

Decided May 18, 1971

Oil and Gas Leases: Applications: Generally

An oil and gas lease offer filed by a corporation must be rejected where it is not accompanied by a statement of corporate qualifications, or by a reference by serial number to a record in which such statement has previously been filed.

2 IBLA 281

IBLA 71-7 : W 24770
CHANDLER & ASSOCIATES, INC. : W 24829
: Oil and gas lease
: offers rejected
:
: Affirmed

DECISION

Chandler & Associates, Inc., has appealed from two decisions of the Wyoming land office, W 24770 and W 24829, both dated August 5, 1970, rejecting appellant's oil and gas lease offers for Parcels 81 and 161, respectively. Both offers were rejected on the ground that Chandler had failed to file a statement of corporate qualifications, or a reference by serial number to a record wherein such statement had previously been filed, as required by 43 CFR 3102.4-1, formerly 43 CFR 3123.2(g).

Chandler's offers were made on simultaneous oil and gas drawing entry cards (Form 4-1664), numbered 250-4172 and 250-4182, respectively. On the reverse side of each card, under the heading "INSTRUCTIONS," appears the admonition: "NOTICE: Compliance must be made with the provisions of 43 CFR 3123.2." The applicable portion of the cited regulation (now 43 CFR 3102.4-1, 35 F.R. 9679) provides:

If the offeror is a corporation, the offer must be accompanied by a statement showing (1) the State in which it is incorporated, (2) that it is authorized to hold oil and gas leases and that the officer executing the lease is authorized to act on behalf of the corporation in such matters, (3) the percentage of voting stock and of all the stock owned by aliens or those having addresses outside of the United States, and (4) the names and addresses of the stockholders holding more than 10 percent of the stock of the corporation. Where the stock

owned by aliens is over 10 percent, additional information may be required by the Bureau before the lease is issued or production is obtained. A separate statement from each stockholder owning or controlling more than 10 percent of the stock of the corporation setting forth his citizenship and holdings must also be furnished. Where such material has previously been filed a reference by serial number to the record in which it has been filed, together with a statement as to any amendments will be accepted.

On August 14, 1970, appellant filed two substantially identical letters, each giving notice of intention to appeal one of the land office decisions. In both letters, which we shall consider as including statements of reasons for appeal, appellant asserts:

At the date of filing the simultaneous oil and gas entry card (Form 4-1664) Chandler & Associates, Inc. was qualified to hold Federal Oil and Gas Leases and the respective qualifications were on record in Case File C-0123463. Inadvertently the reference to this qualification was omitted from the form at the time of filing.

The fact that appellant actually was qualified to hold oil and gas leases, that failure to file the required information was inadvertent, and that appellant furnished with its appeal a reference to a record in which such qualifications are set forth, does not cure the defect in the original filing. The regulation is explicit in prescribing that the statement of corporate qualifications, or reference to a previous filing, must accompany the offer, *i.e.*, must be filed simultaneously with the drawing entry card. Under the circumstances, the land office had no choice but to reject both offers. Where the necessary corporate qualification papers are not filed with the drawing entry card or the appropriate reference is not made to case records where such showings have previously been filed, the oil and gas offer does not comply with the mandatory provisions of the regulations and must be rejected. Pan Ocean Oil Corporation, 2 IBLA 156, 158 (1971). See Love Enterprises, 1 IBLA 248 (1971).

We find that the Wyoming land office correctly rejected the two drawing entry card lease offers submitted by Chandler & Associates, Inc., for failure to comply with the regulation cited on the cards.

Therefore, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior (211 DM 13.5; 35 F.R. 12081), the decision appealed from is affirmed.

Anne Poindexter Lewis, Member

We concur:

Edward W. Stuebing, Member

Francis E. Mayhue, Member.

