shall be granted unless an application therefor is filed by the record titleholder within a period of ninety days prior to such expiration date. Any noncompetitive lease which is not subject to such extension in whole or in part because the lands covered thereby are within the known geologic structure of a producing oil or gas field at the date of expiration of the primary term of the lease, and upon which drilling operations are being diligently prosecuted on such expiration date, shall continue in effect for a period of two years and so long thereafter as oil or gas is produced in paying quantities.

NONCOMPETITIVE LEASE

"All leases issued under this section shall be conditioned upon the payment by the lessee in advance of a rental of not less than 25 cents per acre per annum. A minimum royalty of $1 per acre in lieu of rental shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands leased: *Provided*, That in the case of lands not within any known geological structure of a producing oil or gas field, the rentals for the second and third lease years shall be waived unless a valuable deposit of oil or gas be sooner discovered.

"Whenever it appears to the Secretary of the Interior that lands owned by the United States are being drained of oil or gas by wells drilled on adjacent lands, he is hereby authorized and empowered to negotiate agreements whereby the United States, or the United States and its lessees, shall be compensated for such drainage, such agreements to be made with the consent of the lessees affected thereby and the primary term of any lease for which compensatory royalty is being paid shall be extended by adding thereto a period equal to the period during which such compensatory royalty is paid."

SEC. 4. The Act is hereby amended by adding a new section to read as follows:

"SEC. 17. (a) The Secretary of the Interior shall, upon timely application therefor, issue a new lease in exchange for any lease issued for a term of twenty years, or any renewal thereof, or any lease heretofore issued in exchange for a twenty-year lease, such new lease to be for a primary term of five years and so long thereafter as oil or gas is produced in paying quantities and at a royalty rate of not less than 12½ per centum in amount or value of the production removed or sold from such leases, except that the royalty rate shall be 12½ per centum in amount or value of the production removed or sold from said leases, as to (1) such leases, or such part of the lands subject thereto, and the deposits underlying the same, as are not believed to be within the productive limits of any producing oil or gas deposit, as such productive limits are found by the Secretary to exist on the effective date of this Act, and (2) any production on a lease from an oil or gas deposit which was discovered after May 27, 1941, by a well or wells drilled within the boundaries of the lease, and which is determined by the Secretary to be a new deposit; and (3) any production on or allocated to a lease pursuant to an approved unit or cooperative agreement from an oil or gas deposit which was discovered after May 27, 1941, on land committed to such agreement, and which is determined by the Secretary to be a new deposit, where such lease, or a lease for which it is exchanged, was included in such agreement at the time of discovery, or was included in a duly executed and filed application for the approval of such agreement at the time of discovery."

Sec. 17(a)
NEW LEASE

ROYALTY

SEC. 5. The Act is hereby amended by adding a new section to read as follows:

"SEC. 17. (b) For the purpose of more properly conserving the natural resources of any oil or gas pool, field, or like area, or any part thereof (whether or not any part of said oil or gas pool, field, or like area, is then subject to any cooperative or unit plan of development or operation), lessees thereof and their representatives may unite with each other, or jointly or separately with others, in collectively adopting and operating under a cooperative or unit plan of development or operation of such pool, field, or like area, or any part thereof, whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest. The Secretary is thereunto authorized, in his discretion, with the consent of the holders of leases involved, to establish, alter, change, or revoke drilling, producing, rental, minimum royalty, and royalty requirements of such

Sec. 17(b)

UNIT PLAN

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

leases and to make such regulations with reference to such leases, with like consent on the part of the lessees, in connection with the institution and operation of any such cooperative or unit plan as he may deem necessary or proper to secure the proper protection of the public interest. The Secretary may provide that oil and gas leases hereafter issued under this Act shall contain a provision requiring the lessee to operate under such a reasonable cooperative or unit plan, and he may prescribe such a plan under which such lessee shall operate, which shall adequately protect the rights of all parties in interest, including the United States.

"Any plan authorized by the preceding paragraph, which includes lands owned by the United States, may, in the discretion of the Secretary, contain a provision whereby authority is vested in the Secretary of the Interior, or any such person, committee, or State or Federal officer or agency as may be designated in the plan, to alter or modify from time to time the rate of prospecting and development and the quantity and rate of production under such plan. All leases operated under any such plan approved or prescribed by the Secretary shall be excepted in determining holdings or control under the provisions of any section of this Act.

POOLING

"When separate tracts cannot be independently developed and operated in conformity with an established well-spacing or development program, any lease, or a portion thereof, may be pooled with other lands, whether or not owned by the United States, under a communitization or drilling agreement providing for an apportionment of production or royalties among the separate tracts of land comprising the drilling or spacing unit when determined by the Secretary of the Interior to be in the public interest, and operations or production pursuant to such an agreement shall be deemed to be operations or production as to each such lease committed thereto.

"Any lease issued for a term of twenty years, or any renewal thereof, or any portion of such lease that has become the subject of a cooperative or unit plan of development or operation of a pool, field, or like area, which plan has the approval of the Secretary of the Interior, shall continue in force until the termination of such plan. Any other lease issued under any section of this Act which is committed to any such plan that contains a general provision for allocation of oil or gas shall continue in force and effect as to the land committed so long as the lease remains subject to the plan, provided oil or gas is discovered under the plan prior to the expiration date of the primary term of such lease. The minimum royalty or discovery rental under any lease that has become subject to any cooperative or unit plan of development or operation, or other plan that contains a general provision for allocation of oil or gas, shall be payable only with respect to the lands subject to such lease to which oil or gas shall be allocated under such plan. Any lease which shall be eliminated from any such approved or prescribed plan, or from any communitization or drilling agreement authorized by this section, and any lease which shall be in effect at the termination of any such approved or prescribed plan, or at the termination of any such communitization or drilling agreement, unless relinquished, shall continue in effect for the original term thereof, but for not less than two years, and so long thereafter as oil or gas is produced in paying quantities.

WASTE AVOIDANCE

"The Secretary of the Interior is hereby authorized, on such conditions as he may prescribe, to approve operating, drilling, or development contracts made by one or more lessees of oil or gas leases, with one or more persons, associations, or corporations, whenever, in his discretion and regardless of acreage limitations provided for in this Act, the conservation of natural products or the public convenience or necessity may require it or the interests of the United States may be best subserved thereby.

SUBSURFACE STORAGE OF OIL AND GAS

"The Secretary of the Interior, to avoid waste or to promote conservation of natural resources, may authorize the subsurface storage of oil or gas, whether or not produced from federally owned lands, in lands leased or subject to lease under this Act. Such authorization may provide for the payment of a storage fee or rental on such stored oil or gas, or, in lieu of such fee or rental, for a royalty other than that prescribed in the lease when such stored oil or gas is produced in conjunction with oil or gas not previously produced. Any lease on which storage is so authorized shall be extended at least for the period of storage and so long thereafter as oil or gas not previously produced is produced in paying quantities."

SEC. 6. Section 27 of the Act is amended to read as follows:

Sec. 27

ACREAGE

"SEC. 27. No person, association, or corporation, except as herein provided, shall take or hold coal, phosphate, or sodium leases or permits during the life of such leases in any one State, exceeding in the aggregate acreage two thousand five hundred and sixty acres for each of said minerals; and no person, association, or corporation, except as herein provided, shall take or hold at one time oil or gas leases exceeding in the aggregate fifteen thousand three hundred and sixty acres granted hereunder in any one State. No person, association, or corporation shall take or hold at one time any interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof, which, together with the area embraced in any direct holding of a lease or leases, permit or permits, under this Act, or which, together with any other interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof for any kind of minerals hereunder, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee or permittee under this Act. For the purpose of this Act, no contract for development and operation of any lands leased hereunder, whether or not coupled with an interest in such lease, nor any lease or leases owned in common by two or more persons, shall be deemed to create a separate association under this section between or among such contracting parties, or the persons owning such lease or leases in common, but the proportionate interest of each such person shall be charged against the total acreage permitted to be held by such person under this Act: *Provided*, That the total acreage so held in common by two or more persons shall not exceed, in the aggregate, an amount equivalent to the maximum number of acres of the respective kind of minerals allowed to any

MAXIMUM ACREAGE

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

OPTIONS

one lessee or permittee under this Act. The interest of an optionee under a nonrenewable option to purchase or otherwise acquire one or more oil or gas leases (whether then or thereafter issued), or any interest therein, when taken for the purpose of geological or geophysical exploration, shall not, prior to the exercise of such option, be a taking or holding or control under the acreage limitation provisions of any section of this Act. No such option shall be entered into after June 1, 1946, for a period of more than two years, without the prior approval of the Secretary of the Interior, and no person, association, or corporation shall hold at one time such options of more than one hundred thousand acres in any one State: *Provided, however*, That nothing in this section shall be construed to invalidate options taken prior to June 1, 1946, and on which such geological or geophysical exploration has been actually made, and which are exercised within two years after the passage of this Act. Each holder of any such option shall file with the Secretary within ninety days after the 30th day of June and the 31st day of December in each year a statement under oath showing as of said dates (1) name of optionor and serial number of lease or application for lease, (2) date and expiration date of each option, (3) number of acres covered by each option, and (4) aggregate number of options held in each State and total acreage subject to said options in each State. If any interest in any lease is owned or controlled, directly or indirectly, by means of stock or otherwise, in violation of any of the provisions of this Act, the lease may be canceled, or the interest so owned may be forfeited, or the person so owning or controlling the interest may be compelled to dispose of the interest, in any appropriate proceeding instituted by the Attorney General. Such a proceeding shall be instituted in the United States district court for the district in which the leased property or some part thereof is located or in which the lease owner may be found, except that any ownership or interest forbidden in this Act which may be acquired by descent, will, judgment, or decree may be held for two years and not longer after its acquisition. Nothing herein contained shall be construed to limit sections 18, 18a, 19, and 22 or to prevent any number of lessees under the provisions of this Act from combining their several interests so far as may be necessary for the purposes of constructing and carrying on the business of a refinery, or of establishing and constructing as a common carrier a pipe line or lines of railroads to be operated and used by them jointly in the transportation of oil from their several wells, or from the wells of other lessees under this Act, or the transportation of coal or to increase the acreage which may be acquired or held under section 17 of this Act: *Provided*, That any combination for such purpose or purposes shall be subject to the approval of the Secretary of the Interior on application to him for permission to form the same. Except as in this Act provided, if any of the lands or deposits leased under the provisions of this Act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form a part of or are in anywise controlled by any combination in the form of an unlawful trust, with the consent of the lessee, or form the subject of any contract or conspiracy in restraint

of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or any agreement or understanding, written, verbal, or otherwise, to which such lessee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control in excess of the amounts of lands provided in this Act, the lease thereof shall be forfeited by appropriate court proceedings."

SEC. 7. The Act is hereby amended by adding a new section to read as follows:

Sec. 30(a)

OIL AND GAS LEASES ASSIGNED OR SUBLEASED

"SEC. 30. (a) Notwithstanding anything to the contrary in section 30 hereof, any oil or gas lease issued under the authority of this Act may be assigned or subleased, as to all or part of the acreage included therein, subject to final approval by the Secretary and as to either a divided or undivided interest therein, to any person or persons qualified to own a lease under this Act, and any assignment or sublease shall take effect as of the first day of the lease month following the date of filing in the proper land office of three original executed counterparts thereof, together with any required bond and proof of the qualification under this Act of the assignee or sublessee to take or hold such lease or interest therein. Until such approval, however, the assignor or sublessor and his surety shall continue to be responsible for the performance of any and all obligations as if no assignment or sublease had been executed. The Secretary shall disapprove the assignment or sublease only for lack of qualification of the assignee or sublessee or for lack of sufficient bond: *Provided, however*, That the Secretary may, in his discretion, disapprove an assignment of a separate zone or deposit under any lease, or of a part of a legal subdivision. Upon approval of any assignment or sublease, the assignee or sublessee shall be bound by the terms of the lease to the same extent as if such assignee or sublessee were the original lessee, any conditions in the assignment or sublease to the contrary notwithstanding. Any partial assignment of any lease shall segregate the assigned and retained portions thereof, and as above provided, release and discharge the assignor from all obligations thereafter accruing with respect to the assigned lands; and such segregated leases shall continue in full force and effect for the primary term of the original lease, but for not less than two years after the date of discovery of oil or gas in paying quantities upon any other segregated portion of the lands originally subject to such lease. Assignments under this section may also be made of parts of leases which are in their extended term because of production, and the segregated lease of any undeveloped lands shall continue in full force and effect for two years and so long thereafter as oil or gas is produced in paying quantities."

SEC. 8. The Act is hereby amended by adding a new section to read as follows:

Sec. 30(b)

RELINQUISHMENTS

"SEC. 30. (b) Notwithstanding any provision to the contrary in section 30 hereof, a lessee may at any time make and file in the appropriate land office a written relinquishment of all rights under any oil or gas lease issued under the authority of this Act or of any legal subdivision of the area included within any such lease. Such

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

relinquishment shall be effective as of the date of its filing, subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the lands to be relinquished in condition for suspension or abandonment in accordance with the applicable lease terms and regulations; thereupon the lessee shall be released of all obligations thereafter accruing under said lease with respect to the lands relinquished, but no such relinquishment shall release such lessee, or his bond, from any liability for breach of any obligation of the lease, other than an obligation to drill, accrued at the date of the relinquishment."

Sec. 31

LEASE FORFEITURE AND CANCELLATION

SEC. 9. Section 31 of the Act is amended to read as follows:

"SEC. 31. Except as otherwise herein provided, any lease issued under the provisions of this Act may be forfeited and canceled by an appropriate proceeding in the United States district court for the district in which the property, or some part thereof, is located whenever the lessee fails to comply with any of the provisions of this Act, of the lease, or of the general regulations promulgated under this Act and in force at the date of the lease; and the lease may provide for resort to appropriate methods for the settlement of disputes or for remedies for breach of specified conditions thereof.

"Any lease issued after August 21, 1935, under the provisions of section 17 of this Act shall be subject to cancellation by the Secretary of the Interior after thirty days' notice upon the failure of the lessee to comply with any of the provisions of the lease, unless or until the land covered by any such lease is known to contain valuable deposits of oil or gas. Such notice in advance of cancellation shall be sent the lease owner by registered letter directed to the lease owner's record post-office address, and in case such letter shall be returned as undelivered, such notice shall also be posted for a period of thirty days in the United States land office for the district in which the land covered by such lease is situated, or in the event that there is no district land office for such district, then in the post office nearest such land."

SEC. 10. Section 39 which was added to the Act by the Act of February 9, 1933 (47 Stat. 798; 30 U. S. C., sec. 209), is amended to read as follows:

Sec. 39

RENTAL OR ROYALTY REDUCTION OR SUSPENSION

"SEC. 39. The Secretary of the Interior for the purpose of encouraging the greatest ultimate recovery of coal, oil, or gas and in the interest of conservation of natural resources is authorized to waive, suspend, or reduce the rental, or minimum royalty, or reduce the royalty on an entire leasehold, or on any tract or portion thereof segregated for royalty purposes, whenever in his judgment it is necessary to do so in order to promote development, or whenever in his judgment the leases cannot be successfully operated under the terms provided therein. In the event the Secretary of the Interior, in the interest of conservation, shall direct or shall assent to the suspension of operations and production under any lease granted under the terms of this Act, any payment of acreage rental or of minimum royalty prescribed by such lease likewise shall be suspended during such period of suspension of operations and production; and the term of such lease shall be extended by adding any such suspension period

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

thereto. The provisions of this section shall apply to all oil and gas leases issued under this Act, including those within an approved or prescribed plan for unit or cooperative development and operation."

Sec. 5

SECS. 26-38 ARE APPLICABLE

POTASSIUM

SEC. 11. Section 5 of the Act approved February 7, 1927 (44 Stat. 1057; 30 U. S. C., sec. 285), is amended to read as follows:

"SEC. 5. That the general provisions of sections 26 to 38, inclusive, of the Act of February 25, 1920, entitled 'An Act to promote the mining of coal, phosphate, oil, oil shale, gas and sodium on the public domain', as amended, are made applicable to permits and leases under this Act, the thirty-seventh section thereof being amended to include deposits of potassium."

SEC. 12. From and after the effective date of this Act, the royalty obligation to the United States under all leases requiring payment of royalty in excess of 12½ per centum, except leases issued or to be issued upon competitive bidding, is reduced to 12½ per centum in amount or value of production removed or sold from said leases as to (1) such leases, or such part of the lands subject thereto, and the deposits underlying the same, as are not believed to be within the productive limits of any oil or gas deposit, as such productive limits are found by the Secretary to exist on the effective date of this Act, and (2) any production on a lease from an oil or gas deposit which was discovered after May 27, 1941, by a well or wells drilled within the boundaries of the lease, and which is determined by the Secretary to be a new deposit; and (3) any production on or allocated to a lease pursuant to an approved unit or cooperative agreement from an oil or gas deposit which was discovered after May 27, 1941, on land committed to such agreement, and which is determined by the Secretary to be a new deposit, where such lease was included in such agreement at the time of discovery, or was included in a duly executed and filed application for the approval of such agreement at the time of discovery.

SEC. 13. Nothing in this Act shall be construed as affecting existing leases within the borders of the naval petroleum reserves, or agreements concerning operations thereunder or in relation thereto, but the Secretary of the Navy is hereby authorized, with the consent of the President, to enter into agreements such as those provided for in section 17 (b) of the Act of February 25, 1920, as amended by this Act, which agreements shall not, unless expressed therein, operate to extend the term of any lease affected thereby.

REPEAL

SEC. 14. The Act of July 8, 1940 (54 Stat. 742; 30 U. S. C., sec. 226a); section 1 of the Act of July 29, 1942 (56 Stat. 726; 30 U. S. C., sec. 226b), as amended; and section 2 of the Act of August 21, 1935 (49 Stat. 679; 30 U. S. C., sec. 223a), are hereby repealed.

SEC. 15. No repeal or amendment made by this Act shall affect any right acquired under the law as it existed prior to such repeal or amendment, and such right shall be governed by the law in effect at the time of its acquisition; but any person holding a lease on the effective date of this Act may, by filing a statement to that effect, elect to have his lease governed by the applicable provisions of this Act instead of by the law in effect prior thereto.

Approved August 8, 1946.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF MAY 27, 1947

To amend section 35 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437; 30 U. S. C., sec. 191), as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 35 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437; 30 U. S. C., sec. 191), as amended, is amended and reenacted to read as follows:

Sec. 35

PUBLIC LAND MONEYS
PAYMENT TO STATES

"SEC. 35. All money received from sales, bonuses, royalties, and rentals of public lands under the provisions of this Act shall be paid into the Treasury of the United States; 37½ per centum thereof shall be paid by the Secretary of the Treasury after the expiration of each fiscal year to the State or the Territory of Alaska within the boundaries of which the leased lands or deposits are or were located; said moneys to be used by such State, Territory, or subdivisions thereof for the construction and maintenance of public roads or for the support of public schools or other public educational institutions, as the legislature of the State or Territory may direct; and, excepting those from Alaska, 52½ per centum thereof shall be paid into, reserved and appropriated, as a part of the reclamation fund created by the Act of Congress known as the Reclamation Act, approved June 17, 1902: *Provided*, That all moneys which may accrue to the United States under the provisions of this Act from lands within the naval petroleum reserves shall be deposited in the Treasury as "miscellaneous receipts", as provided by the Act of June 4, 1920 (41 Stat. 813), as amended June 30, 1938 (52 Stat. 1252. 34 U. S. C., sec. 524). All moneys received under the provisions of this Act not otherwise disposed of by this section shall be credited to miscellaneous receipts. Nothing herein contained shall be construed to affect the disposition of proceeds or income derived by the United States from mineral school sections in the Territory of Alaska as provided for in the Act of March 4, 1915 (38 Stat. 1214, 1215; 48 U. S. C., sec. 353), as amended."

Approved May 27, 1947.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF AUGUST 7, 1947

To promote the mining of coal, phosphate, sodium, potassium, oil, oil shale, gas, and sulfur on lands acquired by the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mineral Leasing Act for Acquired Lands".

SEC. 2. As used in this Act "United States" includes Alaska. "Acquired lands" or "lands acquired by the United States" include all lands heretofore or hereafter acquired by the United States to which the "mineral leasing laws" have not been extended, including such lands acquired under the provisions of the Act of March 1, 1911 (36 Stat. 961, 16 U. S. C., sec. 552). "Secretary" means the Secretary of the Interior. "Mineral leasing laws" shall mean the Act of October 20, 1914 (38 Stat. 741, 48 U. S. C., sec. 432); the Act of February 25, 1920 (41 Stat. 437, 30 U. S. C., sec. 181); the Act of April 17, 1926 (44 Stat. 301, 30 U. S. C., sec. 271); the Act of February 7, 1927 (44 Stat. 1057, 30 U. S. C., sec. 281), and all Acts heretofore or hereafter enacted which are amendatory of or supplementary to any of the foregoing Acts. "Lease" includes "prospecting permit" unless the context otherwise requires.

SEC. 3. Except where lands have been acquired by the United States for the development of the mineral deposits, by foreclosure or otherwise for resale, or reported as surplus pursuant to the provisions of the Surplus Property Act of October 3, 1944 (50 U. S. C., sec. 1611 and the following), all deposits of coal, phosphate, oil, oil shale, gas, sodium, potassium, and sulfur which are owned or may hereafter be acquired by the United States and which are within the lands acquired by the United States (exclusive of such deposits in such acquired lands as are (a) situated within incorporated cities, towns and villages, national parks or monuments, (b) set apart for military or naval purposes, or (c) tidelands or submerged lands) may be leased by the Secretary under the same conditions as contained in the leasing provisions of the mineral leasing laws, subject to the provisions hereof. The provisions of the Act of April 17, 1926 (44 Stat. 301), as heretofore or hereafter amended, shall apply to deposits of sulfur covered by this Act wherever situated. No mineral deposit covered by this section shall be leased except with the consent of the head of the executive department, independent establishment, or instrumentality having jurisdiction over the lands containing such deposit, or holding a mortgage or deed of trust secured by such lands which is unsatisfied of record, and subject to such conditions as that official may prescribe to insure the adequate utilization of the lands for the primary purposes for which they have been acquired or are being administered: *Provided*, That nothing in this Act is intended, or shall be construed, to apply to or in any manner affect any mineral rights, exploration permits, leases or conveyances nor minerals that are or may be in any tidelands; or submerged lands; or in lands underlying the three mile zone or belt involved in the case of the United States of America against the State of California now pending on application for rehearing in the Supreme Court of the United States; or in lands underlying such three mile zone or belt, or the continental shelf, adjacent or littoral to any part of the land within the jurisdiction of the United States of America.

SEC. 4. Nothing herein contained shall be deemed or construed to (a) amend, modify, or change any existing law authorizing or requiring the sale of acquired lands, or (b) empower any commission, bureau, or agency of the Government to make a reservation of the minerals in the sale of any acquired land: *Provided*, That any such sale or conveyance of lands shall be made by the agency having jurisdiction thereof, subject to any lease theretofore made, covering the mineral deposits underlying such lands: *Provided further*, That nothing in this Act is intended, or shall be construed to affect in any manner any provision of the Act of June 30, 1938 (52 Stat. 1252), amending the Act of June 4, 1920 (41 Stat. 813).

MINERAL DEPOSIT OWNERSHIP

SEC. 5. Where the United States does not own all of the mineral deposits under any lands sought to be leased and which are affected by this Act, the Secretary is authorized to lease the interest of the United States in any such mineral deposits when, in the judgment of the Secretary, the public interest will be best served thereby; subject, however, to the provisions of section 3 hereof. Where the United States does not own any interest or owns less than a full interest in the minerals that may be produced from any lands sought to be leased, and which are or will be affected by this Act and where, under the provisions of its acquisition, the United States is to acquire all or any part of such mineral deposits in the future, the Secretary may lease any interest of the United States then owned or to be acquired in the future in the same manner as provided in the preceding sentence.

RECEIPTS FROM LEASES

SEC. 6. All receipts derived from leases issued under the authority of this Act shall be paid into the same funds or accounts in the Treasury and shall be distributed in the same manner as prescribed for other receipts from the lands affected by the lease, the intention of this provision being that this Act shall not affect the distribution of receipts pursuant to legislation applicable to such lands: *Provided, however*, That receipts from leases or permits for minerals in lands set apart for Indian use, including lands the jurisdiction of which has been transferred to the Department of the Interior by the Executive order for Indian use, shall be deposited in a special fund in the Treasury until final disposition thereof by the Congress.

LEGAL DESCRIPTION OF ACQUIRED LANDS

SEC. 7. Upon request by the Secretary, the heads of all executive departments, independent establishments, or instrumentalities having jurisdiction over any of the lands referred to in section 2 of this Act shall furnish to the Secretary the legal description of all of such lands, and all pertinent abstracts, title papers, and other documents in the possession of such agencies concerning the status of the title of the United States to the mineral deposits that may be found in such lands.

BLM RECORDATION

Abstracts, title papers, and other documents furnished to the Secretary under this section shall be recorded promptly in the Bureau of Land Management in such form as the Secretary shall deem adequate for their preservation and use in the administration of this Act, whereupon the originals shall be returned promptly to the agency from which they were received. Duly authenticated copies of any such abstracts, title papers, or other documents may, however, be furnished to the Secretary, in lieu of the originals, in the discretion of the agency concerned.

SEC. 8. Nothing contained in this Act shall be construed to affect the rights of the State or other local authorities to exercise any right which they may have with respect to properties covered by leases issued under this Act, including the right to levy and collect taxes upon improvements, output of mines, or other rights, property, or assets of any lessee of the United States.

RIGHTS PRIOR TO ACT

Sec. 9. Nothing in this Act shall affect any rights acquired by any lessee of lands subject to this Act under the law as it existed prior to the effective date of this Act, and such rights shall be governed by the law in effect at the time of their acquisition; but any person qualified to hold a lease who, on the date of this Act, had pending an application for an oil and gas lease for any lands subject to this Act which on the date the application was filed was not situated within the known geologic structure of a producing oil or gas field, shall have a preference right over others to a lease of such lands without competitive bidding. Any person holding a lease on lands subject hereto, which lease was issued prior to the effective date of this Act, shall be entitled to exchange such lease for a new lease issued under the provisions of this Act, at any time prior to the expiration of such existing lease.

Sec. 10. The Secretary of the Interior is authorized to prescribe such rules and regulations as are necessary and appropriate to carry out the purposes of this Act, which rules and regulations shall be the same as those prescribed under the mineral leasing laws to the extent that they are applicable.

Approved August 7, 1947.

ACT OF JUNE 1, 1948

ACT OF JUNE 1, 1948

To amend the Mineral Leasing Act of February 25, 1920, to permit the exercise of certain options on or before August 8, 1950.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second proviso of section 27 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended (U. S. C., 1946 edition, title 30, sec. 184), is hereby amended by striking out "within two years after the passage of this Act" and inserting in lieu thereof "on or before August 8, 1950".

Approved June 1, 1948.

Sec. 27

ON OR BEFORE AUG. 8, 1950

NOTE: Regarding all MIneral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF JUNE 3, 1948

To amend the Mineral Leasing Act of February 25, 1920, and the Potassium Act of February 7, 1927, in order to promote the development of certain minerals on the public domain; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended (41 Stat. 438, 30 U. S. C., secs. 201 and 202), is amended to read as follows:

Sec. 2(a)

"SEC. 2. (a) The Secretary of the Interior is authorized to divide any of the coal lands or the deposits of coal, classified and unclassified, owned by the United States, outside of the Territory of Alaska, into leasing tracts of forty acres each, or multiples thereof, and in such form as, in his opinion, will permit the most economical mining of the coal in such tracts, but in no case exceeding two thousand five hundred and sixty acres in any one leasing tract, and thereafter he shall, in his discretion, upon the request of any qualified applicant or on his own motion, from time to time, offer such lands or deposits of coal for leasing, and shall award leases thereon by competitive bidding or by such other methods as he may by general regulations adopt, to any qualified applicant. He is hereby authorized, in awarding leases for coal lands improved and occupied or claimed in good faith, prior to February 25, 1920, to consider and recognize equitable rights of such occupants or claimants. No competitive lease of coal shall be approved or issued until after the notice of the proposed offering for lease has been given in a newspaper of general circulation in the county in which the lands are situated in accordance with regulations prescribed by the Secretary.

COAL LEASING TRACTS

ACREAGE

PROSPECTING PERMITS

"(b) Where prospecting or exploratory work is necessary to determine the existence or workability of coal deposits in any unclaimed, undeveloped area, the Secretary of the Interior may issue, to applicants qualified under this Act, prospecting permits for a term of two years, for not exceeding two thousand five hundred and sixty acres; and if within said period of two years thereafter the permittee shows to the Secretary that the land contains coal in commercial quantities, the permittee shall be entitled to a lease under this Act for all or part of the land in his permit.

"Any coal prospecting permit issued under this section may be extended by the Secretary for a period of two years, if he shall find that the permittee has been unable, with the exercise of reasonable diligence, to determine the existence or workability of coal deposits in the area covered by the permit and desires to prosecute further prospecting or exploration, or for other reasons in the opinion of the Secretary warranting such extension.

RAILROADS

"(c) No company or corporation operating a common-carrier railroad shall be given or hold a permit or lease under the provisions of this Act for any coal deposits except for its own use for railroad purposes; and such limitations of use shall be expressed in all permits and leases issued to such companies or corporations; and no such

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

company or corporation shall receive or hold under permit or lease more than ten thousand two hundred and forty acres in the aggregate nor more than one permit or lease for each two hundred miles of its railroad lines served or to be served from such coal deposits exclusive of spurs or switches and exclusive of branch lines built to connect the leased coal with the railroad, and also exclusive of parts of the railroad operated mainly by power produced otherwise than by steam.

"Nothing in this section shall preclude such a railroad of less than two hundred miles in length from securing one permit or lease thereunder but no railroad shall hold a permit or lease for lands in any State in which it does not operate main or branch lines."

SEC. 2. Section 9 of the Act (41 Stat. 440, 30 U. S. C., sec. 211) is amended to read as follows:

Sec. 9

PHOSPHATE

"SEC. 9. The Secretary of the Interior is authorized to lease to any applicant qualified under this Act, through advertisement, competitive bidding, or such other methods as he may by general regulations adopt, any phosphate deposits of the United States, and lands containing such deposits, including associated and related minerals, when in his judgment the public interest will be best served thereby. The lands shall be leased under such terms and conditions as are herein specified, in units reasonably compact in form of not to exceed two thousand five hundred and sixty acres."

SEC. 3. Section 10 of the Act (41 Stat. 440, 30 U. S. C., sec. 212) is amended to read as follows:

Sec. 10

LEASE DESCRIPTIONS

ROYALTY

"SEC. 10. Each lease shall describe the leased lands by the legal subdivisions of the public-land surveys. All leases shall be conditioned upon the payment to the United States of such royalties as may be specified in the lease, which shall be fixed by the Secretary of the Interior in advance of offering the same, at not less than 5 per centum of the gross value of the output of phosphates or phosphate rock and associated or related minerals. Royalties shall be due and payable as specified in the lease either monthly or quarterly on the last day of the month next following the month or quarter in which the minerals are sold or removed from the leased land. Each lease shall provide for the payment of a rental payable at the date of the lease and annually thereafter which shall be not less than 25 cents per acre for the first year, 50 cents per acre for the second and third years, respectively, and $1 per acre for each year thereafter, during the continuance of the lease. The rental paid for any year shall be credited against the royalties for that year. Leases shall be for a term of twenty years and so long thereafter as the lessee complies with the terms and conditions of the lease and upon the further condition that at the end of each twenty-year period succeeding the date of the lease such reasonable readjustment of the terms and conditions thereof may be made therein as may be prescribed by the Secretary of the Interior unless otherwise provided by law at the expiration of such periods. Leases shall be conditioned upon a minimum annual production or the payment of a minimum royalty in lieu thereof, except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. The Secretary of the Interior may

LEASE TERM

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

permit suspension of operations under any such leases when marketing conditions are such that the leases cannot be operated except at a loss."

SEC. 4. Section 11 of the Act (41 Stat. 440, 30 U. S. C., sec. 213) is hereby amended to read as follows:

"SEC. 11. Any lease to develop and extract phosphates, phosphate rock, and associated or related minerals under the provisions of sections 9 to 12, inclusive, of this Act shall provide that the lessee may use so much of any deposit of silica or limestone or other rock situated on any public lands embraced in the lease as may be utilized in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the leased lands or from other lands upon payments of such royalty as may be determined by the Secretary of the Interior, which royalty may be stated in the lease or, as to the leases already issued, may be provided for in an attachment to the lease to be duly executed by the lessor and the lessee."

SEC. 5. Section 12 of the Act (41 Stat. 441, 30 U. S. C., sec. 214) is amended to read as follows:

"SEC. 12. The holder of any lease issued under the provisions of sections 9 to 12, inclusive, of this Act shall have the right to use so much of the surface of unappropriated and unentered public lands not a part of his lease, not exceeding eighty acres in area, as may be determined by the Secretary to be necessary or convenient for the extraction, treatment, and removal of the mineral deposits, but this provision shall not be applicable to national forest lands."

SEC. 6. The first sentence of section 27 of such Act, as amended (41 Stat. 448, 30 U. S. C., sec. 184), is amended to read as follows:

"No person, association, or corporation, except as herein provided, shall take or hold coal or sodium leases or permits during the life of such lease in any one State, exceeding in the aggregate acreage five thousand one hundred and twenty acres for each of said minerals: *Provided*, That the Secretary of the Interior may, in his discretion where it is necessary in order to secure the economic mining of sodium compounds leasable under this Act, permit a person, association, or corporation to take or hold sodium leases or permits for up to fifteen thousand three hundred and sixty acres in any one State. No person, association, or corporation, except as herein provided, shall take or hold at one time oil or gas leases exceeding in the aggregate fifteen thousand three hundred and sixty acres granted hereunder in any one State; and no person, association, or corporation shall take or hold at one time phosphate leases or permits exceeding in the aggregate five thousand one hundred and twenty acres in any one State, and exceeding in the aggregate ten thousand two hundred and forty acres in the United States."

SEC. 7. The first sentence of section 39 of such Act of February 25, 1920, as amended (47 Stat. 798, 30 U. S. C., sec. 209), is amended to read as follows:

"The Secretary of the Interior, for the purpose of encouraging the greatest ultimate recovery of coal, oil, gas, oil shale, phosphate, sodium, potassium and sulfur, and in the interest of conservation of natural resources, is authorized to waive, suspend, or reduce the rental, or

Sec. 11

PROSPHATE

ROYALTY

Sec. 12

SURFACE USE

Sec. 27

COAL OR SODIUM ACREAGE

SODIUM LEASE

Sec. 39

REDUCTION OF ROYALTY

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

minimum royalty, or reduce the royalty on an entire leasehold, or on any tract or portion thereof segregated for royalty purposes, whenever in his judgment it is necessary to do so in order to promote development, or whenever in his judgment the leases cannot be successfully operated under the terms provided therein."

SEC. 8. The Act entitled "An Act to grant extensions of time under coal permits", approved March 9, 1928, as amended (45 Stat. 251, 30 U. S. C., sec. 201a), is hereby repealed.

SEC. 9. The second sentence of section 3 of the Act entitled "An Act to promote the mining of potash on the public domain", approved February 7, 1927, as amended (44 Stat. 1057, 30 U. S. C., sec. 283), is amended to read as follows: "Any lease issued under this Act shall be for a term of twenty years and so long thereafter as the lessee complies with the terms and conditions of the lease and upon the further condition that at the end of each twenty-year period succeeding the date of the lease such reasonable adjustment of the terms and conditions thereof may be made therein as may be prescribed by the Secretary of the Interior unless otherwise provided by law at the expiration of such periods. Leases shall be conditioned upon a minimum annual production or the payment of a minimum royalty in lieu thereof, except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. The Secretary of the Interior may permit suspension of operations under any such leases when marketing conditions are such that the leases cannot be operated except at a loss. The Secretary upon application by the lessee prior to the expiration of any existing lease in good standing shall amend such lease to provide for the same tenure and to contain the same conditions, including adjustment at the end of each twenty-year period succeeding the date of said lease, as provided for in this Act."

Approved June 3, 1948.

Sec. 3

20 YEAR LEASE

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF AUGUST 3, 1950

ACT OF AUGUST 3, 1950

To provide that payments to States under the Oil Land Leasing Act of 1920 shall be made biannually.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 35 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended (30 U. S. C., sec. 191), is hereby amended by striking out "after the expiration of each fiscal year" and inserting in lieu thereof "as soon as practicable after December 31 and June 30 of each year".

Approved August 3, 1950.

Sec. 35

DATES

ACT OF AUGUST 12, 1953

ACT OF AUGUST 12, 1953

To amend the mineral leasing laws with respect to their application in the case of pipelines passing through the public domain.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 28 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended (30 U. S. C., sec. 185), is amended by inserting after "*Provided*," the following: "That the common carrier provisions of this section shall not apply to any natural gas pipeline operated by any person subject to regulation under the Natural Gas Act or by any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality: *Provided further*,".

Approved August 12, 1953.

Sec. 28

COMMON CARRIER PROVISIONS

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF JULY 29, 1954

To amend the Mineral Leasing Act of February 25, 1920, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of February 25, 1920, as amended (30 U. S. C. 226), is further amended as follows:

(1) Strike out the second paragraph of section 17 and insert the following language in lieu thereof:

Sec. 17

LEASE TERMINATION

"Any lease issued under this Act which is subject to termination by reason of cessation of production shall not terminate if within sixty days after production ceases, reworking or drilling operations are commenced on the land under lease and are thereafter conducted with reasonable diligence during such period of nonproduction. No lease issued under the provisions of this Act shall expire because operations or production is suspended under any order, or with the consent, of the Secretary of the Interior. No lease issued under the provisions of this Act covering lands on which there is a well capable of producing oil or gas in paying quantities shall expire because the lessee fails to produce the same, unless the lessee is allowed a reasonable time, but not less than sixty days after notice by registered mail, within which to place such well on a producing status: *Provided*, That after such status is established production shall continue on the leased premises unless and until suspension of production is allowed by the Secretary of the Interior under the provisions of this Act."

REASONABLE DILIGENCE

(2) Strike out the third paragraph of section 17 and insert in lieu thereof:

Sec. 17

NONCOMPETITIVE LEASE EXTENSION

"Upon the expiration of the initial five-year term of any noncompetitive lease maintained in accordance with applicable statutory requirements and regulations, the record titleholder thereof shall be entitled to a single extension of the lease, unless then otherwise provided by law, for such lands covered by it as are not on the expiration date of the lease withdrawn from leasing under this section. A withdrawal, however, shall not affect the right to an extension if actual drilling operations on such lands were commenced prior to such withdrawal becoming effective and were being diligently prosecuted on such expiration date. No withdrawal shall be effective within the meaning of this section until ninety days after notice thereof shall be sent by registered mail, to each lessee to be affected by such withdrawal. A noncompetitive lease, as to lands not within the known geologic structure of a producing oil or gas field, shall be extended for a period of five years and so long thereafter as oil or gas is produced in paying quantities. A noncompetitive lease, as to lands within the known geologic structure of a producing oil or gas field, shall be extended for a period of two years and so long thereafter as oil or gas is produced in paying quantities. Any noncompetitive lease extended under this paragraph shall be subject to the rules and regulations in force at the expiration of the initial five-year term of the lease. No extension shall be granted, however, unless within a period

WITHDRAWAL

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

of ninety days prior to such expiration date an application therefor is filed by the record titleholder or an assignee whose assignment has been filed for approval, or an operator whose operating agreement has been filed for approval."

(3) Strike out the fifth paragraph of section 17 and insert the following language in lieu thereof:

Sec. 17

DRAINAGE

"Whenever it appears to the Secretary of the Interior that lands owned by the United States are being drained of oil or gas by wells drilled on adjacent lands, he is hereby authorized and empowered to negotiate agreements whereby the United States, or the United States and its lessees, shall be compensated for such drainage, such agreements to be made with the consent of the lessees affected thereby, and the primary term including any extensions thereof of any lease for which compensatory royalty is being paid shall be extended for the period during which such compensatory royalty is paid and for a period of one year from discontinuance of such payment and so long thereafter as oil or gas is produced in paying quantities: *Provided*, That the Secretary of the Interior shall report to Congress at the beginning of each regular session, all such agreements entered into during the previous year which involve unleased Government lands."

(4) Strike out the second sentence of the fourth paragraph of section 17 (b) and insert in lieu thereof the following language: "Any other lease issued under any section of this Act which has heretofore or may hereafter be committed to any such plan that contains a general provision for allocation of oil or gas, shall continue in force and effect as to the land committed, so long as the lease remains subject to the plan: *Provided*, That production is had in paying quantities under the plan prior to the expiration date of the term of such lease. Any lease hereafter committed to any such plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: *Provided, however*, That any such lease as to the nonunitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities."

Sec. 17(b)

PLANS

PAYING QUANTITIES

LEASE ON NONUNITIZED LANDS

(5) Strike out the words "and regardless of acreage limitations provided for in this Act" in the fifth paragraph of section 17 (b) and insert the following sentence at the end of that paragraph: "All leases operated under such approved operating, drilling, or development contracts, and interests thereunder, shall be excepted in determining holdings or control under the provisions of any section of this Act."

Sec. 17(b)

APPROVED CONTRACTS

(6) Strike out the last sentence of section 30 (a) and insert the following in lieu thereof: "Assignments under this section may also be made of parts of leases which are in their extended term because of any provision of this Act. The segregated lease of any undeveloped lands shall continue in full force and effect for two years and so long thereafter as oil or gas is produced in paying quantities."

Sec. 30(a)

SEGREGATED LEASE

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

(7) Insert the following sentence immediately after the second paragraph of section 31: "Notwithstanding the provisions of this section, however, upon failure of a lessee to pay rental on or before the anniversary date of the lease, for any lease on which there is no well capable of producing oil or gas in paying quantities, the lease shall automatically terminate by operation of law: *Provided, However,* That when the time for payment falls upon any day in which the proper office for payment is not open, payment may be received the next official working day and shall be considered as timely made."

Approved July 20, 1954.

Sec. 31

FAILURE TO PAY RENTAL

PAYMENT DUE DATE

ACT OF AUGUST 2, 1954

ACT OF AUGUST 2, 1954

To amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of oil and gas on the public domain.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 27 of the Act of February 25, 1920, as amended (30 U. S. C. 184), is further amended as follows:

Sec. 27

(1) Strike out all of the language preceding the semicolon of the second sentence of section 27, and insert the following in lieu thereof: "No person, association, or corporation, except as herein provided, shall take or hold at one time oil or gas leases exceeding in the aggregate forty-six thousand and eighty acres granted hereunder in any one State, except that in the Territory of Alaska no person, association, or corporation, except as herein provided, shall take or hold at one time oil or gas leases exceeding in the aggregate one hundred thousand acres granted hereunder;".

ACREAGE

ALASKA ACREAGE

(2) Strike out sentences 5 and 6 of section 27 and insert the following in lieu thereof: "The interest of an optionee under a nonrenewable option to purchase or otherwise acquire one or more oil or gas leases (whether then or thereafter issued), or any interest therein, shall not, prior to the exercise of such option, be a taking or holding or control under the acreage limitations provisions of any section of this Act. No such option shall be entered into for a period of more than three years, without the prior approval of the Secretary of the Interior, and no person, association, or corporation shall hold at one time such options of more than two hundred thousand acres in any one State.".

Sec. 27

NONRENEWABLE OPTIONS

Approved August 2, 1954.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF JULY 10, 1957

ACT OF JULY 10, 1957

Excerpts

Sec. 35

ALASKA

SEC. 2. Section 35 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended (30 U. S. C. 191), is hereby amended by inserting immediately before the colon preceding the first proviso thereof the following: ", and of those from Alaska 52½ per centum thereof shall be paid to the Territory of Alaska for disposition by the Legislature of the Territory of Alaska".

Approved July 10, 1957.

NOTE: Other sections not included.

ACT OF JULY 3, 1958

ACT OF JULY 3, 1958

Excerpts

OIL AND GAS LEASING
NONTIDAL NAVIGABLE
WATERS IN ALASKA

To provide for the leasing of oil and gas deposits in lands beneath nontidal navigable waters in the Territory of Alaska, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DEFINITIONS

SECTION 1. That, when used in this Act—

(a) the term "lands beneath nontidal navigable waters in the Territory of Alaska" means (1) all lands within the boundaries of the Territory of Alaska which are covered by nontidal waters that are navigable under the laws of the United States, up to the ordinary high-water mark as heretofore or hereafter modified by accretion, erosion, and reliction. For the purposes of this definition and this Act, streams shall be "nontidal" at all points upstream from a line connecting the headlands at the mouth or mouths of such streams.

(b) The term "Mineral Leasing Act" means the Act of February 25, 1920 (41 Stat. 437; 30 U. S. C. 181, et seq.), and all Acts heretofore or hereafter enacted which are amendatory thereof or supplementary thereto;

(c) The term "Secretary" means the Secretary of the Interior.

SEC. 2. All deposits of oil and gas owned or hereafter acquired by the United States in lands beneath nontidal navigable waters in the Territory of Alaska, together with the lands containing those deposits, may be leased and otherwise administered, treated and dealt with by the Secretary under and pursuant to the provisions of the Mineral Leasing Act which are applicable to oil and gas deposits generally and the lands containing such deposits owned by the United States in the Territory of Alaska and all such provisions of the Mineral Leasing Act shall be applicable to deposits of oil and gas owned or hereafter acquired by the United States in lands beneath nontidal navigable waters in the Territory of Alaska, except as otherwise provided in this Act.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

SEC. 6. If any oil and gas lease issued for public land pursuant to the Mineral Leasing Act (or any application or offer for such a lease of such land, which is pending on the date of this Act and subsequently becomes effective), embraces within the boundaries described in the lease (or application or offer) any lands beneath nontidal navigable waters in the Territory of Alaska not within any known geological structure of a producing oil or gas field on the date the application or offer for any such lease was filed with the Bureau of Land Management, the lessee (or applicant or offeror) shall, upon application filed while such lease (or application or offer) is still in effect but not more than one year after the date of approval of this Act and under regulations to be prescribed by the Secretary, have a preference right to have included within such lease (or application or offer) such lands beneath nontidal navigable waters in the Territory of Alaska. For the purposes of this section an area shall be considered to be within the boundaries described in the lease (or application or offer) even though it is excluded from such description by general terms which exclude all described lands that are or may be situated beneath navigable waters.

SEC. 10. Section 22 of the Act of February 25, 1920 (41 Stat. 446), is amended to read as follows:

Sec. 22

"SEC. 22. That any bona fide occupant or claimant of oil or gas bearing lands in the Territory of Alaska, who, or whose predecessors in interest, prior to withdrawal had complied otherwise with the requirements of the mining laws, but had made no discovery of oil or gas in wells and who prior to withdrawal had made substantial improvements for the discovery of oil or gas on or for each location or had prior to the passage of this Act expended not less than $250 in improvements on or for each location shall be entitled, upon relinquishment or surrender to the United States within one year from the date of this Act, or within six months after final denial or withdrawal of application for patent, to a lease or leases, under this Act covering such lands, not exceeding five leases in number and not exceeding an aggregate of one thousand two hundred and eighty acres in each: *Provided*, That the annual lease rentals for lands in the Territory of Alaska not within any known geological structure of a producing oil or gas field and the royalty payments from production of oil or gas sold or removed from such lands shall be identical with those prescribed for such leases covering similar lands in the States of the United States, except that leases which may issue pursuant to applications or offers to lease such lands, which applications or offers were filed prior to and were pending on May 3, 1958, shall require the payment of 25 cents per acre as lease rental for the first year of such leases; but the aforesaid exception shall not apply in any way to royalties to be required under leases which may issue pursuant to offers or applications filed prior to May 3, 1958.

BONA FIDE OCCUPANT OR CLAIMANT. OIL AND GAS. ALASKA.

RENTAL

ROYALTY

"The Secretary of the Interior shall neither prescribe nor approve any cooperative or unit plan of development or operation nor any operating, drilling, or development contract establishing different royalty or rental rates for Alaska lands than for similar lands within the States of the United States.

UNIT PLAN

"No claimant for a lease who has been guilty of any fraud or who had knowledge or reasonable grounds to know of any fraud, or who has not acted honestly and in good faith, shall be entitled to any of the benefits of this section."

FRAUD

Approved July 3, 1958.

NOTE: Other sections not included.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF AUGUST 21, 1958

To amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of coal on the public domain.

COAL

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 27 of the Act of February 25, 1920, as amended (41 Stat. 448, 30 U. S. C. 184), is further amended by deleting from the first sentence thereof the words "coal or" and "for each of said minerals", and by inserting at the beginning of said section the following:

Sec. 27

"No person, association, or corporation, except as herein provided, shall take or hold coal leases or permits during the life of such lease in any one State exceeding an aggregate of ten thousand two hundred and forty acres: *Provided*, That a person, association or corporation may apply for coal leases or permits for acreage in addition to said ten thousand two hundred and forty acres, which application or applications shall be in multiples of forty acres, not exceeding a total of five thousand one hundred twenty additional acres in such State, and shall contain a statement that the granting of a lease for such additional lands is necessary for the person, association, or corporation to carry on business economically and is in the public interest. On the filing of said application, the coal deposits in such lands covered thereby shall be temporarily set aside and withdrawn from all forms of disposal under this Act. The Secretary of the Interior shall, after posting notice of the pending application in the local land office, conduct public hearings on said application or applications for additional acreage. After such public hearings, to such extent as he finds to be in the public interest and necessary for the applicant in order to carry on business economically, the Secretary of the Interior may, under such regulations as he may prescribe, permit such person, association, or corporation to take or hold coal leases or permits for an additional aggregate acreage of not more than five thousand one hundred and twenty acres in such State. The Secretary may, in his own discretion or whenever sufficient public interest is manifested, reevaluate the lessee's or permittee's need for all or any part of the additional acreage. The Secretary may cancel the lease or leases and permit or permits covering all or any part of the additional acreage, if he finds that such cancellation is in the public interest or that the coal deposits in the additional acreage are no longer necessary for the lessee or permittee to carry on business economically or if the lessee or permittee has divested himself of all or any part of the original ten thousand two hundred and forty acres or no longer has facilities which in the Secretary's opinion enable him to exploit the deposits under lease or permit. No assignment, transfer, or sale of any part of the additional acreage may be made without the approval of the Secretary."

ACREAGE

PUBLIC HEARINGS

ADDITIONAL ACREAGE NEEDS EVALUATION

CANCELLATION OF LEASES OR PERMITS

Approved August 21, 1958.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF SEPTEMBER 9, 1959

Excerpt

To repeal the Act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432–452), and for other purposes.

SEC. 2. The first sentence of section 2 of the Act of February 25, 1920 (41 Stat. 437, 438), as amended (30 U.S.C., sec. 201), is further amended by the deletion of the words "outside of the Territory of Alaska,".

Approved September 9, 1959.

NOTE: Section 1 not included.

ACT OF SEPTEMBER 9, 1959

Sec. 2

ALASKA

ACT OF SEPTEMBER 21, 1959

To amend the Mineral Leasing Act of February 25, 1920.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That section 27 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, 448), as amended (30 U.S.C., sec. 184), is further amended by the insertion, immediately after the sixteenth sentence, of the following: "The right of cancellation or forfeiture for violation of the provisions of this Act shall not apply so as to affect adversely the title or interest of a bona fide purchaser in any lease, option for a lease, or interest in a lease acquired in conformity with the acreage limitations of this Act from any other person, association or corporation whose holdings, or the holdings of a predecessor in title, including the original lessee of the United States, may have been canceled or forfeited, or may be subject to cancellation or forfeiture for any such violation. Any person, association or corporation who is a party to any proceedings with respect to a violation of any provision of this Act shall have the right to be dismissed as such a party upon showing that the person, association or corporation acquired the interest involving him as such a bona fide purchaser without violating any provisions of this Act. If during any such proceedings with respect to a violation of any provisions of this Act a party to those proceedings files with the Secretary of the Interior a waiver of his rights under the lease to drill or to assign his interests thereunder or if such rights are suspended by order of the Secretary pending a decision in such proceedings, he shall, if he is found in such proceedings not in violation of such provisions, have the right to have his interest extended for a period of time equal to the period between the filing of the waiver or the order of suspension by the Secretary and the final decision, without the payment of rental."**

SEC. 2. The rights granted by the second and third sentences of the amendment contained within section 1 of this Act shall apply with respect to any proceeding now pending or initiated after the date of enactment of this Act.

Approved September 21, 1959.

NOTE: Regarding all MIneral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF SEPTEMBER 21, 1959

CANCELLATION OR FORFEITURE

Sec. 27

CANCELLATION OR FIRFEITURE

BONA FIDE PURCHASER

RIGHT TO EXTEND INTEREST

Sec. 1 APPLIES TO PENDING PROCEEDINGS

ACT OF MARCH 18, 1960

ACT OF MARCH 18, 1960

To authorize the issuance of prospecting permits for phosphate in lands belonging to the United States.

PHOSPHATE

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 9 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, 440), as amended (30 U.S.C. 211), is further amended by the insertion of an (a) at the beginning of the section and by the addition of the two following subsections:

Sec. 9

"(b) Where prospecting or exploratory work is necessary to determine the existence or workability of phosphate deposits in any unclaimed, undeveloped area, the Secretary of the Interior is authorized to issue, to any applicant qualified under this Act, a prospecting permit which shall give the exclusive right to prospect for phosphate deposits, including associated minerals, for a period of two years, for not more than two thousand five hundred and sixty acres; and if prior to the expiration of the permit the permittee shows to the Secretary that valuable deposits of phosphate have been discovered within the area covered by his permit, the permittee shall be entitled to a lease for any or all of the land embraced in the prospecting permit.

PHOSPHATE

PROSPECTING PERMIT

"(c) Any phosphate permit issued under this section may be extended by the Secretary for such an additional period, not in excess of four years, as he deems advisable, if he finds that the permittee has been unable, with reasonable diligence, to determine the existence or workability of phosphate deposits in the area covered by the permit and desires to prosecute further prospecting or exploration, or for other reasons warranting such an extension in the opinion of the Secretary."

EXTENSION OF PERMIT

(b) Section 12 of the Mineral Leasing Act (41 Stat. 437, 441), as amended (30 U.S.C., sec. 214), is further amended by the insertion of the words "or permit" immediately after the word "lease" wherever it appears.

Sec. 12

INCLUDES PERMITS

(c) The ninth sentence of section 27 of the Mineral Leasing Act (41 Stat. 437, 448), as amended (30 U.S.C., sec. 184), is further amended by the insertion of the words "or permits" immediately after the words "phosphate leases".

Sec. 27

INCLUDED PERMITS

Approved March 18, 1960.

ACT OF JUNE 11, 1960

ACT OF JUNE 11, 1960

Number (21) Only

(21) The third sentence in the third paragraph of section 17 of the Mineral Lands Leasing Act of February 25, 1920, as amended by the Act of July 29, 1954 (68 Stat. 584; 30 U.S.C. 226), is amended by inserting "or by certified mail," immediately following "registered mail,".

Sec. 17

CERTIFIED MAIL

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF JULY 14, 1960

UNREQUIRED PAYMENTS

Sec. 204. (a) In any case where it shall appear to the satisfaction of the Secretary of the Interior that any person has made a payment under any statute relating to the sale, entry, lease, use, or other disposition of the public lands which is not required, or is in excess of the amount required, by applicable law and the regulations issued by the Secretary, the Secretary, upon application or otherwise, may cause a refund to be made from applicable funds.

MONEYS FORFEITED

SEC. 303. Any moneys collected under this Act in connection with lands administered under the Act of August 28, 1937 (50 Stat. 874; 43 U.S.C. 1181a, and the following), shall be expended for the benefit of such land only. If any portion of a deposit or amount forfeited under this Act is found by the Secretary to be in excess of the cost of doing the work authorized under this Act, the amount in excess shall be transferred to miscellaneous receipts.

Approved July 14, 1960.

ACT OF SEPTEMBER 2, 1960

To amend the Mineral Leasing Act of February 25, 1920.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Mineral Leasing Act Revision of 1960".

SEC. 2. Section 17, 17(a), and 17(b) of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended (30 U.S.C. 226, 226d, and 226e) are further amended to read as follows:

Sec. 17, 17(a), 17(b)

"SEC. 17. (a) All lands subject to disposition under this Act which are known or believed to contain oil or gas deposits may be leased by the Secretary.

KGS

"(b) If the lands to be leased are within any known geological structure of a producing oil or gas field, they shall be leased to the highest responsible qualified bidder by competitive bidding under general regulations in units of not more than six hundred and forty acres, which shall be as nearly compact in form as possible, upon the payment by the lessee of such bonus as may be accepted by the Secretary and of such royalty as may be fixed in the lease, which shall be not less than 12½ per centum in amount or value of the production removed or sold from the lease.

COMPETITIVE BIDDING

NOT WITHIN KGS

"(c) If the lands to be leased are not within any known geological structure of a producing oil or gas field, the person first making application for the lease who is qualified to hold a lease under this Act shall be entitled to a lease of such lands without competitive bidding. Such leases shall be conditioned upon the payment by the lessee of a royalty of 12½ per centum in amount or value of the production removed or sold from the lease.

FIRST QUALIFIED APPLICANT

RENTALS

"(d) All leases issued under this section shall be conditioned upon payment by the lessee of a rental of not less than 50 cents per acre for each year of the lease. Each year's lease rental shall be paid in advance. A minimum royalty of $1 per acre in lieu of rental shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands leased.

COMPETITIVE LEASES:
5 YEARS
NONCOMPETITIVE LEASES:
10 YEARS

"(e) Competitive leases issued under this section shall be for a primary term of five years and noncompetitive leases for a primary term of ten years. Each such lease shall continue so long after its primary term as oil or gas is produced in paying quantities. Any lease issued under this section for land on which, or for which under an approved cooperative or unit plan of development or operation, actual drilling operations were commenced prior to the end of its primary term and are being diligently prosecuted at that time shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities.

TERMINATION

"(f) No lease issued under this section which is subject to termination because of cessation of production shall be terminated for this cause so long as reworking or drilling operations which were commenced on the land prior to or within sixty days after cessation of production are conducted thereon with reasonable diligence, or so

60 DAYS

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

long as oil or gas is produced in paying quantities as a result of such operations. No lease issued under this section shall expire because operations or production is suspended under any order, or with the consent, of the Secretary. No lease issued under this section covering lands on which there is a well capable of producing oil or gas in paying quantities shall expire because the lessee fails to produce the same unless the lessee is allowed a reasonable time, which shall be not less than sixty days after notice by registered or certified mail, within which to place such well in producing status or unless, after such status is established, production is discontinued on the leased premises without permission granted by the Secretary under the provisions of this Act.

PAYING QUANTITIES

60 DAYS

"(g) Whenever it appears to the Secretary that lands owned by the United States are being drained of oil or gas by wells drilled on adjacent lands, he may negotiate agreements whereby the United States, or the United States and its lessees, shall be compensated for such drainage. Such agreements shall be made with the consent of the lessees, if any, affected thereby. If such agreement is entered into, the primary term of any lease for which compensatory royalty is being paid, or any extension of such primary term, shall be extended for the period during which such compensatory royalty is paid and for a period of one year from discontinuance of such payment and so long thereafter as oil or gas is produced in paying quantities. The Secretary shall report to Congress at the beginning of each regular session all such agreements entered into during the previous year which involve unleased Government lands.

DRAINAGE

"(h) If, during the primary term or any extended term of any lease issued under this section, a verified statement is filed by any mining claimant pursuant to subsection (c) of section 7 of the Multiple Mineral Development Act of August 13, 1954 (68 Stat. 708), as amended (30 U.S.C. 527), whether such filing occur prior to enactment of the Mineral Leasing Act Revision of 1960 or thereafter, asserting the existence of a conflicting unpatented mining claim or claims upon which diligent work is being prosecuted as to any lands covered by the lease, the running of time under such lease shall be suspended as to the lands involved from the first day of the month following the filing of such verified statement until a final decision is rendered in the matter.

CONFLICTING UNPATENTED MINING CLAIMS

SUSPENSION OF LEASE

"(i) The Secretary of the Interior shall, upon timely application therefor, issue a new lease in exchange for any lease issued for a term of twenty years, or any renewal thereof, or any lease issued prior to August 8, 1946, in exchange for a twenty-year lease, such new lease to be for a primary term of five years and so long thereafter as oil or gas is produced in paying quantities and at a royalty rate of not less than 12½ per centum in amount or value of the production removed or sold from such leases, except that the royalty rate shall be 12½ per centum in amount or value of the production removed or sold from said leases as to (1) such leases, or such parts of the lands subject thereto and the deposits underlying the same, as are not believed to be within the productive limits of any producing oil or gas deposit, as such productive limits are found by the Secretary to have existed on

ISSUANCE OF NEW LEASES

TERMS OF LEASES

ROYALTY

August 8, 1946; and (2) any production on a lease from an oil or gas deposit which was discovered after May 27, 1941, by a well or wells drilled within the boundaries of the lease, and which is determined by the Secretary to be a new deposit; and (3) any production on or allocated to a lease pursuant to an approved cooperative or unit plan of development or operation from an oil or gas deposit which was discovered after May 27, 1941, on land committed to such plan, and which is determined by the Secretary to be a new deposit, where such lease, or a lease for which it is exchanged, was included in such plan at the time of discovery or was included in a duly executed and filed application for the approval of such plan at the time of discovery.

NEW DEPOSIT

UNIT PLAN

"(j) For the purpose of more properly conserving the natural resources of any oil or gas pool, field, or like area, or any part thereof (whether or not any part of said oil or gas pool, field, or like area, is then subject to any cooperative or unit plan of development or operation), lessees thereof and their representatives may unite with each other, or jointly or separately with others, in collectively adopting and operating under a cooperative or unit plan of development or operation of such pool, field, or like area, or any part thereof, whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest. The Secretary is thereunto authorized, in his discretion, with the consent of the holders of leases involved, to establish, alter, change, or revoke drilling, producing, rental, minimum royalty, and royalty requirements of such leases and to make such regulations with reference to such leases, with like consent on the part of the lessees, in connection with the institution and operation of any such cooperative or unit plan as he may deem necessary or proper to secure the proper protection of the public interest. The Secretary may provide that oil and gas leases hereafter issued under this Act shall contain a provision requiring the lessee to operate under such a reasonable cooperative or unit plan, and he may prescribe such a plan under which such lessee shall operate, which shall adequately protect the rights of all parties in interest, including the United States.

"Any plan authorized by the preceding paragraph which includes lands owned by the United States may, in the discretion of the Secretary, contain a provision whereby authority is vested in the Secretary of the Interior, or any such person, committee, or State or Federal officer or agency as may be designated in the plan, to alter or modify from time to time the rate of prospecting and development and the quantity and rate of production under such plan. All leases operated under any such plan approved or prescribed by the Secretary shall be excepted in determining holdings or control under the provisions of any section of this Act.

PLANS EXCEPTED IN DETERMINATION OF HOLDINGS OR CONTROL

"When separate tracts cannot be independently developed and operated in conformity with an established well-spacing or development program, any lease, or a portion thereof, may be pooled with other lands, whether or not owned by the United States, under a communitization or drilling agreement providing for an apportionment of production or royalties among the separate tracts of land comprising the drilling or spacing unit when determined by the Secretary of the

POOLING

COMMUNITIZATION

Interior to be in the public interest, and operations or production pursuant to such an agreement shall be deemed to be operations or production as to each such lease committed thereto.

LEASE CONTINUATION UNDER UNIT PLAN

"Any lease issued for a term of twenty years, or any renewal thereof, or any portion of such lease that has become the subject of a cooperative or unit plan of development or operation of a pool, field, or like area, which plan has the approval of the Secretary of the Interior, shall continue in force until the termination of such plan. Any other lease issued under any section of this Act which has heretofore or may hereafter be committed to any such plan that contains a general provision for allocation of oil or gas shall continue in force and effect as to the land committed so long as the lease remains subject to the plan: *Provided*, That production is had in paying quantities under the plan prior to the expiration date of the term of such lease.

PAYING QUANTITIES

Any lease heretofore or hereafter committed to any such plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: *Provided, however*, That any such lease as to the nonunitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities.

NONUNITIZED LAND LEASES

The minimum royalty or discovery rental under any lease that has become subject to any cooperative or unit plan of development or operation, or other plan that contains a general provision for allocation of oil or gas, shall be payable only with respect to the lands subject to such lease to which oil or gas shall be allocated under such plan. Any lease which shall be eliminated from any such approved or prescribed plan, or from any communitization or drilling agreement authorized by this section, and any lease which shall be in effect at the termination of any such approved or prescribed plan, or at the termination of any such communitization or drilling agreement, unless relinquished, shall continue in effect for the original term thereof, but for not less than two years, and so long thereafter as oil or gas is produced in paying quantities.

"The Secretary of the Interior is hereby authorized, on such conditions as he may prescribe, to approve operating, drilling, or development contracts made by one or more lessees of oil or gas leases, with one or more persons, associations, or corporations whenever, in his discretion, the conservation of natural products or the public convenience or necessity may require it or the interests of the United States may be best subserved thereby. All leases operated under such approved operating, drilling, or development contracts, and interests thereunder, shall be excepted in determining holdings or control under the provisions of this Act.

SEC'Y. APPROVE CONTRACTS

"The Secretary of the Interior, to avoid waste or to promote conservation of natural resources, may authorize the subsurface storage of oil or gas, whether or not produced from federally owned lands, in lands leased or subject to lease under this Act. Such authorization may provide for the payment of a storage fee or rental on such stored oil or gas or, in lieu of such fee or rental, for a royalty other than that

SUBSURFACE STORAGE OF OIL OR GAS

prescribed in the lease when such stored oil or gas is produced in conjunction with oil or gas not previously produced. Any lease on which storage is so authorized shall be extended at least for the period of storage and so long thereafter as oil or gas not previously produced is produced in paying quantities."

SEC. 3. Section 27 of said Act, as amended (30 U.S.C. 184), is further amended to read as follows:

Sec. 27

"SEC. 27. (a)(1) No person, association, or corporation, except as otherwise provided in this subsection, shall take, hold, own or control at one time, whether acquired directly from the Secretary under this Act or otherwise, coal leases or permits on an aggregate of more than ten thousand two hundred and forty acres in any one State.

ACREAGE

"(2) A person, association, or corporation may apply for coal leases or permits for acreage in addition to that which is permissible under paragraph (1) of this subsection, but the additional acreage shall not exceed five thousand one hundred and twenty acres in any one State. Each application shall be for forty acres or a multiple thereof and shall contain a statement that the granting of a lease or permit for the additional lands is necessary to enable the applicant to carry on business economically and that it is believed to be in the public interest. On the filing of such an application, the coal deposits in the lands covered by it shall be temporarily set aside and withdrawn from all forms of disposal under this Act. The Secretary shall, after posting notice of the pending application in the local land office, conduct public hearings on it. After such hearings the Secretary may, under such regulations as he may prescribe and to such extent as he finds to be in the public interest and necessary to enable the applicant to carry on business economically, permit the applicant to take and hold coal leases or permits for additional acreage as hereinbefore provided. The Secretary may, in his own discretion or whenever sufficient public interest is manifested, reevaluate a lessee's or permittee's need for all or any part of the additional acreage and may cancel any lease or permit covering all or any part of such acreage if he finds that cancellation is in the public interest or that the coal deposits in said acreage are no longer necessary for the lessee or permittee to carry on business economically or that the lessee or permittee has divested himself of all or any part of his first ten thousand two hundred and forty acres or no longer has facilities which, in the Secretary's opinion, enable him to exploit the deposits under lease or permit. No assignment, transfer, or sale of any part of the additional acreage may be made without the approval of the Secretary.

COAL LEASES ACREAGE

RE-EVALUATE NEED FOR ADDITIONAL ACREAGE

CANCELLATIONS

"(b)(1) No person, association, or corporation, except as otherwise provided in this subsection, shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this Act or otherwise, sodium leases or permits on an aggregate of more than five thousand one hundred and twenty acres in any one State.

ACREAGE

"(2) The Secretary may, in his discretion, where the same is necessary in order to secure the economic mining of sodium compounds leasable under this Act, permit a person, association, or corporation to take or hold sodium leases or permits on up to fifteen thousand three hundred and sixty acres in any one State.

SODIUM LEASE ACREAGE

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

"(c) No person, association, or corporation shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this Act or otherwise, phosphate leases or permits on an aggregate of more than ten thousand two hundred and forty acres in the United States.

PHOSPHATE ACREAGE

"(d)(1) No person, association, or corporation, except as otherwise provided in this Act, shall take, hold, own or control at one time, whether acquired directly from the Secretary under this Act or otherwise, oil or gas leases (including options for such leases or interests therein) on land held under the provisions of this Act exceeding in the aggregate two hundred forty-six thousand and eighty acres in any one State other than Alaska. In the case of the State of Alaska, the limit shall be three hundred thousand acres in the northern leasing district and three hundred thousand acres in the southern leasing district, and the boundary between said two districts shall be the left limit of the Tanana River from the border between the United States and Canada to the confluence of the Tanana and Yukon Rivers, and the left limit of the Yukon River from said confluence to its principal southern mouth.

ACREAGE

ALASKA ACREAGE

"(2) No person, association, or corporation shall take, hold, own, or control at one time options to acquire interests in oil or gas leases under the provisions of this Act which involve, in the aggregate, more than two hundred thousand acres of land in any one State other than Alaska or, in the case of Alaska, more than two hundred thousand acres in each of its two leasing districts, as hereinbefore described. No option to acquire any interest in such an oil or gas lease shall be enforcible if entered into for a period of more than three years (which three years shall be inclusive of any renewal period if a right to renew is reserved by any party to the option) without the prior approval of the Secretary. In any case in which an option to acquire the optionor's entire interest in the whole or a part of the acreage under a lease is entered into, the acreage to which the option is applicable shall be charged both to the optionor and to the optionee, but the charge to the optionor shall cease when the option is exercised. In any case in which an option to acquire a part of the optionor's interest in the whole or a part of the acreage under a lease is entered into, the acreage to which the option is applicable shall be fully charged to the optionor and a share thereof shall also be charged to the optionee as his interest may appear, but after the option is exercised said acreage shall be charged to the parties pro rata as their interests may appear. In any case in which an assignment is made of a part of a lessee's interest in the whole or part of the acreage under a lease or an application for a lease, the acreage shall be charged to the parties pro rata as their interests may appear. No option or renewal thereof shall be enforcible until notice thereof has been filed with the Secretary or an officer or employee of the Department of the Interior designated by him to receive the same. Each such notice shall include, in addition to any other matters prescribed by the Secretary, the names and addresses of the parties thereto, the serial number of the lease or application for a lease to which the option is applicable, and a statement of the number of acres covered thereby and of the

ACREAGE

ALASKA ACREAGE

OPTIONS

ASSIGNMENT OF INTEREST

interests and obligations of the parties thereto and shall be subscribed by all parties to the option or their duly authorized agents. An option which has not been exercised shall remain charged as hereinbefore provided until notice of its relinquishment or surrender has been filed, by either party, with the Secretary or any officer or employee of the Department of the Interior designated by him to receive the same. In addition, each holder of any such option shall file with the Secretary or an officer or employee of the Department of the Interior as aforesaid within ninety days after the 30th day of June and the 31st day of December in each year a statement showing, in addition to any other matters prescribed by the Secretary, his name, the name and address of each grantor of an option held by him, the serial number of every lease or application for a lease to which such an option is applicable, the number of acres covered by each such option, the total acreage in each State to which such options are applicable, and his interest and obligation under each such option. The failure of the holder of an option so to file shall render the option unenforcible by him. The unenforcibility of any option under the provisions of this paragraph shall not diminish the number of acres deemed to be held under option by any person, association, or corporation in computing the amount chargeable under the first sentence of this paragraph and shall not relieve any party thereto of any liability to cancellation, forfeiture, forced disposition, or other sanction provided by law. The Secretary may prescribe forms on which the notice and statements required by this paragraph shall be made.

OPTION NOT EXERCISED

FILING

"(e) (1) No person, association, or corporation shall take, hold, own or control at one time any interest as a member of an association or as a stockholder in a corporation holding a lease, option, or permit under the provisions of this Act which, together with the area embraced in any direct holding, ownership or control by him of such a lease, option, or permit or any other interest which he may have as a member of other associations or as a stockholder in other corporations holding, owning or controlling such leases, options, or permits for any kind of minerals, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee, optionee, or permittee under this Act, except that no person shall be charged with his pro rata share of any acreage holdings of any association or corporation unless he is the beneficial owner of more than 10 per centum of the stock or other instruments of ownership or control of such association or corporation, and except that within three years after the enactment of the Mineral Leasing Act Revision of 1960 no valid option in existence prior to the enactment of said Act held by a corporation or association at the time of enactment of said Act shall be chargeable to any stockholder of such corporation or to a member of such association so long as said option shall be so held by such corporation or association under the provisions of this Act.

INTERESTS IN LEASES

"(2) No contract for development and operation of any lands leased under this Act, whether or not coupled with an interest in such lease, and no lease held, owned, or controlled in common by two or more persons, associations, or corporations shall be deemed to create a separate association under the preceding paragraph of this subsection between or among the contracting parties or those who hold, own or control the lease in common, but the proportionate interest of each such party shall be charged against the total acreage permitted to be held, owned or controlled by such party under this Act. The total acreage so held, owned, or controlled in common by two or more parties shall not exceed, in the aggregate, an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee, optionee, or permittee under this Act.

INTEREST IN LEASES

"(f) Nothing contained in subsection (e) of this section shall be construed (i) to limit sections 18, 19, and 22 of this Act or (ii), subject to the approval of the Secretary, to prevent any number of lessees under this Act from combining their several interests so far as may be necessary for the purpose of constructing and carrying on the business of a refinery or of establishing and constructing, as a common carrier, a pipeline or railroad to be operated and used by them jointly in the transportation of oil from their several wells or from the wells of other lessees under this Act or in the transportation of coal or (iii) to increase the acreage which may be taken, held, owned, or controlled under section 27 of this Act.

COMBINING LEASE INTERESTS

"(g) Any ownership or interest otherwise forbidden in this Act which may be acquired by descent, will, judgment, or decree may be held for two years after its acquisition and no longer.

OWNERSHIP OR INTERESTS FORBIDDEN

"(h)(1) If any interest in any lease is owned, or controlled, directly or indirectly, by means of stock or otherwise, in violation of any of the provisions of this Act, the lease may be canceled, or the interest so owned may be forfeited, or the person so owning or controlling the interest may be compelled to dispose of the interest, in any appropriate proceeding instituted by the Attorney General. Such a proceeding shall be instituted in the United States district court for the district in which the leased property or some part thereof is located or in which the defendant may be found.

CANCELLATION OR FORFEITURE FOR VIOLATION

"(2) The right to cancel or forfeit for violation of any of the provisions of this Act shall not apply so as to affect adversely the title or interest of a bona fide purchaser of any lease, interest in a lease, option to acquire a lease or an interest therein, or permit which lease, interest, option, or permit was acquired and is held by a qualified person, association, or corporation in conformity with those provisions, even though the holdings of the person, association, or corporation from which the lease, interest, option, or permit was acquired, or of his predecessor in title (including the original lessee of the United States) may have been canceled or forfeited or may be or may have been subject to cancellation or forfeiture for any such violation. If, in any such proceeding, an underlying lease, interest, option, or permit is canceled or forfeited to the Government and there are valid interests therein or valid options to acquire the lease or an interest therein which are not subject to cancellation, forfeiture, or compulsory disposition, the underlying lease, interest, option, or permit shall be sold

BONA FIDE PURCHASER

by the Secretary to the highest responsible qualified bidder by competitive bidding under general regulations subject to all outstanding valid interests therein and valid options pertaining thereto. Likewise if, in any such proceeding, less than the whole interest in a lease, interest, option, or permit is canceled or forfeited to the Government, the partial interests so canceled or forfeited shall be sold by the Secretary to the highest responsible qualified bidder by competitive bidding under general regulations. If competitive bidding fails to produce a satisfactory offer the Secretary may, in either of these cases, sell the interest in question by such other method as he deems appropriate on terms not less favorable to the Government than those of the best competitive bid received.

SELL TO HIGHEST RESPONSIBLE QUALIFIED BIDDER

SELL BY APPROPRIATE METHOD

"(3) The commencement and conclusion of every proceeding under this subsection shall be promptly noted on the appropriate public records of the Bureau of Land Management.

"(i) Effective September 21, 1959, any person, association, or corporation who is a party to any proceeding with respect to a violation of any provision of this Act, whether initiated prior to said date or thereafter, shall have the right to be dismissed promptly as such a party upon showing that he holds and acquired as a bona fide purchaser the interest involving him as such a party without violating any provisions of this Act. No hearing upon any such showing shall be required unless the Secretary presents prima facie evidence indicating a possible violation of the Mineral Leasing Act on the part of the alleged bona fide purchaser.

HEARING
PRIMA FACIE EVIDENCE

"(j) If during any such proceeding, a party thereto files with the Secretary a waiver of his rights under his lease (including particularly, where applicable, rights to drill and to assign) or if such rights are suspended by the Secretary pending a decision in the proceeding, whether initiated prior to enactment of this Act or thereafter, payment of rentals and running of time against the term of the lease or leases involved shall be suspended as of the first day of the month following the filing of the waiver or suspension of the rights until the first day of the month following the final decision in the proceeding or the revocation of the waiver or suspension.

PAYMENT SUSPENSION

"(k) Except as otherwise provided in this Act, if any lands or deposits subject to the provisions of this Act shall be subleased, trusted, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form a part of or are in any wise controlled by any combination in the form of an unlawful trust, with the consent of the lessee, optionee, or permittee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, native asphalt, solid and semisolid bitumen, bituminous rock, gas, or sodium entered into by the lessee, optionee, or permittee or any agreement or understanding, written, verbal, or otherwise, to which such lessee, optionee, or permittee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control in excess of the amounts of lands provided in this Act, the lease, option, or permit shall be forfeited by appropriate court proceedings."

UNLAWFUL TRUST

SEC. 4. (a) Upon the expiration of the initial five-year term of any noncompetitive oil or gas lease which was issued prior to enactment of this Act and which has been maintained in accordance with applicable statutory requirements and regulations, the record titleholder thereof shall be entitled to a single extension of the lease, unless then otherwise provided by law, for such lands covered by it as are not, on the expiration date of the lease, withdrawn from leasing. A withdrawal, however, shall not affect the right to an extension if actual drilling operations on such lands were commenced prior to the effective date of the withdrawal and were being diligently prosecuted on the expiration date of the lease. No withdrawal shall be effective within the meaning of this section until ninety days after notice thereof has been sent by registered or certified mail to each lessee to be affected by such withdrawal.

NONCOMPETITIVE LEASE EXTENSION

WITHDRAWAL

(b) As to lands not within the known geologic structure of a producing oil or gas field, a noncompetitive oil or gas lease to which this section is applicable shall be extended for a period of five years and so long thereafter as oil or gas is produced in paying quantities. As to lands within the known geologic structure of a producing oil or gas field, a noncompetitive lease to which this section is applicable shall be extended for a period of two years and so long thereafter as oil or gas is produced in paying quantities.

LANDS NOT WITHIN KGS NONCOMPETITIVE LEASE EXTENSION

(c) Any noncompetitive oil or gas lease extended under this section shall be subject to the rules and regulations in force at the expiration of the initial five-year term of the lease. No extension shall be granted, however, unless within a period of ninety days prior to the expiration date of the lease an application therefor is filed by the record titleholder or an assignee whose assignment has been filed for approval or an operator whose operating agreement has been filed for approval.

SUBJECT TO RULES AND REGS.

(d) Any lease issued prior to the enactment of the Mineral Leasing Act Revision of 1960 which has been maintained in accordance with applicable statutory requirements and regulations and which pertains to land on which, or for which under an approved cooperative or unit plan of development or operation, actual drilling operations were commenced prior to the end of its primary term and are being diligently prosecuted at that time shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities.

UNIT PLAN

SEC. 5. The Act of February 25, 1920, as amended (30 U.S.C. 181 and the following), is amended by adding a section 42 thereto to read as follows:

"SEC. 42. No action contesting a decision of the Secretary involving any oil and gas lease shall be maintained unless such action is commenced or taken within ninety days after the final decision of the Secretary relating to such matter. No such action contesting such a decision of the Secretary rendered prior to enactment of the Mineral Leasing Act Revision of 1960 shall be maintained unless the same be commenced or taken within ninety days after such enactment."

Sec. 42 ADDED
ACTION CONTESTING SEC'Y. DECISIONS

SEC. 6. The last sentence of section 30(a) of the Act of February 25, 1920, as amended (30 U.S.C. 187a), is amended to read as follows:

Sec. 30(a)

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

"Upon the segregation by an assignment of a lease issued after the effective date of the Mineral Leasing Act Revision of 1960 and held beyond its primary term by production, actual or suspended, or the payment of compensatory royal'y, the segregated lease of an undeveloped, assigned, or retained part shall continue for two years, and so long thereafter as oil or gas is produced in paying quantities."

The provisions of this section 6 shall not be applicable to any lease issued prior to the effective date of this Act.

SEGREGATION BY ASSIGNMENT OF LEASE

Sec. 7. (a) Section 1 of the Act of February 25, 1920, as amended (30 U.S.C. 181), section 21 of said Act (30 U.S.C. 241), and section 34 of said Act (30 U.S.C. 182) are amended by the insertion of the words "native asphalt, solid and semisolid bitumen, and bituminous rock (including oil-impregnated rock or sands from which oil is recoverable only by special treatment after the deposit is mined or quarried)" immediately after the words "oil shale," in the first sentence of each section. Section 21 of said Act (30 U.S.C. 241) is further amended by striking out the period at the end of the last sentence and adding these words "except that with respect to leases for native asphalt, solid and semisolid bitumen, and bituminous rock (including oil-impregnated rock or sands from which oil is recoverable only by special treatment after the deposit is mined or quarried) no person, association, or corporation shall acquire or hold more than seven thousand six hundred eighty acres in any one State without respect to the number of leases."

Sec. 1

COAL-RELATED PRODUCTS

ACREAGE

(b) Section 21 of said Act is further amended by inserting the designation (a) immediately after the term "section 21" and by adding two new subsections to read as follows:

Sec. 21

"(b) If an offer for a lease under the provisions of this section for deposits other than oil shale is based upon a mineral location, the validity of which might be questioned because the claim was based on a placer location rather than on a lode location, or vice versa, the offeror shall have a preference right to a lease if the offer is filed not more than one year after the enactment of the Mineral Leasing Act Revision of 1960.

LEASE OFFER OTHER THAN OIL SHALE

"(c) With respect to native asphalt, solid and semisolid bitumen, and bituminous rock (including oil-impregnated rock or sands from which oil is recoverable only by special treatment after the deposit is mined or quarried) a lease under the multiple use principle may issue notwithstanding the existence of an outstanding lease issued under any other provision of this Act."

Sec. 8. No amendment made by this Act shall affect any valid right in existence on the effective date of the Mineral Leasing Act Revision of 1960.

Approved September 2, 1960.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF OCTOBER 15, 1962

To amend the Mineral Leasing Act of February 25, 1920.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 31 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 188), is further amended by designating the first paragraph thereof as subsection "(a)", the second paragraph as subsection "(b)", and adding two new subsections to read as follows:

Sec. 31

"(c) Where any lease has been terminated automatically by operation of law under this section for failure to pay rental timely and it is shown to the satisfaction of the Secretary of the Interior that the failure to pay timely the lease rental was justifiable or not due to a lack of reasonable diligence, he in his judgment may reinstate the lease subject to the following conditions:

FAILURE TO PAY TIMELY

REINSTATEMENT

"(1) A petition for reinstatement, together with the required rental, for any lease (a) terminated prior to the effective date of this Act must be filed with the Secretary of the Interior within one hundred and eighty days after the effective date of this Act;

"(2) No valid lease has been issued affecting any of the lands in the terminated lease prior to the filing of the petition for reinstatement.

"(d) Where, in the judgment of the Secretary of the Interior, drilling operations were being diligently conducted on the last day of the primary term of the lease, and, except for nonpayment of rental, the lessee would have been entitled to extension of his lease, pursuant to section 4(d) of the Act of September 2, 1960 (74 Stat. 790), the Secretary of the Interior may reinstate such lease notwithstanding the failure of the lessee to have made payment of the next year's rental, provided the conditions of subparagraphs (1) and (2) of section (c) are satisfied."

EXTENSION EXCEPT FOR RENTAL NONPAYMENT

Sec. 2. Nothing in this Act shall be construed as limiting the authority of the Secretary of the Interior to issue, during the periods in which petitions for reinstatement may be filed, oil and gas leases for any of the lands affected.

Approved October 15, 1962.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF AUGUST 31, 1964

To amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of coal on the public domain and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) (1) of section 27 of the Act of February 25, 1920, as amended (30 U.S.C. 184), is further amended to read as follows:

"(a) (1) No person, association, or corporation shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this Act or otherwise, coal leases or permits on an aggregate of more than forty-six thousand and eighty acres in any one State."

SEC. 2. (a) Subsection (a) of section 2 of the Act of February 25, 1920, as amended (30 U.S.C. 201(a)), is further amended by the deletion from the first sentence of the words "but in no case exceeding two thousand five hundred and sixty acres in any one leasing tract.".

(b) Subsection (b) of section 2 of the Act of February 25, 1920, as amended (30 U.S.C. 201(b)), is further amended by changing the words "two thousand five hundred and sixty acres" in the first sentence thereof to "five thousand one hundred and twenty acres".

(c) For the purpose of more properly conserving the natural resources of any coalfield or prospective coal area, or any part or zone thereof, lessees and permittees and their representatives may enter into a contract with each other or others for collective prospecting, development, or operation of such field or prospective coal area, or any part or zone thereof, whenever determined and certified by the Secretary of the Interior to be in the public interest. A contract approved hereunder shall not provide for an apportionment of production or royalties among the separate tracts comprising the contract area, but may provide for the commingling of production with appropriate allocation to the tracts from which produced. Notwithstanding any provision of this section to the contrary, the Secretary may, with the consent of the lessees or permittees involved, establish, alter, change, or revoke mining, producing, rental, minimum royalty, and royalty requirements of such leases or permits, and issue regulations that are applicable to such leases or permits or contracts. The Secretary is authorized to enter into a contract with a single lessee or permittee embracing his leases or permits. The Secretary may authorize the consolidation of separate Federal permits or leases into a lesser number of permits or leases, or into a single permit or lease.

(d) Coal leases and permits operated under a contract approved or executed by the Secretary pursuant to subsection (c) of this section may be excepted from limitations on maximum holdings or control imposed by this Act if the Secretary finds that such exception is required to permit economic development of the coal resources and is otherwise consistent with the public interest.

Approved August 31, 1964.

ACT OF AUGUST 31, 1964

COAL

Sec. 27

ACREAGE

Sec. 2(a)
ACREAGE

Sec. 2(b)
ACREAGE

COLLECTIVE PROSPECTING DEVELOPMENT OR OPERATION

CONTRACT

COMMINGLING OF PRODUCTION

EXCEPTIONS FROM LIMITATIONS

ACT OF SEPTEMBER 6, 1966

Schedule of Laws Repealed

Date	Chapter	Section	Statutes at Large	
			Volume	Page
1920 Feb. 25	85	38	41	451

ACT OF SEPTEMBER 6, 1966

Sec. 38 REPEALED

NOTE: Regarding all MIneral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

8/31/64
9/6/66

To authorize the Secretary of the Interior to prevent terminations of oil and gas leases in cases where there is a nominal deficiency in the rental payment, and to authorize him to reinstate under some conditions oil and gas leases terminated by operation of law for failure to pay rental timely.

OIL AND GAS

Sec. 31(b)

LEASE RENTAL PAYMENTS

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 31(b) of the Mineral Leasing Act of 1920 (41 Stat. 450), as amended (30 U.S.C. 188(b)), is amended by changing the period at the end thereof to a colon and adding the following: "*Provided*, That if the rental payment due under a lease is paid on or before the anniversary date but either (1) the amount of the payment has been or is hereafter deficient and the deficiency is nominal, as determined by the Secretary by regulation, or (2) the payment was calculated in accordance with the acreage figure stated in the lease, or in any decision affecting the lease, or made in accordance with a bill or decision which has been rendered by him and such figure, bill, or decision is found to be in error resulting in a deficiency, such lease shall not automatically terminate unless (1) a new lease had been issued prior to the date of this Act or (2) the lessee fails to pay the deficiency within the period prescribed in a notice of deficiency sent to him by the Secretary."

Sec. 31(c)

AUTOMATIC TERMINATION

PAYMENT WITHIN 20 DAYS OF ANNIVERSARY DATE

SEC. 2. Section 31(c) of the Mineral Leasing Act of 1920 (41 Stat. 450), as amended (30 U.S.C. 188(c)), is amended to read as follows:

"(c) Where any lease has been or is hereafter terminated automatically by operation of law under this section for failure to pay on or before the anniversary date the full amount of rental due, but such rental was paid on or tendered within twenty days thereafter, and it is shown to the satisfaction of the Secretary of the Interior that such failure was either justifiable or not due to a lack of reasonable diligence on the part of the lessee, the Secretary may reinstate the lease if—

"(1) a petition for reinstatement, together with the required rental, including back rental accruing from the date of termination of the lease, is filed with the Secretary; and

REINSTATEMENT

"(2) no valid lease has been issued affecting any of the lands covered by the terminated lease prior to the filing of said petition. The Secretary shall not issue any new lease affecting any of the lands covered by such terminated lease for a reasonable period, as determined in accordance with regulations issued by him. In any case where a reinstatement of a terminated lease is granted under this subsection and the Secretary finds that the reinstatement of such lease will not afford the lessee a reasonable opportunity to continue operations under the lease, the Secretary may, at his discretion, extend the term of such lease for such period as he deems reasonable: *Provided*, That (A) such extension shall not exceed a period equivalent to the time beginning when the lessee knew or should have known of the termination and ending on the date the Secretary grants such petition; (B) such extension shall not exceed a period equal to the unexpired portion of the lease or any extension thereof remaining at the date of termination; and (C) when the reinstatement occurs after the expiration of the term or extension thereof the lease may be extended from the date the Secretary grants the petition."

Approved May 12, 1970.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

GEOTHERMAL STEAM ACT OF 1970

December 24, 1970

ACT OF DECEMBER 24, 1970

To authorize the Secretary of the Interior to make disposition of geothermal steam and associated geothermal resources, and for other purposes.

GEOTHERMAL

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Geothermal Steam Act of 1970".

SEC. 2. As used in this Act, the term—

(a) "Secretary" means the Secretary of the Interior;

(b) "geothermal lease" means a lease issued under authority of this Act;

(c) "geothermal steam and associated geothermal resources" means (i) all products of geothermal processes, embracing indigenous steam, hot water and hot brines; (ii) steam and other gases, hot water and hot brines resulting from water, gas, or other fluids artificially introduced into geothermal formations; (iii) heat or other associated energy found in geothermal formations; and (iv) any byproduct derived from them;

(d) "byproduct" means any mineral or minerals (exclusive of oil, hydrocarbon gas, and helium) which are found in solution or in association with geothermal steam and which have a value of less than 75 per centum of the value of the geothermal steam or are not, because of quantity, quality, or technical difficulties in extraction and production, of sufficient value to warrant extraction and production by themselves;

(e) "known geothermal resources area" means an area in which the geology, nearby discoveries, competitive interests, or other indicia would, in the opinion of the Secretary, engender a belief in men who are experienced in the subject matter that the prospects for extraction of geothermal steam or associated geothermal resources are good enough to warrant expenditures of money for that purpose.

ISSUANCE OF GEOTHERMAL LEASES

SEC. 3. Subject to the provisions of section 15 of this Act, the Secretary of the Interior may issue leases for the development and utilization of geothermal steam and associated geothermal resources (1) in lands administered by him, including public, withdrawn, and acquired lands, (2) in any national forest or other lands administered by the Department of Agriculture through the Forest Service, including public, withdrawn, and acquired lands, and (3) in lands which have been conveyed by the United States subject to a reservation to the United States of the geothermal steam and associated geothermal resources therein.

KNOWN GEOTHERMAL RESOURCES AREA
COMPETITIVE BIDS
HIGHEST RESPONSIBLE QUALIFIED BIDDER

SEC. 4. If lands to be leased under this Act are within any known geothermal resources area, they shall be leased to the highest responsible qualified bidder by competitive bidding under regulations formulated by the Secretary. If the lands to be leased are not within any known geothermal resources area, the qualified person first making application for the lease shall be entitled to a lease of such lands without competitive bidding. Notwithstanding the foregoing, at any time

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

within one hundred and eighty days following the effective date of this Act:

LEASE CONVERSION TO GEOTHERMAL

(a) with respect to all lands which were on September 7, 1965, subject to valid leases or permits issued under the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C. 181 et seq.), or under the Mineral Leasing Act of Acquired Lands, as amended (30 U.S.C. 351, 359), or to existing mining claims located on or prior to September 7, 1965, the lessees or permittees or claimants or their successors in interest who are qualified to hold geothermal leases shall have the right to convert such leases or permits or claims to geothermal leases covering the same lands;

(b) where there are conflicting claims, leases, or permits therefor embracing the same land, the person who first was issued a lease or permit, or who first recorded the mining claim shall be entitled to first consideration;

(c) with respect to all lands which were on September 7, 1965, the subject of applications for leases or permits under the above Acts, the applicants may convert their applications to applications for geothermal leases having priorities dating from the time of filing of such applications under such Acts;

(d) no person shall be permitted to convert mineral leases, permits, applications therefor, or mining claims for more than 10,240 acres; and

(e) the conversion of leases, permits, and mining claims and applications for leases and permits shall be accomplished in accordance with regulations prescribed by the Secretary. No right to conversion to a geothermal lease shall accrue to any person under this section unless such person shows to the reasonable satisfaction of the Secretary that substantial expenditures for the exploration, development, or production of geothermal steam have been made by the applicant who is seeking conversion, on the lands for which a lease is sought or on adjoining, adjacent, or nearby Federal or non-Federal lands.

(f) with respect to lands within any known geothermal resources area and which are subject to a right to conversion to a geothermal lease, such lands shall be leased by competitive bidding: *Provided*, That, the competitive geothermal lease shall be issued to the person owning the right to conversion to a geothermal lease if he makes payment of an amount equal to the highest bona fide bid for the competitive geothermal lease, plus the rental for the first year, within thirty days after he receives written notice from the Secretary of the amount of the highest bid.

SEC. 5. Geothermal leases shall provide for—

(a) a royalty of not less than 10 per centum or more than 15 per centum of the amount or value of steam, or any other form of heat or energy derived from production under the lease and sold or utilized by the lessee or reasonably susceptible to sale or utilization by the lessee;

(b) a royalty of not more than 5 per centum of the value of any byproduct derived from production under the lease and sold or utilized or reasonably susceptible of sale or utilization by the

lessee, except that as to any byproduct which is a mineral named in section 1 of the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C. 181), the rate of royalty for such mineral shall be the same as that provided in that Act and the maximum rate of royalty for such mineral shall not exceed the maximum royalty applicable under that Act;

Sec. 1

ROYALTY

(c) payment in advance of an annual rental of not less than $1 per acre or fraction thereof for each year of the lease. If there is no well on the leased lands capable of producing geothermal resources in commercial quantities, the failure to pay rental on or before the anniversary date shall terminate the lease by operation of law: *Provided, however,* That whenever the Secretary discovers that the rental payment due under a lease is paid timely but the amount of the payment is deficient because of an error or other reason and the deficiency is nominal, as determined by the Secretary pursuant to regulations prescribed by him, he shall notify the lessee of the deficiency and such lease shall not automatically terminate unless the lessee fails to pay the deficiency within the period prescribed in the notice: *Provided further,* That, where any lease has been terminated automatically by operation of law under this section for failure to pay rental timely and it is shown to the satisfaction of the Secretary of the Interior that the failure to pay timely the lease rental was justifiable or not due to a lack of reasonable diligence, he in his judgment may reinstate the lease if—

TIMELY PAID BUT DEFICIENT

(1) a petition for reinstatement, together with the required rental, is filed with the Secretary of the Interior; and

(2) no valid lease has been issued affecting any of the lands in the terminated lease prior to the filing of the petition for reinstatement; and

(d) a minimum royalty of $2 per acre or fraction thereof in lieu of rental payable at the expiration of each lease year for each producing lease, commencing with the lease year beginning on or after the commencement of production in commercial quantities. For the purpose of determining royalties hereunder the value of any geothermal steam and byproduct used by the lessee and not sold and reasonably susceptible of sale shall be determined by the Secretary, who shall take into consideration the cost of exploration and production and the economic value of the resource in terms of its ultimate utilization.

MINIMUM ROYALTY

SEC. 6. (a) Geothermal leases shall be for a primary term of ten years. If geothermal steam is produced or utilized in commercial quantities within this term, such lease shall continue for so long thereafter as geothermal steam is produced or utilized in commercial quantities, but such continuation shall not exceed an additional forty years.

10 YEAR PRIMARY LEASE COMMERCIAL QUANTITIES

(b) If, at the end of such forty years, steam is produced or utilized in commercial quantities and the lands are not needed for other purposes, the lessee shall have a preferential right to a renewal of such lease for a second forty-year term in accordance with such terms and conditions as the Secretary deems appropriate.

(c) Any lease for land on which, or for which under an approved cooperative or unit plan of development or operation, actual drilling

UNIT PLAN

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

operations were commenced prior to the end of its primary term and are being diligently prosecuted at that time shall be extended for five years and so long thereafter, but not more than thirty-five years, as geothermal steam is produced or utilized in commercial quantities. If, at the end of such extended term, steam is being produced or utilized in commercial quantities and the lands are not needed for other purposes, the lessee shall have a preferential right to a renewal of such lease for a second term in accordance with such terms and conditions as the Secretary deems appropriate.

COMMERCIAL QUANTITY

(d) For purposes of subsection (a) of this section, production or utilization of geothermal steam in commercial quantities shall be deemed to include the completion of one or more wells producing or capable of producing geothermal steam in commercial quantities and a bona fide sale of such geothermal steam for delivery to or utilization by a facility or facilities not yet installed but scheduled for installation not later than fifteen years from the date of commencement of the primary term of the lease.

EXTENSIONS

(e) Leases which have extended by reasons of production, or which have produced geothermal steam, and have been determined by the Secretary to be incapable of further commercial production and utilization of geothermal steam may be further extended for a period of not more than five years from the date of such determination but only for so long as one or more valuable byproducts are produced in commercial quantities. If such byproducts are leasable under the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C. 181, et seq.), or under the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-358), and the leasehold is primarily valuable for the production thereof, the lessee shall be entitled to convert his geothermal lease to a mineral lease under, and subject to all the terms and conditions of, such appropriate Act upon application at any time before expiration of the lease extension by reason of byproduct production. The lessee shall be entitled to locate under the mining laws all minerals which are not leasable and which would constitute a byproduct if commercial production or utilization of geothermal steam continued. The lessee in order to acquire the rights herein granted him shall complete the location of mineral claims within ninety days after the termination of the lease for geothermal steam. Any such converted lease or the surface of any mining claim located for geothermal byproducts mineral affecting lands withdrawn or acquired in aid of a function of a Federal department or agency, including the Department of the Interior, shall be subject to such additional terms and conditions as may be prescribed by such department or agency with respect to the additional operations or effects resulting from such conversion upon adequate utilization of the lands for the purpose for which they are administered.

CONVERSION TO MINERAL LEASE

LOCATABLE MINERALS

(f) Minerals locatable under the mining laws of the United States in lands subject to a geothermal lease issued under the provisions of this Act which are not associated with the geothermal steam and associated geothermal resources of such lands as defined in section 2(c) herein shall be locatable under said mining laws in accordance with the principles of the Multiple Mineral Development Act (68 Stat. 708; found in 30 U.S.C. 521 et seq.).

ACREAGE

SEC. 7. A geothermal lease shall embrace a reasonably compact area of not more than two thousand five hundred and sixty acres, except where a departure therefrom is occasioned by an irregular subdivision or subdivisions. No person, association, or corporation, except as otherwise provided in this Act, shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this Act or otherwise, any direct or indirect interest in Federal geothermal leases in any one State exceeding twenty thousand four hundred and eighty acres, including leases acquired under the provisions of section 4 of this Act.

INCREASED ACREAGE

At any time after fifteen years from the effective date of this Act the Secretary, after public hearings, may increase this maximum holding in any one State by regulation, not to exceed fifty-one thousand two hundred acres.

ADJUSTMENT OF LEASE TERMS OR CONDITIONS

SEC. 8. (a) The Secretary may readjust the terms and conditions, except as otherwise provided herein, of any geothermal lease issued under this Act at not less than ten-year intervals beginning ten years after the date the geothermal steam is produced, as determined by the Secretary. Each geothermal lease issued under this Act shall provide for such readjustment. The Secretary shall give notice of any proposed readjustment of terms and conditions, and, unless the lessee files with the Secretary objection to the proposed terms or relinquishes the lease within thirty days after receipt of such notice, the lessee shall conclusively be deemed to have agreed with such terms and conditions. If the lessee files objections, and no agreement can be reached between the Secretary and the lessee within a period of not less than sixty days, the lease may be terminated by either party.

ADJUSTMENT OF RENTALS OR ROYALTIES

(b) The Secretary may readjust the rentals and royalties of any geothermal lease issued under this Act at not less than twenty-year intervals beginning thirty-five years after the date geothermal steam is produced, as determined by the Secretary. In the event of any such readjustment neither the rental nor royalty may be increased by more than 50 per centum over the rental or royalty paid during the preceding period, and in no event shall the royalty payable exceed 22½ per centum. Each geothermal lease issue under this Act shall provide for such readjustment. The Secretary shall give notice of any proposed readjustment of rentals and royalties, and, unless the lessee files with the Secretary objection to the proposed rentals and royalties or relinquishes the lease within thirty days after receipt of such notice, the lessee shall conclusively be deemed to have agreed with such terms and conditions. If the lessee files objections, and no agreement can be reached between the Secretary and the lessee within a period of not less than sixty days, the lease may be terminated by either party.

SURFACE USE

(c) Any readjustment of the terms and conditions as to use, protection, or restoration of the surface of any lease of lands withdrawn or acquired in aid of a function of a Federal department or agency other than the Department of the Interior may be made only upon notice to, and with the approval of, such department or agency.

BYPRODUCTS INCLUDING WATER

SEC. 9. If the production, use, or conversion of geothermal steam is susceptible of producing a valuable byproduct or byproducts, including commercially demineralized water for beneficial uses in accordance

with applicable State water laws, the Secretary shall require substantial beneficial production or use thereof unless, in individual circumstances he modifies or waives this requirement in the interest of conservation of natural resources or for other reasons satisfactory to him. However, the production or use of such byproducts shall be subject to the rights of the holders of preexisting leases, claims, or permits covering the same land or the same minerals, if any.

RELINQUISHMENT OF RIGHTS

SEC. 10. The holder of any geothermal lease at any time may make and file in the appropriate land office a written relinquishment of all rights under such lease or of any legal subdivision of the area covered by such lease. Such relinquishment shall be effective as of the date of its filing. Thereupon the lessee shall be released of all obligations thereafter accruing under said lease with respect to the lands relinquished, but no such relinquishment shall release such lessee, or his surety or bond, from any liability for breach of any obligation of the lease, other than an obligation to drill, accrued at the date of the relinquishment, or from the continued obligation, in accordance with the applicable lease terms and regulations, (1) to make payment of all accrued rentals and royalties, (2) to place all wells on the relinquished lands in condition for suspension or abandonment, and (3) to protect or restore substantially the surface and surface resources.

SUSPENSION OF LEASES

SEC. 11. The Secretary, upon application by the lessee, may authorize the lessee to suspend operations and production on a producing lease and he may, on his own motion, in the interest of conservation suspend operations on any lease but in either case he may extend the lease term for the period of any suspension, and he may waive, suspend, or reduce the rental or royalty required in such lease.

TERMINATION OF LEASES

SEC. 12. Leases may be terminated by the Secretary for any violation of the regulations or lease terms after thirty days notice provided that such violation is not corrected within the notice period, or in the event the violation is such that it cannot be corrected within the notice period then provided that lessee has not commenced in good faith within said notice period to correct such violation and thereafter to proceed diligently to correct such violation. Lessee shall be entitled to a hearing on the matter of such claimed violation or proposed termination of lease if request for a hearing is made to the Secretary within the thirty-day period after notice. The period for correction of violation or commencement to correct such violation of regulations or of lease terms, as aforesaid, shall be extended to thirty days after the Secretary's decision after such hearing if the Secretary shall find that a violation exists.

ROYALTY REDUCTION

SEC. 13. The Secretary may waive, suspend, or reduce the rental or royalty for any lease or portion thereof in the interests of conservation and to encourage the greatest ultimate recovery of geothermal resources, if he determines that this is necessary to promote development or that the lease cannot be successfully operated under the lease terms.

SURFACE USE

SEC. 14. Subject to the other provisions of this Act, a lessee shall be entitled to use so much of the surface of the land covered by his geothermal lease as may be found by the Secretary to be necessary for the production, utilization, and conservation of geothermal resources.

WITHDRAWN OR ACQUIRED LANDS

SEC. 15. (a) Geothermal leases for lands withdrawn or acquired in aid of functions of the Department of the Interior may be issued only under such terms and conditions as the Secretary may prescribe to insure adequate utilization of the lands for the purposes for which they were withdrawn or acquired.

(b) Geothermal leases for lands withdrawn or acquired in aid of functions of the Department of Agriculture may be issued only with the consent of, and subject to such terms and conditions as may be prescribed by, the head of that Department to insure adequate utilization of the lands for the purposes for which they were withdrawn or acquired. Geothermal leases for lands to which section 24 of the Federal Power Act, as amended (16 U.S.C. 818), is applicable, may be issued only with the consent of, and subject to, such terms and conditions as the Federal Power Commission may prescribe to insure adequate utilization of such lands for power and related purposes.

LANDS UNAVAILABLE FOR GEOTHERMAL LEASING

(c) Geothermal leases under this Act shall not be issued for lands administered in accordance with (1) the Act of August 25, 1916 (39 Stat. 535), as amended or supplemented, (2) for lands within a national recreation area, (3) for lands in a fish hatchery administered by the Secretary, wildlife refuge, wildlife range, game range, wildlife management area, waterfowl production area, or for lands acquired or reserved for the protection and conservation of fish and wildlife that are threatened with extinction, (4) for tribally or individually owned Indian trust or restricted lands, within or without the boundaries of Indian reservations.

OWNERS OF LEASES

SEC. 16. Leases under this Act may be issued only to citizens of the United States, associations of such citizens, corporations organized under the laws of the United States or of any State or the District of Columbia, or governmental units, including, without limitation, municipalities.

MULTIPLE USE

SEC. 17. Administration of this Act shall be under the principles of multiple use of lands and resources, and geothermal leases shall, insofar as feasible, allow for coexistence of other leases of the same lands for deposits of minerals under the laws applicable to them, for the location and production of claims under the mining laws, and for other uses of the areas covered by them. Operations under such other leases or for such other uses, however, shall not unreasonably interfere with or endanger operations under any lease issued pursuant to this Act, nor shall operations under leases so issued unreasonably interfere with or endanger operations under any lease, license, claim, or permit issued pursuant to the provisions of any other Act.

UNIT PLAN

SEC. 18. For the purpose of properly conserving the natural resources of any geothermal pool, field, or like area, or any part thereof, lessees thereof and their representatives may unite with each other, or jointly or separately with others, in collectively adopting and operating under a cooperative or unit plan of development or operation of such pool, field, or like area, or any part thereof, whenever this is determined and certified by the Secretary to be necessary or advisable in the public interest. The Secretary may in his discretion and with the consent of the holders of leases involved, establish, alter, change, revoke, and make such regulations with reference to such leases in connection with the institution and operation of any such cooperative or unit plan as he may deem necessary or proper to secure reasonable protection of the

public interest. He may include in geothermal leases a provision requiring the lessee to operate under such a reasonable cooperative or unit plan, and he may prescribe such a plan under which such lessee shall operate, which shall adequately protect the rights of all parties in interest, including the United States. Any such plan may, in the discretion of the Secretary, provide for vesting in the Secretary or any other person, committee, or Federal or State agency designated therein, authority to alter or modify from time to time the rate of prospecting and development and the quantity and rate of production under such plan. All leases operated under any such plan approved or prescribed by the Secretary shall be excepted in determining holdings or control for the purposes of section 7 of this Act.

POOLING

When separate tracts cannot be independently developed and operated in conformity with an established well-spacing or development program, any lease, or a portion thereof, may be pooled with other lands, whether or not owned by the United States, under a communitization or drilling agreement providing for an apportionment of production or royalties among the separate tracts of land comprising the drilling or spacing unit when determined by the Secretary to be in the public interest, and operations or production pursuant to such an agreement shall be deemed to be operations or production as to each lease committed thereto.

CONTRACTS

The Secretary is hereby authorized, on such conditions as he may prescribe, to approve operating, drilling, or development contracts made by one or more lessees of geothermal leases, with one or more persons, associations, or corporations whenever, in his discretion, the conservation of natural products or the public convenience or necessity may require or the interests of the United States may be best served thereby. All leases operated under such approved operating, drilling, or development contracts, and interests thereunder, shall be excepted in determining holdings or control under section 7 of this Act.

FAIR AND ADEQUATE CHARGES

SEC. 19. Upon request of the Secretary, other Federal departments and agencies shall furnish him with any relevant data then in their possession or knowledge concerning or having bearing upon fair and adequate charges to be made for geothermal steam produced or to be produced for conversion to electric power or other purposes. Data given to any department or agency as confidential under law shall not be furnished in any fashion which identifies or tends to identify the business entity whose activities are the subject of such data or the person or persons who furnished such information.

DISPERSAL OF MONEYS RECEIVED

SEC. 20. All moneys received under this Act from public lands under the jurisdiction of the Secretary shall be disposed of in the same manner as moneys received from the sale of public lands. Moneys received under this Act from other lands shall be disposed of in the same manner as other receipts from such lands.

KNOWN GEOTHERMAL RESOURCES AREAS LIST

SEC. 21. (a) Within one hundred and twenty days after the effective date of this Act, the Secretary shall cause to be published in the Federal Register a determination of all lands which were included within any known geothermal resources area on the effective date of the Act. He shall likewise publish in the Federal Register from time to time his determination of other known geothermal resources areas

specifying in each case the date the lands were included in such area; and

(b) Geothermal resources in lands the surface of which has passed from Federal ownership but in which the minerals have been reserved to the United States shall not be developed or produced except under geothermal leases made pursuant to this Act. If the Secretary of the Interior finds that such development is imminent, or that production from a well heretofore drilled on such lands is imminent, he shall so report to the Attorney General, and the Attorney General is authorized and directed to institute an appropriate proceeding in the United States district court of the district in which such lands are located, to quiet the title of the United States in such resources, and if the court determines that the reservation of minerals to the United States in the lands involved included the geothermal resources, to enjoin their production otherwise than under the terms of this Act: *Provided*, That upon an authoritative judicial determination that Federal mineral reservation does not include geothermal steam and associated geothermal resources the duties of the Secretary of the Interior to report and of the Attorney General to institute proceedings, as hereinbefore set forth, shall cease.

MINERALS RESERVATION

SEC. 22. Nothing in this Act shall constitute an express or implied claim or denial on the part of the Federal Government as to its exemption from State water laws.

SEC. 23. (a) All leases under this Act shall be subject to the condition that the lessee will, in conducting his exploration, development, and producing operations, use all reasonable precautions to prevent waste of geothermal steam and associated geothermal resources developed in the lands leased.

(b) Rights to develop and utilize geothermal steam and associated geothermal resources underlying lands owned by the United States may be acquired solely in accordance with the provisions of this Act.

SEC. 24. The Secretary shall prescribe such rules and regulations as he may deem appropriate to carry out the provisions of this Act. Such regulations may include, without limitation, provisions for (a) the prevention of waste, (b) development and conservation of geothermal and other natural resources, (c) the protection of the public interest, (d) assignment, segregation, extension of terms, relinquishment of leases, development contracts, unitization, pooling, and drilling agreements, (e) compensatory royalty agreements, suspension of operations or production, and suspension or reduction of rentals or royalties, (f) the filing of surety bonds to assure compliance with the terms of the lease and to protect surface use and resources, (g) use of the surface by a lessee of the lands embraced in his lease, (h) the maintenance by the lessee of an active development program, and (i) protection of water quality and other environmental qualities.

SEC. 25. As to any land subject to geothermal leasing under section 3 of this Act, all laws which either (a) provide for the disposal of land by patent or other form of conveyance or by grant or by operation of law subject to a reservation of any mineral or (b) prevent or restrict the disposal of such land because of the mineral character of the land, shall hereafter be deemed to embrace geothermal steam and associated geothermal resources as a substance which either must be reserved or

DISPERSAL OF MINERALS LANDS

must prevent or restrict the disposal of such land, as the case may be. This section shall not be construed to affect grants, patents, or other forms of conveyances made prior to the date of enactment of this Act.

SEC. 26. The first two clauses in section 11 of the Act of August 13, 1954 (68 Stat. 708, 716), are amended to read as follows:

"As used in this Act, 'mineral leasing laws' shall mean the Act of February 25, 1920 (41 Stat. 437); the Act of April 17, 1926 (44 Stat. 301); the Act of February 7, 1927 (44 Stat. 1057); Geothermal Steam Act of 1970, and all Acts heretofore or hereafter enacted which are amendatory of or supplementary to any of the foregoing Acts; 'Leasing Act minerals' shall mean all minerals which, upon the effective date of this Act, are provided in the mineral leasing laws to be disposed of thereunder and all geothermal steam and associated geothermal resources which, upon the effective date of the Geothermal Steam Act of 1970, are provided in that Act to be disposed of thereunder;".

INCLUDES GEOTHERMAL RESOURCES IN THE ACT OF 2/25/20

SEC. 27. The United States reserves the ownership of and the right to extract under such rules and regulations as the Secretary may prescribe oil, hydrocarbon gas, and helium from all geothermal steam and associated geothermal resources produced from lands leased under this Act in accordance with presently applicable laws: *Provided*, That whenever the right to extract oil, hydrocarbon gas, and helium from geothermal steam and associated geothermal resources produced from such lands is exercised pursuant to this section, it shall be exercised so as to cause no substantial interference with the production of geothermal steam and associated geothermal resources from such lands.

UNITED STATES RESERVATION

Approved December 24, 1970.

TRANS-ALASKA PIPELINE AUTHORIZATION ACT

November 16, 1973

TRANS-ALASKA PIPELINE AUTHORIZATION ACT

ACT OF NOVEMBER 16, 1973

To amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil pipeline, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

SECTION 101. Section 28 of the Mineral Leasing Act of 1920 (41 Stat. 449), as amended (30 U.S.C. 185), is further amended to read as follows:

Sec. 28

"Grant of Authority

GRANT OF AUTHORITY

"SEC. 28. (a) Rights-of-way through any Federal lands may be granted by the Secretary of the Interior or appropriate agency head for pipeline purposes for the transportation of oil, natural gas, synthetic liquid or gaseous fuels, or any refined product produced therefrom to any applicant possessing the qualifications provided in section 1 of this Act, as amended, in accordance with the provisions of this section.

"Definitions

DEFINITIONS

"(b)(1) For the purposes of this section 'Federal lands' means all lands owned by the United States except lands in the National Park System, lands held in trust for an Indian or Indian tribe, and lands on the Outer Continental Shelf. A right-of-way through a Federal reservation shall not be granted if the Secretary or agency head determines that it would be inconsistent with the purposes of the reservation.

"(2) 'Secretary' means the Secretary of the Interior.

"(3) 'Agency head' means the head of any Federal department or independent Federal office or agency, other than the Secretary of the Interior, which has jurisdiction over Federal lands.

"Inter-Agency Coordination

INTER-AGENCY COORDINATION

"(c)(1) Where the surface of all of the Federal lands involved in a proposed right-of-way or permit is under the jurisdiction of one Federal agency, the agency head, rather than the Secretary, is authorized to grant or renew the right-of-way or permit for the purposes set forth in this section.

"(2) Where the surface of the Federal lands involved is administered by the Secretary or by two or more Federal agencies, the Secretary is authorized, after consultation with the agencies involved, to grant or renew rights-of-way or permits through the Federal lands involved. The Secretary may enter into interagency agreements with all other Federal agencies having jurisdiction over Federal lands for the purpose of avoiding duplication, assigning responsibility, expedit-

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ing review of rights-of-way or permit applications, issuing joint regulations, and assuring a decision based upon a comprehensive review of all factors involved in any right-of-way or permit application. Each agency head shall administer and enforce the provisions of this section, appropriate regulations, and the terms and conditions of rights-of-way or permits insofar as they involve Federal lands under the agency head's jurisdiction.

"Width Limitations

WIDTH LIMITATIONS

"(d) The width of a right-of-way shall not exceed fifty feet plus the ground occupied by the pipeline (that is, the pipe and its related facilities) unless the Secretary or agency head finds, and records the reasons for his finding, that in his judgment a wider right-of-way is necessary for operation and maintenance after construction, or to protect the environment or public safety. Related facilities include but are not limited to valves, pump stations, supporting structures, bridges, monitoring and communication devices, surge and storage tanks, terminals, roads, airstrips and campsites, and they need not necessarily be connected or contiguous to the pipe and may be the subjects of separate rights-of-way.

"Temporary Permits

TEMPORARY PERMITS

"(e) A right-of-way may be supplemented by such temporary permits for the use of Federal lands in the vicinity of the pipeline as the Secretary or agency head finds are necessary in connection with construction, operation, maintenance, or termination of the pipeline, or to protect the natural environment or public safety.

"Regulatory Authority

REGULATORY AUTHORITY

"(f) Rights-of-way or permits granted or renewed pursuant to this section shall be subject to regulations promulgated in accord with the provisions of this section and shall be subject to such terms and conditions as the Secretary or agency head may prescribe regarding extent, duration, survey, location, construction, operation, maintenance, use, and termination.

"Pipeline Safety

PIPELINE SAFETY

"(g) The Secretary or agency head shall impose requirements for the operation of the pipeline and related facilities in a manner that will protect the safety of workers and protect the public from sudden ruptures and slow degradation of the pipeline.

"Environmental Protection

ENVIRONMENTAL PROTECTION

"(h)(1) Nothing in this section shall be construed to amend, repeal, modify, or change in any way the requirements of section 102(2)(C) or any other provision of the National Environmental Policy Act of 1969 (Public Law 91-190, 83 Stat. 852).

RIGHT-OF-WAY OR PERMIT

SUBMISSION OF PLAN

"(2) The Secretary or agency head, prior to granting a right-of-way or permit pursuant to this section for a new project which may have a significant impact on the environment, shall require the applicant to submit a plan of construction, operation, and rehabilitation for such right-of-way or permit which shall comply with this section. The Secretary or agency head shall issue regulations or impose stipulations which shall include, but shall not be limited to: (A) requirements for restoration, revegetation, and curtailment of erosion of the surface of the land; (B) requirements to insure that activities in connection with the right-of-way or permit will not violate applicable air and water quality standards nor related facility siting standards established by or pursuant to law; (C) requirements designed to control or prevent (i) damage to the environment (including damage to fish and wildlife habitat), (ii) damage to public or private property, and (iii) hazards to public health and safety; and (D) requirements to protect the interests of individuals living in the general area of the right-of-way or permit who rely on the fish, wildlife, and biotic resources of the area for subsistence purposes. Such regulations shall be applicable to every right-of-way or permit granted pursuant to this section, and may be made applicable by the Secretary or agency head to existing rights-of-way or permits, or rights-of-way or permits to be renewed pursuant to this section.

DISCLOSURE

"Disclosure

"(i) If the applicant is a partnership, corporation, association, or other business entity, the Secretary or agency head shall require the applicant to disclose the identity of the participants in the entity. Such disclosure shall include where applicable (1) the name and address of each partner, (2) the name and address of each shareholder owning 3 per centum or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote, and (3) the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and, in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.

TECHNICAL AND FINANCIAL CAPABILITY

"Technical and Financial Capability

"(j) The Secretary or agency head shall grant or renew a right-of-way or permit under this section only when he is satisfied that the applicant has the technical and financial capability to construct, operate, maintain, and terminate the project for which the right-of-way or permit is requested in accordance with the requirements of this section.

"Public Hearings

PUBLIC HEARINGS

"(k) The Secretary or agency head by regulation shall establish procedures, including public hearings where appropriate, to give Federal, State, and local government agencies and the public adequate notice and an opportunity to comment upon right-of-way applications filed after the date of enactment of this subsection.

"Reimbursement of Costs

REIMBURSEMENT OF COSTS

"(l) The applicant for a right-of-way or permit shall reimburse the United States for administrative and other costs incurred in processing the application, and the holder of a right-of-way or permit shall reimburse the United States for the costs incurred in monitoring the construction, operation, maintenance, and termination of any pipeline and related facilities on such right-of-way or permit area and shall pay annually in advance the fair market rental value of the right-of-way or permit, as determined by the Secretary or agency head.

"Bonding

BONDING

"(m) Where he deems it appropriate the Secretary or agency head may require a holder of a right-of-way or permit to furnish a bond, or other security, satisfactory to the Secretary or agency head to secure all or any of the obligations imposed by the terms and conditions of the right-of-way or permit or by any rule or regulation of the Secretary or agency head.

"Duration of Grant

DURATION OF GRANT

"(n) Each right-of-way or permit granted or renewed pursuant to this section shall be limited to a reasonable term in light of all circumstances concerning the project, but in no event more than thirty years. In determining the duration of a right-of-way the Secretary or agency head shall, among other things, take into consideration the cost of the facility, its useful life, and any public purpose it serves. The Secretary or agency head shall renew any right-of-way, in accordance with the provisions of this section, so long as the project is in commercial operation and is operated and maintained in accordance with all of the provisions of this section.

"Suspension or Termination of Right-of-Way

SUSPENSION OR TERMINATION OF RIGHT-OF-WAY

"(o)(1) Abandonment of a right-of-way or noncompliance with any provision of this section may be grounds for suspension or termination of the right-of-way if (A) after due notice to the holder of the right-of-way, (B) a reasonable opportunity to comply with this section, and (C) an appropriate administrative proceeding pursuant to title 5, United States Code, section 554, the Secretary or agency head determines that any such ground exists and that suspension or termination is justified. No administrative proceeding shall be required where the right-of-way by its terms provides that it terminates on the occurrence of a fixed or agreed upon condition, event, or time.

"(2) If the Secretary or agency head determines that an immediate temporary suspension of activities within a right-of-way or permit area is necessary to protect public health or safety or the environment, he may abate such activities prior to an administrative proceeding.

"(3) Deliberate failure of the holder to use the right-of-way for the purpose for which it was granted or renewed for any continuous two-year period shall constitute a rebuttable presumption of abandonment of the right-of-way: *Provided*, That where the failure to use the right-of-way is due to circumstances not within the holder's control the Secretary or agency head is not required to commence proceedings to suspend or terminate the right-of-way.

"Joint Use of Rights-of-Way

JOINT USE OF RIGHTS-OF-WAY

"(p) In order to minimize adverse environmental impacts and the proliferation of separate rights-of-way across Federal lands, the utilization of rights-of-way in common shall be required to the extent practical, and each right-of-way or permit shall reserve to the Secretary or agency head the right to grant additional rights-of-way or permits for compatible uses on or adjacent to rights-of-way or permit area granted pursuant to this section.

"Statutes

STATUTES

"(q) No rights-of-way for the purposes provided for in this section shall be granted or renewed across Federal lands except under and subject to the provisions, limitations, and conditions of this section. Any application for a right-of-way filed under any other law prior to the effective date of this provision may, at the applicant's option, be considered as an application under this section. The Secretary or agency head may require the applicant to submit any additional information he deems necessary to comply with the requirements of this section.

"Common Carriers

COMMON CARRIERS

"(r)(1) Pipelines and related facilities authorized under this section shall be constructed, operated, and maintained as common carriers.

"(2)(A) The owners or operators of pipelines subject to this section shall accept, convey, transport, or purchase without discrimination all oil or gas delivered to the pipeline without regard to whether such oil or gas was produced on Federal or non-Federal lands.

"(B) In the case of oil or gas produced from Federal lands or from the resources on the Federal lands in the vicinity of the pipeline, the Secretary may, after a full hearing with due notice thereof to the interested parties and a proper finding of facts, determine the proportionate amounts to be accepted, conveyed, transported or purchased.

"(3)(A) The common carrier provisions of this section shall not apply to any natural gas pipeline operated by any person subject to regulation under the Natural Gas Act or by any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality.

"(B) Where natural gas not subject to State regulatory or conservation laws governing its purchase by pipelines is offered for sale, each such pipeline shall purchase, without discrimination, any such natural gas produced in the vicinity of the pipeline.

"(4) The Government shall in express terms reserve and shall provide in every lease of oil lands under this Act that the lessee, assignee, or beneficiary, if owner or operator of a controlling interest in any pipeline or of any company operating the pipeline which may be operated accessible to the oil derived from lands under such lease, shall at reasonable rates and without discrimination accept and convey the oil of the Government or of any citizen or company not the owner of any pipeline operating a lease or purchasing gas or oil under the provisions of this Act.

"(5) Whenever the Secretary has reason to believe that any owner or operator subject to this section is not operating any oil or gas pipeline in complete accord with its obligations as a common carrier hereunder, he may request the Attorney General to prosecute an appropriate proceeding before the Interstate Commerce Commission or Federal Power Commission or any appropriate State agency or the United States district court for the district in which the pipeline or any part thereof is located, to enforce such obligation or to impose any penalty provided therefor, or the Secretary may, by proceeding as provided in this section, suspend or terminate the said grant of right-of-way for noncompliance with the provisions of this section.

"(6) The Secretary or agency head shall require, prior to granting or renewing a right-of-way, that the applicant submit and disclose all plans, contracts, agreements, or other information or material which he deems necessary to determine whether a right-of-way shall be granted or renewed and the terms and conditions which should be included in the right-of-way. Such information may include, but is not limited to: (A) conditions for, and agreements among owners or operators, regarding the addition of pumping facilities, looping, or otherwise increasing the pipeline or terminal's throughput capacity in response to actual or anticipated increases in demand; (B) conditions for adding or abandoning intake, offtake, or storage points or facilities; and (C) minimum shipment or purchase tenders.

"Right-of-Way Corridors

RIGHT-OF-WAY CORRIDORS

"(s) In order to minimize adverse environmental impacts and to prevent the proliferation of separate rights-of-way across Federal lands, the Secretary shall, in consultation with other Federal and State agencies, review the need for a national system of transportation and utility corridors across Federal lands and submit a report of his findings and recommendations to the Congress and the President by July 1, 1975.

"Existing Rights-of-Way

EXISTING RIGHTS-OF-WAY

"(t) The Secretary or agency head may ratify and confirm any right-of-way or permit for an oil or gas pipeline or related facility that was granted under any provision of law before the effective date of this subsection, if it is modified by mutual agreement to comply to

the extent practical with the provisions of this section. Any action taken by the Secretary or agency head pursuant to this subsection shall not be considered a major Federal action requiring a detailed statement pursuant to section 102(2)(C) of the National Environmental Policy Act of 1970 (Public Law 90-190; 42 U.S.C. 4321).

"Limitations on Export

LIMITATIONS ON EXPORT

"(u) Any domestically produced crude oil transported by pipeline over rights-of-way granted pursuant to section 28 of the Mineral Leasing Act of 1920, except such crude oil which is either exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (Act of December 30, 1969; 83 Stat. 841) and, in addition, before any crude oil subject to this section may be exported under the limitations and licensing requirements and penalty and enforcement provisions of the Export Administration Act of 1969 the President must make and publish an express finding that such exports will not diminish the total quantity or quality of petroleum available to the United States, and are in the national interest and are in accord with the provisions of the Export Administration Act of 1969: *Provided*, That the President shall submit reports to the Congress containing findings made under this section, and after the date of receipt of such report Congress shall have a period of sixty calendar days, thirty days of which Congress must have been in session, to consider whether exports under the terms of this section are in the national interest. If the Congress within this time period passes a concurrent resolution of disapproval stating disagreement with the President's finding concerning the national interest, further exports made pursuant to the aforementioned Presidential findings shall cease.

"State Standards

STATE STANDARDS

"(v) The Secretary or agency head shall take into consideration and to the extent practical comply with State standards for right-of-way construction, operation, and maintenance.

"Reports

REPORTS

"(w)(1) The Secretary and other appropriate agency heads shall report to the House and Senate Committees on Interior and Insular Affairs annually on the administration of this section and on the safety and environmental requirements imposed pursuant thereto.

"(2) The Secretary or agency head shall notify the House and Senate Committees on Interior and Insular Affairs promptly upon receipt of an application for a right-of-way for a pipeline twenty-four inches or more in diameter, and no right-of-way for such a pipeline shall be granted until sixty days (not counting days on which the

House of Representatives or the Senate has adjourned for more than three days) after a notice of intention to grant the right-of-way, together with the Secretary's or agency head's detailed findings as to terms and conditions he proposes to impose, has been submitted to such committees, unless each committee by resolution waives the waiting period.

"(3) Periodically, but at least once a year, the Secretary of the Department of Transportation shall cause the examination of all pipelines and associated facilities on Federal lands and shall cause the prompt reporting of any potential leaks or safety problems.

"(4) The Secretary of the Department of Transportation shall report annually to the President, the Congress, the Secretary of the Interior, and the Interstate Commerce Commission any potential dangers of or actual explosions, or potential or actual spillage on Federal lands and shall include in such report a statement of corrective action taken to prevent such explosion or spillage.

"Liability

LIABILITY

"(x)(1) The Secretary or agency head shall promulgate regulations and may impose stipulations specifying the extent to which holders of rights-of-way and permits under this Act shall be liable to the United States for damage or injury incurred by the United States in connection with the right-of-way or permit. Where the right-of-way or permit involves lands which are under the exclusive jurisdiction of the Federal Government, the Secretary or agency head shall promulgate regulations specifying the extent to which holders shall be liable to third parties for injuries incurred in connection with the right-of-way or permit.

"(2) The Secretary or agency head may, by regulation or stipulation, impose a standard of strict liability to govern activities taking place on a right-of-way or permit area which the Secretary or agency head determines, in his discretion, to present a foreseeable hazard or risk of danger to the United States.

"(3) Regulations and stipulations pursuant to this subsection shall not impose strict liability for damage or injury resulting from (A) an act of war, or (B) negligence of the United States.

"(4) Any regulation or stipulation imposing liability without fault shall include a maximum limitation on damages commensurate with the foreseeable risks or hazards presented. Any liability for damage or injury in excess of this amount shall be determined by ordinary rules of negligence.

"(5) The regulations and stipulations shall also specify the extent to which such holders shall indemnify or hold harmless the United States for liability, damage, or claims arising in connection with the right-of-way or permit.

"(6) Any regulation or stipulation promulgated or imposed pursuant to this section shall provide that all owners of any interest in, and all affiliates or subsidiaries of any holder of, a right-of-way or permit shall be liable to the United States in the event that a claim for damage or injury cannot be collected from the holder.

"(7) In any case where liability without fault is imposed pursuant to this subsection and the damages involved were caused by the negligence of a third party, the rules of subrogation shall apply in accordance with the law of the jurisdiction where the damage occurred.

"Antitrust Laws

ANTITRUST LAWS

"(y) The grant of a right-of-way or permit pursuant to this section shall grant no immunity from the operation of the Federal antitrust laws."

NOTE: Subsequent Titles are not included.

ACT OF APRIL 21, 1976

excerpt only

ACT OF APRIL 21, 1976

SEC. 6. The following provisions of law are amended by deleting "December" and "June", wherever they appear, and inserting "March" and "September", respectively, in lieu thereof—

(2) section 35 of the Act of February 25, 1920, as amended (30 U.S.C. 191); and

Sec. 35

MONTH CHANGES

FEDERAL COAL LEASING

AMENDMENTS ACT OF 1975**

August 4, 1976

**Title changed to: FEDERAL COAL LEASING AMENDMENTS ACT OF 1976 by Act of 10/30/78 at p. 113 this text.

ACT OF AUGUST 4, 1976

To amend the Mineral Leasing Act of 1920, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Federal Coal Leasing Amendments Act of 1975".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision of the Mineral Lands Leasing Act, the reference shall be considered to be made to a section or other provision of the Act of February 25, 1920, entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain" (41 Stat. 437).

SEC. 2. The first sentence of section 2(a) of the Mineral Lands Leasing Act (30 U.S.C. 201(a)) is amended to read as follows:

Sec. 2(a)

COAL LEASING TRACTS

"(1) The Secretary of the Interior is authorized to divide any lands subject to this Act which have been classified for coal leasing into leasing tracts of such size as he finds appropriate and in the public interest and which will permit the mining of all coal which can be economically extracted in such tract and thereafter he shall, in his discretion, upon the request of any qualified applicant or on his own motion, from time to time, offer such lands for leasing and shall award leases thereon by competitive bidding. No less than 50 per centum of the total acreage offered for lease by the Secretary in any one year shall be leased under a system of deferred bonus payment. Upon default or cancellation of any coal lease for which bonus payments are due, any unpaid remainder of the bid shall be immediately payable to the United States. A reasonable number of leasing tracts shall be reserved and offered for lease in accordance with this section to public bodies, including Federal agencies, rural electric cooperatives, or non-profit corporations controlled by any of such entities: *Provided*, That the coal so offered for lease shall be for use by such entity or entities in implementing a definite plan to produce energy for their own use or for sale to their members or customers (except for short-term sales to others). No bid shall be accepted which is less than the fair market value, as determined by the Secretary, of the coal subject to the lease. Prior to his determination of the fair market value of the coal subject to the lease, the Secretary shall give opportunity for and consideration to public comments on the fair market value. Nothing in this section shall be construed to require the Secretary to make public his judgment as to the fair market value of the coal to be leased, or the comments he receives thereon prior to the issuance of the lease.".

COMPETITIVE BIDDING

PUBLIC BODIES

FAIR MARKET VALUE

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

4/21/76
8/4/76

Sec. 2(a)

LEASE ISSUING RESTRICTIONS

10 YEARS NON-PRODUCTION

PRIOR DATES NOT COUNTED

NATIONAL FOREST

GOVERNOR OBJECTIONS

LAND-USE PLAN

PUBLIC HEARINGS

SEC. 3. The last sentence of section 2(a) of the Mineral Lands Leasing Act (30 U.S.C. 201(a)) is amended to read as follows:

"(2)(A) The Secretary shall not issue a lease or leases under the terms of this Act to any person, association, corporation, or any subsidiary, affiliate, or persons controlled by or under common control with such person, association, or corporation, where any such entity holds a lease or leases issued by the United States to coal deposits and has held such lease or leases for a period of ten years when such entity is not, except as provided for in section 7(b) of this Act, producing coal from the lease deposits in commercial quantities. In computing the ten-year period referred to in the preceding sentence, periods of time prior to the date of enactment of the Federal Coal Leasing Amendments Act of 1975 shall not be counted.

"(B) Any lease proposal which permits surface coal mining within the boundaries of a National Forest which the Secretary proposes to issue under this Act shall be submitted to the Governor of each State within which the coal deposits subject to such lease are located. No such lease may be issued under this Act before the expiration of the sixty-day period beginning on the date of such submission. If any Governor to whom a proposed lease was submitted under this subparagraph objects to the issuance of such lease, such lease shall not be issued before the expiration of the six-month period beginning on the date the Secretary is notified by the Governor of such objection. During such six-month period, the Governor may submit to the Secretary a statement of reasons why such lease should not be issued and the Secretary shall, on the basis of such statement, reconsider the issuance of such lease.

"(3)(A)(i) No lease sale shall be held unless the lands containing the coal deposits have been included in a comprehensive land-use plan and such sale is compatible with such plan. The Secretary of the Interior shall prepare such land-use plans on lands under his responsibility where such plans have not been previously prepared. The Secretary of the Interior shall inform the Secretary of Agriculture of substantial development interest in coal leasing on lands within the National Forest System. Upon receipt of such notification from the Secretary of the Interior, the Secretary of Agriculture shall prepare a comprehensive land-use plan for such areas where such plans have not been previously prepared. The plan of the Secretary of Agriculture shall take into consideration the proposed coal development in these lands: *Provided*, That where the Secretary of the Interior finds that because of non-Federal interest in the surface or because the coal resources are insufficient to justify the preparation costs of a Federal comprehensive land-use plan, the lease sale can be held if the lands containing the coal deposits have been included in either a comprehensive land-use plan prepared by the State within which the lands are located or a land use analysis prepared by the Secretary of the Interior.

"(ii) In preparing such land-use plans, the Secretary of the Interior or, in the case of lands within the National Forest System, the Secretary of Agriculture, or in the case of a finding by the Secretary of the Interior that because of non-Federal interests in the surface or insufficient Federal coal, no Federal comprehensive land-use plans can be appropriately prepared, the responsible State entity shall consult with appropriate State agencies and local governments and the general public and shall provide an opportunity for public hearing on proposed plans prior to their adoption, if requested by any person having an interest which is, or may be, adversely affected by the adoption of such plans.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

"(iii) Leases covering lands the surface of which is under the jurisdiction of any Federal agency other than the Department of the Interior may be issued only upon consent of the other Federal agency and upon such conditions as it may prescribe with respect to the use and protection of the nonmineral interests in those lands.

FEDERAL AGENCY JURISDICTIONS

"(B) Each land-use plan prepared by the Secretary (or in the case of lands within the National Forest System, the Secretary of Agriculture pursuant to subparagraph (A)(i)) shall include an assessment of the amount of coal deposits in such land, identifying the amount of such coal which is recoverable by deep mining operations and the amount of such coal which is recoverable by surface mining operations.

DESCRIPTION OF LAND-USE PLAN

"(C) Prior to issuance of any coal lease, the Secretary shall consider effects which mining of the proposed lease might have on an impacted community or area, including, but not limited to, impacts on the environment, on agricultural and other economic activities, and on public services. Prior to issuance of a lease, the Secretary shall evaluate and compare the effects of recovering coal by deep mining, by surface mining, and by any other method to determine which method or methods or sequence of methods achieves the maximum economic recovery of the coal within the proposed leasing tract. This evaluation and comparison by the Secretary shall be in writing but shall not prohibit the issuance of a lease; however, no mining operating plan shall be approved which is not found to achieve the maximum economic recovery of the coal within the tract. Public hearings in the area shall be held by the Secretary prior to the lease sale.

CONSIDERATION OF IMPACTED AREA

"(D) No lease sale shall be held until after the notice of the proposed offering for lease has been given once a week for three consecutive weeks in a newspaper of general circulation in the county in which the lands are situated in accordance with regulations prescribed by the Secretary.

NOTICE OF PROPOSED OFFERING FOR LEASE

"(E) Each coal lease shall contain provisions requiring compliance with the Federal Water Pollution Control Act (33 U.S.C. 1151-1175) and the Clean Air Act (42 U.S.C. 1857 and following).".

COMPLIANCE REQUIREMENTS

SEC. 4. Subject to valid existing rights, section 2(b) of the Mineral Lands Leasing Act (30 U.S.C. 201(b)) is amended to read as follows:

Sec. 2(b)

"(b)(1) The Secretary may, under such regulations as he may prescribe, issue to any person an exploration license. No person may conduct coal exploration for commercial purposes for any coal on lands subject to this Act without such an exploration license. Each exploration license shall be for a term of not more than two years and shall be subject to a reasonable fee. An exploration license shall confer no right to a lease under this Act. The issuance of exploration licenses shall not preclude the Secretary from issuing coal leases at such times and locations and to such persons as he deems appropriate. No exploration license will be issued for any land on which a coal lease has been issued. A separate exploration license will be required for exploration in each State. An application for an exploration license shall identify general areas and probable methods of exploration. Each exploration license shall contain such reasonable conditions as the Secretary may require, including conditions to insure the protection of the environment, and shall be subject to all applicable Federal, State, and local laws and regulations. Upon violation of any such conditions or laws the Secretary may revoke the exploration license.

EXPLORATION LICENSE

TERM

NOT FOR LEASED LANDS

"(2) A licensee may not cause substantial disturbance to the natural land surface. He may not remove any coal for sale but may remove a reasonable amount of coal from the lands subject to this Act included under his license for analysis and study. A licensee must comply with all applicable rules and regulations of the Federal agency having jurisdiction over the surface of the lands subject to this Act. Explora-

LICENSE RESTRICTIONS

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

tion licenses covering lands the surface of which is under the jurisdiction of any Federal agency other than the Department of the Interior may be issued only upon such conditions as it may prescribe with respect to the use and protection of the nonmineral interests in those lands.

"(3) The licensee shall furnish to the Secretary copies of all data (including, but not limited to, geological, geophysical, and core drilling analyses) obtained during such exploration. The Secretary shall maintain the confidentiality of all data so obtained until after the areas involved have been leased or until such time as he determines that making the data available to the public would not damage the competitive position of the licensee, whichever comes first.

CONFIDENTIAL DATA SUBMISSION

"(4) Any person who willfully conducts coal exploration for commercial purposes on lands subject to this Act without an exploration license issued hereunder shall be subject to a fine of not more than $1,000 for each day of violation. All data collected by said person on any Federal lands as a result of such violation shall be made immediately available to the Secretary, who shall make the data available to the public as soon as it is practicable. No penalty under this subsection shall be assessed unless such person is given notice and opportunity for a hearing with respect to such violation.".

VIOLATIONS

SEC. 5. (a) Subject to valid existing rights, subsections 2(c) and 2(d) of the Act of August 31, 1964 (78 Stat. 710; 30 U.S.C. 201-1) are hereby repealed.

Sec. 2(c) REPEALED
Sec. 2(d) REPEALED

(b) Section 2 of the Mineral Lands Leasing Act is amended by the addition of the following new subsection at the end thereof:

"(d)(1) The Secretary, upon determining that maximum economic recovery of the coal deposit or deposits is served thereby, may approve the consolidation of coal leases into a logical mining unit. Such consolidation may only take place after a public hearing, if requested by any person whose interest is or may be adversely affected. A logical mining unit is an area of land in which the coal resources can be developed in an efficient, economical, and orderly manner as a unit with due regard to conservation of coal reserves and other resources. A logical mining unit may consist of one or more Federal leaseholds, and may include intervening or adjacent lands in which the United States does not own the coal resources, but all the lands in a logical mining unit must be under the effective control of a single operator, be able to be developed and operated as a single operation and be contiguous.

CONSOLIDATION INTO LOGICAL MINING UNITS (LMU)

DESCRIPTION OF LMU

"(2) After the Secretary has approved the establishment of a logical mining unit, any mining plan approved for that unit must require such diligent development, operation, and production that the reserves of the entire unit will be mined within a period established by the Secretary which shall not be more than forty years.

40 YEARS MINING PERIOD

"(3) In approving a logical mining unit, the Secretary may provide, among other things, that (i) diligent development, continuous operation, and production on any Federal lease or non-Federal land in the logical mining unit shall be construed as occurring on all Federal leases in that logical mining unit, and (ii) the rentals and royalties for all Federal leases in a logical mining unit may be combined, and advanced royalties paid for any lease within a logical mining unit may be credited against such combined royalties.

ROYALTY

"(4) The Secretary may amend the provisions of any lease included in a logical mining unit so that mining under that lease will be consistent with the requirements imposed on that logical mining unit.

AMENDING LEASE

"(5) Leases issued before the date of enactment of this Act may be included with the consent of all lessees in such logical mining unit, and, if so included, shall be subject to the provisions of this section.

PRIOR LEASES

"(6) By regulation the Secretary may require a lessee under this Act to form a logical mining unit, and may provide for determination of participating acreage within a unit.

REQUIRING LMU

ACREAGE

"(7) No logical mining unit shall be approved by the Secretary if the total acreage (both Federal and non-Federal) of the unit would exceed twenty-five thousand acres.

"(8) Nothing in this section shall be construed to waive the acreage limitations for coal leases contained in section 27(a) of the Mineral Lands Leasing Act (30 U.S.C. 184(a)).".

Sec. 27(a) not waived

Sec. 6. Section 7 of the Mineral Lands Leasing Act (30 U.S.C. 207) is amended to read as follows:

Sec. 7

LEASE TERM

"Sec. 7. (a) A coal lease shall be for a term of twenty years and for so long thereafter as coal is produced annually in commercial quantities from that lease. Any lease which is not producing in commercial quantities at the end of ten years shall be terminated. The Secretary shall by regulation prescribe annual rentals on leases. A lease shall require payment of a royalty in such amount as the Secretary shall determine of not less than 12½ per centum of the value of coal as defined by regulation, except the Secretary may determine a lesser amount in the case of coal recovered by underground mining operations. The lease shall include such other terms and conditions as the Secretary shall determine. Such rentals and royalties and other terms and conditions of the lease will be subject to readjustment at the end of its primary term of twenty years and at the end of each ten-year period thereafter if the lease is extended.

RENTALS

ROYALTY

DILIGENT DEVELOPMENT

"(b) Each lease shall be subject to the conditions of diligent development and continued operation of the mine or mines, except where operations under the lease are interrupted by strikes, the elements, or casualties not attributable to the lessee. The Secretary of the Interior, upon determining that the public interest will be served thereby, may suspend the condition of continued operation upon the payment of advance royalties. Such advance royalties shall be no less than the production royalty which would otherwise be paid and shall be computed on a fixed reserve to production ratio (determined by the Secretary). The aggregate number of years during the period of any lease for which advance royalties may be accepted in lieu of the condition of continued operation shall not exceed ten. The amount of any production royalty paid for any year shall be reduced (but not below 0) by the amount of any advance royalties paid under such lease to the extent that such advance royalties have not been used to reduce production royalties for a prior year. No advance royalty paid during the initial twenty-year term of a lease shall be used to reduce a production royalty after the twentieth year of a lease. The Secretary may, upon six months' notification to the lessee cease to accept advance royalties in lieu of the requirement of continued operation. Nothing in this subsection shall be construed to affect the requirement contained in the second sentence of subsection (a) relating to commencement of production at the end of ten years.

CONTINUED OPERATION

ROYALTY REDUCTIONS

SIGNIFICANT ENVIRONMENTAL DISTURBANCE

"(c) Prior to taking any action on a leasehold which might cause a significant disturbance of the environment, and not later than three years after a lease is issued, the lessee shall submit for the Secretary's approval an operation and reclamation plan. The Secretary shall approve or disapprove the plan or require that it be modified. Where the land involved is under the surface jurisdiction of another Federal agency, that other agency must consent to the terms of such approval.".

Sec. 8A

Sec. 7. The Mineral Lands Leasing Act is amended by inserting after section 8 the following new section 8A:

COMPREHENSIVE EXPLORATION PROGRAM

"Sec. 8A. (a) The Secretary is authorized and directed to conduct a comprehensive exploratory program designed to obtain sufficient data and information to evaluate the extent, location, and potential for developing the known recoverable coal resources within the coal lands

NOTE: Regarding all MIneral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

subject to this Act. This program shall be designed to obtain the resource information necessary for determining whether commercial quantities of coal are present and the geographical extent of the coal fields and for estimating the amount of such coal which is recoverable by deep mining oporations and the amount of such coal which is recoverable by surface mining operations in order to provide a basis for—

"(1) developing a comprehensive land use plan pursuant to section 2;

"(2) improving the information regarding the value of public resources and revenues which should be expected from leasing;

"(3) increasing competition among producers of coal, or products derived from the conversion of coal, by providing data and information to all potential bidders equally and equitably;

"(4) providing the public with information on the nature of the coal deposits and the associated stratum and the value of the public resources being offered for sale; and

"(5) providing the basis for the assessment of the amount of coal deposits in those lands subject to this Act under subparagraph (B) of section 2(a)(3).

EXPLORATORY ACITVITIES

"(b) The Secretary, through the United States Geological Survey, is authorized to conduct seismic, geophysical, geochemical, or stratigraphic drilling, or to contract for or purchase the results of such exploratory activities from commercial or other sources which may be needed to implement the provisions of this section.

GEOPHYSICAL SURVEY

"(c) Nothing in this section shall limit any person from conducting exploratory geophysical surveys including seismic, geophysical, chemical surveys to the extent permitted by section 2(b). The information obtained from the exploratory drilling carried out by a person not under contract with the United States Government for such drilling prior to award of a lease shall be provided the confidentiality pursuant to subsection (d).

PUBLIC RECORDS

"(d) The Secretary shall make available to the public by appropriate means all data, information, maps, interpretations, and surveys which are obtained directly by the Department of the Interior or under a service contract pursuant to subsection (b). The Secretary shall maintain a confidentiality of all proprietary data or information purchased from commercial sources while not under contract with the United States Government until after the areas involved have been leased.

CONFIDENTIALITY

"(e) All Federal departments or agencies are authorized and directed to provide the Secretary with any information or data that may be deemed necessary to assist the Secretary in implementing the exploratory program pursuant to this section. Proprietary information or data provided to the Secretary under the provisions of this subsection shall remain confidential for such period of time as agreed to by the head of the department or agency from whom the information is requested. In addition, the Secretary is authorized and directed to utilize the existing capabilities and resources of other Federal departments and agencies by appropriate agreement.

PUBLIC MAPS AND REPORTS

"(f) The Secretary is directed to prepare, publish, and keep current a series of detailed geological, and geophysical maps of, and reports concerning, all coal lands to be offered for leasing under this Act, based on data and information compiled pursuant to this section. Such maps and reports shall be prepared and revised at reasonable intervals beginning eighteen months after the date of enactment of this Act. Such maps and reports shall be made available on a continuing basis to any person on request.

IMPLEMENTATION PLAN

"(g) Within six months after the date of enactment of this Act, the Secretary shall develop and transmit to Congress an implementation plan for the coal lands exploration program authorized by this section, including procedures for making the data and information available to the public pursuant to subsection (d), and maps and reports pursuant to subsection (f). The implementation plan shall include a projected schedule of exploratory activities and identification of the regions and areas which will be explored under the coal lands exploration program during the first five years following the enactment of this section. In addition, the implementation plan shall include estimates of the appropriations and staffing required to implement the coal lands exploration program.

"(h) The stratigraphic drilling authorized in subsection (b) shall be carried out in such a manner as to obtain information pertaining to all recoverable reserves. For the purpose of complying with subsection (a), the Secretary shall require all those authorized to conduct stratigraphic drilling pursuant to subsection (b) to supply a statement of the results of test boring of core sampling including logs of the drill holes; the thickness of the coal seams found; an analysis of the chemical properties of such coal; and an analysis of the strata layers lying above all the seams of coal. All drilling activities shall be conducted using the best current technology and practices.".

Sec. 8B
REPORT

SEC. 8. The Mineral Lands Leasing Act is further amended by adding after section 8A the following new section 8B:

"SEC. 8B. Within six months after the end of each fiscal year, the Secretary shall submit to the Congress a report on the leasing and production of coal lands subject to this Act during such fiscal year; a summary of management, supervision, and enforcement activities; and recommendations to the Congress for improvements in management, environmental safeguards, and amount of production in leasing and mining operations on coal lands subject to this Act. Each submission shall also contain a report by the Attorney General of the United States on competition in the coal and energy industries, including an analysis of whether the antitrust provisions of this Act and the antitrust laws are effective in preserving or promoting competition in the coal or energy industry.".

Sec. 35

DISPERSAL OF MONEY

SEC. 9. (a) Section 35 of the Mineral Lands Leasing Act, as amended (30 U.S.C. 191) is further amended by deleting "52½ per centum thereof shall be paid into, reserved" and inserting in lieu thereof: "40 per centum thereof shall be paid into, reserved", and is further amended by striking the period at the end of the proviso and inserting in lieu thereof the following language: ": *Provided further*, That an additional 12½ per centum of all moneys received from sales, bonuses, royalties, and rentals of public lands under the provisions of this Act and the Geothermal Steam Act of 1970 shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to the State within the boundaries of which the leased lands or deposits are or were located; said additional 12½ per centum of all moneys paid to any State on or after January 1, 1976, shall be used by such State and its subdivisions as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services: *Provided further*, That such funds now held or to be received, by the States of Colorado and Utah separately from the Department of the Interior oil shale test leases known as 'C-A'; 'C-B'; 'U-A' and 'U-B' shall be used by such States and subdivisions as the legislature of each State may direct

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

giving priority to those subdivisions socially or economically impacted by the development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services.".

(b) In the first sentence of section 35 of the Mineral Lands Leasing Act, before the words "shall be paid into the Treasury of the United States" insert "and the Geothermal Steam Act of 1970, notwithstanding the provisions of section 20 thereof,"; before the words "from lands within the naval petroleum reserves" insert "and the Geothermal Steam Act of 1970"; and, in the second sentence, before the words "not otherwise disposed of" insert "and the Geothermal Steam Act of 1970".

Sec. 35

ADDING GEOTHERMAL

SEC. 10. The Director of the Office of Technology Assessment is authorized and directed to conduct a complete study of coal leases entered into by the United States under section 2 of the Act of February 25, 1920 (commonly known as the Mineral Lands Leasing Act). Such study shall include an analysis of all mining activities, present and potential value of said coal leases, receipts of the Federal Government from said leases, and recommendations as to the feasibility of the use of deep mining technology in said leased area. The Director shall submit the results of his study to the Congress within one year after the date of enactment of this Act.

STUDY

SEC. 11. (a) Section 27(a)(1) of the Mineral Lands Leasing Act (30 U.S.C. 184(a)(1)), is amended to read as follows:

Sec. 27(a)(1)

"(1) No person, association, or corporation, or any subsidiary, affiliate, or persons controlled by or under common control with such person, association, or corporation shall take, hold, own or control at one time, whether acquired directly from the Secretary under this Act or otherwise, coal leases or permits on an aggregate of more than forty-six thousand and eighty acres in any one State and in no case greater than an aggregate of one hundred thousand acres in the United States: *Provided*, That any person, association, or corporation currently holding, owning, or controlling more than an aggregate of one hundred thousand acres in the United States on the date of enactment of this section shall not be required on account of this section to relinquish said leases or permits: *Provided, further*, That in no case shall such person, association, or corporation be permitted to take, hold, own, or control any further Federal coal leases or permits until such time as their holdings, ownership, or control of Federal leases or permits has been reduced below an aggregate of one hundred thousand acres within the United States.".

ACREAGE

(b) Subject to valid existing rights, section 27(a)(2) of the Mineral Lands Leasing Act (30 U.S.C. 184(a)(2)) is hereby repealed.

Sec. 27(a)(2) REPEALED

SEC. 12. (a) Section 3 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 352) is amended by striking out "(b) set apart for military or naval purposes, or (c)" and insert in lieu thereof "or (b)".

Sec. 3

(b) Such section 3 is further amended by inserting the following after the first sentence thereof: "Coal or lignite under acquired lands set apart for military or naval purposes may be leased by the Secretary, with the concurrence of the Secretary of Defense, to a governmental entity (including any corporation primarily acting as an agency or instrumentality of a State) which produces electrical energy for sale to the public if such governmental entity is located in the State in which such lands are located.".

LEASING MILITARY OR NAVAL LANDS

SEC. 13. (a) Subject to valid existing rights, section 4 of the Mineral Lands Leasing Act (30 U.S.C. 204) is hereby repealed.

Sec. 4 REPEALED

(b) Subject to valid existing rights, section 3 of the Mineral Lands Leasing Act (30 U.S.C. 203) is amended to read as follows:

Sec. 3

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

"SEC. 3. Any person, association, or corporation holding a lease of coal lands or coal deposits under the provisions of this Act may with the approval of the Secretary of the Interior, upon a finding by him that it would be in the interest of the United States, secure modifications of the original coal lease by including additional coal lands or coal deposits contiguous to those embraced in such lease, but in no event shall the total area added by such modifications to an existing coal lease exceed one hundred sixty acres, or add acreage larger than that in the original lease. The Secretary shall prescribe terms and conditions which shall be consistent with this Act and applicable to all of the acreage in such modified lease.".

Sec. 3

MODIFYING COAL LEASES

SEC. 14. Section 39 of the Mineral Lands Leasing Act (30 U.S.C. 209) is amended by adding the following sentence at the end thereof: "Nothing in this section shall be construed as granting to the Secretary the authority to waive, suspend, or reduce advance royalties.".

Sec. 39

ROYALTY

SEC. 15. Section 27 of the Mineral Lands Leasing Act of 1920 (30 U.S.C. 184) is amended by adding at the end thereof the following new subsection:

Sec. 27

"(l)(1) At each stage in the formulation and promulgation of rules and regulations concerning coal leasing pursuant to this Act, and at each stage in the issuance, renewal, and readjustment of coal leases under this Act, the Secretary of the Interior shall consult with and give due consideration to the views and advice of the Attorney General of the United States.

"(2) No coal lease may be issued, renewed, or readjusted under this Act until at least thirty days after the Secretary of the Interior notifies the Attorney General of the proposed issuance, renewal, or readjustment. Such notification shall contain such information as the Attorney General may require in order to advise the Secretary of the Interior as to whether such lease would create or maintain a situation inconsistent with the antitrust laws. If the Attorney General advises the Secretary of the Interior that a lease would create or maintain such a situation, the Secretary of the Interior may not issue such lease, nor may he renew or readjust such lease for a period not to exceed one year, as the case may be, unless he thereafter conducts a public hearing on the record in accordance with the Administrative Procedures Act and finds therein that such issuance, renewal, or readjustment is necessary to effectuate the purposes of this Act, that it is consistent with the public interest, and that there are no reasonable alternatives consistent with this Act, the antitrust laws, and the public interest.

NOTIFYING ATTORNEY GENERAL REGARDING LEASES

"(3) Nothing in this Act shall be deemed to convey to any person, association, corporation, or other business organization immunity from civil or criminal liability, or to create defenses to actions, under any antitrust law.

NO IMMUNITY

"(4) As used in this subsection, the term 'antitrust law' means—

ANTITRUST LAW

"(A) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies', approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

"(B) the Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

"(C) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

"(D) sections 73 and 74 of the Act entitled 'An Act to reduce taxation, to provide revenue for the Government, and for other purposes', approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; or

"(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).".

SEC. 16. Nothing in this Act, or the Mineral Lands Leasing Act and the Mineral Leasing Act for Acquired Lands which are amended by this Act, shall be construed as authorizing coal mining on any area of the National Park System, the National Wildlife Refuge System, the National Wilderness Preservation System, the National System of Trails, and the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act.

MINING RESTRICTIONS

ACT OF SEPTEMBER 28, 1976

Title III

TITLE III—STATES OIL SHALE FUNDS

SEC. 301. Section 35 of the Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 191), is further amended by striking the period at the end of the proviso and inserting in lieu thereof the language as follows: ": *And provided further*, That all moneys paid to any State from sales, bonuses, royalties, and rentals of oil shale in public lands may be used by such State and its subdivisions for planning, construction, and maintenance of public facilities, and provision of public services, as the legislature of the State may direct, giving priority to those subdivisions of the State socially or economically impacted by the development of the resource.".

Approved September 28, 1976.

NOTE: Other Titles not included.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF SEPTEMBER 28, 1976

Sec. 35

STATE USE OF MONEY
OIL SHALE

MINERAL REVENUES

SEC. 317. (a) Section 35 of the Act of February 25, 1920 (41 Stat. 437, 450; 30 U.S.C. 181, 191), as amended, is further amended to read as follows: "All money received from sales, bonuses, royalties, and rentals of the public lands under the provisions of this Act and the Geothermal Steam Act of 1970, notwithstanding the provisions of section 20 thereof, shall be paid into the Treasury of the United States; 50 per centum thereof shall be paid by the Secretary of the Treasury as soon as practicable after March 31 and September 30 of each year to the State other than Alaska within the boundaries of which the leased lands or deposits are or were located; said moneys paid to any of such States on or after January 1, 1976, to be used by such State and its subdivisions, as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this Act, for (i) planning, (ii) construction and maintenance of public facilities, and (iii) provision of public service; and excepting those from Alaska, 40 per centum thereof shall be paid into, reserved, appropriated, as part of the reclamation fund created by the Act of Congress known as the Reclamation Act, approved June 17, 1902, and of those from Alaska as soon as practicable after March 31 and September 30 of each year, 90 per centum thereof shall be paid to the State of Alaska for disposition by the legislature thereof: *Provided*, That all moneys which may accrue to the United States under the provisions of this Act and the Geothermal Steam Act of 1970 from lands within the naval petroleum reserves shall be deposited in the Treasury as 'miscellaneous receipts', as provided by the Act of June 4, 1920 (41 Stat. 813), as amended June 30, 1938 (52 Stat. 1252). All moneys received under the provisions of this Act and the Geothermal Steam Act of 1970 not otherwise disposed of by this section shall be credited to miscellaneous receipts.".

Sec. 35

DISPERSAL OF MONEY

(b) Funds now held pursuant to said section 35 by the States of Colorado and Utah separately from the Department of the Interior oil shale test leases known as C-A; C-B; U-A and U-B shall be used by such States and subdivisions as the legislature of each State may direct giving priority to those subdivisions socially or economically impacted by the development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provision of public services.

COLORADO AND UTAH OIL SHALE TEST LEASES

(c)(1) The Secretary is authorized to make loans to States and their political subdivisions in order to relieve social or economic impacts occasioned by the development of minerals leased in such States pursuant to the Act of February 25, 1920, as amended. Such loans shall be confined to the uses specified for the 50 per centum of mineral revenues to be received by such States and subdivisions pursuant to section 35 of such Act. All loans shall bear interest at a

RELIEVING SOCIAL OR ECONOMIC IMPACT

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

rate not to exceed 3 per centum and shall be for such amounts and durations as the Secretary shall determine. The Secretary shall limit the amounts of such loans to all States except Alaska to the anticipated mineral revenues to be received by the recipients of said loans and to Alaska to 55 per centum of anticipated mineral revenues to be received by it pursuant to said section 35 for any prospective 10-year period. Such loans shall be repaid by the loan recipients from mineral revenues to be derived from said section 35 by such recipients, as the Secretary determines.

(2) The Secretary, after consultation with Governors of the affected States, shall allocate such loans among the States and their subdivisions in a fair and equitable manner, giving priority to those States and subdivisions suffering the most severe impacts.

(3) Loans under this subsection shall be subject to such terms and conditions as the Secretary determines necessary to assure that the purpose of this subsection will be achieved. The Secretary shall issue such regulations as may be necessary to carry out the provisions of this section.

NOTE: Other Titles are not included.

ACT OF OCTOBER 30, 1978

ACT OF OCTOBER 30, 1978

To further amend the Mineral Leasing Act of 1920 (30 U.S.C. 201(a)), to authorize the Secretary of the Interior to exchange Federal coal leases and to encourage recovery of certain coal deposits, and for other purposes.

COAL

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any provision of law to the contrary and notwithstanding the provisions of section 2(a)(1) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 201(a)(1)), the Secretary of the Interior is authorized to issue leases for coal on other Federal lands in the State of Utah to the lease applicant named in preference right lease applications serial numbers U1362, U1363, U1375, U5233, U5234, U5235, U5236, and U5237 upon surrender and relinquishment by the applicant of such preference right lease applications and all right to lease the lands covered by such applications, such surrender and relinquishment to be made in exchange for the lease or leases to be issued by the Secretary.

UTAH PREFERENCE RIGHT LEASE APPLICANTS

(b) Notwithstanding any provision of law to the contrary and notwithstanding the provisions of section 2(a)(1) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 201(a)(1)), the Secretary of the Interior is authorized to issue leases for coal on other Federal lands in the State of Wyoming to the owner or owners of Federal coal leases serial numbers W0313666, W0111833, W073289, W0312311, and W0313668, B025369, W0256663, W5035, W0322794 covering lands in the State of Wyoming upon the surrender and relinquishment of such leases or portions thereof.

WYOMING SPECIFIC PROVIDIONS

(c) The leases to be issued by the Secretary pursuant to the authority granted by subsections (a) and (b) of this Act and the leases or portions thereof or rights to leases to be exchanged therefor shall be of equal value. If such leases or portions thereof or rights to leases are not of equal value, the Secretary is authorized to receive, or pay out of funds available for that purpose, cash in an amount up to

25 per centum of the value of the coal lease or leases to be issued by the Secretary in order to equalize the value of the lease or lease rights to be exchanged.

(d) Any exchange lease issued by the Secretary under the authority of this Act shall contain the same terms and conditions as those leases surrendered, or in case of a surrendered lease right, the same terms and conditions as those to which the lease applicant would be entitled.

(e) This subsection does not require or obligate the Secretary to take any action or to make any commitment to a lessee or lease applicant with respect to issuance, administration, or development of any lease.

Sec. 2(a)(1)

FAIR MARKET VALUE

Sec. 2. Section 2(a)(1) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 201(a)(1)), is further amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: ": *Provided*, That notwithstanding the competitive bidding requirement of this section, the Secretary may, subject to such conditions which he deems appropriate, negotiate the sale at fair market value of coal the removal of which is necessary and incidental to the exercise of a right-of-way permit issued pursuant to title V of the Federal Land Policy and Management Act of 1976.".

RIGHT-OF-WAY PERMITS

Sec. 3

Sec. 3. Section 3 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 203), is further amended by adding after the word "contiguous", the words "or cornering", and by deleting the period at the end of the second sentence thereof and adding the following clause: "except that nothing in this section shall require the Secretary to apply the production or mining plan requirements of section 2(d)(2) and 7(c) of this Act (30 U.S.C. 201(d)(2) and 207(c)). The minimum royalty provisions of section 7(a) of this Act (30 U.S.C. 207(a)) shall not apply to any lands covered by this modified lease prior to a modification until the term of the original lease or extension thereof which became effective prior to the effective date of this Act has expired.".

ROYALTY

Sec. 37

FLPMA REFERENCE

Sec. 4. Section 37 of the Mineral Leasing Act of 1920 (30 U.S.C. 193) is further amended by the addition of the words "except as provided in sections 206 and 209 of the Federal Land Policy and Management Act of 1976 (90 Stat. 2756, 2757-8), and" after "only in the form and manner provided in this Act," and before the word "except".

Sec. 30

Sec. 5. Section 30 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 187) is further amended by striking the word "boy" and inserting in lieu thereof "child" and by striking the phrase "or the employment of any girl or woman, without regard to age,".

LAKE DE SMET

Sec. 6. (a) The Secretary of the Interior is authorized and directed within nine months of the date of enactment of this Act to evaluate and review the scenic, recreational, fish and wildlife, cultural, historic, and other public values of the reservoir in Johnson County, Wyoming, known as Lake DeSmet and the adjoining and adjacent coal properties. The Secretary's review and evaluation shall be for the purpose of determining whether the Lake DeSmet property shall be acquired for public use and enjoyment by exchange for Federal coal lands.

(b) If the Secretary determines that the Lake DeSmet property shall be acquired, he is authorized, with the agreement of the owners of the property, to acquire the Lake DeSmet property by exchanging Federal coal lands, interests in Federal coal lands, or Federal coal leases.

(c) The exchange authorized by this section shall be for equal value. To the extent, if any, the value of the lands or interests exchanged are not equal the difference may be adjusted by the payment of money so long as the payment does not exceed 25 per centum of the total value of the lands or interests transferred out of Federal ownership. In determining the value of the Lake DeSmet property, the Secretary is authorized and directed to include the fair market value of the property, considering the acquisition cost of the lands, the value of the coal deposits, water rights and water resource developments, and capital and other appropriate improvements. The exchange of

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

such properties shall be carried out expeditiously in accordance with the provisions of this section and other Federal land exchange authority to the extent such authority is applicable and consistent with this section.

(d) The Secretary is authorized to transfer any property acquired pursuant to this section (1) to the appropriate agency in the Department of the Interior for management and administration, or (2) to the State of Wyoming for recreational purposes and fish and wildlife management. Any conveyance to the State of Wyoming shall contain a reservation of all minerals to the United States and shall provide that, if the State ceases to use the property conveyed for fish propagation and wildlife management, title to such property shall revert to the United States.

SEC. 7. Effective October 1, 1979, there are authorized to be appropriated to the Secretary such sums as are necessary to carry out the purposes of this Act.

SEC. 8. The title of the Federal Coal Leasing Amendments Act of 1975 (Public Law 94-377) is hereby changed to the Federal Coal Leasing Amendments Act of 1976.

CHANGE TITLE OF FEDERAL COAL LEASING AMENDMENTS ACT OF 1975 TO "1976"

Approved October 30, 1978.

ACT OF NOVEMBER 16, 1981

To facilitate and encourage the production of oil from tar sand and other hydrocarbon deposits.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (1) section 1 (30 U.S.C. 181), sections 21 (a) and (c) (30 U.S.C. 241 (a) and (c)), and section 34 (30 U.S.C. 182) of the Mineral Lands Leasing Act of 1920, as amended, are amended by deleting "native asphalt, solid and semisolid bitumen, and bituminous rock (including oil-impregnated rock or sands from which oil is recoverable only by special treatment after the deposit is mined or quarried)" and by inserting in lieu thereof "gilsonite (including all vein-type solid hydrocarbons),", except that in the first sentence of section 21(a) the word "and" should be inserted before "gilsonite" and the comma after the parenthesis should be eliminated in section 21.

Sec. 21(a) and (c)

GILSONITE

(2) Section 27(k) of such Act (30 U.S.C. 184(k)) is amended by deleting "native asphalt, solid and semisolid bitumen, bituminous rock," and by inserting in lieu thereof "gilsonite (including all vein-type solid hydrocarbons),".

Sec. 27(k)

(3) Section 39 of such Act (30 U.S.C. 209) is amended by inserting "gilsonite (including all vein-type solid hydrocarbons)," after "oil shale".

Sec. 39

(4) Section 1 of such Act (30 U.S.C. 181) is further amended by adding after the first paragraph the following new paragraphs:

Sec. 1

DEFINITIONS

"The term 'oil' shall embrace all nongaseous hydrocarbon substances other than those substances leasable as coal, oil shale, or gilsonite (including all vein-type solid hydrocarbons).

"The term 'combined hydrocarbon lease' shall refer to a lease issued in a special tar sand area pursuant to section 17 after the date of enactment of the Combined Hydrocarbon Leasing Act of 1981.

"The term 'special tar sand area' means (1) an area designated by the Secretary of the Interior's orders of November 20, 1980 (45 FR 76800-76801) and January 21, 1981 (46 FR 6077-6078) as containing substantial deposits of tar sand.".

(5) Section 27(d)(1) of such Act (30 U.S.C. 184(d)(1)) is amended by inserting before the period at the end of the first sentence the following: "*Provided, however,* That acreage held in special tar sand areas shall not be chargeable against such State limitations.".

Sec. 27(d)(1)

STATE ACREAGE LIMITATIONS

(6)(a) Section 17(b) of such Act (30 U.S.C. 226(b)) is amended by inserting "(1)" after "(b)" and adding a new subsection to read as follows:

Sec. 17(b)

"(2) If the lands to be leased are within a special tar sand area, they shall be leased to the highest responsible qualified bidder by competitive bidding under general regulations in units of not more than five thousand one hundred and twenty acres, which shall be as nearly compact as possible, upon the payment by the lessee of such bonus as may be accepted by the Secretary. Royalty shall be 12½ per centum in amount or value of production removed or sold from the lease,

COMPETITIVE BIDDING
ACREAGE
ROYALTY

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

subject to section 17(k)(1)(c). The Secretary may lease such additional lands in special tar sand areas as may be required in support of any operations necessary for the recovery of tar sands.".

(b) Section 17(c) of such Act (30 U.S.C. 226(c)) is amended by deleting "within any known geological structure of a producing oil or gas field," and inserting in lieu thereof "subject to leasing under subsection (b),".

Sec. 17(c)
KGS DELETED

(c) Section 17(e) of such Act (30 U.S.C. 226(e)) is amended by inserting before the period at the end of the first sentence the following: ": *Provided, however,* That competitive leases issued in special tar sand areas shall also be for a primary term of ten years.".

Sec. 17(e)
LEASE TERM

(7) Section 39 of such Act (30 U.S.C. 209) is amended by adding after the period following the first sentence: "*Provided, however,* That in order to promote development and the maximum production of tar sand, at the request of the lessee, the Secretary shall review, prior to commencement of commercial operations, the royalty rates established in each combined hydrocarbon lease issued in special tar sand areas. For purposes of this section, the term 'tar sand' means any consolidated or unconsolidated rock (other than coal, oil shale, or gilsonite) that either: (1) contains a hydrocarbonaceous material with a gas-free viscosity, at original reservoir temperature, greater than 10,000 centipoise, or (2) contains a hydrocarbonaceous material and is produced by mining or quarrying.".

Sec. 39

ROYALTY

(8) Section 17 of such Act (30 U.S.C. 226) is amended by adding at the end thereof the following new subsection:

Sec. 17

"(k)(1)(A) The owner of (1) an oil and gas lease issued prior to the date of enactment of the Combined Hydrocarbon Leasing Act of 1981 or (2) a valid claim to any hydrocarbon resources leasable under this section based on a mineral location made prior to January 21, 1926, and located within a special tar sand area shall be entitled to convert such lease or claim to a combined hydrocarbon lease for a primary term of ten years upon the filing of an application within two years from the date of enactment of that Act containing an acceptable plan of operations which assures reasonable protection of the environment and diligent development of those resources requiring enhanced recovery methods of development or mining. For purposes of conversion, no claim shall be deemed invalid solely because it was located as a placer location rather than a lode location or vice versa, notwithstanding any previous adjudication on that issue.

CONVERSION OF LEASES

"(B) The Secretary shall issue final regulations to implement this section within six months of the effective date of this Act. If any oil and gas lease eligible for conversion under this section would otherwise expire after the date of this Act and before six months following the issuance of implementing regulations, the lessee may preserve his conversion right under such lease for a period ending six months after the issuance of implementing regulations by filing with the Secretary, before the expiration of the lease, a notice of intent to file an application for conversion. Upon submission of a complete plan of operations in substantial compliance with the regulations promulgated by the Secretary for the filing of such plans, the Secretary shall suspend the running of the term of any oil and gas lease proposed for conversion until the plan is finally approved or disapproved. The Secretary shall act upon a proposed plan of operations within fifteen months of its submittal.

LEASE SUSPENSION

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE fotnotes listed under the section number to locate subsequent amendments to each section.

"(C) When an existing oil and gas lease is converted to a combined hydrocarbon lease, the royalty shall be that provided for in the original oil and gas lease and for a converted mining claim, 12½ per centum in amount or value of production removed or sold from the lease.

"(2) Except as provided in this section, nothing in the Combined Hydrocarbon Leasing Act of 1981 shall be construed to diminish or increase the rights of any lessee under any oil and gas lease issued prior to the enactment of such Act.".

(9)(a) Section 2 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351) is amended by adding at the end thereof: "The term 'oil' shall embrace all nongaseous hydrocarbon substances other than those leasable as coal, oil shale, or gilsonite (including all vein-type solid hydrocarbons).".

(b) Section 3 of such Act (30 U.S.C. 352) is amended by inserting "gilsonite (including all vein-type solid hydrocarbons)," after "oil shale".

(10) Nothing in this Act shall affect the taxable status of production from tar sand under the Crude Oil Windfall Profit Tax Act of 1980 (Public Law 96-223), reduce the depletion allowance for production from tar sand, or otherwise affect the existing tax status applicable to such production.

(11) No provision of this Act shall apply to national parks, national monuments, or other lands where mineral leasing is prohibited by law. The Secretary of the Interior shall apply the provisions of this Act to the Glen Canyon National Recreation Area, and to any other units of the national park system where mineral leasing is permitted, in accordance with any applicable minerals management plan if the Secretary finds that there will be no resulting significant adverse impacts on the administration of such area, or on other contiguous units of the national park system.

Approved November 16, 1981.

ROYALTY

LESSEE RIGHTS

Sec. 2

DEFINE "OIL"

Sec. 3

GILSONITE

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

Excerpts from Title III

ACT OF DECEMBER 30, 1982

Sec. 21

COLORADO OIL SHALE
FEDERAL PROTOTYPE TRACT C-a

SEC. 318. Section 21 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920 (41 Stat. 437, as amended; 30 U.S.C. 241), is further amended by adding the following new subsections:

"(c)(1) The Secretary may within the State of Colorado lease to the holder of the Federal oil shale lease known as Federal Prototype Tract C-a additional lands necessary for the disposal of oil shale wastes and the materials removed from mined lands, and for the building of plants, reduction works, and other facilities connected with oil shale operations (which lease shall be referred to hereinafter as an 'offsite lease'). The Secretary may only issue one offsite lease not to exceed six thousand four hundred acres. An offsite lease may not serve more than one Federal oil shale lease and may not be transferred except in conjunction with the transfer of the Federal oil shale lease that it serves.

"(2) The Secretary may issue one offsite lease of not more than three hundred and twenty acres to any person, association or corporation which has the right to develop oil shale on non-Federal lands. An offsite lease serving non-Federal oil shale land may not serve more than one oil shale operation and may not be transferred except in conjunction with the transfer of the non-Federal oil shale land that it serves. Not more than two offsite leases may be issued under this paragraph.

"(3) An offsite lease shall include no rights to any mineral deposits.

"(4) The Secretary may issue offsite leases after consideration of the need for such lands, impacts on the environment and other resource values, and upon a determination that the public interest will be served thereby.

"(5) An offsite lease for lands the surface of which is under the jurisdiction of a Federal agency other than the Department of the Interior shall be issued only with the consent of that other Federal agency and shall be subject to such terms and conditions as it may prescribe.

"(6) An offsite lease shall be for such periods of time and shall include such lands, subject to the acreage limitations contained in this subsection, as the Secretary determines to be necessary to achieve the purposes for which the lease is issued, and shall contain such provisions as he determines are needed for protection of environmental and other resource values.

"(7) An offsite lease shall provide for the payment of an annual rental which shall reflect the fair market value of the rights granted and which shall be subject to such revisions as the Secretary, in his discretion, determines may be needed from time to time to continue to reflect the fair market value.

"(8) An offsite lease may, at the option of the lessee, include provisions for payments in any year which payments shall be credited against any portion of the annual rental for a subsequent year to the extent that such payment is payable by the Secretary of the Treasury under section 35 of this Act to the State within the

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

boundaries of which the leased lands are located. Such funds shall be paid by the Secretary of the Treasury to the appropriate State in accordance with section 35, and such funds shall be distributed by the State only to those counties, municipalities, or jurisdictional subdivisions impacted by oil shale development and/or where the lease is sited."; and

"(9) An offsite lease shall remain subject to leasing under the other provisions of this Act where such leasing would not be incompatible with the offsite lease.

"(d) In recognition of the unique character of oil shale development:

"(1) In determining whether to offer or issue an offsite lease under subsection (c), the Secretary shall consult with the Governor and appropriate State, local, and tribal officials of the State where the lands to be leased are located, and of any additional State likely to be affected significantly by the social, economic, or environmental effects of development under such lease, in order to coordinate Federal and State planning processes, minimize duplication of permits, avoid delays, and anticipate and mitigate likely impacts of development.

"(2) The Secretary may issue an offsite lease under subsection (d) after consideration of (A) the need for leasing, (B) impacts on the environment and other resource values, (C) socioeconomic factors, and (D) information from consultations with the Governors of the affected States.

"(3) Before determining whether to offer an offsite lease under subsection (c), the Secretary shall seek the recommendation of the Governor of the State in which the lands to be leased are located as to whether or not to lease such lands, what alternative actions are available, and what special conditions could be added to the proposed lease to mitigate impacts. The Secretary shall accept the recommendations of the Governor if he determines that they provide for a reasonable balance between the national interest and the State's interests. The Secretary shall communicate to the Governor, in writing, and publish in the Federal Register the reasons for his determination to accept or reject such Governor's recommendations.".

Approved December 30, 1982.

NOTE: Other titles not included.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

FEDERAL OIL AND GAS ROYALTY MANAGEMENT ACT OF 1982

January 12, 1983

Titles I and IV

FEDERAL OIL AND GAS ROYALTY MANAGEMENT ACT OF 1982

ACT OF JANUARY 12, 1983

To ensure that all oil and gas originated on the public lands and on the Outer Continental Shelf are properly accounted for under the direction of the Secretary of the Interior, and for other purposes.

OUTER CONTINENTAL SHELF AND OIL AND GAS ON PUBLIC LANDS

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Oil and Gas Royalty Management Act of 1982".

TITLE I—FEDERAL ROYALTY MANAGEMENT AND ENFORCEMENT

FEDERAL ROYALTY MANAGEMENT AND ENFORCEMENT

DUTIES OF THE SECRETARY

DUTIES OF THE SECRETARY

SEC. 101. (a) The Secretary shall establish a comprehensive inspection, collection and fiscal and production accounting and auditing system to provide the capability to accurately determine oil and gas royalties, interest, fines, penalties, fees, deposits, and other payments owed, and to collect and account for such amounts in a timely manner.

(b) The Secretary shall—

(1) establish procedures to ensure that authorized and properly identified representatives of the Secretary will inspect at least once annually each lease site producing or expected to produce significant quantities of oil or gas in any year or which has a history of noncompliance with applicable provisions of law or regulations; and

(2) establish and maintain adequate programs providing for the training of all such authorized representatives in methods and techniques of inspection and accounting that will be used in the implementation of this Act.

(c)(1) The Secretary shall audit and reconcile, to the extent practicable, all current and past lease accounts for leases of oil or gas and take appropriate actions to make additional collections or refunds as warranted. The Secretary shall conduct audits and reconciliations of lease accounts in conformity with the business practices and record-keeping systems which were required of the lessee by the Secretary for the period covered by the audit. The Secretary shall give priority to auditing those lease accounts identified by a State or Indian tribe as having significant potential for underpayment. The Secretary may also audit accounts and records of selected lessees and operators.

(2) The Secretary may enter into contracts or other appropriate arrangements with independent certified public accountants to undertake audits of accounts and records of any lessee or operator relating to the lease of oil or gas. Selection of such independent certified public accountants shall be by competitive bidding in accordance with the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252), except that the Secretary may not enter into a contract or other arrangement with any independent certified public accountant to audit any lessee or operator where such lessee or operator is a primary audit client of such certified public accountant.

(3) All books, accounts, financial records, reports, files, and other papers of the Secretary, or used by the Secretary, which are reasonably necessary to facilitate the audits required under this section shall be made available to any person or governmental entity conducting audits under this Act.

DUTIES OF LESSEES, OPERATORS, AND MOTOR VEHICLE TRANSPORTERS

DUTIES OF ...

SEC. 102. (a) A lessee—

LESSEE

(1) who is required to make any royalty or other payment under a lease or under the mineral leasing laws, shall make such payments in the time and manner as may be specified by the Secretary; and

(2) shall notify the Secretary, in the time and manner as may be specified by the Secretary, of any assignment the lessee may have made of the obligation to make any royalty or other payment under a lease or under the mineral leasing laws.

(b) An operator shall—

OPERATOR

(1) develop and comply with a site security plan designed to protect the oil or gas produced or stored on an onshore lease site from theft, which plan shall conform with such minimum standards as the Secretary may prescribe by rule, taking into account the variety of circumstances at lease sites;

(2) develop and comply with such minimum site security measures as the Secretary deems appropriate to protect oil or gas produced or stored on a lease site or on the Outer Continental Shelf from theft; and

(3) not later than the 5th business day after any well begins production anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off of production for more than 90 days, notify the Secretary, in the manner prescribed by the Secretary, of the date on which such production has begun or resumed.

(c)(1) Any person engaged in transporting by motor vehicle any oil from any lease site, or allocated to any such lease site, shall carry, on his person, in his vehicle, or in his immediate control, documentation showing, at a minimum, the amount, origin, and intended first destination of the oil.

TRANSPORTER

(2) Any person engaged in transporting any oil or gas by pipeline from any lease site, or allocated to any lease site, on Federal or Indian lands shall maintain documentation showing, at a minimum, amount, origin, and intended first destination of such oil or gas.

PIPELINE TRANSPORTER

REQUIRED RECORDKEEPING

REQUIRED RECORDKEEPING

SEC. 103. (a) A lessee, operator, or other person directly involved in developing, producing, transporting, purchasing, or selling oil or gas subject to this Act through the point of first sale or the point of royalty computation, whichever is later, shall establish and maintain any records, make any reports, and provide any information that the Secretary may, by rule, reasonably require for the purposes of implementing this Act or determining compliance with rules or orders under this Act. Upon the request of any officer or employee duly designated by the Secretary or any State or Indian tribe conducting an audit or investigation pursuant to this Act, the appropriate records, reports, or information which may be required by this section shall be made available for inspection and duplication by such officer or employee, State, or Indian tribe.

(b) Records required by the Secretary with respect to oil and gas leases from Federal or Indian lands or the Outer Continental Shelf shall be maintained for 6 years after the records are generated unless the Secretary notifies the record holder that he has initiated an audit or investigation involving such records and that such records must be maintained for a longer period. In any case when an audit or investigation is underway, records shall be maintained until the Secretary releases the record holder of the obligation to maintain such records.

PROMPT DISBURSEMENT OF ROYALTIES

PROMPT DISBURSEMENT OF ROYALTIES

Sec. 35

PAYMENT TO STATES

SEC. 104. (a) Section 35 of the Mineral Lands Leasing Act of 1920 (approved February 25, 1920; 41 Stat. 437; 30 U.S.C. 191) is amended by deleting "as soon as practicable after March 31 and September 30 of each year" and by adding at the end thereof "Payments to States under this section with respect to any moneys received by the United States, shall be made not later than the last business day of the month in which such moneys are warranted by the United States Treasury to the Secretary as having been received, except for any portion of such moneys which is under challenge and placed in a suspense account pending resolution of a dispute. Such warrants shall be issued by the United States Treasury not later than 10 days after receipt of such moneys by the Treasury. Moneys placed in a suspense account which are determined to be payable to a State shall be made not later than the last business day of the month in which such dispute is resolved. Any such amount placed in a suspense account pending resolution shall bear interest until the dispute is resolved.".

(b) Deposits of any royalty funds derived from the production of oil or gas from, or allocated to, Indian lands shall be made by the Secretary to the appropriate Indian account at the earliest practicable date after such funds are received by the Secretary but in no case later than the last business day of the month in which such funds are received.

(c) The provisions of this section shall apply with respect to payments received by the Secretary after October 1, 1983, unless the Secretary, by rule, prescribes an earlier effective date.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

EXPLANATION OF PAYMENTS

SEC. 105. (a) When any payment (including amounts due from receipt of any royalty, bonus, interest charge, fine, or rental) is made by the United States to a State with respect to any oil or gas lease on Federal lands or is deposited in the appropriate Indian account on behalf of an Indian tribe or Indian allottee with respect to any oil and gas lease on Indian lands, there shall be provided, together with such payment, a description of the type of payment being made, the period covered by such payment, the source of such payment, production amounts, the royalty rate, unit value and such other information as may be agreed upon by the Secretary and the recipient State, Indian tribe, or Indian allottee.

(b) This section shall take effect with respect to payments made after October 1, 1983, unless the Secretary, by rule, prescribes an earlier effective date.

LIABILITIES AND BONDING

SEC. 106. A person (including any agent or employee of the United States and any independent contractor) authorized to collect, receive, account for, or otherwise handle any moneys payable to, or received by, the Department of the Interior which are derived from the sale, lease, or other disposal of any oil or gas shall be—

(1) liable to the United States for any losses caused by any intentional or reckless action or inaction of such individual with respect to such moneys; and

(2) in the case of an independent contractor, required as the Secretary deems necessary to maintain a bond commensurate with the amount of money for which such individual could be liable to the United States.

HEARINGS AND INVESTIGATIONS

SEC. 107. (a) In carrying out his duties under this Act the Secretary may conduct any investigation or other inquiry necessary and appropriate and may conduct, after notice, any hearing or audit, necessary and appropriate to carrying out his duties under this Act.

In connection with any such hearings, inquiry, investigation, or audit, the Secretary is also authorized where reasonably necessary—

(1) to require by special or general order, any person to submit in writing such affidavits and answers to questions as the Secretary may reasonably prescribe, which submission shall be made within such reasonable period and under oath or otherwise, as may be necessary;

(2) to administer oaths;

(3) to require by subpena the attendance and testimony of witnesses and the production of all books, papers, production and financial records, documents, matter, and materials, as the Secretary may request;

(4) to order testimony to be taken by deposition before any person who is designated by the Secretary and who has the power to administer oaths, and to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection; and

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States.

(b) In case of refusal to obey a subpena served upon any person under this section, the district court of the United States for any district in which such person is found, resides, or transacts business, upon application by the Attorney General at the request of the Secretary and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the Secretary or to appear and produce documents before the Secretary. Any failure to obey such order of the court may be punished by such court as contempt thereof and subject to a penalty of up to $10,000 a day.

INSPECTIONS

INSPECTIONS

SEC. 108. (a)(1) On any lease site on Federal or Indian lands, any authorized and properly identified representative of the Secretary may stop and inspect any motor vehicle that he has probable cause to believe is carrying oil from a lease site on Federal or Indian lands or allocated to such a lease site, for the purpose of determining whether the driver of such vehicle has documentation related to such oil as required by law.

(2) Any authorized and properly identified representative of the Secretary, accompanied by any appropriate law enforcement officer, or an appropriate law enforcement officer alone, may stop and inspect any motor vehicle which is not on a lease site if he has probable cause to believe the vehicle is carrying oil from a lease site on Federal or Indian lands or allocated to such a lease site. Such inspection shall be for the purpose of determining whether the driver of such vehicle has the documentation required by law.

(b) Authorized and properly identified representatives of the Secretary may without advance notice, enter upon, travel across and inspect lease sites on Federal or Indian lands and may obtain from the operator immediate access to secured facilities on such lease sites, for the purpose of making any inspection or investigation for determining whether there is compliance with the requirements of the mineral leasing laws and this Act. The Secretary shall develop guidelines setting forth the coverage and the frequency of such inspections.

(c) For the purpose of making any inspection or investigation under this Act, the Secretary shall have the same right to enter upon or travel across any lease site as the lessee or operator has acquired by purchase, condemnation, or otherwise.

CIVIL PENALTIES

SEC. 109. (a) Any person who—

(1) after due notice of violation or after such violation has been reported under subparagraph (A), fails or refuses to comply with any requirements of this Act or any mineral leasing law, any rule or regulation thereunder, or the terms of any lease or permit issued thereunder; or

(2) fails to permit inspection authorized in section 108 or fails to notify the Secretary of any assignment under section 102(a)(2)

shall be liable for a penalty of up to $500 per violation for each day such violation continues, dating from the date of such notice or report. A penalty under this subsection may not be applied to any person who is otherwise liable for a violation of paragraph (1) if:

(A) the violation was discovered and reported to the Secretary or his authorized representative by the liable person and corrected within 20 days after such report or such longer time as the Secretary may agree to; or

(B) after the due notice of violation required in paragraph (1) has been given to such person by the Secretary or his authorized representative, such person has corrected the violation within 20 days of such notification or such longer time as the Secretary may agree to.

(b) If corrective action is not taken within 40 days or a longer period as the Secretary may agree to, after due notice or the report referred to in subsection (a)(1), such person shall be liable for a civil penalty of not more than $5,000 per violation for each day such violation continues, dating from the date of such notice or report.

(c) Any person who—

(1) knowingly or willfully fails to make any royalty payment by the date as specified by statute, regulation, order or terms of the lease;

(2) fails or refuses to permit lawful entry, inspection, or audit; or

(3) knowingly or willfully fails or refuses to comply with subsection 102(b)(3),

shall be liable for a penalty of up to $10,000 per violation for each day such violation continues.

(d) Any person who—

(1) knowingly or willfully prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information;

(2) knowingly or willfully takes or removes, transports, uses or diverts any oil or gas from any lease site without having valid legal authority to do so; or

(3) purchases, accepts, sells, transports, or conveys to another, any oil or gas knowing or having reason to know that such oil or gas was stolen or unlawfully removed or diverted,

shall be liable for a penalty of up to $25,000 per violation for each day such violation continues.

(e) No penalty under this section shall be assessed until the person charged with a violation has been given the opportunity for a hearing on the record.

(f) The amount of any penalty under this section, as finally determined may be deducted from any sums owing by the United States to the person charged.

(g) On a case-by-case basis the Secretary may compromise or reduce civil penalties under this section.

(h) Notice under this subsection (a) shall be by personal service by an authorized representative of the Secretary or by registered mail. Any person may, in the manner prescribed by the Secretary, designate a representative to receive any notice under this subsection.

(i) In determining the amount of such penalty, or whether it should be remitted or reduced, and in what amount, the Secretary shall state on the record the reasons for his determinations.

(j) Any person who has requested a hearing in accordance with subsection (e) within the time the Secretary has prescribed for such a hearing and who is aggrieved by a final order of the Secretary under this section may seek review of such order in the United States district court for the judicial district in which the violation allegedly took place. Review by the district court shall be only on the administrative record and not de novo. Such an action shall be barred unless filed within 90 days after the Secretary's final order.

(k) If any person fails to pay an assessment of a civil penalty under this Act—

(1) after the order making the assessment has become a final order and if such person does not file a petition for judicial review of the order in accordance with subsection (j), or

(2) after a court in an action brought under subsection (j) has entered a final judgment in favor of the Secretary,

the court shall have jurisdiction to award the amount assessed plus interest from the date of the expiration of the 90-day period referred to in subsection (j). Judgment by the court shall include an order to pay.

(l) No person shall be liable for a civil penalty under subsection (a) or (b) for failure to pay any rental for any lease automatically terminated pursuant to section 31 of the Mineral Leasing Act of 1920.

CRIMINAL PENALTIES

CRIMINAL PENALTIES

SEC. 110. Any person who commits an act for which a civil penalty is provided in section 109(d) shall, upon conviction, be punished by a fine of not more than $50,000, or by imprisonment for not more than 2 years, or both.

ROYALTY INTEREST, PENALTIES AND PAYMENTS

ROYALTY INTEREST, PENALTIES AND PAYMENTS

SEC. 111. (a) In the case of oil and gas leases where royalty payments are not received by the Secretary on the date that such payments are due, or are less than the amount due, the Secretary shall charge interest on such late payments or underpayments at the rate applicable under section 6621 of the Internal Revenue Code of 1954. In the case of an underpayment or partial payment, interest shall be computed and charged only on the amount of the deficiency and not on the total amount due.

Sec. 35

INTEREST ON LATE ROYALTY PAYMENT

(b) Any payment made by the Secretary to a State under section 35 of the Mineral Lands Leasing Act of 1920 (30 U.S.C. 191) and any other payment made by the Secretary to a State from any oil or gas royalty received by the Secretary which is not paid on the date required under section 35 shall include an interest charge computed at the rate applicable under section 6621 of the Internal Revenue Code of 1954.

(c) All interest charges collected under this Act or under other applicable laws because of nonpayment, late payment or underpayment of royalties due and owing an Indian tribe or an Indian allottee shall be deposited to the same account as the royalty with respect to which such interest is paid.

(d) Any deposit of royalty funds made by the Secretary to an Indian account which is not made by the date required under subsection 104(b) shall include an interest charge computed at the rate applicable under section 6621 of the Internal Revenue Code of 1954.

(e) Notwithstanding any other provision of law, no State will be assessed for any interest or penalties found to be due against the Secretary for failure to comply with the Emergency Petroleum Allocation Act of 1973 or regulation of the Secretary of Energy thereunder concerning crude oil certification or pricing with respect to crude oil taken by the Secretary in kind as royalty. Any State share of an overcharge, resulting from such failure to comply, shall be assessed against moneys found to be due and owing to such State as a result of audits of royalty accounts for transactions which took place prior to the date of the enactment of this Act except that if after the completion of such audits, sufficient moneys have not been found due and owing to any State, the State shall be assessed the balance of that State's share of the overcharge.

(f) Interest shall be charged under this section only for the number of days a payment is late.

(g) The first sentence of section 35 of the Act of February 25, 1920 is amended by inserting "including interest charges collected under the Federal Oil and Gas Royalty Management Act of 1982" between "royalties" and "and".

Sec. 35

ADD FOGRMA

INJUNCTION AND SPECIFIC ENFORCEMENT AUTHORITY

INJUNCTION AND SPECIFIC ENFORCEMENT AUTHORITY

SEC. 112. (a) In addition to any other remedy under this Act or any mineral leasing law, the Attorney General of the United States or his designee may bring a civil action in a district court of the United States, which shall have jurisdiction over such actions—

(1) to restrain any violation of this Act; or

(2) to compel the taking of any action required by or under this Act or any mineral leasing law of the United States.

(b) A civil action described in subsection (a) may be brought only in the United States district court for the judicial district wherein the act, omission, or transaction constituting a violation under this Act or any other mineral leasing law occurred, or wherein the defendant is found or transacts business.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

REWARDS

REWARDS

SEC. 113. Where amounts representing royalty or other payments owed to the United States with respect to any oil and gas lease on Federal lands or the Outer Continental Shelf are recovered pursuant to any action taken by the Secretary under this Act as a result of information provided to the Secretary by any person, the Secretary is authorized to pay to such person an amount equal to not more than 10 percent of such recovered amounts. The preceding sentence shall not apply to information provided by an officer or employee of the United States, an officer or employee of a State or Indian tribe acting pursuant to a cooperative agreement or delegation under this Act, or any person acting pursuant to a contract authorized by this Act.

NONCOMPETITIVE OIL AND GAS LEASE ROYALTY RATES

NONCOMPETITIVE OIL AND GAS LEASE ROYALTY RATES

SEC. 114. The Secretary is directed to conduct a thorough study of the effects of a change in the royalty rate under section 17(c) of the Mineral Leasing Act of 1920 on: (a) the exploration, development, or production of oil or gas; and (b) the overall revenues generated by such change. Such study shall be completed and submitted to Congress within six months after the date of enactment of this Act.

TITLE IV—REINSTATEMENT OF LEASES AND CONVERSION OF UNPATENTED OIL PLACER CLAIMS

AMENDMENT OF MINERAL LANDS LEASING ACT OF 1920

AMENDMENT OF MINERAL LANDS LEASING ACT OF 1920

Sec. 31

LEASE TERMINATION

SEC. 401. Section 31 of the Mineral Lands Leasing Act of 1920 (30 U.S.C. 188) is amended by redesignating subsection (d) as subsection (j) and by inserting after subsection (c) the following new subsections:

"(d)(1) Where any oil and gas lease issued pursuant to section 17(b) or section 17(c) of this Act or the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.) has been, or is hereafter, terminated automatically by operation of law under this section for failure to pay on or before the anniversary date the full amount of the rental due, and such rental is not paid or tendered within twenty days thereafter, and it is shown to the satisfaction of the Secretary of the Interior that such failure was justifiable or not due to lack of reasonable diligence on the part of the lessee, or, no matter when the rental is paid after termination, it is shown to the satisfaction of the Secretary that such failure was inadvertent, the Secretary may reinstate the lease as of the date of termination for the unexpired portion of the primary term of the original lease or any extension thereof remaining at the date of termination, and so long thereafter as oil or gas is produced in paying quantities. In any case where a lease is reinstated under this subsection and the Secretary finds that the reinstatement of such lease (A) occurs after the expiration of the primary term or any extension thereof, or (B) will not afford the lessee a reasonable opportunity to continue operations under the lease, the Secretary may, at his discretion, extend the term of such lease for such period as he deems reasonable, but in no event for more than two years from the date the Secretary authorizes the reinstatement and so long thereafter as oil or gas is produced in paying quantities.

"(2) No lease shall be reinstated under paragraph (1) of this subsection unless—

"(A) with respect to any lease that terminated under subsection (b) of this section prior to enactment of the Federal Oil and Gas Royalty Management Act of 1982:

"(i) the lessee tendered rental prior to enactment of such Act and the final determination that the lease terminated was made by the Secretary or a court less than three years before enactment of such Act, and

"(ii) a petition for reinstatement together with the required back rental and royalty accruing from the date of termination, is filed with the Secretary on or before the one hundred and twentieth day after enactment of such Act, or

"(B) with respect to any lease that terminated under subsection (b) of this section on or after enactment of the Federal Oil and Gas Royalty Management Act of 1982, a petition for reinstatement together with the required back rental and royalty accruing from the date of termination is filed on or before the earlier of—

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

"(i) sixty days after the lessee receives from the Secretary notice of termination, whether by return of check or by any other form of actual notice, or

"(ii) fifteen months after termination of the lease.

LEASE REINSTATEMENT

"(e) Any reinstatement under subsection (d) of this section shall be made only if these conditions are met:

"(1) no valid lease, whether still in existence or not, shall have been issued affecting any of the lands covered by the terminated lease prior to the filing of such petition: *Provided, however,* That after receipt of a petition for reinstatement, the Secretary shall not issue any new lease affecting any of the lands covered by such terminated lease for a reasonable period, as determined in accordance with regulations issued by him;

BACK RENTALS

"(2) payment of back rentals and either the inclusion in a reinstated lease issued pursuant to the provisions of section 17(b) of this Act of a requirement for future rentals at a rate of not less than $10 per acre per year, or the inclusion in a reinstated lease issued pursuant to the provisions of section 17(c) of this Act of a requirement that future rentals shall be at a rate not less than $5 per acre per year, all as determined by the Secretary;

BACK RENTALS

"(3)(A) payment of back royalties and the inclusion in a reinstated lease issued pursuant to the provisions of section 17(b) of this Act of a requirement for future royalties at a rate of not less than 16⅔ percent computed on a sliding scale based upon the average production per well per day, at a rate which shall be not less than 4 percentage points greater than the competitive royality schedule then in force and used for royalty determination for competitive leases issued pursuant to such section as determined by the Secretary: *Provided,* That royalty on such reinstated lease shall be paid on all production removed or sold from such lease subsequent to the termination of the original lease;

ROYALTY RATE

"(B) payment of back royalties and inclusion in a reinstated lease issued pursuant to the provisions of section 17(c) of this Act of a requirement for future royalties at a rate not less than 16⅔ percent: *Provided,* That royalty on such reinstated lease shall be paid on all production removed or sold from such lease subsequent to the cancellation or termination of the original lease; and

"(4) notice of the proposed reinstatement of a terminated lease, including the terms and conditions of reinstatement, shall be published in the Federal Register at least thirty days in advance of the reinstatement.

A copy of said notice, together with information concerning rental, royalty, volume of production, if any, and any other matter which the Secretary deemed significant in making this determination to reinstate, shall be furnished to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate at least thirty days in advance of the reinstatement. The lessee of a reinstated lease shall reimburse the Secretary for the administrative costs of reinstating the lease, but not to exceed $500. In addition the lessee shall reimburse the Secretary for the cost of publication in the Federal Register of the notice of proposed reinstatement.

ABANDONED CLAIM

"(f) Where an unpatented oil placer mining claim validly located prior to February 24, 1920, which has been or is currently producing or is capable of producing oil or gas, has been or is hereafter deemed conclusively abandoned for failure to file timely the required instruments or copies of instruments required by section 314 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744), and it is shown to the satisfaction of the Secretary that such failure was inadvertent, justifiable, or not due to lack of reasonable diligence on the part of the owner, the Secretary may issue, for the lands covered by the abandoned unpatented oil placer mining claim, a noncompetitive oil and gas lease, consistent with the provisions of section 17(e) of this Act, to be effective from the statutory date the claim was deemed conclusively abandoned. Issuance of such a lease shall be conditioned upon:

"(1) a petition for issuance of a noncompetitive oil and gas lease, together with the required rental and royalty, including back rental and royalty accruing from the statutory date of abandonment of the oil placer mining claim, being filed with the Secretary—

"(A) with respect to any claim deemed conclusively abandoned on or before the date of enactment of the Federal Oil and Gas Royalty Management Act of 1982, on or before the one hundred and twentieth day after such date of enactment, or

"(B) with respect to any claim deemed conclusively abandoned after such date of enactment, on or before the one hundred and twentieth day after final notification by the Secretary or a court of competent jurisdiction of the determination of the abandonment of the oil placer mining claim;

"(2) a valid lease not having been issued affecting any of the lands covered by the abandoned oil placer mining claim prior to the filing of such petition: *Provided, however,* That after the filing of a petition for issuance of a lease under this subsection, the Secretary shall not issue any new lease affecting any of the lands covered by such abandoned oil placer mining claim for a reasonable period, as determined in accordance with regulations issued by him;

"(3) a requirement in the lease for payment of rental, including back rentals accruing from the statutory date of abandonment of the oil placer mining claim, of not less than $5 per acre per year;

"(4) a requirement in the lease for payment of royalty on production removed or sold from the oil placer mining claim, including all royalty on production made subsequent to the statutory date the claim was deemed conclusively abandoned, of not less than 12½ percent; and

"(5) compliance with the notice and reimbursement of costs provisions of paragraph (4) of subsection (e) but addressed to the petition covering the conversion of an abandoned unpatented oil placer mining claim to a noncompetitive oil and gas lease.

"(g)(1) Except as otherwise provided in this section, a reinstated lease shall be treated as a competitive or a noncompetitive oil and gas lease in the same manner as the original lease issued pursuant to section 17(b) or 17(c) of this Act.

"(2) Except as otherwise provided in this section, the issuance of a lease in lieu of an abandoned patented oil placer mining claim shall be treated as a noncompetitive oil and gas lease issued pursuant to section 17(c) of this Act.

"(h) The minimum royalty provisions of section 17(j) and the provisions of section 39 of this Act shall be applicable to leases issued pursuant to subsections (d) and (f) of this section.

"(i)(1) In acting on a petition to issue a noncompetitive oil and gas lease, under subsection (f) of this section or in response to a request filed after issuance of such a lease, or both, the Secretary is authorized to reduce the royalty on such lease if in his judgment it is equitable to do so or the circumstances warrant such relief due to uneconomic or other circumstances which could cause undue hardship or premature termination of production.

"(2) In acting on a petition for reinstatement pursuant to subsection (d) of this section or in response to a request filed after reinstatement, or both, the Secretary is authorized to reduce the royalty in that reinstated lease on the entire leasehold or any tract or portion thereof segregated for royalty purposes if, in his judgment, there are uneconomic or other circumstances which could cause undue hardship or premature termination of production; or because of any written action of the United States, its agents or employees, which preceded, and was a major consideration in, the lessee's expenditure of funds to develop the property under the lease after the rent had become due and had not been paid; or if in the judgment of the Secretary it is equitable to do so for any reason.".

Approved January 12, 1983.

REINSTATED LEASE

Subtitle B—Federal Onshore Oil and Gas Leasing Reform Act of 1987

FEDERAL ONSHORE OIL AND GAS LEASING REFORM ACT OF 1987

ACT OF DECEMBER 22, 1987

SEC. 5101. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This subtitle may be cited as the "Federal Onshore Oil and Gas Leasing Reform Act of 1987".

(b) REFERENCES.—Any reference in this subtitle to the "Act of February 25, 1920", is a reference to the Act of February 25, 1920, entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain" (30 U.S.C. 181 and following).

SEC. 5102. OIL AND GAS LEASING SYSTEM.

(a) COMPETITIVE BIDDING.—Section 17(b)(1) of the Act of February 25, 1920 (30 U.S.C. 226(b)(1)), is amended to read as follows:

Sec. 17(b)(1)

COMPETITIVE BIDDING

"(b)(1)(A) All lands to be leased which are not subject to leasing under paragraph (2) of this subsection shall be leased as provided in this paragraph to the highest responsible qualified bidder by competitive bidding under general regulations in units of not more than 2,560 acres, except in Alaska, where units shall be not more than 5,760 acres. Such units shall be as nearly compact as possible. Lease sales shall be conducted by oral bidding. Lease sales shall be held for each State where eligible lands are available at least quarterly and more frequently if the Secretary of the Interior determines such sales are necessary. A lease shall be conditioned upon the payment of a royalty at a rate of not less than 12.5 percent in amount or value of the production removed or sold from the lease. The Secretary shall accept the highest bid from a responsible qualified bidder which is equal to or greater than the national minimum acceptable bid, without evaluation of the value of the lands proposed for lease.

ACREAGE

ORAL BIDDING

ROYALTY

Leases shall be issued within 60 days following payment by the successful bidder of the remainder of the bonus bid, if any, and the annual rental for the first lease year. All bids for less than the national minimum acceptable bid shall be rejected. Lands for which no bids are received or for which the highest bid is less than the national minimum acceptable bid shall be offered promptly within 30 days for leasing under subsection (c) of this section and shall remain available for leasing for a period of 2 years after the competitive lease sale.

LEASE ISSUANCE

"(B) The national minimum acceptable bid shall be $2 per acre for a period of 2 years from the date of enactment of the Federal Onshore Oil and Gas Leasing Reform Act of 1987. Thereafter, the Secretary may establish by regulation a higher national minimum acceptable bid for all leases based upon a finding that such action is necessary: (i) to enhance financial returns to the United States; and (ii) to promote more efficient management of oil and gas resources on Federal lands. Ninety days before the Secretary makes any change in the national minimum acceptable bid, the Secretary shall notify the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on

NATIONAL MINIMUM ACCEPTABLE BID

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

Energy and Natural Resources of the United States Senate. The proposal or promulgation of any regulation to establish a national minimum acceptable bid shall not be considered a major Federal action subject to the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969.".

(b) NONCOMPETITIVE LEASING.—Section 17(c) of the Act of February 25, 1920 (30 U.S.C. 226(c)), is amended to read as follows:

Sec. 17(c)

"(c)(1) If the lands to be leased are not leased under subsection (b)(1) of this section or are not subject to competitive leasing under subsection (b)(2) of this section, the person first making application for the lease who is qualified to hold a lease under this Act shall be entitled to a lease of such lands without competitive bidding, upon payment of a non-refundable application fee of at least $75. A lease under this subsection shall be conditioned upon the payment of a royalty at a rate of 12.5 percent in amount or value of the production removed or sold from the lease. Leases shall be issued within 60 days of the date on which the Secretary identifies the first responsible qualified applicant.

NON-COMPETITIVE BIDDING

ROYALTY

"(2)(A) Lands (i) which were posted for sale under subsection (b)(1) of this section but for which no bids were received or for which the highest bid was less than the national minimum acceptable bid and (ii) for which, at the end of the period referred to in subsection (b)(1) of this section no lease has been issued and no lease application is pending under paragraph (1) of this subsection, shall again be available for leasing only in accordance with subsection (b)(1) of this section.

NO BIDS RECEIVED

"(B) The land in any lease which is issued under paragraph (1) of this subsection or under subsection (b)(1) of this section which lease terminates, expires, is cancelled or is relinquished shall again be available for leasing only in accordance with subsection (b)(1) of this section.".

(c) RENTALS.—Section 17(d) of the Act of February 25, 1920 (30 U.S.C. 226(d)), is amended to read as follows:

Sec. 17(d)

"(d) All leases issued under this section, as amended by the Federal Onshore Oil and Gas Leasing Reform Act of 1987, shall be conditioned upon payment by the lessee of a rental of not less than $1.50 per acre per year for the first through fifth years of the lease and not less than $2 per acre per year for each year thereafter. A minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands leased.".

RENTAL

ROYALTY

(d) NOTICE AND RECLAMATION.—(1) Section 17 of the Act of February 25, 1920 (30 U.S.C. 226), is amended by redesignating subsections (f) through (k) as subsections (i) through (n) and by adding the following new subsections (f) through (h):

REDESIGNATE Sec. 17(f) through (k) as (i) through (n)

"(f) At least 45 days before offering lands for lease under this section, and at least 30 days before approving applications for permits to drill under the provisions of a lease or substantially modifying the terms of any lease issued under this section, the Secretary shall provide notice of the proposed action. Such notice shall be posted in

NOTICE OF LEASE MODIFICATION

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

the appropriate local office of the leasing and land management agencies. Such notice shall include the terms or modified lease terms and maps or a narrative description of the affected lands. Where the inclusion of maps in such notice is not practicable, maps of the affected lands shall be made available to the public for review. Such maps shall show the location of all tracts to be leased, and of all leases already issued in the general area. The requirements of this subsection are in addition to any public notice required by other law.

"(g) The Secretary of the Interior, or for National Forest lands, the Secretary of Agriculture, shall regulate all surface-disturbing activities conducted pursuant to any lease issued under this Act, and shall determine reclamation and other actions as required in the interest of conservation of surface resources. No permit to drill on an oil and gas lease issued under this Act may be granted without the analysis and approval by the Secretary concerned of a plan of operations covering proposed surface-disturbing activities within the lease area. The Secretary concerned shall, by rule or regulation, establish such standards as may be necessary to ensure that an adequate bond, surety, or other financial arrangement will be established prior to the commencement of surface-disturbing activities on any lease, to ensure the complete and timely reclamation of the lease tract, and the restoration of any lands or surface waters adversely affected by lease operations after the abandonment or cessation of oil and gas operations on the lease. The Secretary shall not issue a lease or leases or approve the assignment of any lease or leases under the terms of this section to any person, association, corporation, or any subsidiary, affiliate, or person controlled by or under common control with such person, association, or corporation, during any period in which, as determined by the Secretary of the Interior or Secretary of Agriculture, such entity has failed or refused to comply in any material respect with the reclamation requirements and other standards established under this section for any prior lease to which such requirements and standards applied. Prior to making such determination with respect to any such entity the concerned Secretary shall provide such entity with adequate notification and an opportunity to comply with such reclamation requirements and other standards and shall consider whether any administrative or judicial appeal is pending. Once the entity has complied with the reclamation requirement or other standard concerned an oil or gas lease may be issued to such entity under this Act.

"(h) The Secretary of the Interior may not issue any lease on National Forest System Lands reserved from the public domain over the objection of the Secretary of Agriculture.".

Sec. 17(g) added

SURFACE DISTURBANCE

(2) Section 31(h) of the Act of February 25, 1920 (30 U.S.C. 188(h)), is amended by striking out "section 17(j)" and substituting "section 17(m)".

Sec. 31(h) changed

SEC. 5103. ASSIGNMENTS.

Sections 30(a) and 30(b) of the Act of February 25, 1920 (30 U.S.C. 187a, 187b), are redesignated as sections 30A and 30B, respectively, and the third sentence of section 30A, as so redesignated, is amended to read as follows: "The Secretary shall disapprove the assign-

Sec. 30(a) and (b)

DISAPPROVAL OF ASSIGNMENT OR SUBLEASE

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ment or sublease only for lack of qualification of the assignee or sublessee or for lack of sufficient bond: Provided, however, That the Secretary may, in his discretion, disapprove an assignment of any of the following, unless the assignment constitutes the entire lease or is demonstrated to further the development of oil and gas:

"(1) A separate zone or deposit under any lease.

"(2) A part of a legal subdivision.

"(3) Less than 640 acres outside Alaska or of less than 2,560 acres within Alaska.

Requests for approval of assignment or sublease shall be processed promptly by the Secretary. Except where the assignment or sublease is not in accordance with applicable law, the approval shall be given within 60 days of the date of receipt by the Secretary of a request for such approval.".

SEC. 5104. LEASE CANCELLATION.

Sec. 31(b)

CANCELLATION

The first sentence of section 31(b) of the Act of February 25, 1920 (30 U.S.C. 188(b)) is amended to read as follows: "Any lease issued after August 21, 1935, under the provisions of section 17 of this Act shall be subject to cancellation by the Secretary of the Interior after 30 days notice upon the failure of the lessee to comply with any of the provisions of the lease, unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement under section 17(m) of this Act which contains a well capable of production of unitized substances in paying quantities.".

SEC. 5105. ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT.

Section 1008 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3148) is amended as follows:

(1) Subsections (c) and (e) are deleted in their entirety.

(2) The second sentence of subsection 1008(d) is deleted.

SEC. 5106. PENDING APPLICATIONS, OFFERS, AND BIDS.

(a) Notwithstanding any other provision of this subtitle and except as provided in subsection (b) of this section, all noncompetitive oil and gas lease applications and offers and competitive oil and gas bids pending on the date of enactment of this subtitle shall be processed, and leases shall be issued under the provisions of the Act of February 25, 1920, as in effect before its amendment by this subtitle, except where the issuance of any such lease would not be lawful under such provisions or other applicable law.

PENDING LEASES

(b) No noncompetitive lease applications or offers pending on the date of enactment of this subtitle for lands within the Shawnee National Forest, Illinois; the Ouachita National Forest, Arkansas; Fort Chaffee, Arkansas; or Eglin Air Force Base, Florida; shall be processed until these lands are posted for competitive bidding in accordance with section 5102 of this subtitle. If any such tract does not receive a bid equal to or greater than the national minimum acceptable bid from a responsible qualified bidder then the noncompetitive applications or offers pending for such a tract shall be reinstat-

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ed and noncompetitive leases issued under the Act of February 25, 1920, as in effect before its amendment by this subtitle, except where the issuance of any such lease would not be lawful under such provisions or other applicable law. If competitive leases are issued for any such tract, then the pending noncompetitive application or offer shall be rejected.

(c) Except as provided in subsections (a) and (b) of this section, all oil and gas leasing pursuant to the Act of February 25, 1920, after the date of enactment of this subtitle shall be conducted in accordance with the provisions of this subtitle.

SEC. 5107. REGULATIONS; TEST SALE.

(a) REGULATIONS.—The Secretary shall issue final regulations to implement this subtitle within 180 days after the enactment of this subtitle. The regulations shall be effective when published in the Federal Register.

(b) TREATMENT UNDER OTHER LAW.—The proposal or promulgation of such regulations shall not be considered a major Federal action subject to the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969.

(c) TEST SALE.—The Secretary may hold one or more lease sales conducted in accordance with the amendments made by this subtitle before promulgation of regulations referred to in subsection (a). Sale procedures for such sale shall be established in the notice of sale.

SEC. 5108. ENFORCEMENT.

The Act of February 25, 1920, is amended by inserting after section 40 the following new section:

"SEC. 41. ENFORCEMENT.

Sec. 41 added

"(a) VIOLATIONS.—It shall be unlawful for any person:

VIOLATIONS

"(1) to organize or participate in any scheme, arrangement, plan, or agreement to circumvent or defeat the provisions of this Act or its implementing regulations, or

"(2) to seek to obtain or to obtain any money or property by means of false statements of material facts or by failing to state material facts concerning:

"(A) the value of any lease or portion thereof issued or to be issued under this Act;

"(B) the availability of any land for leasing under this Act;

"(C) the ability of any person to obtain leases under this Act; or

"(D) the provisions of this Act and its implementing regulations.

"(b) PENALTY.—Any person who knowingly violates the provisions of subsection (a) of this section shall be punished by a fine of not more than $500,000, imprisonment for not more than five years, or both.

PENALTY

CIVIL ACTIONS

"(c) CIVIL ACTIONS.—Whenever it shall appear that any person is engaged, or is about to engage, in any act which constitutes or will constitute a violation of subsection (a) of this section, the Attorney General may institute a civil action in the district court of the United States for the judicial district in which the defendant resides or in which the violation occurred or in which the lease or land involved is located, for a temporary restraining order, injunction, civil penalty of not more than $100,000 for each violation, or other appropriate remedy, including but not limited to, a prohibition from participation in exploration, leasing, or development of any Federal mineral, or any combination of the foregoing.

CORPORATIONS

"(d) CORPORATIONS.—(1) Whenever a corporation or other entity is subject to civil or criminal action under this section, any officer, employee, or agent of such corporation or entity who knowingly authorized, ordered, or carried out the proscribed activity shall be subject to the same action.

"(2) Whenever any officer, employee, or agent of a corporation or other entity is subject to civil or criminal action under this section for activity conducted on behalf of the corporation or other entity, the corporation or other entity shall be subject to the same action, unless it is shown that the officer, employee, or agent was acting without the knowledge or consent of the corporation or other entity.

REMEDIES, FINES, AND IMPRISONMENT

"(e) REMEDIES, FINES, AND IMPRISONMENT.—The remedies, penalties, fines, and imprisonment prescribed in this section shall be concurrent and cumulative and the exercise of one shall not preclude the exercise of the others. Further, the remedies, penalties, fines, and imprisonment prescribed in this section shall be in addition to any other remedies, penalties, fines, and imprisonment afforded by any other law or regulation.

STATE CIVIL ACTIONS

"(f) STATE CIVIL ACTIONS.—(1) A State may commence a civil action under subsection (c) of this section against any person conducting activity within the State in violation of this section. Civil actions brought by a State shall only be brought in the United States district court for the judicial district in which the defendant resides or in which the violation occurred or in which the lease or land involved is located. The district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to order appropriate remedies and penalties as described in subsection (c) of this section.

"(2) A State shall notify the Attorney General of the United States of any civil action filed by the State under this subsection within 30 days of filing of the action. The Attorney General of the United States shall notify a State of any civil action arising from activity conducted within that State filed by the Attorney General under this subsection within 30 days of filing of the action.

"(3) Any civil penalties recovered by a State under this subsection shall be retained by the State and may be expended in such manner and for such purposes as the State deems appropriate. If a civil action is jointly brought by the Attorney General and a State, by more than one State or by the Attorney General and more than one State, any civil penalties recovered as a result of the joint action shall be shared by the parties bringing the action in the manner determined by the court rendering judgment in such action.

"(4) If a State has commenced a civil action against a person conducting activity within the State in violation of this section, the Attorney General may join in such action but may not institute a separate action arising from the same activity under this section. If the Attorney General has commenced a civil action against a person conducting activity within a State in violation of this section, that State may join in such action but may not institute a separate action arising from the same activity under this section.

"(5) Nothing in this section shall deprive a State of jurisdiction to enforce its own civil and criminal laws against any person who may also be subject to civil and criminal action under this section.".

SEC. 5108. PAYMENTS TO STATES.

Sec. 35

PAYMENTS TO STATES

Section 35 of the Act of February 25, 1920 (30 U.S.C. 191) is amended by adding the following at the end thereof: "In determining the amount of payments to States under this section, the amount of such payments shall not be reduced by any administrative or other costs incurred by the United States.".

SEC. 5110. REPORT.

REPORTS

The Secretary shall submit annually for 5 years after enactment of this subtitle to the Congress a report containing appropriate information to facilitate congressional monitoring of this subtitle. Such report shall include, but not be limited to—

(1) the number of acres leased, and the number of leases issued, competitively and noncompetitively;

(2) the amount of revenue received from bonus bids, filing fees, rentals, and royalties;

(3) the amount of production from competitive and noncompetitive leases; and

(4) such other data and information as will facilitate—

(A) an assessment of the onshore oil and gas leasing system, and

(B) a comparison of the system as revised by this subtitle with the system in operation prior to the enactment of this subtitle.

SEC. 5111. LAND USE STUDY.

The National Academy of Sciences and the Comptroller General of the United States shall conduct a study of the manner in which oil and gas resources are considered in the land use plans developed by the Secretary of the Interior in accordance with provisions of the Federal Land Policy and Management Act of 1976 (90 Stat. 2743) and the Secretary of Agriculture in accordance with the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476), as amended by the National Forest Management Act of 1976

(90 Stat. 2949), and recommend any improvements that may be necessary to ensure that—

(1) potential oil and gas resources are adequately addressed in planning documents;

(2) the social, economic, and environmental consequences of exploration and development of oil and gas resources are determined; and

(3) any stipulations to be applied to oil and gas leases are clearly identified.

SEC. 5112. LANDS NOT SUBJECT TO OIL AND GAS LEASING.

The Act of February 25, 1920, is amended by adding the following at the end thereof:

Sec. 43 added

"SEC. 43. LANDS NOT SUBJECT TO OIL AND GAS LEASING.

"(a) PROHIBITION.—The Secretary shall not issue any oil and gas lease under this Act on any of the following Federal lands:

"(1) Lands recommended for wilderness allocation by the surface managing agency.

"(2) Lands within Bureau of Land Management wilderness study areas.

"(3) Lands designated by Congress as wilderness study areas, except where oil and gas leasing is specifically allowed to continue by the statute designating the study area.

"(4) Lands within areas allocated for wilderness or further planning in Executive Communication 1504, Ninety-Sixth Congress (House Document numbered 96-119), unless such lands are allocated to uses other than wilderness by a land and resource management plan or have been released to uses other than wilderness by an act of Congress.

"(b) EXPLORATION.—In the case of any area of National Forest or public lands subject to this section, nothing in this section shall affect any authority of the Secretary of the Interior (or for National Forest Lands reserved from the public domain, the Secretary of Agriculture) to issue permits for exploration for oil and gas by means not requiring construction of roads or improvement of existing roads if such activity is conducted in a manner compatible with the preservation of the wilderness environment.".

SEC. 5113. SHORT TITLE.

The Act of February 25, 1920, is amended by inserting after section 43 the following new section:

Sec. 44 added

"SEC. 44. SHORT TITLE.

"This Act may be cited as the 'Mineral Leasing Act'.".

ACT OF NOVEMBER 15, 1990

To authorize the Secretary of the Interior to reinstate oil and gas lease LA 033164.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection 31(g) of the Mineral Leasing Act, as amended (30 U.S.C. 188(g)), is amended by adding the following:

Sec. 31

"(3) Notwithstanding any other provision of law, any lease issued pursuant to section 14 of this Act shall be eligible for reinstatement under the terms and conditions set forth in subsections (c), (d), and (e) of this section, applicable to leases issued under subsection 17(c) of this Act (30 U.S.C. 226(c)) except, that, upon reinstatement, such lease shall continue for twenty years and so long thereafter as oil or gas is produced in paying quantities.

REINSTATEMENT OF SECTION 14 RENEWAL LEASES

"(4) Notwithstanding any other provision of law, any lease issued pursuant to section 14 of the Act shall, upon renewal on or after enactment of this paragraph, continue for twenty years and so long thereafter as oil or gas is produced in paying quantities.".

NEW LEASE TERM 20 YEARS

Sec. 2. (a) Notwithstanding any other provision of law, United States oil and gas leases CALA 033164, CAS 019746C, and CAS 021009B shall be eligible for reinstatement under the terms and conditions set forth in subsections 31(c), (d), and (e) of the Mineral Leasing Act, as amended (30 U.S.C. 188 (c), (d), and (e)) applicable to leases issued under section 17(c) of the Mineral Leasing Act (30 U.S.C. 226(c)) except, that, upon reinstatement, such lease shall continue for twenty years and so long thereafter as oil or gas is produced in paying quantities.

(b) Within thirty days after the enactment of this Act, the Secretary of the Interior shall give written notice by registered mail to the last lessees of record for the leases listed in subsection (a) of this section that said lessees may petition for reinstatement in accordance with the procedures and conditions in subsections 31 (c), (d), and (e) of the Mineral Leasing Act, as amended (30 U.S.C. 188 (c), (d), and (e)). The lessee shall have sixty days from the date of the Secretary's notice to file such petition. If the Secretary determines that the leases listed in subsection (a) of this section qualify for reinstatement pursuant to subsection 31(d) (30 U.S.C. 118(d)), in all respects except for compliance with the deadlines imposed by that provision, the Secretary shall reinstate such leases.

RIGHT TO PETITION FOR REINSTATEMENT

Approved November 15, 1990.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments in each section.

PORTION OF THE ENERGY POLICY ACT OF 1992

One Hundred Second Congress of the United States of America
AT THE SECOND SESSION
Begun and held at the City of Washington on Friday, the third day of January, one thousand nine hundred and ninety-two

Act of January 3, 1992

An Act To provide for improved energy efficiency.

TITLE XXV-COAL, OIL, AND GAS (in part)

SEC. 2505. FEDERAL LIGNITE COAL ROYALTIES.

Sec. 7

Coal Royalty Reduction

Fort Union Region

(a) COAL IN FORT UNION REGION.-Notwithstanding any other provision of law, or any regulation or guideline issued thereunder, the Secretary of the Interior may determine, with respect to lignite coal in the Fort Union region, a lesser royalty than the royalty specified under section 7 of the Mineral Leasing Act (30 U.S.C. 207). Any lesser royalty granted under this section, or under section 39 of the Mineral Leasing Act (30 U.S.C. 209) after March 29, 1990, for lignite coal in the Fort Union region shall continue for a term of at least 10 years from the effective date of such reduction.

Review effect of royalty reduction

(b) REVIEW AND EXTENSION.-Within 10 years after the date of enactment of this Act, the Secretary of the Interior shall review the effect of any royalty reduction pursuant to subsection (a) on the production of coal. If the Secretary determines that such royalty reduction has had no significant adverse impact on coal production, upon a request by a lignite coal operator in the Fort Union region, the Secretary may grant an additional royalty reduction for a period of 10 years, provided that the total term of the reduced royalty granted pursuant to subsection (a) and this subsection for a tract or lease does not exceed a period of 20 years.

SEC. 2506. ACQUIRED FEDERAL LAND MINERAL RECEIPTS MANAGEMENT.

Sec. 6

Mineral Receipts on Acquired Lands

(a) MINERAL RECEIPTS UNDER ACQUIRED LANDS ACT.-Section 6 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 355) is amended by inserting "(a)" before the first sentence and by adding the following new subsection at the end thereof:

"(b) Notwithstanding any other provision of law, any payment to a State under this section shall be made by the Secretary of the Interior and shall be made not later than the last business day of the month following the month in which such moneys or associated reports are received by the Secretary of the Interior, whichever is later. The Secretary shall pay

interest to a State on any amount not paid to the State within that time at the rate prescribed under section 111 of the Federal Oil and Gas Royalty Management Act of 1982 from the date payment was required to be made under this subsection until the date payment is made.".

(b) AUTHORITY TO MANAGE CERTAIN MINERAL LEASES.-The Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 and following) is amended by adding the following new section at the end thereof:

Sec. 11

Managing Certain Mineral Leases – Acquired Lands

"SEC. 11. AUTHORITY TO MANAGE CERTAIN MINERAL LEASES.

"Each department, agency and instrumentality of the United States which administers lands acquired by the United States with one or more existing mineral lease shall transfer to the Secretary of the Interior the authority to administer such lease and to collect all receipts due and payable to the United States under the lease. In the case of lands acquired on or before the date of the enactment of this section, the authority to administer the leases and collect receipts shall be transferred to the Secretary of the Interior as expeditiously as practicable after the date of enactment of this section. In the case of lands acquired after the date of enactment of this section, such authority shall be vested with the Secretary at the time of acquisition. The provisions of section 6 of this Act shall apply to all receipts derived from such leases where such receipts are due and payable to the United States under the lease in the same manner as such provisions apply to receipts derived from leases issued under the authority of this Act. For purposes of this section, the term 'existing mineral lease' means any lease in existence at the time land is acquired by the United States. Nothing in this section shall be construed to affect the existing surface management authority of any Federal agency.".

(c) CLARIFICATION.-Section 7 of the Act of August 18, 1941, ch. 377 (33 U.S.C. 701c-3) is amended by adding the following sentence at the end thereof: "For the purposes of this section, the term 'money' includes, but is not limited to, such bonuses, royalties and rentals (and any interest or other charge paid to the United States by reason of the late payment of any royalty, rent, bonus or other amount due to the United States) paid to the United States from a mineral lease issued under the authority of the Mineral Leasing Act for Acquired Lands or paid to the United States from a mineral lease in existence at the time of the acquisition of the land by the United States.".

SEC. 2507. RESERVED OIL AND GAS.

(a) IN GENERAL.-Section 17(b) of the Mineral Leasing Act (30 U.S.C. 226(b)) is amended as follows-

(1) In paragraph (1)(A), strike out "under paragraph (2)" and insert in lieu thereof "under paragraphs (2) and (3)".

(2) Adding at the end thereof the following new paragraph:

Sec. 17(b)

Vested interest on Department of Agriculture lands after January 1, 1990

"(3)(A) If the United States held a vested future interest in a mineral estate that, immediately prior to becoming a vested present interest, was subject to a lease under which oil or gas was being produced, or had a well capable of producing, in paying quantities at an annual average production volume per well per day of either not more than 15 barrels per day of oil or condensate, or not more than 60,000 cubic feet of gas, the holder of the lease may elect to continue the lease as a noncompetitive lease under subsection (c)(1).

"(B) An election under this paragraph is effective-

"(i) in the case of an interest which vested after January 1, 1990, and on or before the date of enactment of this paragraph, if the election is made before the date that is 1 year after the date of enactment of this paragraph;

"(ii) in the case of an interest which vests within 1 year after the date of enactment of this paragraph, if the election is made before the date that is 2 years after the date of enactment of this paragraph; and

"(iii) in any case other than those described in clause (i) or (ii), if the election is made prior to the interest becoming a vested present interest.

"(C) Notwithstanding the consent requirement referenced in section 3 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 352), the Secretary shall issue a noncompetitive lease under subsection (c)(1) to a holder who makes an election under subparagraph (A) and who is qualified to hold a lease under this Act. Such lease shall be subject to all terms and conditions under this Act that are applicable to leases issued under subsection
(c)(1).

"(D) A lease issued pursuant to this paragraph shall continue so long as oil or gas continues to be produced in paying quantities.

"(E) This paragraph shall apply only to those lands under the administration of the Secretary of Agriculture where the United States acquired an interest in such lands pursuant to the Act of March 1, 1911 (36 Stat. 961 and following).".

(b) EFFECTIVE DATE.-The amendments made by subsection (a) apply with respect to those mineral estates in which the interest of the United States becomes a vested present interest after January 1, 1990.

SEC. 2508. CERTAIN OUTSTANDING OIL AND GAS.

(a) IN GENERAL.-Section 17 of the Mineral Leasing Act (30 U.S.C. 226) is amended by adding the following new subsection after subsection (n):

Sec. 17

Advance notice regarding surface-disturbing activities on Department of Agriculture lands.

"(o) CERTAIN OUTSTANDING OIL AND GAS.-(1) Prior to the commencement of surface-disturbing activities relating to the development of oil and gas deposits on lands described under paragraph (5), the Secretary of Agriculture shall require, pursuant to regulations promulgated by the Secretary, that such activities be subject to terms and conditions as provided under paragraph (2).

"(2) The terms and conditions referred to in paragraph (1) shall require that reasonable advance notice be furnished to the Secretary of Agriculture at least 60 days prior to the commencement of surface disturbing activities.

"(3) Advance notice under paragraph (2) shall include each of the following items of information:

"(A) A designated field representative.

"(B) A map showing the location and dimensions of all improvements, including but not limited to, well sites and road and pipeline accesses.

"(C) A plan of operations, of an interim character if necessary, setting forth a schedule for construction and drilling.

"(D) A plan of erosion and sedimentation control.

"(E) Proof of ownership of mineral title.

Nothing in this subsection shall be construed to affect any authority of the State in which the lands concerned are located to impose any requirements with respect to such oil and gas operations.

"(4) The person proposing to develop oil and gas deposits on lands described under paragraph (5) shall either-

"(A) permit the Secretary to market merchantable timber owned by the United States on lands subject to such activities; or

"(B) arrange to purchase merchantable timber on lands subject to such surface disturbing activities from the Secretary of Agriculture, or otherwise arrange for the disposition of such merchantable timber, upon such terms and upon such advance notice of the items referred to in subparagraphs (A) through (E) of paragraph (3) as the Secretary may accept.

"(5)(A) The lands referred to in this subsection are those lands referenced in subparagraph (B) which are under the administration of the Secretary of Agriculture where the United States acquired an interest in such lands pursuant to the Act of March 1, 1911 (36 Stat. 961 and following), but does not have an interest in oil and gas deposits that may be present under such lands. This subsection does not apply to any such lands where, under the provisions of its acquisition of an interest in the lands, the United States is to acquire any oil and gas deposits that may be present under such lands in the future but such interest has not yet vested with the United States.

"(B) This subsection shall only apply in the Allegheny National Forest.".

(b) REGULATIONS.-Within 90 days after the enactment of this Act the Secretary of Agriculture shall promulgate regulations to implement the amendment made by subsection (a).

SEC. 2509. FEDERAL ONSHORE OIL AND GAS LEASING.

Sec. 17(e)

Primary lease term of competitive leases amended from 5 to 10 years.

The first sentence of section 17(e) of the Mineral Leasing Act (30 U.S.C. 226(e)) is amended by striking the phrase starting with "Competitive leases" and ending with "ten years: Provided, however," and inserting in lieu thereof the following: "Competitive and noncompetitive leases issued under this section shall be for a primary term of 10 years: Provided, however,".

SEC. 2510. OIL PLACER CLAIMS.

Notwithstanding any other provision of law, in furtherance of the purposes of the Act of February 11, 1897, commonly referred to as the Oil Placer Act, and section 37 of the Mineral Leasing Act, the Secretary of the Interior is authorized and directed to, within 90 days after the enactment of this Act, (1) convey by quit-claim deed to the owner or owners, or (2) separately and as an alternative, disclaim and relinquish by a document in any form suitable for recordation in the county within which the lands are situated, all right, title and interest or claim of interest of the United States to those lands in the counties of Hot Springs, Park and Washakie in the State of Wyoming, held pursuant to the Act of February 11, 1897, and which are currently producing covered substances under a cooperative or unit plan of development.

Sec. 37

Conveyance of Oil Placer claims in the counties of Hot Springs, Park, and Washakie in the State of Wyoming.

FOOTNOTES FOR THE MINERAL LEASING ACT OF 1920 and SUBSEQUENT AMENDMENTS

FOOTNOTES FOR SECTION 1: MINERAL LEASING ACT OF 1920:
1. Sec. 1 is made applicable to the Act of 2/7/27, at p. 19 this text.
2. Sec. 1 is amended by the Act of 8/8/46, at p. 40 this text.
3. Sec. 1 is amended by the Act of 9/2/60, at p. 77 this text.
4. Sec. 1 is further amended by the Act of 11/16/81, at p. 114 this text.

FOOTNOTES FOR SECTION 2: MINERAL LEASING ACT OF 1920
5. Sec. 2 is amended by the Act of 6/3/48, at p. 53-54 this text.
6. Sec. 2(a)-(b) are amended by the Act of 8/31/64, at p. 79 this text.
7. Sec. 2 (a) is amended by the Act of 8/4/76, at p. 100-102 this text.
8. Sec. 2(b) is amended by the Act of 8/4/76, at p. 102-103 this text.
9. Sec. 2(c)-(d) are REPEALED by Act of 8/4/76, at p. 103 this text.
10. Sec. 2 is amended by adding new subsection, 2(d)(1)-(8), by the Act of 8/4/76, at p. 103-104 this text.
11. Sec. 2(a)(1) is further amended by 10/30/78, at p. 112 this text.
12. Sec. 2 is amended by addition by the Act of 11/16/81, at p. 116 this text.

FOOTNOTES FOR SECTION 3: MINERAL LEASING ACT OF 1920
13. Sec. 3 is further amended by the Act of 10/30/78, at p. 112 this text.
14. Sec. 3 is amended by the Act of 6/3/48, at p. 56 this text.
15. Sec. 3 is further amended by the Act of 4/21/76, at p. 107-108 this text.
16. Sec. 3 is amended by the Act of 4/21/76, at p. 107-8, this text. NOTE: There are three references to Sec. 3 on page 107.
17. Sec. 3 is amended by the Act of 10/30/78 at p. 112 this text.
18. Sec. 3 is amended by the Act of 11/16/81, at p. 116 this text.

FOOTNOTES FOR SECTION 4: MINERAL LEASING ACT OF 1920
19. Sec. 4 is REPEALED by 4/21/76, at p. 107 this text.

FOOTNOTES FOR SECTION 7: MINERAL LEASING ACT OF 1920
20. Sec. 7 is amended by the Act of 4/21/76, at p. 104 this text.

FOOTNOTES FOR SECTION 8: MINERAL LEASING ACT OF 1920
21. Sec. 8A is inserted after sec. 8 by the Act of 4/21/76, at p. 104-106 this text.
22. Sec. 8B is inserted after sec. 8A by the Act of 4/21/76, at p. 106 this text.

FOOTNOTES FOR SECTION 9: MINERAL LEASING ACT OF 1920
23. Sec. 9 is amended by the Act of 6/3/48, at p. 54 this text.
24. Sec. 9 is amended and new subsections are added by the Act of 3/18/60, at p. 65 this text.

FOOTNOTES FOR SECTION 10: MINERAL LEASING ACT OF 1920
25. Sec. 10 is amended by the Act of 6/3/48, at p. 54-55 this text.

FOOTNOTES FOR SECTION 11: MINERAL LEASING ACT OF 1920
26. Sec. 11 is amended by the Act of 6/3/48, at p. 55 this text.

FOOTNOTES FOR SECTION 12: MINERAL LEASING ACT OF 1920
27. Sec. 12 is amended by the Act of 6/3/48, at p. 55 this text.
28. Sec. 12 is amended by the Act of 3/18/60, at p. 65 this text.

FOOTNOTES FOR SECTION 13: MINERAL LEASING ACT OF 1920
29. Sec. 13 is amended by the Act of 8/21/35, at p. 30-32 this text.
30. Sec. 13 is made applicable to the Act of 7/29/42, at p. 37 this text.

FOOTNOTES FOR SECTION 14: MINERAL LEASING ACT OF 1920
31. Sec. 14 is amended by the Act of 8/21/35, at p. 32-33 this text.

FOOTNOTES FOR SECTION 16: MINERAL LEASING ACT OF 1920
32. Sec. 16 is amended by the Act of 8/8/46, at p. 40 this text.

FOOTNOTES FOR SECTION 17: MINERAL LEASING ACT OF 1920
33. Sec. 17 is amended by the Act of 7/3/30, at p. 22 this text.
NOTE: This amendment EXPIRES 1/31/31. See p. 24 this text.
34. Sec. 17 is amended and reenacted by the Act of 3/4/31, at p. 25-26 this text. 33. Sec. 17 is amended by the Act of 8/21/35, at p. 33-35 this text.
35. Sec. 17 as amended in the Act of 8/21/35 (pages 33-35 this text)is applicable to the Act of 7/8/40, at p. 37 this text. 35. Sec. 17 provisions are applied to the Act of 7/29/42, at p. 37 this text.
36. Sec. 17 is amended and new sections, 17(a) and (b) are added, by the Act of 8/8/46, at p. 40-44 this text.
37. Sec. 17 is amended by the Act of 7/29/54, at p. 58-59 this text. NOTE: There are five references to Sec. 17 at these pages.
38. Sec. 17 is amended by the Act of 6/11/60, at p. 65 this text.
39. Sec. 17, 17(a), and 17(b) are amended by the Act of 9/2/60, at p. 67-71 this text.
40. Sec. 17(b), (c), and (e) are amended by the Act of 11/16/81, at p. 114-115 this text.
41. Sec. 17 is amended by adding sec. 17(k) by the Act of 11/16/81, at p. 115-116 this text.
42. Sec. 17(b)(1), (c), and (d) are amended by the Act of 12/21/87, at p. 132-134 this text.

FOOTNOTES FOR SECTION 21: MINERAL LEASING ACT OF 1920
43. Sec. 21 is amended and secs. 21(a) and (b) are added by the Act of 9/2/60, at p. 77 this text. NOTE: There are two references to Sec. 21 on this page.
44. Sec. 21(a) and (c) are amended by the Act of 11/16/81, at p. 114 this text.
45. Sec. 21 is amended by the Act of 12/30/82, at p. 117-118 this text.

FOOTNOTES FOR SECTION 22: MINERAL LEASING ACT OF 1920
46. Sec. 22 is amended by the Act of 7/3/58, at p. 62 this text.

FOOTNOTES FOR SECTION 23: MINERAL LEASING ACT OF 1920
47. Sec. 23 is amended by the Act of 12/11/28, at p. 20 this text.

FOOTNOTES FOR SECTION 24: MINERAL LEASING ACT OF 1920
48. Sec. 24 is amended by the Act of 12/11/28, at p. 20-21 this text.

FOOTNOTES FOR SECTION 27: MINERAL LEASING ACT OF 1920
49. Sec. 27 is amended by the Act of 4/30/26, at p. 18-19 this text.
50. Sec. 27 is amended by the Act of 7/3/30, at p. 22-24 this text. NOTE: This amendment EXPIRES 1/31/31. See p. 24 this text.
51. Sec. 27 is amended by the Act of 8/8/46, at p. 44-46 this text.
52. Sec. 27 is amended by the Act of 6/3/48, at p. 55 this text.
53. Sec. 27 is amended by the Act of 8/2/54, at p. 60 this text.
54. Sec. 27 is amended by the Act of 8/21/58, at p. 63 this text.
55. Sec. 27 is amended by the Act of 3/18/60, at p. 65 this text.
56. Sec. 27 is amended by the Act of 9/2/60, at p. 71-75 this text.
57. Sec. 27 is amended by the Act of 8/31/64, at p. 79 this text.
58. Sec. 27(a)(1) is amended by the Act of 4/21/76, at p. 107 this text.
59. Sec. 27(a)(2) was REPEALED by the Act of 4/21/76, at p. 107 this text.
60. Sec. 27 is amended by the Act of 4/21/76, at p. 108 this text.
61. Sec. 27(k) is amended by the Act of 11/16/81, see p. 114 this text.
62. Sec. 27(d)(1) is amended by the Act of 11/16/81, see p. 114 this text.

FOOTNOTES FOR SECTION 28: MINERAL LEASING ACT OF 1920
63. Sec. 28 is amended by the Act of 8/21/35, at p. 35-36 this text.
64. Sec. 28 is amended by the Act of 8/12/53, at p. 57 this text.
65. Sec. 28 is amended by the Act of 11/16/73, at p. 91-99 this text.

FOOTNOTES FOR SECTION 30: MINERAL LEASING ACT OF 1920
66. Sec. 30(a) and (b) were added by the Act of 8/8/46, at p. 46-47 this text.
67. Sec. 30(a) is amended by the Act of 7/29/54, at p. 59 this index.
68. Sec. 30(a) is amended by the Act of 9/2/60, at p. 76-77 this text.
69. Sec. 30 is amended by Act of 10/30/78, at p. 112 this index.
70. Sec. 30(a) and (b) are amended by the Act of 12/21/87, at p. 134-135 this text.

FOOTNOTES FOR SECTION 31: MINERAL LEASING ACT OF 1920
71. Sec. 31 is amended by the Act of 8/8/46, at p. 47 this text.
72. Sec. 31 is amended by the Act of 7/29/54, at p. 60 this text.
73. Sec. 31 is amended by the Act of 10/15/62, at p. 78 this text.
74. Sec. 31(c) and (d) are added by 10/15/62, at p. 78 this text.
75. Sec. 31(b) and (c) are amended by Act of 5/12/70, at p. 80 this text.
76. Sec. 31 is amended by Act of 1/12/83, at p. 128 this text.
77. Sec. 31(b) is amended by the Act of 12/21/87, at p. 135 this text.

FOOTNOTES FOR SECTION 34: MINERAL LEASING ACT OF 1920
78. Sec. 34 is amended by the Act of 9/2/60, at p. 77 this text.

FOOTNOTES FOR SECTION 35: MINERAL LEASING ACT OF 1920
79. Sec. 35 is amended and reenacted by the Act of 5/27/47, at p. 49 this text.
80. Sec. 35 is amended by the Act of 8/3/50, at p. 57 this text.
81. Sec. 35 is amended by the Act of 7/10/57, at p. 61 this text.
82. Sec. 35 is amended by the Act of 4/21/76, at p. 100 this text.
83. Sec. 35 is amended by the Act of 4/21/76, at p. 106 this text.
84. Sec. 35 is amended by the Act of 8/4/76, at p. 107 this text.
85. Sec. 35 is amended by Title III, 9/28/76, at p. 109 this text.
86. Sec. 35 is amended by the Act of 10/21/76, at p. 110 this text.
87. Sec. 35 is amended by the Act of 1/12/83, at p. 121 this text.
88. Sec. 35 is amended by the Act of 1/12/83, at p. 126 this text.
NOTE: There are two references to Sec. 35 on this page.
89. Sec. 35 is amended by the Act of 12/22/87, at p. 138 this text.

FOOTNOTES FOR SECTION 36: MINERAL LEASING ACT OF 1920
90. Sec. 36 is amended by the Act of 7/13/46, at p. 39 this text.

FOOTNOTES FOR SECTION 37: MINERAL LEASING ACT OF 1920
91. Sec. 37 is amended by the Act of 10/30/78, at p. 112 this text.

FOOTNOTES FOR SECTION 38: MINERAL LEASING ACT OF 1920
92. Sec. 38 was REPEALED by the Act of 9/6/66, at p. 79 this text.

FOOTNOTES FOR SECTION 39: MINERAL LEASING ACT OF 1920

93. Sec. 39 was added by the Act of 2/9/33, at p. 28 this text.
94. Sec. 39 was added by the Act of 2/9/33, at p. 28 this text.
95. Sec. 39 is amended by the Act of 8/8/46, at p. 47-48 this text.
96. Sec. 39 is amended by the Act of 6/3/48, at p. 55-56 this text.
97. Sec. 39 is amended by the Act of 4/21/76, at p. 108 this text.
98. Sec. 39 is amended by the Act of 11/16/81, at p. 114 this text.

FOOTNOTES FOR SECTION 14 (cont'd): MINERAL LEASING ACT OF 1920

99. Sec. 14 is amended by the Act of 11/15/90, at p. 140 this text.

FOOTNOTES FOR SECTION 31 (cont'd): MINERAL LEASING ACT OF 1920

100. Sec. 31 is amended by the Act of 11/15/90, at p. 140 this text.

FOOTNOTES FOR SECTIONS 6, 7, 11, 17, AND 37: MINERAL LEASING ACT OF 1920

101. These sections amended by the Act of January 3, 1992 – The Energy Policy Act of 1992, at p. 141 this text.

SECTION 40:
Added by Act of 6/16/34, at p. 29 this text.

SECTION 41;
Added by Act of 12/21/87, at p. 136 this text.

SECTION 42:
Added by Act of 9/2/60, at p. 76 this text.

SECTION 43:
Added by Act of 12/21/87, at p. 139 this text.

SECTION 44:
Added by Act of 12/21/87, at p. 139 this text.

SEC. 343. <<NOTE: 42 USC 15903.>> MARGINAL PROPERTY PRODUCTION INCENTIVES.

(a) Definition of Marginal Property.--Until such time as the Secretary issues regulations under subsection (e) that prescribe a different definition, in this section, the term ``marginal property'' means an onshore unit, communitization agreement, or lease not within a unit or communitization agreement, that produces on average the combined equivalent of less than 15 barrels of oil per well per day or 90,000,000 British thermal units of gas per well per day calculated based on the average over the 3 most recent production months, including only wells that produce on more than half of the days during those 3 production months.

(b) Conditions for Reduction of Royalty Rate.--Until such time as the Secretary issues regulations under subsection (e) that prescribe different standards or requirements, the Secretary shall reduce the royalty rate on--

(1) oil production from marginal properties as prescribed in subsection (c) if the spot price of West Texas Intermediate crude oil at Cushing, Oklahoma, is, on average, less than $15 per barrel (adjusted in accordance with the Consumer Price Index for all-urban consumers, United States city average, as published by the Bureau of Labor Statistics) for 90 consecutive trading days; and

(2) gas production from marginal properties as prescribed in subsection (c) if the spot price of natural gas delivered at Henry Hub, Louisiana, is, on average, less than $2.00 per million British thermal units (adjusted in accordance with the Consumer Price Index for all-urban consumers, United States city average, as published by the Bureau of Labor Statistics) for 90 consecutive trading days.

(c) Reduced Royalty Rate.--

(1) In general.--When a marginal property meets the conditions specified in subsection (b), the royalty rate shall be the lesser of--

(A) 5 percent; or

(B) the applicable rate under any other statutory or regulatory royalty relief provision that applies to the affected production.

(2) Period of effectiveness.--The reduced royalty rate under this subsection shall be effective beginning on the first day of the production month following the date on which the applicable condition specified in subsection (b) is met.

(d) Termination of Reduced Royalty Rate.--A royalty rate prescribed in subsection (c)(1) shall terminate--

(1) with respect to oil production from a marginal property, on the first day of the production month following the date on which--

(A) the spot price of West Texas Intermediate crude oil at Cushing, Oklahoma, on average, exceeds $15 per barrel (adjusted in accordance with the Consumer Price Index for all-urban consumers, United States city

average, as published by the Bureau of Labor Statistics) for 90 consecutive trading days; or

(B) the property no longer qualifies as a marginal property; and

(2) with respect to gas production from a marginal property, on the first day of the production month following the date on which--

(A) the spot price of natural gas delivered at Henry Hub, Louisiana, on average, exceeds $2.00 per million British thermal units (adjusted in accordance with the Consumer Price Index for all-urban consumers, United States city average, as published by the Bureau of Labor Statistics) for 90 consecutive trading days; or

(B) the property no longer qualifies as a marginal property.

(e) Regulations Prescribing Different Relief.--

(1) Discretionary regulations.--The Secretary may by regulation prescribe different parameters, standards, and requirements for, and a different degree or extent of, royalty relief for marginal properties in lieu of those prescribed in subsections (a) through (d).

(2) Mandatory regulations.--Unless a <<NOTE: Deadline.>> determination is made under paragraph (3), not later than 18 months after the date of enactment of this Act, the Secretary shall by regulation--

(A) prescribe standards and requirements for, and the extent of royalty relief for, marginal properties for oil and gas leases on the outer Continental Shelf; and

(B) define what constitutes a marginal property on the outer Continental Shelf for purposes of this section.

(3) Report.--To the extent the Secretary determines that it is not practicable to issue the regulations referred to in paragraph (2), the Secretary shall provide a report to Congress explaining such determination by not later than 18 months after the date of enactment of this Act.

(4) Considerations.--In issuing regulations under this subsection, the Secretary may consider--

(A) oil and gas prices and market trends;

(B) production costs;

(C) abandonment costs;

(D) Federal and State tax provisions and the effects of those provisions on production economics;

(E) other royalty relief programs;

(F) regional differences in average wellhead prices;

(G) national energy security issues; and

(H) other relevant matters, as determined by the Secretary.

(f) Savings Provision.--Nothing in this section prevents a lessee from receiving royalty relief or a royalty reduction pursuant to any other law (including a regulation) that provides more relief than the amounts provided by this section.

SEC. 349. <<NOTE: 42 USC 15907.>> ORPHANED, ABANDONED, OR IDLED WELLS ON FEDERAL LAND.

(a) In General.--The <<NOTE: Deadline.>> Secretary, in cooperation with the Secretary of Agriculture, shall establish a program not later than 1 year after the date of enactment of this Act to remediate, reclaim, and close orphaned, abandoned, or idled oil and gas wells located on land administered by the land management agencies within the Department of the Interior and the Department of Agriculture.

(b) Activities.--The program under subsection (a) shall--

(1) include a means of ranking orphaned, abandoned, or idled wells sites for priority in remediation, reclamation, and closure, based on public health and safety, potential environmental harm, and other land use priorities;

(2) provide for identification and recovery of the costs of remediation, reclamation, and closure from persons or other entities currently providing a bond or other financial assurance required under State or Federal law for an oil or gas well that is orphaned, abandoned, or idled; and

(3) provide for recovery from the persons or entities identified under paragraph (2), or their sureties or guarantors, of the costs of remediation, reclamation, and closure of such wells.

(c) Cooperation and Consultations.--In carrying out the program under subsection (a), the Secretary shall--

(1) work cooperatively with the Secretary of Agriculture and the States within which Federal land is located; and

(2) consult with the Secretary of Energy and the Interstate Oil and Gas Compact Commission.

(d) Plan.--Not <<NOTE: Deadline.>> later than 1 year after the date of enactment of this Act, the Secretary, in cooperation with the Secretary of Agriculture, shall submit to Congress a plan for carrying out the program under subsection (a).

(e) Idled Well.--For the purposes of this section, a well is idled if--

(1) the well has been nonoperational for at least 7 years; and

(2) there is no anticipated beneficial use for the well.

(f) Federal Reimbursement for Orphaned Well Reclamation Pilot Program.--

(1) Reimbursement for remediating, reclaiming, and closing wells on land subject to a new lease.--The Secretary shall carry out a pilot program under which, in issuing a new oil and gas lease on federally owned land on which 1 or more orphaned wells are located, the Secretary--

(A) may require, other than as a condition of the lease, that the lessee remediate, reclaim, and close in accordance with standards established by the Secretary, all orphaned wells on the land leased; and

(B) shall develop a program to reimburse a lessee, through a royalty credit against the Federal share of royalties owed or other means, for the reasonable actual costs of remediating, reclaiming, and closing the orphaned wells pursuant to that requirement.

(2) Reimbursement for reclaiming orphaned wells on other land.--In carrying out this subsection, the Secretary--

(A) may authorize any lessee under an oil and gas lease on federally owned land to reclaim in accordance with the Secretary's standards--

(i) an orphaned well on unleased federally owned land; or

(ii) an orphaned well located on an existing lease on federally owned land for the reclamation of which the lessee is not legally responsible; and

(B) shall develop a program to provide reimbursement of 100 percent of the reasonable actual costs of remediating, reclaiming, and closing the orphaned well, through credits against the Federal share of royalties or other means.

(3) Regulations.--The Secretary may issue such regulations as are appropriate to carry out this subsection.

(g) Technical Assistance Program for Non-Federal Land.--

(1) In general.--The Secretary of Energy shall establish a program to provide technical and financial assistance to oil and gas producing States to facilitate State efforts over a 10-year period to ensure a practical and economical remedy for environmental problems caused by orphaned or abandoned oil and gas exploration or production well sites on State or private land.

(2) Assistance.--The Secretary of Energy shall work with the States, through the Interstate Oil and Gas Compact Commission, to assist the States in quantifying and mitigating environmental risks of onshore orphaned or abandoned oil or gas wells on State and private land.

(3) Activities.--The program under paragraph (1) shall include--

(A) mechanisms to facilitate identification, if feasible, of the persons currently providing a bond or other form of financial assurance required under State or Federal law for an oil or gas well that is orphaned or abandoned;

(B) criteria for ranking orphaned or abandoned well sites based on factors such as public health and safety, potential environmental harm, and other land use priorities;

(C) information and training programs on best practices for remediation of different types of sites; and

(D) funding of State mitigation efforts on a cost-shared basis.

(h) Authorization of Appropriations.--

(1) In general.--There are authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2006 through 2010.

(2) Use.--Of the amounts authorized under paragraph (1), $5,000,000 are authorized for each fiscal year for activities under subsection (f).

SEC. 365. <<NOTE: 42 USC 15924.>> PILOT PROJECT TO IMPROVE FEDERAL PERMIT COORDINATION.

(a) Establishment.--The Secretary of the Interior (referred to in this section as the ``Secretary'') shall establish a Federal Permit Streamlining Pilot Project (referred to in this section as the ``Pilot Project'').

(b) Memorandum of Understanding.--

(1) In general.--Not <<NOTE: Deadline.>> later than 90 days after the date of enactment of this Act, the Secretary shall enter into a memorandum of understanding for purposes of this section with--

(A) the Secretary of Agriculture;

(B) the Administrator of the Environmental Protection Agency; and

(C) the Chief of Engineers.

(2) State participation.--The Secretary may request that the Governors of Wyoming, Montana, Colorado, Utah, and New Mexico be signatories to the memorandum of understanding.

(c) Designation of Qualified Staff.--

(1) In general.--Not <<NOTE: Deadline.>> later than 30 days after the date of the signing of the memorandum of understanding under subsection (b), all Federal signatory parties shall, if appropriate, assign to each of the field offices identified in subsection (d) an employee who has expertise in the regulatory issues relating to the office in which the employee is employed, including, as applicable, particular expertise in--

(A) the consultations and the preparation of biological opinions under section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536);

(B) permits under section 404 of Federal Water Pollution Control Act (33 U.S.C. 1344);

(C) regulatory matters under the Clean Air Act (42 U.S.C. 7401 et seq.);

(D) planning under the National Forest Management Act of 1976 (16 U.S.C. 472a et seq.); and

(E) the preparation of analyses under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(2) Duties.--Each employee assigned under paragraph (1) shall--

(A) <<NOTE: Deadline.>> not later than 90 days after the date of assignment, report to the Bureau of Land Management Field Managers in the office to which the employee is assigned;

(B) be responsible for all issues relating to the jurisdiction of the home office or agency of the employee; and

(C) participate as part of the team of personnel working on proposed energy projects, planning, and environmental analyses.

(d) Field Offices.--The following Bureau of Land Management Field Offices shall serve as the Pilot Project offices:

(1) Rawlins, Wyoming.

(2) Buffalo, Wyoming.

(3) Miles City, Montana.
(4) Farmington, New Mexico.
(5) Carlsbad, New Mexico.
(6) Grand Junction/Glenwood Springs, Colorado.
(7) Vernal, Utah.

(e) Reports.--Not later than 3 years after the date of enactment of this Act, the Secretary shall submit to Congress a report that--
(1) outlines the results of the Pilot Project to date; and
(2) makes a recommendation to the President regarding whether the Pilot Project should be implemented throughout the United States.

(f) Additional Personnel.--The Secretary shall assign to each field office identified in subsection (d) any additional personnel that are necessary to ensure the effective implementation of--
(1) the Pilot Project; and
(2) other programs administered by the field offices, including inspection and enforcement relating to energy development on Federal land, in accordance with the multiple use mandate of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.).

(g) Permit Processing Improvement Fund.--Section 35 of the Mineral Leasing Act (30 U.S.C. 191) is amended by adding at the end the following:
``(c)(1) Notwithstanding the first sentence of subsection (a), any rentals received from leases in any State (other than the State of Alaska) on or after the date of enactment of this subsection shall be deposited in the Treasury, to be allocated in accordance with paragraph (2).
``(2) Of the amounts deposited in the Treasury under paragraph (1)--
``(A) 50 percent shall be paid by the Secretary of the Treasury to the State within the boundaries of which the leased land is located or the deposits were derived; and
``(B) 50 percent shall be deposited in a special fund in the Treasury, to be known as the `BLM Permit Processing Improvement Fund' (referred to in this subsection as the `Fund').

``(3) For each of fiscal years 2006 through 2015, the Fund shall be available to the Secretary of the Interior for expenditure, without further appropriation and without fiscal year limitation, for the coordination and processing of oil and gas use authorizations on onshore Federal land under the jurisdiction of the Pilot Project offices identified in section 365(d) of the Energy Policy Act of 2005.''.
(h) Transfer of Funds.--For the purposes of coordination and processing of oil and gas use authorizations on Federal land under the administration of the Pilot Project offices identified in subsection (d), the Secretary may authorize the expenditure or transfer of such funds as are necessary to--
(1) the United States Fish and Wildlife Service;
(2) the Bureau of Indian Affairs;
(3) the Forest Service;
(4) the Environmental Protection Agency;
(5) the Corps of Engineers; and
(6) the States of Wyoming, Montana, Colorado, Utah, and New Mexico.

(i) Fees.--During the period in which the Pilot Project is authorized, the Secretary shall not implement a rulemaking that would enable an increase in fees to recover additional costs related to processing drilling-related permit applications and use authorizations.

(j) Savings Provision.--Nothing in this section affects--

(1) the operation of any Federal or State law; or

(2) any delegation of authority made by the head of a Federal agency whose employees are participating in the Pilot Project.

SEC. 366. DEADLINE FOR CONSIDERATION OF APPLICATIONS FOR PERMITS.

Section 17 of the Mineral Leasing Act (30 U.S.C. 226) is amended by adding at the end the following:

``(p) Deadlines for Consideration of Applications for Permits.--

``(1) In general.--Not <<NOTE: Notification.>> later than 10 days after the date on which the Secretary receives an application for any permit to drill, the Secretary shall--

``(A) notify the applicant that the application is complete; or

``(B) notify the applicant that information is missing and specify any information that is required to be submitted for the application to be complete.

``(2) Issuance or deferral.--Not later than 30 days after the applicant for a permit has submitted a complete application, the Secretary shall--

``(A) issue the permit, if the requirements under the National Environmental Policy Act of 1969 and other applicable law have been completed within such timeframe; or

``(B) <<NOTE: Notice.>> defer the decision on the permit and provide to the applicant a notice--

``(i) that specifies any steps that the applicant could take for the permit to be issued; and

``(ii) a list of actions that need to be taken by the agency to complete compliance with applicable law together with timelines and deadlines for completing such actions.

``(3) Requirements for deferred applications.--

``(A) In general.--If the Secretary provides notice under paragraph (2)(B), the applicant shall have a period of 2 years from the date of receipt of the notice in which to complete all requirements specified by the Secretary, including providing information needed for compliance with the National Environmental Policy Act of 1969.

``(B) Issuance of decision on permit.--If the applicant completes the requirements within the period specified in subparagraph (A), the Secretary shall issue a decision on the permit not later than 10 days after the date of completion of the requirements described in subparagraph (A), unless compliance with the National Environmental Policy Act of 1969 and other applicable law has not been completed within such timeframe.

``(C) Denial of permit.--If the applicant does not complete the requirements within the period specified in subparagraph (A) or if the applicant does not comply with applicable law, the Secretary shall deny the permit.''.

This content is from the eCFR and is authoritative but unofficial.

Title 43 —Public Lands: Interior
Subtitle B —Regulations Relating to Public Lands
Chapter II —Bureau of Land Management, Department of the Interior
Subchapter C —Minerals Management (3000)

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PART 3100—OIL AND GAS LEASING

Authority: 25 U.S.C. 396d and 2107; 30 U.S.C. 189, 306, 359, and 1751; 43 U.S.C. 1701 *et seq.;* and 42 U.S.C. 15801.

Source: 89 FR 30966, Apr. 23, 2024, unless otherwise noted.

Subpart 3100—Onshore Oil and Gas Leasing: General

§ 3100.3 Authority.

(a)

(1) ***Public domain.*** Oil and gas in public domain lands and lands returned to the public domain under 43 CFR part 2370 are subject to lease under the Mineral Leasing Act of 1920, as amended and supplemented (30 *U.S.C. 181 et seq.*), by acts, including, but not limited to, section 1009 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3148).

(2) ***Exceptions.*** The following lands are not subject to lease.

(i) Units of the National Park System, including lands withdrawn by section 206 of the Alaska National Interest Lands Conservation Act, except as provided in paragraph (g)(4) of this section;

(ii) Indian reservations;

(iii) Incorporated cities, towns and villages;

(iv) Naval petroleum and oil shale reserves;

(v) Lands north of 68 degrees north latitude and east of the western boundary of the National Petroleum Reserve—Alaska;

(vi) Lands recommended for wilderness allocation by the surface managing agency;

(vii) Lands within the BLM's wilderness study areas;

(viii) Lands designated by Congress as wilderness study areas, except where oil and gas leasing is specifically allowed to continue by the statute designating the study area;

(ix) Lands within areas allocated for wilderness or further planning in Executive Communication 1504, Ninety-Sixth Congress (House Document numbered 96-119), unless such lands are allocated to uses other than wilderness by a land and resource management plan or have been released to uses other than wilderness by an Act of Congress;

(x) Lands within the National Wilderness Preservation System, subject to valid existing rights under section 4(d)(3) of the Wilderness Act (16 U.S.C. 1133) established before midnight, December 31, 1983, unless otherwise provided by law;

(xi) Subject to valid existing rights, lands within the National Wild and Scenic Rivers System and that constitute the bed or bank or are situated within one-quarter mile of the bank of any river designated as a wild river under the Wild and Scenic Rivers Act (16 U.S.C. 1280), lands within the National Wild and Scenic Rivers System that constitute the bed or bank or are situated within one-quarter mile of the bank of certain rivers designated as scenic or recreational, and in

some cases, designating legislation may apply a different boundary extent. Lands within the National Wild and Scenic Rivers System that constitute the bed or bank or are situated within one-half mile of the bank of any river designated a wild river by the Alaska National Interest Lands Conservation Act (16 U.S.C. 3148); and

(xii) Wildlife refuge lands, which are those lands embraced in a withdrawal of lands of the United States for the protection of all species of wildlife within a particular area. Sole and complete jurisdiction over such lands for wildlife conservation purposes is vested in the Fish and Wildlife Service even though such lands may be subject to prior rights for other public purposes or, by the terms of the withdrawal order, may be subject to mineral leasing. No expressions of interest covering wildlife refuge lands will be considered for oil and gas leasing, except as provided by applicable law.

(b)

(1) ***Acquired lands.*** Oil and gas in acquired lands are subject to lease under the Mineral Leasing Act for Acquired Lands of August 7, 1947, as amended (30 U.S.C. 351 *et seq.*).

(2) ***Exceptions.*** The following lands are not subject to lease.

(i) Units of the National Park System, except as provided in paragraph (g)(4) of this section;

(ii) Incorporated cities, towns and villages;

(iii) Naval petroleum and oil shale reserves;

(iv) Tidelands or submerged coastal lands within the continental shelf adjacent or littoral to lands within the jurisdiction of the United States;

(v) Lands acquired by the United States for development of helium, fissionable material deposits or other minerals essential to the defense of the country, except oil, gas and other minerals subject to leasing under the Act;

(vi) Lands reported as excess under the Federal Property and Administrative Services Act of 1949;

(vii) Lands acquired by the United States by foreclosure or otherwise for resale;

(viii) Lands recommended for wilderness allocation by the surface managing agency;

(ix) Lands within the BLM's wilderness study areas;

(x) Lands designated by Congress as wilderness study areas, except where oil and gas leasing is specifically allowed to continue by the statute designating the study area;

(xi) Lands within areas allocated for wilderness or further planning in Executive Communication 1504, Ninety-Sixth Congress (House Document numbered 96-119), unless such lands are allocated to uses other than wilderness by a land and resource management plan or have been released to uses other than wilderness by an Act of Congress;

(xii) Lands within the National Wilderness Preservation System, subject to valid existing rights under section 4(d)(3) of the Wilderness Act (16 U.S.C. 1133) established before midnight, December 31, 1983, unless otherwise provided by law;

(xiii) Subject to valid existing rights, lands within the National Wild and Scenic Rivers System and that constitute the bed or bank or are situated within one-quarter mile of the bank of any river designated as a wild river under the Wild and Scenic Rivers Act (16 U.S.C. 1280), lands within

the National Wild and Scenic Rivers System that constitute the bed or bank or are situated within one-quarter mile of the bank of certain rivers designated as scenic or recreational, and in some cases, designating legislation may apply a different boundary extent. Lands within the National Wild and Scenic Rivers System that constitute the bed or bank or are situated within one-half mile of the bank of any river designated a wild river by the Alaska National Interest Lands Conservation Act (16 U.S.C. 3148); and

(xiv) Wildlife refuge lands, which are those lands embraced in a withdrawal of lands of the United States for the protection of all species of wildlife within a particular area. Sole and complete jurisdiction over such lands for wildlife conservation purposes is vested in the Fish and Wildlife Service even though such lands may be subject to prior rights for other public purposes or, by the terms of the withdrawal order, may be subject to mineral leasing. No expressions of interest for wildlife refuge lands will be considered except as provided in applicable law.

(c) National Petroleum Reserve—Alaska is subject to lease under the Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508).

(d) Where oil or gas is being drained from lands otherwise unavailable for leasing, there is implied authority in the agency having jurisdiction of those lands to grant authority to the BLM to lease such lands (see *43 U.S.C. 1457;* also Attorney General's Opinion of April 2, 1941 (Vol. 40 Op. Atty. Gen. 41)).

(e) Where lands previously withdrawn or reserved from the public domain are no longer needed by the agency for which the lands were withdrawn or reserved and such lands are retained by the General Services Administration, or where acquired lands are declared as excess to or surplus by the General Services Administration, authority to lease such lands may be transferred to the Department in accordance with the Federal Property and Administrative Services Act of 1949 and the Mineral Leasing Act for Acquired Lands, as amended.

(f) The Act of May 21, 1930 (*30 U.S.C. 301-306*), authorizes the leasing of oil and gas deposits under certain rights-of-way to the owner of the right-of-way or any assignee.

(g)

(1) ***Certain lands in Nevada.*** The Act of May 9, 1942 (56 Stat. 273), as amended by the Act of October 25, 1949 (63 Stat. 886), authorizes leasing on certain lands in Nevada.

(2) ***Lands patented to the State of California.*** The Act of March 3, 1933 (47 Stat. 1487), as amended by the Act of June 5, 1936 (49 Stat. 1482) and the Act of June 29, 1936 (49 Stat. 2026), authorizes leasing on certain lands patented to the State of California.

(3) ***National Forest Service Lands in Minnesota.*** The Act of June 30, 1950 (16 U.S.C. 508(b)) authorizes leasing on certain National Forest Service Lands in Minnesota.

(4) ***Units of the National Park System.*** The Secretary is authorized to permit mineral leasing in the following units of the National Park System if the Secretary finds that such disposition would not have significant adverse effects on the administration of the area and if lease operations can be conducted in a manner that will preserve the scenic, scientific and historic features contributing to public enjoyment of the area, pursuant to the following authorities:

(i) ***Lake Mead National Recreation Area*** —The Act of October 8, 1964 (16 U.S.C. 460n *et seq.*).

(ii) ***Whiskeytown Unit of the Whiskeytown-Shasta-Trinity National Recreation Area*** —The Act of November 8, 1965 (79 Stat. 1295; 16 U.S.C. 460q *et seq.*).

(iii) ***Ross Lake and Lake Chelan National Recreation Areas*** —The Act of October 2, 1968 (82 Stat. 926; 16 U.S.C. 90 *et seq.*).

(iv) ***Glen Canyon National Recreation Area*** —The Act of October 27, 1972 (86 Stat. 1311; 16 U.S.C. 460dd *et seq.*).

(5) ***Shasta and Trinity Units of the Whiskeytown-Shasta-Trinity National Recreation Area.*** Section 6 of the Act of November 8, 1965 (Pub. L. 89-336; 79 Stat. 1295), authorizes the Secretary of the Interior to permit the removal of leasable minerals from lands (or interest in lands) within the recreation area under the jurisdiction of the Secretary of Agriculture in accordance with the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C. 181 *et seq.*), or the Acquired Lands Mineral Leasing Act of August 7, 1947 (30 U.S.C. 351 *et seq.*), if the Secretary finds that such disposition would not have significant adverse effects on the purpose of the Central Valley project or the administration of the recreation area.

(h) Under the Recreation and Public Purposes Act, as amended (43 U.S.C. 869 *et seq.*), all lands within Recreation and Public Purposes leases and patents are subject to lease under the provisions of this part, subject to such conditions as the Secretary deems appropriate.

(i)

(1) Coordination lands are those lands withdrawn or acquired by the United States and made available to the States by cooperative agreements entered into between the Fish and Wildlife Service and the game commissions of the various States, in accordance with the Fish and Wildlife Coordination Act (16 U.S.C. 661), or by long-term leases or agreements between the Department of Agriculture and the game commissions of the various States pursuant to the Bankhead-Jones Farm Tenant Act (50 Stat. 525), as amended, where such lands were subsequently transferred to the Department of the Interior, with the Fish and Wildlife Service as the custodial agency of the United States.

(2) Representatives of the BLM and the Fish and Wildlife Service will, in cooperation with the authorized members of the various State game commissions, confer for the purpose of determining by agreement those coordination lands which will not be subject to oil and gas leasing. Coordination lands not closed to oil and gas leasing may be subject to leasing on the imposition of such stipulations as are agreed upon by the State Game Commission, the Fish and Wildlife Service and the BLM.

(j) No lands within a refuge in Alaska open to leasing will be available until the Fish and Wildlife Service has first completed compatibility determinations.

§ 3100.5 Definitions.

As used in this part, the term:

Actual drilling operations includes not only the physical drilling of a well, but also the testing, completing or equipping of such well for production.

Assignment means a transfer of all or a portion of the lessee's record title interest in a lease.

Available means those lands that have been designated as open for leasing under a land use plan developed under section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) and that have been nominated for leasing through the submission of an expression of interest, are subject to drainage in the absence of leasing, or are otherwise designated as available pursuant to regulations adopted by the Secretary.

Bid means an amount of remittance offered as partial compensation for a lease equal to or in excess of the national minimum acceptable bonus bid set by statute or by the Secretary, submitted by a person for a lease parcel in a competitive lease sale. For leases or compensatory royalty agreements issued under 43 CFR subpart 3109, "bid" means an amount or percent of royalty or compensatory royalty that the owner or lessee must pay for the extraction of the oil and gas underlying the right-of-way.

Competitive auction means an in-person or internet-based bidding process where leases are offered to the highest bidder.

Eligible means all lands that are subject to leasing under the Mineral Leasing Act of 1920 and are not excluded from leasing by a statutory prohibition.

Exception means (as used for lease stipulations) a limited exemption, for a particular site within the leasehold, to a stipulation.

Lessee means a person holding record title in a lease issued by the United States.

Modification means (as used for lease stipulations) a change to the provisions of a lease stipulation for some or all sites within the leasehold and either temporarily or for the term of the lease.

National Wildlife Refuge System Lands means lands and water, or interests therein, administered by the Secretary as wildlife refuges, areas for the protection and conservation of fish and wildlife that are threatened with extinction; wildlife management areas; or waterfowl production areas.

Oil and gas agreement means an agreement between lessees and the BLM to govern the development and allocation of production for existing leases and unleased lands, including, but not limited to, communitization agreements, compensatory royalty agreements, unit agreements, secondary recovery agreements, and gas storage agreements.

Operating right (working interest) means the interest created out of a lease authorizing the holder of that right to enter upon the leased lands to conduct drilling and related operations, including production of oil or gas from such lands in accordance with the terms of the lease. Operating rights include the obligation to comply with the terms of the original lease, as it applies to the area or horizons for the interest acquired, including the responsibility to plug and abandon all wells that are no longer capable of producing, reclaim the lease site, and remedy environmental problems.

Operating rights owner means a person holding operating rights in a lease issued by the United States. A lessee also may be an operating rights owner if the operating rights in a lease or portion thereof have not been severed from record title.

Operator means any person, including, but not limited to, the lessee or operating rights owner, who has stated in writing to the authorized officer that it is responsible under the terms and conditions of the lease for the operations conducted on the leased lands or a portion thereof.

Primary term of lease subject to section 4(d) of the Act prior to the revision of 1960 (30 U.S.C. 226-1(d)) means all periods of the life of the lease prior to its extension by reason of production of oil and gas in paying quantities; and

Primary term of all other leases means the initial term of the lease, which is 10 years.

Qualified bidder means any person in compliance with the laws and regulations governing a bid.

Qualified lessee means any person in compliance with the laws and regulations governing the BLM issued leases held by that person.

Record title means a lessee's interest in a lease, which includes the obligation to pay rent and the ability to assign and relinquish the lease. Record title includes the obligation to comply with the lease terms, including requirements relating to well operations and abandonment. Overriding royalty and operating rights are severable from record title interests.

Responsible bidder means any person who has not defaulted on the payment of winning bids for BLM-issued oil and gas leases, is capable of fulfilling the requirements of onshore BLM oil and gas leases, and is in compliance with statutes and regulations applicable to oil and gas development or with the terms of a BLM-issued oil and gas lease. The term "responsible bidder" does not include persons who bid with no intention of paying a winning bid or persons who default on a winning bid.

Responsible lessee means any person who has not defaulted on previous winning bids, is capable of fulfilling the requirements of onshore Federal oil and gas leases, and is in compliance with statutes applicable to oil and gas development or the terms of a BLM-issued oil and gas lease.

Sublease means a transfer of a non-record title interest in a lease, *i.e.,* a transfer of operating rights is normally a sublease, and a sublease also is a subsidiary arrangement between the lessee (sublessor) and the sublessee, but a sublease does not include a transfer of a purely financial interest, such as overriding royalty interest or payment out of production, nor does it affect the relationship imposed by a lease between the lessee(s) and the United States.

Transfer means any conveyance of an interest in a lease by assignment, sublease or otherwise. This definition includes the terms: *Assignment* and *Sublease.*

Unit operator means the person authorized under the unit agreement approved by the Department of the Interior to conduct operations within the unit.

Waiver means (as used for lease stipulations) a permanent exemption from a lease stipulation.

[89 FR 30966, Apr. 23, 2024, as amended at 90 FR 36118, Aug. 1, 2025]

§ 3100.9 Information collection.

(a) ***Authority:*** 44 U.S.C. 3501-3520

(b)

(1) ***Purpose.*** The Paperwork Reduction Act of 1995 generally provides that an agency may not conduct or sponsor, and notwithstanding any other provision of law, a person is not required to respond to a collection of information, unless the collection displays a currently valid Office of Management and Budget (OMB) Control Number. This part displays OMB control numbers assigned to information collection requirements contained in the BLM's regulations at 43 CFR part 3100. This section aids in fulfilling the requirements of the Paperwork Reduction Act to display current OMB Control Numbers for these information collection requirements. Interested persons should consult *https://www.reginfo.gov* for the most current information on these OMB control numbers; including among other things, the justification for the information collection requirements, description of likely respondents, estimated burdens, and current expiration dates.

(2) *Table 1 to Paragraph (b)—OMB control number assigned pursuant to the Paperwork Reduction Act.*

43 CFR part or section	OMB control No.
§§ 3100, 3103.41, 3120, and Subpart 3162	1004-0185
§§ 3106, 3135, and 3216	1004-0034
Part 3130	1004-0196
Subpart 3195	1004-0179
§ 3150	1004-0162
§§ 3160,* 3171, 3176, and 3177	1004-0220
§§ 3172, 3173, 3174, 3175	1004-0137
§§ 3162.3-1, 3178.5, 3178.7, 3178.8, 3178.9 and Subpart 3179 *	1004-0211

** Information collection requirements for onshore oil and gas operations are generally accounted for under OMB Control Number 1004-0220; however, information collection requirements pertaining to particular to waste prevention, production subject to royalties, and resource conservation are accounted for under OMB Control Number 1004-0211.*

§ 3100.10 Helium.

The ownership of and the right to extract helium from all gas produced from lands leased or otherwise disposed of under the Act have been reserved to the United States.

DRAINAGE

§ 3100.21 Compensation for drainage.

Upon a determination by the authorized officer that lands owned by the United States are being drained of oil or gas by wells drilled on adjacent lands, the authorized officer may execute agreements with the owners of adjacent lands whereby the United States and its lessees will be compensated for such drainage. Such agreements must be made with the consent of any lessee affected by an agreement. Such lands may also be offered for lease in accordance with 43 CFR part 3120.

§ 3100.22 Drilling and production or payment of compensatory royalty.

Where lands in any leases are being drained of their oil or gas content by wells either on a Federal lease issued at a lower rate of royalty or on non-Federal lands, the lessee must both drill and produce all wells necessary to protect the leased lands from drainage. In lieu of drilling necessary wells, the lessee may, with the consent of the authorized officer, pay compensatory royalty in accordance with 43 CFR 3162.2-4.

OPTIONS

§ 3100.31 Enforceability.

Link to an amendment published at 91 FR 23020, Apr. 29, 2026.

(a) No option to acquire any interest in a lease is enforceable if entered into for a period of more than 3 years (including any renewal period that may be provided for in the option).

(b) No option or renewal thereof is enforceable until a signed copy or notice of the option has been filed in the proper BLM office. Each such signed copy or notice must include:

(1) The names and addresses of the parties thereto;

(2) The serial number of the lease to which the option is applicable;

(3) A statement of the number of acres and the type and percentage of interests to be conveyed and retained by the parties to the option, including the date and expiration date of the option.

(c) The signatures of all parties to the option or their duly authorized agents. The signed copy or notice of the option required by this paragraph must contain or be accompanied by a signed statement by the holder of the option that entity is the sole party in interest in the option; if not, the entity must set forth the names and provide a description of the interest therein of the other interested parties, and provide a description of the agreement between them, if oral, and a copy of such agreement, if written.

§ 3100.32 Effect of option on acreage.

The acreage to which the option is applicable will be charged both to the grantor of the option and the option holder. The acreage covered by an unexercised option remains charged during its term until notice of its relinquishment or surrender has been filed in the proper BLM office.

§ 3100.33 Option statements.

Each option holder must file in the proper BLM office within 90 days after June 30 and December 31 of each year a statement showing:

(a) Any changes to the statements submitted under § 3100.31(b); and

(b) The number of acres covered by each option and the total acreage of all options held in each State.

§ 3100.40 Public availability of information.

(a) All data and information concerning Federal and Indian minerals submitted under this part 3100 and parts 3120 through 3190 of this chapter are subject to 43 CFR part 2, except as provided in paragraph (c) of this section. 43 CFR part 2 includes the regulations of the Department of the Interior covering the public disclosure of data and information contained in Department of the Interior records. Certain mineral information not protected from public disclosure under 43 CFR part 2 may be made available for inspection without a Freedom of Information Act (FOIA) (5 U.S.C. 552) request.

(b) When you submit data and information under this part 3100 and parts 3120 through 3190 of this chapter that you believe to be exempt from disclosure to the public, you must clearly mark each page that you believe includes confidential information. The BLM will keep all such data and information confidential to the extent allowed by 43 CFR 2.26.

(c) Under the Indian Mineral Development Act of 1982 (IMDA) (25 U.S.C. 2101 *et seq.*), the Department of the Interior will hold as privileged proprietary information of the affected Indian or Indian Tribe—

(1) All findings forming the basis of the Secretary's intent to approve or disapprove any Minerals Agreement under IMDA; and

(2) All projections, studies, data, or other information concerning a Minerals Agreement under IMDA, regardless of the date received, related to:

(i) The terms, conditions, or financial return to the Indian parties;

(ii) The extent, nature, value, or disposition of the Indian mineral resources; or

(iii) The production, products, or proceeds thereof.

(d) For information concerning Indian minerals not covered by paragraph (c) of this section:

(1) The BLM will withhold such records as may be withheld under an exemption to FOIA when it receives a request for information related to tribal or Indian minerals held in trust or subject to restrictions on alienation;

(2) The BLM will notify the Indian mineral owner(s) identified in the records of the Bureau of Indian Affairs (BIA) and give them a reasonable period of time to state objections to disclosure, using the standards and procedures of 43 CFR 2.28, before making a decision about the applicability of FOIA exemption 4 to:

(i) Information obtained from a person outside the United States Government; when

(ii) Following consultation with a submitter under 43 CFR 2.28, the BLM determines that the submitter does not have an interest in withholding the records that can be protected under FOIA; but

(iii) The BLM has reason to believe that disclosure of the information may result in commercial or financial injury to the Indian mineral owner(s) but is uncertain that such is the case.

Subpart 3101—Issuance of Leases

LEASE TERMS AND CONDITIONS

§ 3101.11 Lease form.

A lease will be issued only on the standard form approved by the Director.

§ 3101.12 Surface use rights.

A lessee will have the right to use only so much of the leased lands as is necessary to explore for, drill for, mine, extract, remove and dispose of all the leased resource in a leasehold subject to applicable requirements, including stipulations attached to the lease, restrictions deriving from nondiscretionary statutes, and such reasonable measures as may be required and detailed by the authorized officer to mitigate adverse impacts to other resource values, land uses or users, federally recognized Tribes, and underserved communities. Such reasonable measures may include, but are not limited to, relocation or modification to siting or design of facilities, timing of operations, specification of interim and final reclamation measures, and specification of rates of development and production in the public interest. At a minimum, modifications that are consistent with lease rights include, but are not limited to, requiring relocation of proposed operations by up to 800 meters and prohibiting new surface disturbing operations for a period of up to 90 days in any lease year.

§ 3101.13 Stipulations and information notices.

(a) Leases issued by the BLM will include only those stipulations and mitigation measures included in the resource management plan covering that parcel of land that is being leased.

(b) The BLM may attach an information notice to the lease. An information notice has no legal consequences, except to give notice of existing requirements, and may be attached to a lease by the authorized officer at the time of lease issuance to convey certain operational, procedural or administrative requirements relative to lease management within the terms and conditions of the standard lease form. Information notices may not be a basis for denial of lease operations.

(c) Where the surface managing agency is the Fish and Wildlife Service, leases will be issued subject to stipulations prescribed by the Fish and Wildlife Service as to the time, place, nature and condition of such operations in order to minimize impacts to fish and wildlife populations and habitat and other refuge resources on the areas leased. The specific conduct of lease activities on any refuge lands will be subject to site-specific stipulations prescribed by the Fish and Wildlife Service.

[90 FR 36116, Aug. 1, 2025]

§ 3101.14 Modification, waiver, or exception.

(a) If the authorized officer determines that a change to a lease term or stipulation is substantial or a stipulation involves an issue of major concern to the public, except for changes to stipulations governing time of year restrictions (such as those related to protected species) supported by data showing that the restrictions are unnecessary, the changes will be subject to public review for at least 30 calendar days.

(b) Prior to lease issuance, if the BLM determines that an additional stipulation will be added to the lease or a modification to an existing stipulation is required, the potential lessee must be given an opportunity to accept the additional or modified stipulation. If the potential lessee does not accept the additional or modified stipulation, the BLM may reject the bid, and may include the lands in the next Notice of Competitive Lease Sale. If the change in stipulation(s) increases the value of the parcel, the BLM will reject the bid, and will include the lands in the next Notice of Competitive Lease Sale.

(c) After lease issuance, if a lessee does not accept an additional or modified stipulation, that additional or modified stipulation is not binding on the lessee and is without effect. When a stipulation is required by the relevant Resource Management Plan, or surface management agency land management plan, and was inadvertently omitted, a lessee's failure to sign and accept changes in the stipulations when requested by the authorized officer may subject the lease to cancellation.

(d) A stipulation included in an oil and gas lease will be subject to modification, waiver, or exception if the authorized officer determines, in conjunction with the applicable surface management agency, that the factors leading to its inclusion in the lease have changed sufficiently to make the specific protections provided by the stipulation no longer justified.

Acreage Limitations

§ 3101.21 Public domain lands.

(a) No person may take, hold, own or control more than 246,080 acres of Federal oil and gas leases on public domain lands in any one State at any one time. No more than 200,000 acres of such acres may be held under option.

(b) In Alaska, the acreage that can be taken, held, owned or controlled is limited to 300,000 acres in the northern leasing district and 300,000 acres in the southern leasing district, of which no more than 200,000 acres may be held under option in each of the two leasing districts. The boundary between the two leasing districts in Alaska begins at the northeast corner of the Tetlin National Wildlife Refuge as established by section 302(8) of the Alaska National Interest Lands Conservation Act, at a point on the boundary between the United States and Canada, then northwesterly along the northern boundary of the refuge to the left limit of the Tanana River (63°9'38" north latitude, 142°20'52" west longitude), then westerly along the left limit to the confluence of the Tanana and Yukon Rivers, and then along the left limit of the Yukon River from said confluence to its principal southern mouth.

§ 3101.22 Acquired lands.

Separate from, and in addition to, the limitation for public domain lands, no person may take, hold, own or control more than 246,080 acres of Federal oil and gas leases on acquired lands in any one State at any one time. No more than 200,000 acres of such acres may be held under option. Where the United States owns only a fractional interest in the mineral resources of the lands involved in a lease, only that part owned by the United States will be charged as acreage holdings. The acreage embraced in a future interest lease will not be charged as acreage holdings until the lease for the future interest becomes effective.

§ 3101.23 Excepted acreage.

(a) The following acreage will not be included in computing acreage limitations:

(1) Acreage under any lease any portion of which is committed to any federally approved oil and gas agreement;

(2) Acreage under any lease for which royalty (including compensatory royalty or royalty in-kind) was paid in the preceding calendar year; and

(3) Acreage under leases subject to an operating, drilling or development contract approved by the Secretary, as provided in 43 CFR 3105.30.

(b) Acreage subject to offers to lease, overriding royalties and payments out of production will not be included in computing acreage limitations.

§ 3101.24 Excess acreage.

(a) Where, as the result of the termination or contraction of an oil and gas agreement or the elimination of a lease from an operating, drilling, or development contract, a party holds or controls excess accountable acreage, that party will have 90 calendar days from the date of termination, contraction or elimination, to reduce the holdings to the prescribed limitation and to file proof of the reduction in the proper BLM office. Where, as a result of a merger or the purchase of the controlling interest in a corporation, a party acquired acreage in excess of the amount permitted, the party holding the excess acreage will have 180 calendar days from the date of the merger or purchase to divest the excess acreage. If additional time is required to complete the divestiture of the excess acreage, a petition requesting additional time, along with a full justification for the additional time, may be filed with the authorized officer prior to the termination of the 180 days provided herein.

(b) If any person is found to hold accountable acreage in violation of the provisions of these regulations, lease(s) or interests therein will be subject to cancellation or forfeiture in their entirety, until sufficient acreage has been eliminated to comply with the acreage limitation. Excess acreage or interest will be cancelled in the inverse order of acquisition.

§ 3101.25 Computation.

The accountable acreage of a party owning an undivided interest in a lease will be the party's proportionate part of the total lease acreage.

§ 3101.30 Leases within unit areas, joinder evidence required.

Before issuance of a lease for lands within an approved unit, the lease offeror must file evidence with the proper BLM office that it has joined in the unit agreement and unit operating agreement or a statement giving satisfactory reasons for its failure to enter into such agreement. If such statement is satisfactory to the authorized officer, the lessee may be permitted to operate independently but will be required to conform to the terms and provisions of the unit agreement with respect to such operations.

§ 3101.40 Terminated leases.

(a) The authorized officer will not issue a lease for lands which have been covered by a lease which terminated automatically until 90 calendar days after the date of termination.

(b) The authorized officer will not, after the receipt of a petition for reinstatement, issue a new lease affecting any of the lands covered by the terminated lease until all action on the petition is final.

Federal Lands Administered by an Agency Other Than the Bureau of Land Management

§ 3101.51 General requirements.

Public domain and acquired lands will be leased only after seeking concurrence from the surface managing agency, which, upon receipt of a description of the lands from the authorized officer, may report to the authorized officer that it consents to leasing with stipulations, if any, or withholds consent or objects to leasing.

§ 3101.52 Action by the Bureau of Land Management.

(a) Where the surface managing agency has consented to leasing with required stipulations, and the Secretary decides to issue a lease, the authorized officer will incorporate the stipulations into any lease which it may issue. The authorized officer may add other appropriate stipulations.

(b) The authorized officer will not issue a lease on lands to which the surface managing agency objects or withholds consent and for which consent or concurrence is required by law.

(c) The authorized officer will review all recommendations of the surface managing agency and will accept all reasonable recommendations.

(d) Where the surface managing agency is the Fish and Wildlife Service, there will be no drilling or prospecting under any lease heretofore or hereafter issued on lands within a wildlife refuge, except with the consent and approval of the Secretary with the concurrence of the Fish and Wildlife Service as to the time, place and nature of such operations in order to give complete protection to wildlife populations and wildlife habitat on the areas leased, and all such operations must be conducted in accordance with BLM stipulations.

§ 3101.53 Appeals.

(a) The decision of the authorized officer to reject an offer to lease or to issue a lease with stipulations recommended by the surface managing agency may be appealed to the Interior Board of Land Appeals under 43 CFR part 4.

(b) Where, as provided by statute, the surface managing agency has required that certain stipulations be included in a lease or has consented, or objected or refused to consent to leasing, any appeal by an affected lease offeror will be subject to the administrative remedies if provided for by the particular surface managing agency.

§ 3101.60 State's or charitable organization's ownership of surface overlying federally owned minerals.

Where the United States has conveyed title to, or otherwise transferred the control of the surface of lands to any State or political subdivision, agency, or instrumentality thereof, or a college or any other educational corporation or association, or a charitable or religious corporation or association, with reservation of the oil and gas rights to the United States, such party will be given an opportunity to suggest any lease stipulations deemed necessary for the protection of existing surface improvements or uses, to set forth the facts supporting the necessity of the stipulations and also to file any objections it may have to the issuance of a lease. Where a party controlling the surface opposes the issuance of a lease or wishes to place such restrictive stipulations upon the lease that it could not be operated upon or become part of a drilling unit and hence is without mineral value, the facts submitted in support of the opposition or request for restrictive stipulations may be given consideration and each case will be decided on its merits. The opposition to lease or necessity for restrictive stipulations expressed by the party controlling the surface affords no legal basis or authority to refuse to issue the lease or to issue the lease with the requested restrictive stipulations for the reserved minerals in the lands; in such case, the final determination whether to issue and with what stipulations, or not to issue the lease depends upon whether or not the interests of the United States would best be served by the issuance of the lease.

Subpart 3102—Qualifications of Lessees

§ 3102.10 Who may hold leases.

Leases or interests therein may be acquired and held only by citizens of the United States; associations (including partnerships and trusts) of such citizens; corporations organized under the laws of the United States or of any State or Territory thereof; and municipalities.

§ 3102.20 Non-U.S. Citizens.

(a) Leases or interests therein may be acquired and held by non-U.S. Citizens only through stock ownership, holding or control in a present or potential lessee that is incorporated under the laws of the United States or of any State or territory thereof, and only if the laws, customs or regulations of their country do not deny similar or like privileges to citizens or corporations of the United States. If it is determined that a country has denied similar or like privileges to citizens or corporations of the United States, it would be placed on a list available from any BLM State office.

(b) The Committee on Foreign Investment in the United States is authorized to review covered real estate transactions and to mitigate any risk to the national security of the United States that arises as a result of such transactions. Covered real estate transactions may include certain transactions involving the Federal mineral estate (see 31 CFR part 802).

§ 3102.30 Minors.

Leases must not be acquired or held by someone considered to be a minor under the laws of the State in which the lands are located, but leases may be acquired and held by legal guardians or trustees of minors on their behalf. Such legal guardians or trustees must be citizens of the United States or otherwise meet the provisions of 43 CFR 3102.10.

§ 3102.40 Signature.

Signatures on all applications and BLM forms certify acceptance of lease terms and stipulations, as well as compliance with the regulations under 43 CFR part 3100. Refer to § 3102.50 for certification of compliance and evidence. The BLM also accepts electronic signatures and submissions.

(a) A bid to lease must be made on a current form approved by the Director. Copies must be exact reproductions of the official approved form, without additions, omissions, or other changes. When the bid is filed in person at the proper BLM office, the bid must be typed or printed plainly, signed, and dated by the offeror or an authorized agent on behalf of the present or potential lessee. Bids may be made to the BLM by other arrangements, such as electronically signed and filed, when specifically authorized by the BLM.

(b) Documents signed by any party other than the present or potential lessee must be rendered in a manner to reveal the name of the present or potential lessee, the name of the signatory and their relationship. A signatory who is a member of the organization that constitutes the present or potential lessee (*e.g.,* officer of a corporation, partner of a partnership, etc.) may be requested by the authorized officer to clarify his/her relationship, when the relationship is not shown on the documents filed.

COMPLIANCE, CERTIFICATION OF COMPLIANCE AND EVIDENCE

§ 3102.51 Compliance.

Only responsible and qualified bidders and lessees may own, hold, or control an interest in a lease or prospective lease. Responsible and qualified bidders and lessees, including corporations, and all members of associations, including partnerships of all types, will, without exception, be qualified and in compliance with the Act. Compliance means that the persons are:

(a) Citizens of the United States (see § 3102.10) or non-U.S. citizens who own stock in a corporation organized under State or Federal law (see § 3102.20);

(b) In compliance with the Federal acreage limitations (see § 3101.20);

(c) Not minors (see § 3102.30);

(d) Except for an assignment or transfer under 43 CFR subpart 3106, in compliance with section 2(a)(2)(A) of the Act (30 U.S.C. 201(2)(A)), in which case the signature on a bid or lease constitutes evidence of compliance. A lease issued to any person in violation of this paragraph (d) will be subject to the cancellation provisions of 43 CFR 3108.30.

(e) Not in violation of the provisions of section 41 of the Act (30 U.S.C. 195); and

(f) In compliance with section 17(g) of the Act (30 U.S.C. 226(g)), in which case the signature on an offer, lease, assignment, or transfer constitutes evidence of compliance that the signatory and any subsidiary, affiliate, or person, association, or corporation controlled by or under common control with the signatory, as defined in 43 CFR 3400.0-5(rr), has not failed or refused to comply with reclamation requirements with respect to all leases and operations thereon in which such person has an interest. A person is noncompliant with section 17(g) of the Act when they fail to comply with their reclamation obligations or other standards established under 30 U.S.C. 226 in the time specified in a notice from the BLM. A lease issued, or an assignment or transfer approved, to any such person in violation of this paragraph (f) may be subject to the cancellation provisions of 43 CFR 3108.30, notwithstanding any administrative or judicial appeals that may be pending with respect to violations or penalties assessed for failure to comply with the prescribed reclamation standards on any lease holdings. Noncompliance will end upon a determination by the authorized officer that all required reclamation has been completed and that the United States has been fully reimbursed for any costs incurred due to the required reclamation.

(g) In compliance with 43 CFR 3106.10(d) and section 30A of the Act (30 U.S.C. 187(a)). The authorized officer may accept the signature on a request for approval of an assignment of less than 640 acres outside of Alaska (2,560 acres within Alaska) as acceptable certification that the assignment would further the development of oil and gas, or the authorized officer may apply the provisions of 43 CFR 3102.53.

(h) Not excluded or disqualified from participating in a transaction covered by Federal non-procurement debarment and suspension (2 CFR parts 180 and 1400), unless the Department explicitly approves an exception for a transaction pursuant to the regulations in those parts.

§ 3102.52 Certification of compliance.

Any party(s) seeking to obtain an interest in a lease must certify that it is in compliance with the Act as set forth in 43 CFR 3102.51. A corporation or publicly traded association, including a publicly traded partnership, must certify that constituent members of the corporation, association or partnership holding or controlling more than 10 percent of the instruments of ownership of the corporation, association or partnership are in compliance with the Act. Execution and submission of a competitive bid form or request for approval of a transfer of record title or of operating rights (sublease), constitutes certification of compliance.

§ 3102.53 Evidence of compliance.

The authorized officer may request at any time further evidence of compliance and qualification from any party holding or seeking to hold an interest in a lease. Failure to comply with the request of the authorized officer will result in adjudication of the action based on the incomplete submission.

Subpart 3103—Fees, Rentals and Royalty

§ 3103.1 Fiscal terms.

(a) The table in this section shows the fiscal terms, that the BLM will adjust every 4 years by a final rule. The BLM will adjust the amounts according to the change in the Implicit Price Deflator for Gross Domestic Product since the previous adjustment. The fiscal terms displayed below are effective on June 22, 2024. Per the Inflation Reduction Act, the BLM will not adjust the rental nor the minimum bonus bids until after August 16, 2032.

Table 1 to Paragraph (a)—Fiscal Terms Table

Oil and gas (parts 3100, 3110, 3120, 3130, 3140):	Fiscal term
Competitive oil and gas, tar sand, and combined hydrocarbon leases	Rental of $3 per acre, or fraction thereof, per year during the first 2-year period beginning upon lease issuance, $5 per acre per year, or fraction thereof, for the following 6 years, and then $15 per acre, or fraction thereof, per year thereafter.
Competitive lease reinstatement, Class II	Rental of $20 per acre, or fraction thereof.
Competitive combined hydrocarbon leases	Minimum bonus bids of $25 per acre, or fraction thereof.
Competitive oil and gas and tar sand leases	Minimum bonus bids of $10 per acre, or fraction thereof.

(b) The amounts in the fiscal terms table are not subject to appeal to the Interior Board of Land Appeals pursuant to 43 CFR part 4, subpart E.

[89 FR 30966, Apr. 23, 2024, as amended at 90 FR 36120, Aug. 1, 2025]

Payments

§ 3103.11 Form of remittance.

All remittances must be by personal check, cashier's check, certified check, or money order, and must be made payable to the Department of the Interior—Bureau of Land Management or the Department of the Interior—Office of Natural Resources Revenue, as appropriate. Payments made to the BLM may be made by other arrangements such as by electronic funds transfer or credit card when specifically authorized by the BLM. In the case of payments made to the ONRR, such payments may also be made by electronic funds transfer.

§ 3103.12 Where remittance is submitted.

(a)

(1) All processing fees for the respective lease applications, nominations, or requests for approval of a transfer found in the fee schedule in § 3000.120 of this chapter and all first-year rentals and bonuses for leases issued under 43 CFR part 3100 must be paid to the proper BLM office.

(2) All second year and subsequent rentals, except for leases specified in paragraph (b) of this section, must be paid to the ONRR, refer to 30 CFR 1218.51.

(b) All rentals and royalties on producing leases, communitized leases in producing spacing units, unitized leases in producing unit areas, leases on which compensatory royalty is payable and all payments under subsurface storage agreements must be paid to the ONRR.

RENTALS

§ 3103.21 Rental requirements.

(a) Each competitive bid submitted in response to a Notice of Competitive Lease Sale must be accompanied by full payment of the first year's rental based on the total acreage for that lease in the Notice of Competitive Lease Sale.

(b) If the acreage is incorrectly indicated in a Notice of Competitive Lease Sale, payment of the rental based on the error is curable within 15 calendar days of receipt of notice from the authorized officer of the error.

(c) Rental will not be prorated for any lands in which the United States owns an undivided fractional interest and must be paid for the full acreage in such lands.

§ 3103.22 Annual rental payments.

Rentals must be paid on or before the lease anniversary date. A full year's rental must be submitted even when less than a full year remains in the lease term, except as provided in 43 CFR 3103.42(d). Failure to make the required payment on or before the lease anniversary date will cause a lease to terminate automatically by operation of law. If the designated ONRR office is not open on the anniversary date, payment received on the next day the designated ONRR office is open to the public will be deemed to be timely made. Payments made to an improper BLM or ONRR office will be returned and will not be forwarded to the designated ONRR office. Rental must be paid at the following rates:

(a) The annual rental for all leases is as stated in the lease, and the annual rental for all new leases will be as specified in 43 CFR 3103.1;

(b) Rental will not be due on acreage for which royalty or minimum royalty is being paid, except on nonproducing leases when compensatory royalty has been assessed in which case annual rental as established in the lease will be due in addition to compensatory royalty;

(c) For leases that are reinstated under § 3108.23, the annual rental will be as specified in 43 CFR 3103.1 beginning with the termination date upon the filing of a petition to reinstate a lease; and

(d) Each succeeding time a specific lease is reinstated under § 3108.23, the annual rental on that lease will increase by an additional $10 per acre or fraction thereof.

§ 3103.31 Royalty on production.

(a) Royalty on production will be payable only on the mineral interest owned by the United States. Royalty must be paid in the amount or value of the production removed or sold as follows:

(1) For leases issued before August 16, 2022, the rate prescribed in the lease or in applicable regulations at the time of lease issuance;

(2) For leases issued between August 16, 2022, and August 16, 2032, the royalty rate will be 16.67 percent;

(3) For leases issued on or after August 16, 2032, a rate of not less than 16.67 percent on all leases issued under the Act;

(4) A minimum of 16.67 percent on all leases issued under 43 CFR subpart 3109;

(5) For reinstated leases, the rate used for royalty determination that applies to new leases at the time of the reinstatement plus 4 percentage points, plus an additional 2 percentage points for each succeeding reinstatement. In no case will royalties on the reinstated lease be less than 20 percent.

(b) Leases that qualify under specific provisions of the Act of August 8, 1946 (30 U.S.C. 226c) may apply for a limitation of a $12^{1}/_{2}$ percent royalty rate.

(c) The average production per well per day for oil and gas will be determined pursuant to 43 CFR 3162.7-4.

(d) Payment of a royalty on the helium component of gas will not convey the right to extract the helium from the gas stream. Applications for the right to extract helium from the gas stream will be made under 43 CFR part 16.

§ 3103.32 Minimum royalties.

(a) A minimum royalty must be paid at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands leased, except on unitized leases that lack production, the minimum royalty must be paid only on the participating acreage, at the following rates:

(1) On leases issued on or after August 8, 1946, and on those issued prior thereto if the lessee files an election under section 15 of the Act of August 8, 1946, a minimum royalty of $1 per acre or fraction thereof in lieu of rental, except as provided in paragraph (a)(2) of this section; and

(2) On leases issued from offers filed after December 22, 1987, and on competitive leases issued after December 22, 1987, a minimum royalty in lieu of rental of not less than the amount of rental which otherwise would be required for that lease year.

(b) Minimum royalties will not be prorated for any lands in which the United States owns a fractional interest and must be paid on the full acreage of the lease.

(c) Minimum royalties and rentals on non-participating acreage must be paid to the ONRR.

(d) The minimum royalty provisions of this section are applicable to leases reinstated under 43 CFR 3108.23.

(e) If the royalty paid during any year aggregates to less than the minimum royalty, then the lessee must pay the difference at the end of the lease year.

PRODUCTION INCENTIVES

§ 3103.41 Royalty reductions.

(a) In order to encourage the greatest ultimate recovery of oil or gas and in the interest of conservation, the Secretary, upon a determination that it is necessary to promote development or that the leases cannot be produced in paying quantities under the terms provided therein, may waive, suspend or reduce the rental or minimum royalty or reduce the royalty on an entire leasehold, or any portion thereof.

(b)

(1) An application for the benefits under paragraph (a) of this section must be filed by the operator/payor in the proper BLM office. The application must contain the serial number of the leases, the names of the record title holders, operating rights owners (sublessees), and operators for each lease, the description of lands by legal subdivision and a description of the relief requested.

(2) Each application must show the number, location and status of each well drilled, a tabulated statement for each month covering a period of not less than 6 months prior to the date of filing the application of the aggregate amount of oil or gas subject to royalty, the number of wells counted as producing each month and the average production per well per day.

(3) Every application must contain a detailed statement of expenses and costs of operating the entire lease, the income from the sale of any production and all facts tending to show whether the wells can be produced in paying quantities upon the fixed royalty or rental. Where the application is for a reduction in royalty, complete information must be furnished as to whether overriding royalties, payments out of production, or similar interests are paid to others than the United States, the amounts so paid and efforts made to reduce them. The applicant must also file agreements of the holders to a reduction of all other royalties or similar payments from the leasehold to an aggregate not in excess of one-half the royalties due the United States.

(c) Petition may be made for a reduction of royalty for leases reinstated under 43 CFR 3108.23. Petitions to waive, suspend or reduce rental or minimum royalty for leases reinstated under 43 CFR 3108.23 may be made under this section.

§ 3103.42 Suspension of operations and/or production.

(a) A suspension of all operations and production may be directed or consented to by the authorized officer only in the interest of conservation of natural resources. A suspension of operations only or a suspension of production only may be directed or consented to by the authorized officer in cases where the lessee is prevented from operating on the lease or producing from the lease, despite the exercise of due care and diligence, by reason of *force majeure,* that is, by matters beyond the reasonable control of the lessee. Applications for any suspension must be filed in the proper BLM office. Complete information showing the necessity of such relief must be furnished.

(b) The term of any lease will be adjusted to account for the suspension. Beginning on the date the suspension is lifted, the term will be extended by the time that was remaining on the term of the lease on the effective date of the suspension. No lease will expire during any suspension.

(c) A suspension will take effect as of the time specified in the direction or assent of the authorized officer, in accordance with the provisions of 43 CFR 3165.1.

(d) Rental and minimum royalty payments will be suspended during any period of suspension of all operations and production directed or assented to by the authorized officer beginning with the first day of the lease month in which the suspension of all operations and production becomes effective, or if the suspension of all operations and production becomes effective on any date other than the first day of a lease month, beginning with the first day of the lease month following such effective date. However, if there is any production sold or removed during the suspension, the lessee must pay royalty on that production.

(e) Rental and minimum royalty payments will resume on the first day of the lease month in which the suspension of all operations and production is lifted. Where rentals are creditable against royalties and have been paid in advance, proper credit may be allowed on the next rental or royalty due under the terms of the lease.

(f) Rental and minimum royalty payments will not be suspended during any period of suspension of operations only or suspension of production only.

(g) Where all operations and production are suspended on a lease on which there is a well capable of producing in paying quantities and the authorized officer approves resumption of operations and production, such resumption will be regarded as lifting the suspension, including the suspension of rental and minimum royalty payments, as provided in paragraph (e) of this section.

(h) The relief authorized under this section also may be obtained for any Federal lease included within an approved oil and gas agreement. Oil and gas agreement obligations will not be suspended by relief obtained under this section but will be suspended only in accordance with the terms and conditions of the specific agreement.

Subpart 3104—Bonds

§ 3104.1 Bond amounts.

(a) The table in this section shows the minimum bond amounts, that the BLM will adjust every 10 years by a final rule. The BLM will adjust the amounts according to the change in the Implicit Price Deflator for Gross Domestic Product since the previous adjustment. The minimum bond amounts displayed below are effective on June 22, 2024.

Table 1 to Paragraph (a)—Minimum Bond Amount Table

Oil and gas (parts 3100, 3110, 3120, 3130, 3140):	Minimum bond amount
Lease Bond	$150,000
Statewide Bond	500,000

(b) The Minimum Bond Amount are not subject to appeal to the Interior Board of Land Appeals pursuant to 43 CFR part 4, subpart E.

(c) Principals must increase or replace all bonds not meeting the appropriate minimum bond amount in paragraph (a) of this section by:

(1) June 22, 2027, for Statewide; and

(2) June 22, 2027, for lease bonds.

(d) Failure to increase or replace an existing bond that does not meet the minimum bond amount may:

(1) Subject all wells covered by the bond(s) to shut down under the provisions of 43 CFR 3163.1(a)(3);

(2) Subject all leases covered by the bond(s) to cancellation under the provisions of 43 CFR 3108.30; and

(3) Result in the BLM referring the bond obligor or principal to the Department's Suspension and Debarment Program under 2 CFR part 1400 to determine if the person will be suspended or debarred from doing business with the Federal Government.

[89 FR 30966, Apr. 23, 2024, as amended at 90 FR 59071, Dec. 18, 2025]

§ 3104.10 Bond obligations.

(a) Prior to the commencement of surface disturbing activities related to drilling operations, the lessee, operating rights owner (sublessee), or operator must submit a surety or a personal bond, conditioned upon compliance with all of the terms and conditions of the entire leasehold(s) covered by the bond, as described in this subpart. The bond amounts must be not less than the minimum amounts described in this subpart in order to ensure compliance with the Act, including complete and timely plugging of the well(s), reclamation of the lease area(s), and the restoration of any lands or surface waters adversely affected by lease operations after the abandonment or cessation of oil and gas operations on the lease(s) in accordance with, but not limited to, the standards and requirements set forth in 43 CFR 3162.3 and 3162.5 and orders issued by the authorized officer.

(b) Surety bonds must be issued by qualified surety companies approved by the Department of the Treasury (see Department of the Treasury Circular No. 570).

(c) Personal bonds must be accompanied by a:

(1) Certificate of deposit issued by a financial institution, the deposits of which are federally insured, explicitly granting the Secretary full authority to demand immediate payment in case of default in the performance of the terms and conditions of the lease. The certificate will explicitly indicate on its face, or through assignment, that Secretarial approval is required prior to redemption of the certificate of deposit by any party;

(2) Cashier's check;

(3) Certified check; or

(4) Negotiable Treasury securities of the United States of a value equal to the amount specified in the bond. Negotiable Treasury securities must be accompanied by a proper conveyance to the Secretary of full authority to sell such securities in case of default in the performance of the terms and conditions of a lease.

(5) Irrevocable letter of credit issued by a financial institution, for a specific term, identifying the secretary as sole payee with full authority to demand immediate payment in the case of default in the performance of the terms and conditions of a lease. Letters of credit must be subject to the following conditions:

(i) The letter of credit must be issued only by a financial institution organized or authorized to do business in the United States;

(ii) The letter of credit must be irrevocable during its term. A letter of credit used as security for any lease upon which drilling has taken place and final approval of all abandonment has not been given, or as security for an individual lease or statewide bond, will be forfeited and will be collected by the authorized officer if not replaced by other suitable bond or letter of credit at least 30 days before its expiration date;

(iii) The letter of credit must be payable to the Bureau of Land Management upon demand, in part or in full, upon receipt from the authorized officer of a notice of collection stating the basis therefore, *e.g.,* default in compliance with the lease terms and conditions or failure to file a replacement in accordance with paragraph (c)(5)(ii) of this section;

(iv) The initial expiration date of the letter of credit must be at least 1 year following the date it is filed in the proper BLM office; and

(v) The letter of credit must contain a provision for automatic renewal for periods of not less than 1 year in the absence of notice to the proper BLM office at least 90 days prior to the originally stated or any extended expiration date. In the event the BLM is notified of the financial institution's intent not to renew the letter of credit, the principal must extend the letter of credit or provide an adequate replacement bond with an assumption of liability rider. If the BLM does not receive an adequate notice or replacement bond with rider, the BLM will collect the letter of credit within 30 days of the expiration without further notification to the obligor.

§ 3104.20 Lease bond.

The operator, a lessee, or an owner of operating rights (sublessee) must be covered by a bond in its own name as principal or obligor in an amount of not less than the amount specified in 43 CFR 3104.1 for each lease conditioned upon compliance with all of the terms of the lease. Where two or more lease interest holders have interests in different formations or portions of the lease, separate bonds may be posted. The operator shall be covered by a bond in his/her own name as principal, or a bond in the name of the lessee or sublessee, provided that a consent of the surety, or the obligor in the case of a personal bond, to include the operator under the coverage of the bond is furnished to the BLM office maintaining the bond.

§ 3104.30 Statewide bonds.

In lieu of lease bonds, lessees, owners of operating rights (sublessees), or operators may furnish a bond in an amount of not less than the amount specified in 43 CFR 3104.1 covering all leases and operations in any one State.

§ 3104.40 Surface owner protection bond.

(a) If a good-faith effort by the Federal lessee, its operator, or representatives has not resulted in an agreement with the surface owner under 43 CFR 3171.19, the authorized officer will require an adequate surface owner protection bond in an amount sufficient to indemnify the surface owner against the reasonable and foreseeable damages to crops and tangible improvements from the proposed operations that would not otherwise be covered by a bond held by the BLM. This surface owner protection bond is not part of the bond obligations under lease or statewide bonds.

(b) The surface owner protection bond must be provided on a BLM-approved form.

(c) The surface owner protection bond may be a personal or surety bond and must be not less than $1,000.

(d) The BLM will notify the surface owner of the proposed surface owner protection bond amount.

(e) If the surface owner objects to the sufficiency of the surface owner protection bond, the BLM authorized officer will determine the sufficiency of the bond necessary to indemnify the surface owner for the reasonable and foreseeable damages to crops and tangible improvements.

§ 3104.50 Increased amount of bonds.

(a) When an operator desiring approval of an APD has caused the BLM, or a surface management agency, to make a demand for payment under a bond or other financial guarantee within the 5-year period prior to submission of the APD, due to failure to plug a well or reclaim lands completely in a timely manner, the authorized officer will require, prior to approval of the APD, a bond in an amount equal to the costs, when higher than the minimum bond amounts, as estimated by the authorized officer of plugging the well and reclaiming the disturbed area involved in the proposed operation, or in the minimum amount as prescribed in this subpart, whichever is greater.

(b) The authorized officer may require an increase in the amount of any bond whenever it is determined that the operator poses a risk due to factors, including, but not limited to, a history of previous violations, a notice from the ONRR that there are uncollected royalties due, or the total cost of plugging existing wells and reclaiming lands exceeds the present bond amount based on the estimates determined by the authorized officer. The increase in bond amount may be to any level specified by the authorized officer, but in no circumstances will it exceed the total of the estimated costs of plugging and reclamation, the amount of uncollected royalties due to the ONRR, plus the amount of money owed to the lessor due to previous violations remaining outstanding.

§ 3104.60 Where filed and number of copies.

All bonds must be filed in the proper BLM office on a current form approved by the Director. A single copy executed by the principal or, in the case of surety bonds, by both the principal and an acceptable surety is sufficient. A bond filed on a form not currently in use will be acceptable, unless such form has been declared obsolete by the Director prior to the filing of such bond. For purposes of 43 CFR 3104.20 and 3104.30, bonds or bond riders must be filed in the BLM State office having jurisdiction over the lease or operations covered by the bond or rider.

§ 3104.70 Default.

(a) Where, upon a default, the surety makes a payment to the United States of an obligation incurred under a lease, the face amount of the surety bond or personal bonds and the surety's liability thereunder will be reduced by the amount of such payment.

(b) After default, where the obligation in default equals or is less than the face amount of the bond(s), the principal must either post a new bond or restore the existing bond(s) to the amount previously held or a larger amount as determined by the authorized officer. In lieu thereof, the principal may file separate bonds for each lease covered by the deficient bond(s). Where the obligation incurred exceeds the face amount of the bond(s), the principal must make full payment to the United States for all obligations incurred that are in excess of the face amount of the bond(s) and must post a new bond in the amount previously held or such larger amount as determined by the authorized officer. The restoration of a bond or posting of a new bond must be made within 6 months or less after receipt of notice from the authorized officer. Failure to comply with these requirements may:

(1) Subject all leases covered by such bond(s) to cancellation under the provisions of 43 CFR 3108.30; and

(2) Result in the bond obligor or principal being referred to the Department's Suspension and Debarment Program under 2 CFR part 1400 to determine if the person will be suspended or debarred from doing business with the Federal Government.

§ 3104.80 Termination of period of liability.

The authorized officer will not give consent to termination of the period of liability of any bond unless an acceptable replacement bond has been filed or until all the terms and conditions of the lease have been met.

§ 3104.90 Unit Operator and nationwide bonds held prior to June 22, 2024.

Unit operator and nationwide bonds accepted by the BLM prior to June 22, 2024, must be replaced with individual lease or statewide bonds by June 22, 2025. The BLM will not accept any new unit operator or nationwide bonds.

Subpart 3105—Cooperative Conservation Provisions

§ 3105.10 Cooperative or unit agreement.

(a) The suggested contents of such an agreement and the procedures for obtaining approval are contained in 43 CFR part 3180.

(b) An application to form a unit agreement, a unit expansion, or a designation of a successor operator must include the processing fee found in the fee schedule in § 3000.120 of this chapter.

COMMUNITIZATION AGREEMENTS

§ 3105.21 Where filed.

(a) An application to form a communitization agreement or modify an existing agreement must be filed with the proper BLM office for final approval.

(b) An application for a communitization agreement must include:

(1) A statement as to whether the proposed communitization agreement deviates from the BLM's current model communitization agreement form, and a certification that the applicant received the required signatures;

(2) An Exhibit A displaying a map of the area covered by the proposed agreement and the separate agreement tracts; and

(3) An Exhibit B displaying the separate tracts and ownership;

(c) To ensure accurate reporting to ONRR, an application for a communitization agreement should be submitted at least 90 calendar days prior to first production.

(d) An application for designations of successor operator for a communitization agreement must include the processing fee found in the fee schedule in § 3000.120 of this chapter.

§ 3105.22 Purpose.

When a lease or a portion thereof cannot be independently developed and operated in conformity with an established well-spacing or well-development program, the authorized officer may approve a communitization agreement for such lands with other lands, whether or not owned by the United States, upon a determination that it is in the public interest. Operations or production under such an agreement will be deemed to be operations or production as to each lease committed thereto.

§ 3105.23 Requirements.

(a) The communitization agreement must describe the separate tracts comprising the drilling or spacing unit, must show the apportionment of the production or royalties to the several parties, the name of the operator, and contain adequate provisions for the protection of the interests of the United States. The agreement must be signed by or on behalf of all necessary parties and must be filed prior to the expiration of the Federal lease(s) involved in order to confer the benefits of the agreement upon such lease(s).

(b) The agreement will be effective as to the Federal lease(s) involved only if approved by the authorized officer. Approved communitization agreement are considered effective from the date of the agreement or from the date of the onset of production from the communitized formation, whichever is earlier, except when the spacing unit is subject to a State pooling order after the date of first sale, then the effective date of the agreement will be the effective date of the order.

(c) The public interest requirement for an approved communitization agreement will be satisfied only if the well dedicated thereto has been completed for production in the communitized formation at the time the agreement is approved or, if not, that the operator thereafter commences and/or diligently continues drilling operations to a depth sufficient to test the communitized formation or establishes to the satisfaction of the authorized officer that further drilling of the well would be unwarranted or impracticable. If an application is received for voluntary termination of a communitization agreement during its fixed term or such an agreement automatically expires at the end of its fixed term without the public interest requirement having been satisfied, the approval of that agreement by the authorized officer will be invalid and no Federal lease included in the communitization agreement will be eligible for an extension under 43 CFR 3107.40.

§ 3105.24 Communitization agreement terms.

The communitization agreement will remain in effect for a period of 2 years from the effective date or approval date, whichever is later, and so long thereafter as communitized substances may be produced in paying quantities, or as otherwise specified in the agreement.

Operating, Drilling, or Development Contracts

§ 3105.31 Where filed.

A contract submitted for approval under this section must be filed with the proper BLM office.

§ 3105.32 Purpose.

Approval of operating, drilling or development contracts will be granted only to permit operators or pipeline companies to enter into contracts with a number of lessees sufficient to justify operations on a scale large enough to justify the discovery, development, production or transportation of oil or gas and to finance the same.

§ 3105.33 Requirements.

The contract must be accompanied by a statement showing all the interests held by the contractor in the area or field and the proposed or agreed plan for development and operation of the field. All the contracts held by the same contractor in the area or field must be submitted for approval at the same time and full disclosure of the projects made.

SUBSURFACE STORAGE OF OIL AND GAS

§ 3105.41 Where filed.

(a) Applications for subsurface storage or designations of successor operator must be filed in the proper BLM office.

(b) The final gas storage agreement signed by all the parties in interest must be submitted to the BLM.

(c) Applications for subsurface storage agreements or designations of successor operator must include the processing fee found in the fee schedule in § 3000.120 of this chapter.

§ 3105.42 Purpose.

To avoid waste and to promote conservation of natural resources, the Secretary, upon application by the interested parties, may authorize the subsurface storage of oil and gas, whether or not produced from lands owned by the United States. Such authorization will provide for the payment of such storage fee or rental on the stored oil or gas as may be determined adequate in each case, or, in lieu thereof, for a royalty other than that prescribed in the lease when such stored oil or gas is produced in conjunction with oil or gas not previously produced. The BLM will require a bond as provided under § 3104 for operations conducted in a subsurface storage agreement.

§ 3105.43 Requirements.

The agreement must disclose the ownership of the lands involved, the parties in interest, the storage fee, rental or royalty offered to be paid for such storage and all information demonstrating such storage would avoid waste and promote the conservation of natural resources.

§ 3105.44 Extension of lease term.

Any lease used for the storage of oil or gas will be extended for the period of storage under an approved agreement. The obligation to pay annual lease rent continues during the extended period.

§ 3105.50 Consolidation of leases.

(a) Leases may be consolidated upon written request of the lessee filed with the proper BLM office. The request must identify each lease involved by serial number and justify the consolidation. Each request for a consolidation of leases must include the processing fee found in the fee schedule in § 3000.120 of this chapter.

(b) All parties holding any undivided interest in any lease involved in the consolidation must agree to enter into the same lease consolidation.

(c) Leases containing different types of lands (public domain lands vs. acquired lands), mixed fractional mineral interest, or provisions required by law that cannot be reconciled, will not be consolidated.

(d) Consolidation of leases will not exceed acreage limits of 2,560 acres for competitive leases and 10,240 acres for noncompetitive leases.

(e) The effective date, the anniversary date, and the primary term of the consolidated lease will be those of the oldest original lease included in the consolidation. The term of a consolidated lease may be extended beyond the primary lease term under subpart 3107.

(f) The highest royalty and rental rates of the each of the leases to be consolidated will apply to the consolidated lease.

(g) Lease stipulations and other terms and conditions of each original lease, except as noted in paragraphs (e) and (f) of this section, will continue to apply to that lease or any portion thereof regardless of the lease becoming a part of a consolidated lease.

Subpart 3106—Transfers by Assignment, Sublease, or Otherwise

§ 3106.10 Transfers, general.

(a) Leases may be transferred by assignment or sublease as to all or part of the acreage in the lease or as to either a divided or undivided interest therein.

(b) An assignment of the record title conveys both record title and operating rights, unless operating rights have been severed from the record title through an approved transfer of operating rights. Thereafter, the operating rights and record title may each be subject to further transfers.

(c) An assignment of a separate zone, deposit, depth, formation, specific well, or of part of a legal subdivision, will be denied.

(d) Within the boundaries of a Federal lease, operating rights may only be divided with respect to legal subdivisions, depth ranges, and formations.

(e) An assignment of less than 640 acres outside Alaska or of less than 2,560 acres within Alaska will be denied unless the assignment constitutes the entire lease or is demonstrated to further the development of oil and gas to the satisfaction of the authorized officer. Reference 43 CFR 3102.51(g) for certification of compliance.

(f) The rights of the transferee to a lease or an interest therein will not be recognized by the Department until the transfer has been approved by the authorized officer.

(g) A transfer may be withdrawn in writing, signed by the transferor and the transferee, if the transfer has not been approved by the authorized officer.

(h) A request for approval of a transfer of a lease or interest in a lease must be filed within 90 days from the date of its execution. The 90-day filing period will begin on the date the transferor signs and dates the transfer. If the transfer is filed after the 90th day, the authorized officer may require verification that the transfer is still in force and effect.

(i) A transfer of production payments or overriding royalty or other similar payments, arrangements, or interests must be filed in the proper BLM office but will not require approval.

(j) No transfer of an offer to lease or interest in a lease will be approved prior to the issuance of the lease.

§ 3106.20 Qualifications of assignees and transferees.

Assignees and transferees must comply with the provisions of 43 CFR subpart 3102 and post any bond that may be required. Only responsible and qualified lessees may own, hold, or control an interest in a lease.

§ 3106.30 Fees.

(a) Each transfer of record title or of operating rights (sublease) for each lease must include payment of the processing fee for assignments and transfers found in the fee schedule in § 3000.120 of this chapter.

(b) Each transfer of overriding royalty or payment out of production must include payment of the processing fee for overriding royalty transfers or payments out of productions found in the fee schedule in § 3000.120 of this chapter for each lease to which it applies.

FORMS

§ 3106.41 Transfers of record title and of operating rights (subleases).

Each transfer of record title or of an operating right (sublease) must be filed with the proper BLM office on a current form approved by the Director. A separate form for each transfer, in triplicate, must be filed for each lease out of which a transfer is made. The BLM does not require triplicate copies of the assignment or transfer when it is electronically submitted. Copies of documents other than the current form approved by the Director must not be submitted. However, reference(s) to other documents containing information affecting the terms of the transfer may be made on the submitted form.

§ 3106.42 Transfers of other interests, including royalty interests and production payments.

(a) Each transfer of overriding royalty interest, payment out of production or similar interests created or reserved must be described for each lease on the current assignment or transfer form when filed.

(b) A single executed copy of each such transfer of other interests for each lease must be filed with the proper BLM office.

§ 3106.43 Mass transfers.

(a) A mass transfer may be utilized in lieu of the provisions of 43 CFR 3106.41 and 3106.42 when an assignor or transferor transfers interests of any type in more than one Federal lease to the same assignee or transferee.

(b) The mass transfer must be filed with each proper BLM office administering any lease affected by the mass transfer. The transfer must be on a current form approved by the Director with an exhibit attached to each copy listing the following for each lease:

(1) The serial number;

(2) The type and percent of interest being conveyed; and

(3) A description of the lands affected by the transfer in accordance with 43 CFR 3106.50.

(c)

(1) One duplicate copy of the form must be filed with the proper BLM office for each lease involved in the mass transfer. A copy of the exhibit for each lease may be limited to line items pertaining to individual leases as long as that line item includes the information required by paragraph (b) of this section. The BLM does not require a duplicate copy of the assignment or transfer when it is electronically submitted.

(2) When the BLM does not receive the requisite number of copies, the applicant must reimburse the BLM for the full costs incurred to make the required number of copies. The BLM will waive fees under one dollar.

(d) A mass transfer must include the processing fee for assignments and transfers found in the fee schedule in § 3000.120 of this chapter for each such interest transferred for each lease.

§ 3106.50 Description of lands.

Each assignment of record title must describe the lands involved in the same manner as the lands are described in the lease, except no land description is required when 100 percent of the entire area encompassed within a lease is conveyed.

§ 3106.60 Bond requirements.

Where the lessee or operating rights owner (sublessee) maintains a bond covering the lease, the assignee of record title interest or transferee of operating rights in such lease must furnish, if bond coverage continues to be required, a proper bond that will cover any obligations arising under the lease to the same extent as the assignor's or transferor's bond.

Approval of Transfer or Assignment

§ 3106.71 Failure to qualify.

The BLM will not approve any assignment of record title or transfer of operating rights (sublease) if any party in interest is not a qualified lessee, or if the bond is insufficient. The BLM approves assignments and transfers for administrative purposes only. Approval does not warrant or certify that either party to a transfer holds legal or equitable title to a lease.

§ 3106.72 Continuing obligation of an assignor or transferor.

(a) The lessee or sublessee remains responsible for performing all obligations under the lease until the date the BLM approves an assignment of record title interest or transfer of operating rights.

(b) After the BLM approves the assignment or transfer, the assignor or transferor will continue to be responsible for lease obligations that accrued before the approval date, whether or not such obligations were identified at the time of the assignment or transfer. This includes paying compensatory royalties for drainage. It also includes responsibility for plugging wells drilled and removing facilities installed or used before the effective date of the assignment or transfer.

§ 3106.73 Lease account status.

The BLM will not approve a transfer if the lease account is delinquent with respect to: royalty payments; lease obligations, such as, but not limited to, rent and minimum royalty; or production reporting to ONRR for a lease in non-terminable status.

§ 3106.74 Effective date of transfer.

The signature of the authorized officer on the official form will constitute approval of the assignment of record title or transfer of operating rights (sublease) which will take effect as of the first day of the lease month following the date of filing in the proper BLM office of all documents and statements required by this subpart and an appropriate bond, if one is required.

§ 3106.75 Effect of transfer.

An assignment of record title to 100 percent of a portion of the lease segregates the transferred portion and the retained portion into separate leases. Each resulting lease retains the anniversary date and the terms and conditions of the original lease. An assignment of record title to less than 100 percent of a portion of the lease or a transfer of operating rights (sublease) will not segregate the transferred and retained portions into separate leases.

§ 3106.76 Obligations of assignee or transferee.

(a) The assignee of record title agrees to comply with the terms of the original lease during the lease tenure. The assignee assumes the responsibility to plug and abandon all wells which are no longer capable of producing, reclaim the lease site, and remedy all environmental problems in existence and that a purchaser exercising reasonable diligence should have known existed at the time of the transfer. When required, the record title holder must also maintain an adequate bond to ensure performance of these responsibilities.

(b) The transferee of operating rights agrees to comply with the terms of the original lease as it applies to the area or horizons for the interest acquired. The transferee assumes the responsibility to plug and abandon all wells that are no longer capable of producing, reclaim the lease site, and remedy all environmental problems in existence and that a purchaser exercising reasonable diligence should have known existed at the time of the transfer. When required, the operating rights holder must also maintain an adequate bond to ensure performance of these responsibilities.

Other Types of Transfers

§ 3106.81 Heirs and devisees.

(a) If an offeror, applicant, lessee or transferee dies, their rights would be assigned or transferred to the heirs, devisees, executor or administrator of the estate, as appropriate, upon the filing of legal documents demonstrating that the assignee or transferee is recognized as the successor of the deceased.

(b) The filing must include the processing fee for the transfer to an heir/devisee found in the fee schedule in § 3000.120 of this chapter with the request to assign lease rights.

(c) The filing must include a qualification statement demonstrating qualification to hold an interest in a lease in accordance with 43 CFR subpart 3102. Any ownership or interest otherwise forbidden by the regulations in this part which may be acquired by descent, will, judgment or decree may be held for a period not to exceed 2 years after its acquisition. Any such forbidden ownership or interest held for a period of more than 2 years after acquisition may be subject to cancellation.

(d) A bond rider or replacement bond may be required for any bond(s) previously furnished by the decedent.

§ 3106.82 Change of name.

(a) A legally recognized change of name of a lessee or sublessee must be reported to the proper BLM office. The notice of name change must be submitted in writing with adequate information concerning the name change. For a corporate name change, the request must include the Secretary of State's Certificate of Name Change, along with the Articles of Incorporation, or Amendment, if available.

(b) An entity must include with the notice of name change the required processing fee listed in the fee schedule in § 3000.120 of this chapter.

(c) If a bond(s) has been furnished, a change of name on the bond may be made by surety consent or a rider to the original bond or by a replacement bond.

§ 3106.83 Corporate mergers and dissolution of corporations, partnerships, and trusts.

(a) In the event a corporate merger affects leases where property of the dissolving corporation to the surviving corporation is accomplished by operation of law, an assignment of any affected lease interest is not required. An entity must notify the BLM of the merger and provide copies of the Secretary of State's Certificate of Merger, along with the Articles of Incorporation, or Amendment, if available, to the BLM.

(b) The BLM will not recognize any transfers provided by the Articles of Dissolution unless an entity has filed with the BLM a Certificate of Dissolution of an incorporated entity, certified as accepted by the State where the entity was incorporated.

(c) An entity must file with the BLM a dissolution of a partnership or trust through an order or decree that authorizes settlement, discharge, and distribution of the lease holdings and/or interests for official recognition of the assignment of lease interests.

(d) An entity must include the processing fee for corporate merger or dissolution of corporation, partnership, or trust found in the fee schedule in § 3000.120 of this chapter.

(e) The authorized officer may require a bond rider or replacement bond for all affected corporations, partnerships or trusts.

§ 3106.84 Sheriff's sale/deed.

(a) Where a notice of sale of the leasehold interest is published pursuant to State law applicable to the execution of sales of real property, the purchaser must submit a copy of the Sheriff's Certificate of Sale to the proper BLM office after any redemption period has passed.

(b) When submitting the certificate described in paragraph (a), an entity must include the processing fee for sheriff's deed found in the fee schedule in § 3000.120 of this chapter.

(c) The purchaser(s) must file a qualification statement to hold an interest in a lease in accordance with 43 CFR subpart 3102. Failure to provide a qualification statement after 2 years will result in the BLM cancelling the lease or interest.

(d) If a bond has been furnished by the previous interest holder, the authorized officer may require a new bond.

Subpart 3107—Continuation and Extension

§ 3107.10 Extension by drilling.

(a) Any lease on which actual drilling operations were commenced prior to the end of its primary term and are being diligently prosecuted at the end of the primary term or any lease which is part of an approved oil and gas agreement upon which such drilling takes place, will be extended for 2 years subject to the rental being timely paid as required by 43 CFR 3103.20, and subject to the provisions of 43 CFR 3105.23 and appendix A to part 3180, if applicable. The BLM will not grant a drilling extension for a lease in its extended term.

(b) Actual drilling operations must be conducted in a manner that a reasonable person seriously looking for oil or gas could be expected to make in that particular area, given the existing knowledge of geologic and other pertinent facts. In drilling a new well on a lease or for the benefit of a lease under the terms of an approved agreement, it must be taken to a depth sufficient to penetrate at least one formation recognized in the area as potentially productive of oil or gas, or where an existing well is reentered, it must be taken to a depth sufficient to penetrate at least one new and deeper formation recognized in the area as potentially productive of oil or gas. The authorized officer may determine that further drilling is unwarranted or impracticable.

(c) When a BLM-approved directional or horizontal well is drilled within the leased area from an off-lease location with the intent to produce from the leased area, the BLM will consider drilling to have commenced on the leased area when drilling is commenced at the off-lease location.

PRODUCTION

§ 3107.21 Continuation by production.

A lease will be extended so long as oil or gas is being produced in paying quantities.

§ 3107.22 Cessation of production.

A lease in its extended term because of production (and lacking a well capable of production in paying quantities) will not expire upon cessation of production, if, within 60 calendar days of cessation of production, reworking or drilling operations on the leasehold are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. If these reworking or drilling operations fail to result in production in paying quantities, the lease will expire by operation of law, effective as of the date paying production ceased.

§ 3107.23 Leases capable of production.

No lease for lands on which there is a well capable of producing oil or gas in paying quantities will expire because the lessee fails to produce the same, unless the lessee fails to place the lease in production within a period of not less than 60 calendar days as specified by the authorized officer after receipt of notice by certified mail from the authorized officer to do so. Such production must be continued unless and until suspension of production is granted by the authorized officer.

EXTENSION OF LEASES WITHIN AGREEMENTS

§ 3107.31 Leases committed to an agreement.

(a) Any lease or portion of a lease committed to an oil and gas agreement that contains a general provision for allocation of oil or gas will continue in effect so long as the lease or portion thereof remains subject to the agreement; *provided,* that there is production of oil or gas in paying quantities under the agreement prior to the expiration date of such lease.

(b) A well that is drilled and completed on a lease committed to a unit agreement, and that is capable of production in paying quantities on a lease basis, will extend the term of all expiring Federal leases committed to the unit agreement for the term of the unit agreement and so long as the well is capable of production in paying quantities.

§ 3107.32 Segregation of leases committed in part.

(a) Any lease committed after July 29, 1954, to any unit agreement, which covers lands within and lands outside the area covered by the agreement, will be segregated, as of the effective date of commitment to the unit, into separate leases; one covering the lands committed to the agreement, the other lands not committed to the agreement. For unproven areas, such segregation will occur only when the public interest requirement is satisfied pursuant to 43 CFR 3183.4(b). Upon satisfaction of the public interest requirement, the BLM will deem the segregation to have been effective as of the date of commitment of the lands to the unit.

(b)

(1) The segregated lease covering the non-unitized portion of the lands will continue in force and effect for the term of the lease or for 2 years from the date of segregation, whichever is longer.

(2) If a partially committed lease is in an extended term because of production, the segregated, non-producing lease will continue in effect so long as the producing lease exists and rentals are paid, and so long thereafter as oil or gas is produced from the committed lease.

§ 3107.40 Extension by elimination.

Any lease eliminated from any approved or prescribed oil and gas agreement authorized by the Act and any lease in effect at the termination of such agreement, unless relinquished, will continue in effect for the original term of the lease or for 2 years after its elimination from the agreement or after the termination of the plan or agreement, whichever is longer, and for so long thereafter as oil or gas is produced in paying quantities. No lease will be extended if the public interest requirement for an approved oil and gas agreement has not been satisfied, as determined by the authorized officer.

Extension of Leases Segregated by Assignment

§ 3107.51 Extension after discovery on other segregated portions.

Any lease segregated by assignment, including the retained portion, will continue in effect for the primary term of the original lease, or for 2 years after the date a well capable of production in paying quantities is established upon any other portion of the original lease, whichever is the longer period.

§ 3107.52 Undeveloped parts of leases in their extended term.

Undeveloped parts of leases retained or assigned out of leases which are in their extended term will continue in effect for 2 years after the effective date of assignment, provided the parent lease was issued prior to September 2, 1960.

§ 3107.53 Undeveloped parts of producing leases.

Undeveloped parts of leases retained or assigned out of leases which are extended by production, actual or suspended, or the payment of compensatory royalty will continue in effect for 2 years after the effective date of assignment and for so long thereafter as oil or gas is produced in paying quantities.

§ 3107.60 Extension of reinstated leases.

Where a reinstatement of a terminated lease is granted under 43 CFR 3108.20 and the authorized officer finds that the reinstatement will not afford the lessee a reasonable opportunity to continue operations under the lease, the authorized officer may extend the term of such lease for a period sufficient to give the lessee such an opportunity. Any extension will be subject to the following conditions:

(a) No extension will exceed a period equal to the unexpired portion of the lease or any extension thereof remaining at the date of termination.

(b) When the reinstatement occurs after the expiration of the term or extension thereof, the lease may be extended from the date the authorized officer grants the petition, but in no event for more than 2 years from the date the reinstatement is authorized and so long thereafter as oil or gas is produced in paying quantities.

OTHER EXTENSION TYPES

§ 3107.71 Payment of compensatory royalty.

The payment of a compensatory royalty will extend the term of any lease for the period during which such compensatory royalty is paid and for a period of 1 year from the discontinuance of such payments.

§ 3107.72 Subsurface storage of oil and gas.

Any lease used for the storage of oil or gas will be extended for the period of storage under an approved agreement.

Subpart 3108—Relinquishment, Termination, Cancellation

§ 3108.10 Relinquishment.

The lessee(s) may relinquish the lease or any legal subdivision of the lease at any time. The lessee(s) must file a written relinquishment with the BLM State Office with jurisdiction over the lease. All lessees holding record title interests in the lease must sign the relinquishment. A relinquishment takes effect on the date the lessee filed it with the BLM. However, the lessee(s) and the party that issued the bond will continue to be obligated to:

(a) Make payments of all accrued rentals and royalties, including payments of compensatory royalty due for all drainage that occurred before the relinquishment;

(b) Place all wells to be relinquished in condition for suspension or abandonment as the BLM requires; and

(c) Complete reclamation of the leased sites after stopping or abandoning oil and gas operations on the lease, under a plan approved by the BLM or the appropriate surface management agency.

TERMINATION BY OPERATION OF LAW AND REINSTATEMENT

§ 3108.21 Automatic termination.

(a) Except as provided in paragraph (b) of this section, any lease on which there is no well capable of producing oil or gas in paying quantities will automatically terminate by operation of law (30 U.S.C. 188) if the lessee fails to pay the rental at the designated ONRR office on or before the lease anniversary date. However, if the designated ONRR office is closed on the anniversary date, a rental payment received on the next business day the ONRR office is open to the public will be considered timely made.

(b) If the rental payment due under a lease is paid on or before its anniversary date but the amount of the payment is deficient and the deficiency is nominal as defined in this section, or the amount of payment made was determined in accordance with the rental or acreage figure stated in a decision rendered by the authorized officer, and such figure is found to be in error resulting in a deficiency, such lease will not have automatically terminated unless the lessee fails to pay the deficiency within the period prescribed in the Notice of Deficiency provided for in this section. A deficiency will be considered nominal if it is not more than $100 or more than 5 percent of the total payment due, whichever is less. The designated ONRR office will send a Notice of Deficiency to the lessee. The Notice will allow the lessee 15 days from the date of receipt or until the due date, whichever is later, to submit the full balance due to the designated ONRR office. If the payment required by the Notice is not paid within the time allowed, the lease will have terminated by operation of law as of its anniversary date.

(c) The automatic termination provision does not apply where, due to other contingencies, additional rental is due on a date other than the lease anniversary date and where the lessee did not receive notice that the obligation had accrued, unless the lessee fails to pay the rental within the period prescribed in the BLM Notice.

§ 3108.22 Reinstatement at existing rental and royalty rates: Class I reinstatements.

(a) Except as hereinafter provided, the authorized officer may reinstate a lease which has terminated for failure to pay on or before the anniversary date the full amount of rental due, provided that:

(1) Such rental was paid or tendered within 20 days after the anniversary date; and

(2) It is shown to the satisfaction of the authorized officer that the failure to timely submit the full amount of the rental due was either justified or not due to a lack of reasonable diligence on the part of the lessee (reasonable diligence includes a rental payment that is paid to the ONRR on or before the lease anniversary date. If the designated ONRR office or payment system is not operational on the anniversary date, payment received on the next business day in which the designated ONRR office or payment system is operational to the public will be deemed timely); and

(3) A petition for reinstatement and the processing fee for lease reinstatement, Class I, found in the fee schedule in § 3000.120 of this chapter, are filed with the proper BLM office within 60 days after receipt of Notice of Termination of Lease due to late payment of rental. If a terminated lease becomes productive prior to the time the lease is reinstated, all required royalty that has accrued must be paid to the ONRR.

(b) The burden of showing that the failure to pay on or before the anniversary date was justified or not due to lack of reasonable diligence is on the lessee.

(c) Under no circumstances will a terminated lease be reinstated if:

(1) A valid oil and gas lease has been issued prior to the filing of a petition for reinstatement affecting any of the lands covered by that terminated lease; or

(2) The oil and gas interests of the United States in the lands have been disposed of or otherwise have become unavailable for leasing.

§ 3108.23 Reinstatement at higher rental and royalty rates: Class II reinstatements.

(a) The authorized officer may, if the requirements of this section are met, reinstate a competitive oil and gas lease which was terminated by operation of law for failure to pay rental timely when the rental was not paid or tendered within 20 calendar days of the termination date, and it is shown to the satisfaction of the authorized officer that such failure was justified or not due to a lack of reasonable diligence, or no matter when the rental was paid, it is shown to the satisfaction of the authorized officer that such failure was inadvertent.

(b)

(1) Such leases may be reinstated if the required back rental and royalty at the increased rates accruing from the date of termination, together with a petition for reinstatement, are filed on or before the earlier of:

(i) Sixty calendar days after the last date that any lessee of record received Notice of Termination by certified mail; or

(ii) Twenty-four months after termination of the lease.

(2) After determining that the requirements for filing of the petition for reinstatement have been timely met, the authorized officer may reinstate the lease if:

(i) No valid lease has been issued prior to the filing of the petition for reinstatement affecting any of the lands covered by the terminated lease, whether such lease is still in effect or not;

(ii) The oil and gas interests of the United States in the lands have not been disposed of or have not otherwise become unavailable for leasing;

(iii) Payment of all back rentals and royalties at the rates established for the reinstated lease has been made;

(iv) An agreement has been signed by the lessee and attached to and made a part of the lease specifying future rentals at the applicable rates specified for reinstated leases in 43 CFR 3103.22 and future royalties at the rates set in 43 CFR 3103.31 for all production removed or sold from such lease or shared by such lease from production allocated to the lease by virtue of its participation in an oil and gas agreement;

(v) A notice of the proposed reinstatement of the terminated lease and the terms and conditions of reinstatement has been published in the FEDERAL REGISTER at least 30 days prior to the date of reinstatement for which the lessee must reimburse the BLM for the full costs incurred in the publishing of said notice; and

(vi) The lessee has paid the BLM a nonrefundable administrative fee of $500.

(c) The authorized officer will furnish to the Chairpersons of the Committee on Natural Resources of the House of Representatives and of the Committee on Energy and Natural Resources of the Senate, at least 30 days prior to the date of reinstatement, a copy of the notice, together with information concerning rental, royalty, volume of production, if any, and any other matter which the authorized officer considers significant in making the determination to reinstate.

(d) If the authorized officer reinstates the lease, the reinstatement will be effective as of the date of termination, for the unexpired portion of the original lease or any extension thereof remaining on the date of termination, and so long thereafter as oil or gas is produced in paying quantities. Where a lease is reinstated under this section and the authorized officer finds that the reinstatement of such lease either:

(1) Occurs after the expiration of the primary term or any extension thereof; or

(2) Will not afford the lessee a reasonable opportunity to continue operations under the lease, the authorized officer may extend the term of the reinstated lease for such period as determined reasonable, but in no event for more than 2 years from the date of the reinstatement and so long thereafter as oil or gas is produced in paying quantities.

§ 3108.30 Cancellation.

(a) Whenever the lessee fails to comply with any of the provisions of the law, the regulations issued thereunder, or the lease, the lease may be canceled by the Secretary, if the leasehold does not contain a well capable of production of oil or gas in paying quantities, or if the lease is not committed to an approved oil and gas agreement that contains a well capable of production of unitized substances in paying quantities. The lease may be canceled only if the default continues for 30 calendar days after a notice of default has been delivered in accordance with 43 CFR 1810.2.

(b) Whenever the lessee fails to comply with any of the provisions of the law, the regulations issued thereunder, or the lease, and if the leasehold contains a well capable of production of oil or gas in paying quantities, or if the lease is committed to an approved oil and gas agreement that contains a well capable of production of unitized substances in paying quantities, the lease may be canceled only by court order in the manner provided by section 31(a) of the Act (30 U.S.C. 188).

(c) If any interest in any lease is owned or controlled, directly or indirectly, by means of stock or otherwise, in violation of any of the provisions of the Act, the lease may be canceled, or the interest so owned may be forfeited, or the person so owning or controlling the interest may be compelled to dispose of the interest, only by court order in the manner provided by section 27(h)(1) of the Act (30 U.S.C. 184).

(d) Leases will be subject to cancellation if improperly issued.

§ 3108.40 Bona fide purchasers.

A lease or interest therein may not be cancelled to the extent that such action adversely affects the title or interest of a *bona fide* purchaser even though such lease or interest, when held by a predecessor in title, may have been subject to cancellation. All purchasers will be charged with constructive notice as to all pertinent regulations and all BLM records pertaining to the lease and the lands covered by the lease. Prompt action may be taken to dismiss as a party to any proceedings with respect to a violation by a predecessor of any provisions of the Act, any person who shows the holding of an interest as a *bona fide* purchaser without having violated any provisions of the Act. No hearing will be necessary upon such showing unless prima facie evidence is presented that the purchaser is not a *bona fide* purchaser.

§ 3108.50 Waiver or suspension of lease rights.

If, during any proceeding with respect to a violation of any provision of the regulations in 43 CFR parts 3000 and 3100 or the Act, a party thereto files a waiver of his/her rights under the lease to drill or to assign his/her lease interests, or if such rights are suspended by order of the Secretary pending a decision, payments of rentals and the running of time against the term of the lease involved will be suspended as of the first day of the month following the filing of the waiver or the Secretary's suspension until the first day of the month following the final decision in the proceeding or the revocation of the waiver or suspension.

Subpart 3109—Leasing under Special Acts

RIGHTS-OF-WAY

§ 3109.11 Generally.

The Act of May 21, 1930 (30 U.S.C. 301-306), authorizes either the leasing of oil and gas deposits under railroad and other rights-of-way to the owner of the right-of-way or the entering of a compensatory royalty agreement with adjoining landowners. This authority will be exercised only with respect to railroad rights-of-way and easements issued pursuant either to the Act of March 3, 1875 (43 U.S.C.934 *et seq.*), or pursuant to earlier railroad right-of-way statutes, and with respect to rights-of-way and easements issued pursuant to the Act of March 3, 1891 (43 U.S.C. 946 *et seq.*). The oil and gas underlying any other right-of-way or easement is included within any oil and gas lease issued pursuant to the Act which covers the lands within the right-of-way, subject to the limitations on use of the surface, if any, set out in the statute under which, or permit by which, the right-of-way or easement was issued, and such oil and gas will not be leased under the Act of May 21, 1930.

§ 3109.12 Application.

(a) No approved form is required for an application to lease oil and gas deposits underlying a right-of-way.

(b) The right-of-way owner or his/her transferee must file the application in the proper BLM office.

(c) Include the processing fee for leasing under right-of-way found in the fee schedule in § 3000.120 of this chapter.

(d) An application must include:

(1) Facts as to the ownership of the right-of-way, and of the transfer if the application is filed by a transferee;

(2) An executed transfer of the right to obtain a lease, if necessary;

(3) A description of the development of oil or gas in adjacent or nearby lands, the location and depth of the wells, the production and the probability of drainage of the deposits in the right-of-way;

(4) A description of each legal subdivision through which a portion of the right-of-way desired to be leased traverses; however, a description by metes and bounds of the right-of-way is not required; and

(5) A map of the applicable lands.

§ 3109.13 Notice.

After the BLM has determined that a lease of a right-of-way or any portion thereof is consistent with the public interest, either upon consideration of an application for lease or on its own motion, the authorized officer will serve notice on the owner or lessee of the oil and gas rights of the adjoining lands. The adjoining landowner or lessee will be allowed a reasonable time, as provided in the notice, within which to submit a bid for the percent of compensatory royalty, the owner or lessee must pay for the extraction of the oil and gas underlying the right-of-way through wells on such adjoining lands. The owner of the right-of-way will be given the same time period to submit a bid for the lease.

§ 3109.14 Award of lease or compensatory royalty agreement.

Award of lease to the owner of the right-of-way, or a contract for the payment of compensatory royalty by the owner or lessee of the adjoining lands will be made to the bidder whose offer is determined by the authorized officer to be to the best advantage of the United States, considering the amount of royalty to be received and the better development under the respective means of production and operation.

§ 3109.15 Compensatory royalty agreement or lease.

(a) The lease or compensatory royalty agreement will be on a form approved by the Director.

(b) The primary term of the lease will be for a period of 10 years.

(c) The following provisions of 43 CFR part 3100 apply to the issuance and administration of leases for oil and gas deposits underlying a right-of-way issued under this part:

(1) All of subpart 3101, except §§ 3101.21, 3101.22, 3101.23, 3101.24, and 3101.25; and

(2) All of subparts 3102 through 3108;

§ 3109.20 Units of the National Park System.

(a) Oil and gas leasing in units of the National Park System will be governed by 43 CFR part 3100 and all operations conducted on a lease or permit in such units will be governed by 43 CFR parts 3160 and 3180.

(b) Any lease or permit respecting minerals in units of the National Park System may be issued or renewed only with the consent of the Regional Director, National Park Service. Such consent will only be granted upon a determination by the Regional Director that the activity permitted under the lease or permit will not have significant adverse effect upon the resources or administration of the unit pursuant to the authorizing legislation of the unit. Any lease or permit issued will be subject to such conditions as may be prescribed by the Regional Director to protect the surface and significant resources of the unit, to preserve their use for public recreation, and to the condition that site specific approval of any activity on the lease will only be given upon concurrence by the Regional Director. All lease applications received for reclamation withdrawn lands will also be submitted to the Bureau of Reclamation for review.

(c) The units subject to the regulations in this part are those units of land and water which are shown on the following maps on file and available for public inspection in the office of the Director of the National Park Service and in the Superintendent's Office of each unit. The boundaries of these units may be revised by the Secretary as authorized in the Acts.

(1) Lake Mead National Recreation Area—The map identified as “boundary map, 8360-80013B, revised February 1986.

(2) Whiskeytown Unit of the Whiskeytown-Shasta-Trinity National Recreation Area—The map identified as "Proposed Whiskeytown-Shasta-Trinity National Recreation Area," numbered BOR-WST 1004, dated July 1963.

(3) Ross Lake and Lake Chelan National Recreation Areas—The map identified as "Proposed Management Units, North Cascades, Washington," numbered NP-CAS-7002, dated October 1967.

(4) Glen Canyon National Recreation Area—the map identified as "boundary map, Glen Canyon National Recreation Area," numbered GLC-91,006, dated August 1972.

(d) The following excepted units will not be open to mineral leasing:

(1) ***Lake Mead National Recreation Area.***

(i) All waters of Lakes Mead and Mohave and all lands within 300 feet of those lakes measured horizontally from the shoreline at maximum surface elevation;

(ii) All lands within the unit of supervision of the Bureau of Reclamation around Hoover and Davis Dams and all lands outside of resource utilization zones as designated by the Superintendent on the map (602-2291B, dated October 1987) of Lake Mead National Recreation Area which is available for inspection in the Office of the Superintendent.

(2) ***Whiskeytown Unit of the Whiskeytown-Shasta-Trinity National Recreation Area.***

(i) All waters of Whiskeytown Lake and all lands within 1 mile of that lake measured from the shoreline at maximum surface elevation;

(ii) All lands classified as high-density recreation, general outdoor recreation, outstanding natural and historic, as shown on the map numbered 611-20,004B, dated April 1979, entitled "Land Classification, Whiskeytown Unit, Whiskeytown-Shasta-Trinity National Recreation Area." This map is available for public inspection in the Office of the Superintendent;

(iii) All lands within section 34 of Township 33 north, Range 7 west, Mt. Diablo Meridian.

(3) ***Ross Lake and Lake Chelan National Recreation Areas.***

(i) All of Lake Chelan National Recreation Area;

(ii) All lands within $^{1}/_{2}$ mile of Gorge, Diablo and Ross Lakes measured from the shoreline at maximum surface elevation;

(iii) All lands proposed for or designated as wilderness;

(iv) All lands within $^{1}/_{2}$ mile of State Highway 20;

(v) Pyramid Lake Research Natural Area and all lands within $^{1}/_{2}$ mile of its boundaries.

(4) ***Glen Canyon National Recreation Area.*** Those units closed to mineral disposition within the natural zone, development zone, cultural zone and portions of the recreation and resource utilization zone as shown on the map numbered 80,022A, dated March 1980, entitled "Mineral Management Plan—Glen Canyon National Recreation Area." This map is available for public inspection in the Office of the Superintendent and the office of the BLM State Offices, Arizona and Utah.

§ 3109.30 Shasta and Trinity Units of the Whiskeytown-Shasta-Trinity National Recreation Area.

Section 6 of the Act of November 8, 1965 (Pub. L. 89-336), authorizes the Secretary to permit the removal of oil and gas from lands within the Shasta and Trinity Units of the Whiskeytown-Shasta-Trinity National Recreation Area in accordance with the Act or the Mineral Leasing Act for Acquired Lands. Subject to the determination by the Secretary of Agriculture that removal will not have significant adverse effects on the purposes of the Central Valley project or the administration of the recreation area.

CITY OF CARLSBAD
AGENDA BRIEFING
MEMORANDUM

Council Meeting Date: May 12, 2026

DEPARTMENT: Planning & Zoning	**BY**: Trysha Ortiz	**DATE**: 05/05/2026

SUBJECT:
Consider Approval of Ordinance 2026-21, an Ordinance rezoning part of "C-2" Commercial 2 District to "R-1" Residential 1 District for approximately 0.28 acres for property located at 2305 Jackson Street Owner: Lupe Ornelas
A. Public Hearing
B. Consider Approval of Ordinance 2026-21

BACKGROUND, ANALYSIS AND IMPACT: (Safety and Welfare/Financial/Personnel/Infrastructure/etc.)
Request for Zone Change from “C-2” Commercial 2 District to “R-1” Residential 1 District for approximately 0.28 acres located at 2305 West Jackson Street, legally described as Subd: JACKSON REPLAT Tract: 2; pursuant to Section 3-21-1 et. Seq. NMSA 1978 and Sections 56-150(b) and 56-140(i), Carlsbad Code of Ordinances.

Applicant/Owner:
Lupe Q Ornelas
2305 West Jackson Street
Carlsbad, NM 88220

SYNOPSIS, HISTORY AND IMPACT (SAFETY AND WELFARE/FINANCIAL/PERSONNEL/INFRASTRUCTURE/ETC.):
Request for Zone Change from “C-2” Commercial 2 District to “R-1” Residential 1 District for the 0.28-acre property located at 2305 West Jackson Street.
The properties to the north and west are zoned “R-1” Residential 1 District. The properties to the east and south are zoned “C-2” Commercial 2 District. This change would not create a spot zone or change the use of the subject property or impact to the neighborhood. Sec. 56-40(d) of the Zoning Ordinance states: (b) Residential 1 (R-1) District. The Residential 1 District is intended to accommodate moderate density single-family residential development and to provide land-use protection for areas that develop in such a manner. There shall be a maximum of one primary residence per lot for R-1 Residential District Zoning.

Comprehensive Plan: Strategy 2040 goals and policies that are applicable to this request are:
Chapter 4: Housing & NeighborhoodsObjectives:
To preserve the character, identity, and integrity of established neighborhoods.
To encourage the on-going maintenance of rental and owner-occupied properties.
To ensure public reinvestment and improvements in existing neighborhoods.
Chapter 5: Land Use
Objectives:

To identify areas of opportunity for infill and redevelopment.
To encourage redevelopment of vacant or underutilized properties for residential, commercial, or mixed-use development.
According to Zoning Ordinance Sec. 56-150(b)(4). Amendments, Findings Required, a statement of fact regarding each of the following findings is required:
An amendment to the Official Zoning Map or to the Text of this Zoning Ordinance must be justified by one or more of the following findings:
(a) The proposed amendment will or will not adversely impact the public health, safety or general welfare and will or will not promote the original purposes of the Zoning Ordinance; and
(b) The proposed amendment responds or does not respond to changed conditions, such as changes in public capital investments, road locations or functional classification, population trends, density, use or further studies that have been completed since adoption of the Zoning Ordinance; and
(c) The proposed amendment is or is not necessary in order to respond to State and/or Federal legislation; and
(d) The proposed amendment provides or does not provide additional flexibility in meeting the objectives of this Zoning Ordinance without lowering the standards of the Zoning Ordinance; and
(e) The proposed amendment is or is not in substantial compliance with the City's Comprehensive Plan or other City Master Plan; and
(f) The proposed amendment will or will not adversely affect the implementation of the goals and policies of the City's Comprehensive Plan or other City Master Plan; and
(g) The proposed amendment is justified in order to correct a mistake in the Official Zoning Map or the text of the Zoning Ordinance; and
(h) The proposed amendment is justified in order to respond to changes in the City’s Comprehensive Plan or other City Master Plan including, but not limited to, changes in land use assumptions, surrounding uses, population forecasts, rates of land consumption, anticipated community needs or other factors.

DEPARTMENT RECOMMENDATION:
PLANNING AND ZONING COMMISSION RECOMMENDATION: Based on review of the application and staff comments, at their meeting on April 6, 2026, the Planning and Zoning Commission considered this item and recommended approval with a vote of four (4) in favor of approval, none (0) against, one (1) absent and none (0) abstain.

DEPARTMENT COMMENTS: Utilities Department:
Building Department: Recommend approval
Fire Department: Recommend approval
Legal Department: Recommend approval
Police Department: Recommend approval
Project Department: Recommend approval
Planning Department: Recommend approval

BOARD/COMMISSION/COMMITTEE ACTION:
Planning & Zoning Commission - APPROVED

Reviewed by:

City Manager: Wendy D Austin	Date: May 7, 2026

Attachments:
1. 2305 Jackson St - Application Materials (1)

ORDINANCE NO. 2026-21

AN ORDINANCE REZONING PART OF “C-2” COMMERCIAL 2 DISTRICT TO “R-1” RESIDENTIAL 1 DISTRICT FOR APPROXIMATELY 0.28 ACRES, LOCATED AT 2305 W. JACKSON STREET, LEGALLY DESCRIBED AS TRACT 2, JACKSON REPLAT SUBDIVISION, PURSUANT TO SECTION 3-21-1 ET. SEQ. NMSA 1978 AND SECTIONS 56-150(B) AND 56-140(I), CARLSBAD CODE OF ORDINANCES.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF CARLSBAD, EDDY COUNTY, NEW MEXICO, that:

The official zoning map of the City is hereby amended to rezone part of "C-2" Commercial 2 District to "R-1" Residential 1 District, for approximately 0.28 acres, located at 2305 W. Jackson St., legally described as:

TRACT 2, JACKSON REPLAT SUBDIVISION

INTRODUCED, PASSED, ADOPTED AND APPROVED this 12th day of May, 2026.

_____
RICHARD D. LOPEZ, MAYOR

ATTEST:

_____
CITY CLERK

LINKED MINUTES OF A REGULAR MEETING OF THE PLANNING AND ZONING COMMISSION OF THE CITY OF CARLSBAD, NEW MEXICO, HELD IN THE JANELL WHITLOCK MUNICIPAL COMPLEX BUILDING ON APRIL 6, 2026, AT 5:00 P.M.

Present:	James McCormick	Chairperson
	Valerie Branson	Commissioner
	Linda Wilson	Commissioner
	Denise Madrid-Boyea	Commissioner
Absent:	Trent Cornum	Commissioner
Also Present:	Jeff Patterson	Planning Director
	Trysha Ortiz	Deputy Planning Director
	Barbara Hodgson	City Attorney
	Ken Ahrens	Deputy City Manager
	Stephan Brown	Compliance Clerk
	JoAnne Jaure	Deputy City Clerk
	Scott Richardson	3802 North Pat Garret Rd
	Lupe Ornelas	2305 West Jackson
	Vanessa Ornelas	2305 West Jackson
	Josh Campbell	Fire Department

Time Stamps and headings below correspond to recording of meeting and the recording is hereby made a part of the official record.

0:00:00 **Call Meeting to Order**

0:00:26 **1. ROLL CALL AND DETERMINATION OF QUORUM**
Roll was called, determining a presence of a quorum.

0:01:11 **2. APPROVAL OF MEETING MINUTES – MARCH 2, 2026**

0:01:30 **MOTION**
The motion was made by Commissioner Madrid-Boyea and seconded by Commissioner Wilson to approve meeting minutes from March 2, 2026

0:01:37 **VOTE**
The vote was as follows: Yes - McCormick, Branson, Wilson, Madrid-Boyea; No - None; Absent - Cornum; the motion carried

0:01:52 **3. CONSIDER APPROVAL OF A VARIANCE FROM ORD. 56-90(B) TO ALLOW A FIVE-FOOT (5′) REAR SETBACK INSTEAD OF THE**

REQUIRED TWENTY-FOOT (20') REAR SETBACK FOR THE PROPERTY LOCATED AT 3802 NORTH PAT GARRETT ROAD, ZONED "R-1" RESIDENTIAL 1 DISTRICT

Mr. Patterson stated that the request is for a variance to allow a five-foot rear setback instead of the required twenty-foot rear setback. He said after reviewing the application materials and city staff comments, the Planning Department recommends denial of the request.

Scott Richardson explained that he would like to place a 10ft by 20ft temporary shed on sliders. He said he was unaware of the setback requirement and only learned of it when he called to obtain a permit.

Chairman McCormick clarified that the shed would be temporary. **Mr. Richardson** confirmed that it would not be placed on a concrete foundation and would instead be slid into the backyard. **Chairman McCormick** then asked whether the shed would be made of metal. **Mr. Richardson** responded that it would be a wooden shed. **Chairman McCormick** asked if the shed had electricity. **Mr. Richardson** said no.

Commissioner Madrid-Boyea asked if there were any other buildings or structures on the property. **Mr. Richardson** stated that, aside from his home, there are no permanent structures, noting that the overview image may show his trailer. **Commissioner Madrid-Boyea** asked whether any obstacles required the shed to be placed five feet from the rear property line rather than twenty feet. **Mr. Richardson** explained that placing the shed at the required twenty-foot setback would position it in the middle of the yard and limit usable space, whereas a five-foot setback would allow for better use of the yard.

0:08:21 **Chairman McCormick asked if anyone would like to speak regarding this item. No one appeared and the Chairman declared the public hearing closed and reconvened the Planning and Zoning Commission into regular session.**

0:08:44 **Commissioner Wilson** stated that the shed is portable and can be moved if any issues arise.

Commissioner Madrid-Boyea noted that variances are sometimes granted before the adoption of current zoning regulations and may be grandfathered in when new zoning ordinances are enacted. **Mr. Patterson** responded that there are no existing variances on the property that predate the current zoning ordinance. He added that in the "R-1" Residential District, the required rear setback is ten feet.

Commissioner Madrid-Boyea asked whether Mr. Richardson would be willing to accept a ten-foot setback instead of the requested five-foot setback. **Mr. Richardson** indicated that he would be agreeable to that adjustment.

0:11:30 **MOTION**
The motion was made by Commissioner Wilson and seconded by Commissioner Madrid-Boyea to approve a Variance from Ord. 56-90(b) to allow a ten-foot (10') rear setback instead of the required twenty-foot (20′) rear setback for the property located at 3802 North Pat Garrett Road, zoned "R-1" Residential 1 District

0:12:15 **VOTE**
The vote was as follows: Yes - McCormick, Branson, Wilson, Madrid-Boyea; No - None; Absent - Cornum; the motion carried

0:12:49 **4. CONSIDER A RECOMMENDATION TO CITY COUNCIL REGARDING A REQUEST TO CHANGE THE ZONING TO APPROXIMATELY 0.28 ACRES LOCATED AT 2305 WEST JACKSON STREET, LEGALLY DESCRIBED AS TRACT 2, JACKSON REPLAT SUBDIVISION, FROM "C-2" COMMERCIAL 2 DISTRICT TO "R-1" RESIDENTIAL 1 DISTRICT**
Mr. Patterson stated that the request is to rezone the property located at 2305 West Jackson Street from "C-2" Commercial 2 District to "R-1" Residential 1 District. He explained that properties to the north and west are zoned "R-1" Residential 1 District, while properties to the east and south are zoned "C-2" Commercial 2 District; therefore, the proposed change would not result in spot zoning. He said after reviewing the application materials and city staff comments, the Planning Department recommends approval of the request.

Lupe Ornelas stated that the property is currently for sale and noted that some lenders will not approve loans for properties zoned commercial. **Chairman McCormick** asked whether he was aware that the property was zoned commercial before listing it for sale. **Mr. Ornelas** responded that he was aware, but did not understand why the property was designated as commercial when it is being used as a residence.

0:16:04 **Chairman McCormick asked if anyone would like to speak regarding this item. No one appeared and the Chairman declared the public hearing closed and reconvened the Planning and Zoning Commission into regular session.**

0:16:25 **MOTION**
The motion was made by Commissioner Wilson and seconded by Commissioner Madrid-Boyea to approve a recommendation to City Council regarding a request to change the zoning to approximately 0.28 acres located at 2305 West Jackson Street, legally described as Tract 2, Jackson Replat Subdivision, from "C-2" Commercial 2 District to "R-1" Residential 1 District

0:16:30 **VOTE**
The vote was as follows: Yes - McCormick, Branson, Wilson, Madrid-Boyea; No - None; Absent - Cornum; the motion carried.

0:17:17 **5. CONSIDER A RECOMMENDATION TO CITY COUNCIL REGARDING A REQUEST FOR TEMPORARY HOUSING AT 3501 HIDALGO RD, A PROPERTY APPROXIMATELY 2.5 ACRES IN SIZE, LEGALLY DESCRIBED AS TRACT 2, SUMMARY REPLAT OF A TRACT OF LAND LOCATED IN THE SW1/4, NW1/4, SECTION 26, TOWNSHIP 22 SOUTH, RANGE 26 EAST**

Chairman McCormick stated that this item has been removed from the agenda.

0:17:28 **6. REPORT OF SUMMARY REVIEW SUBDIVISIONS**

None to report.

0:17:53 **ADJOURNED**

With no further business to discuss, Chairman McCormick declared the meeting adjourned at 5:17 PM.

_____ _____

James McCormick, Chairperson Date

DRAFT

CITY OF CARLSBAD
Planning, Engineering, and Regulation Department
PO Box 1569, Carlsbad, NM 88221
Phone (575) 885-1185
Fax (575) 628-8379

Receipt Date Stamp
FEB 27 2026

ZONING CHANGE APPLICATION

Sec. 56-150(b)

Application Date: _____
Existing Zoning: C-2

Fee Paid ($100.00): _____
Proposed Zoning: R-1

APPLICANT INFORMATION:

Lupe Ornelas (NAME) 2305 Jackson st (ADDRESS)

Carlsbad (CITY) NM (STATE) 88220 (ZIP) 575-361-4023 (PHONE) LQOrnelas@gmail.com (EMAIL)

PROPERTY OWNER INFORMATION (attach separate sheet for multiple owners):

Lupe Ornelas (NAME) 2305 Jackson st (ADDRESS)

Carlsbad (CITY) NM (STATE) 88220 (ZIP) 575-361-4023 (PHONE) LQOrnelas@gmail.com (EMAIL)

* A signed affidavit from the property owner(s), consenting to submittal of the application, must be included with the application.

LEGAL DESCRIPTION AND/OR STREET ADDRESS OF PROPERTY (INCLUDE A MEETS AND BOUNDS DESCRIPTION FOR UNPLATTED LAND, ATTACH SEPARATE SHEET, IF NECESSARY):

2305 Jackson st (ADDRESS) 3 (LOT) A (BLOCK) Jackson (SUBDIVISION)

REASON FOR THE REQUEST

An amendment to the Official Zoning Map or to the Text of the Zoning Ordinance must be justified by one or more of the following. Check all that apply:

☑ The proposed amendment will not adversely impact the public health, safety or general welfare and will or will not promote the original purposes of the Zoning Ordinance.

☐ The proposed amendment responds to changed conditions, such as changes in public capital investments, road locations or functional classification, population trends, density, use or further studies that have been completed since adoption of the Zoning Ordinance.

☐ The proposed amendment is necessary in order to respond to State and/or Federal legislation.

☐ The proposed amendment provides additional flexibility in meeting the objectives of this Zoning Ordinance without lowering the standards of the Zoning Ordinance.

☑ The proposed amendment is in substantial compliance with the City's Comprehensive Plan or other City Master Plan.

☐ The proposed amendment will not adversely affect the implementation of the goals and policies of the City's Comprehensive Plan or other City Master Plan.

☑ The proposed amendment will correct a mistake in the Official Zoning Map or the text of the Zoning Ordinance.

☐ The proposed amendment is justified in order to respond to changes in the City's Comprehensive Plan or other City Master Plan including, but not limited to, changes in land use assumptions, surrounding uses, population forecasts, rates of land consumption, anticipated community needs or other factors.

FOR OFFICIAL USE ONLY:

Required prior to P & Z:
Complete Application Including: ☐ Map ☐ Fee ☐ Letter ☐ Notification ☐ Sign Agreement

Required prior to City Council:
Council Hearing Date: _____ Publication Date: _____

Property Owner Notification Sent (within 100' minimum.): _____

☐ ABM ☐ Staff Comments ☐ Application Packet ☐ Draft Ordinance ☐ P&Z Minutes

Council Action: ☐ Approved ☐ Denied ☐ Other Ordinance No.: _____

NOTIFICATION SIGN POSTING AGREEMENT

Notification of Public Hearings before the City of Carlsbad Planning and Zoning Commission is required pursuant to Sec. 56-140(i).

- Signs shall be posted a minimum of 5 days prior to and shall be removed a maximum of 5 days after the public hearing.
- If the sign is not posted as required, the application will be delayed and will not be considered at the public hearing as scheduled.
- The sign shall be posted at the street side property line with a secure stake provided by the applicant.

I have read and understand these requirements. I understand where the sign is to be located and my obligation to post the sign prior to the public hearing and remove it afterwards.

APPLICANT SIGNATURE

2-26-26
DATE

Sign issued by: _____
Staff Member

Notification Agreement Rev. 10/11

Date: _____

Dear Property Owner,

This letter serves as legal notification of a pending action before the City of Carlsbad Planning and Zoning Commission in accordance with Code of Ordinances Sec. 56-140(i). You are being notified because you are a property owner within one-hundred feet (100') of the subject site.

Applicant: Lupe Ornelas (Name) 2305 Jackson (Address) 575-361-4623 (Phone)

Subject Site Location: 2305 Jackson

The proposed action is a:

☑ Zoning Change from C-2 to R-1 in accordance with Sec. 56-150(b).

☐ Variance/Appeal from Sec. _____ in accordance with Sec. 56-150(c).

The purpose of the variance/appeal is:

_____

_____

☐ Conditional Use Permit in accordance with Sec. 56-150(f). The purpose of the permit is for a:

- ☐ Home Occupation: _____
- ☐ Other Use: _____

The Planning and Zoning Commission will consider this request at a Public Hearing on:

Date: April 6, 2026

Time: 5:00pm

Place: City Annex Planning Room
114 S. Halagueno St.
Carlsbad, NM 88220

The Code of Ordinances can be found on the City's website www.cityofcarlsbadnm.com.
For details about this request contact the applicant OR contact the City Planner at 575-885-1185 or via email at jepatterson@cityofcarlsbadnm.com.

Sincerely,

Applicant/Agent

9589 0710 5270 4109 8484 23

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Carlsbad, NM 88220

OFFICIAL USE

Certified Mail Fee	$5.30
Extra Services & Fees (check box, add fee as appropriate)	
☐ Return Receipt (hardcopy)	$0.00
☐ Return Receipt (electronic)	$0.00
☐ Certified Mail Restricted Delivery	$0.00
☐ Adult Signature Required	$0.00
☐ Adult Signature Restricted Delivery	$
Postage	$0.78
Total Postage and Fees	$6.08

0615 17

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MAR - 5 2026

03/05/2026

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Street and Apt. No., or PO Box No.

City, State, ZIP+4®

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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☐ Adult Signature Required	$0.00
☐ Adult Signature Restricted Delivery	$
Postage	$0.78
Total Postage and Fees	$10.48

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03/06/2026

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Carlsbad NM 88220

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Hope Arellano

Scale: 1:600

1 inch = 50 feet

Zone Change
Carlsbad, NM

Map # 3502_ed01

Date: 3/11/2026



Carlsbad Address
Parcel
City Boundary
Roads

Water Lines
Water Main

Sewer Lines
Sewer Main

0 25 50 100
Feet

IMPORTANT: Maps, products and data are NOT surveyor quality and are only to be used as a reference.

City of Carlsbad GIS

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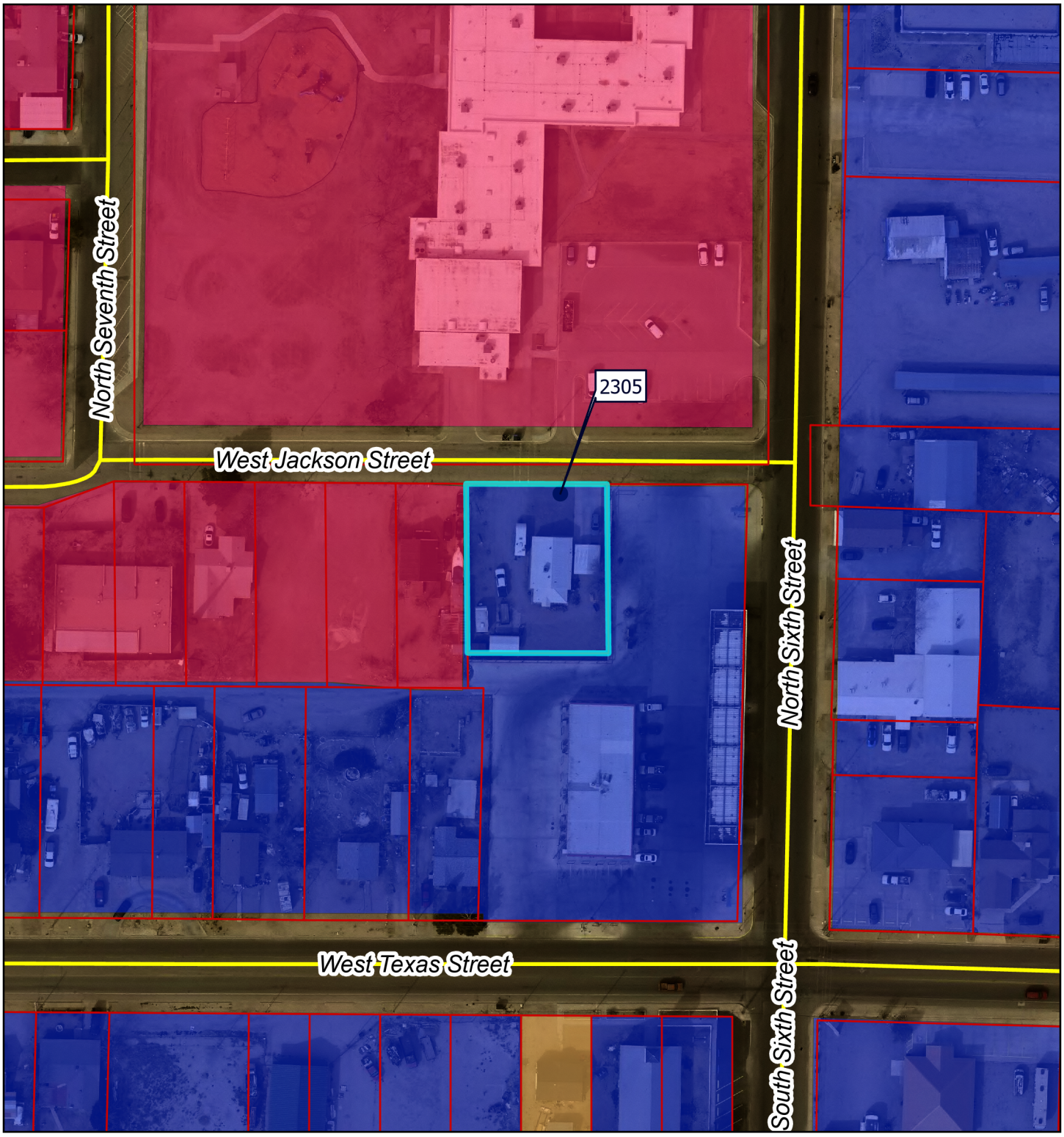
Scale: 1:1,200

1 inch = 100 feet

Zone Change
Carlsbad, NM

Map # 3502_ed02

Date: 3/11/2026



Carlsbad Address
Parcel
Zoning
C-2
R-1
R-2
City Boundary
Roads

0 50 100 200
Feet

IMPORTANT: Maps, products and data are NOT surveyor quality and are only to be used as a reference.

City of Carlsbad GIS

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PUBLIC COMMENTS AND ANNOUNCEMENTS

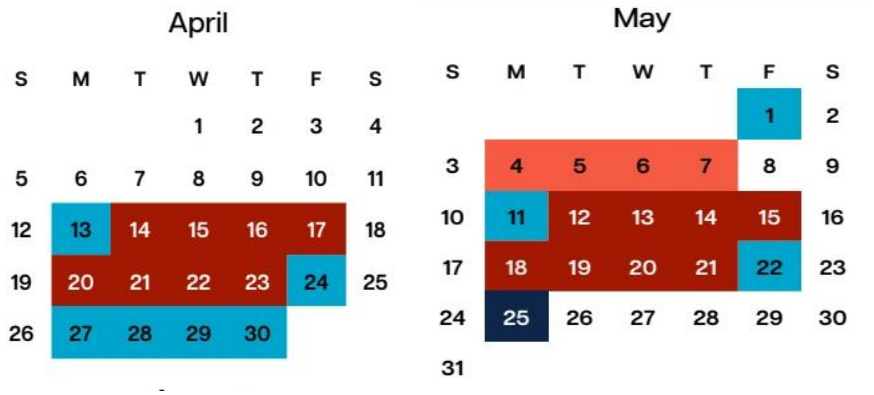
Committee Reports

MEMORANDUM

TO: Mayor Lopez, City of Carlsbad
FROM: Jeff Murray
RE: Monthly Consulting Report, April 2026

Congressional Schedule





U.S. Government Affairs Report: April 2026

Issue prioroities for April: FY27 Apprioriations

FY27 Budget/Appropriations

WIPP - On April 15 DOE Sec Wright testified before the House Appropriation's Committee and on April 22 before the Senate Appropriations Committee to justify the President's FY27 budget. The President's budget includes a request for the DOE Office of Environmental Management (EM)'s Waste Isolation Pilot Plant

(WIPP), Carlsbad, N.M., for $483 million, an increase of 12% from the $430 million level enacted by Congress for fiscal 2026.

EAS - The President's FY27 budget requests a $372 million reduction, bringing the discretionary funding down to $142 million. This marks a major decrease from the FY26 enacted funding level of approximately $514 million.

DOE – RFA Request:

The U.S. Department of Energy's (DOE) Office of Nuclear Energy (NE) and Office of Environmental Management (EM) has issued two Request for Applications (RFA) to advance the nation's capabilities in recycling used nuclear fuel. The RFAs support executive orders issued last year to advance efforts to strengthen the nation's nuclear industrial base and American energy independence.

NE's RFA seeks proposals from industry on detailed plans to leverage the DOE authorization process to design, construct, and operate nuclear fuel recycling, processing, and fuel fabrication to support the deployment of advanced reactors and accelerate American innovation in nuclear material recycling technologies. EM's RFA seeks proposals from private industry for a commercial-scale demonstration of recycling defense-related used nuclear fuel at the Idaho Nuclear Technology and Engineering Center (INTEC) at the Idaho Site. Both RFAs underscore the administration's belief that American innovation, particularly within the private sector, is key to restoring our nation's nuclear leadership. "Used nuclear fuel represents immense, untapped energy resource for the United States, **said NE Assistant Secretary Ted Garrish.** "Under President Trump's leadership, the Department of Energy is partnering with the private sector in advancing a circular nuclear economy by transforming used fuel from waste into a valuable resource. These efforts are designed to deliver reliable power, reduce waste volumes, and re-energize the commercial nuclear sector to secure American energy dominance."

HR 7882 To provide for the leasing of certain deposits of minerals located within the City of Carlsbad, New Mexico (Update)

No additional action has taken place since the March 25th hearing.

On March 25 the House Committee on Natural Resources hosted a hearing on HR 7882 – legislation specific to Carlsbad regarding mineral resources on Federal lands. Below is an analysis of the legislation.

Activities:

Gov MLG	We had a brief converdsation with the Governor and provide a quick update on Eddy/carlsbad priorities.
Exxon	We had breakfast with representatives from Exxon to discuss their Washington DC priorities and partnership with Carlsbad/Eddy communities.
Sen Crapo (ID)	We met with the professional staff in Sen Crapo's office. Sen Crapo represents INL – a primary partner with WIPP. We provided him with an update on WIPP activities and schedule.
Dept of Interior (BLM)	We met with BLM officials to receive an update on the land purchase project for affordable housing in carlsbad.
Rep Levin (CA)	We met with the professional staff of Rep levin – sho chairs the Nuclear Fuel Solutions Caucus. Recevid an update on their priorities and discussed how SENM can partner on their agenda.
NM Amigos	We attended the Washington DC reception for the New Mexico Amigos ofrganization.
NACo	We attended the NACo county representatives Federal issues meeting.