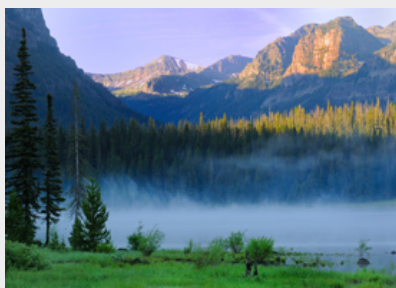


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BLM Amends Royalty Reduction and Lease Suspension Guidance

On May 7th, the BLM amended its interim guidance on royalty reductions and lease suspensions during the COVID-19 national emergency, which were originally announced on April 21st. A brief summary of the significant changes from the original guidance is as follows:

Royalty Rate Reductions

- The application must now comply with 43 CFR 3103.4-1(b)(1)-(3).
- If the application is approved, the BLM will notify the operator in writing of the date in which the royalty rate reduction is effective as well as the sunset date.
- The royalty relief (if approved) will terminate sixty (60) days from the date that the BLM approves an application for temporary royalty rate reduction. An applicant must submit another application if it seeks to extend the royalty rate reduction beyond the sixty (60) days.

<https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/covid-royalty-rate-reduction-guidance>

Lease Suspensions

- If the application is approved, the BLM will notify the operator in writing when a suspension is effective, the type of the suspension, and the sunset date of the suspension.
- The suspension (if approved) will terminate sixty (60) days from the date that the BLM approves the suspension, or earlier if the operator resumes operations to the sixty (60) day date. Suspension may be extended if conditions warrant.
- Steps for an application for suspension under 'force majeure' due to Covid-19 and steps for an application for suspension under 'conservation of natural resources' due to Covid-19 are outlined separately.

<https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/covid-lease-suspension-guidance>

For any legal inquiries regarding how the guidance will affect your interests and operations, please feel free to call Crowley Fleck PLLP for a consultation.

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