

ANNE BURNETT TANDY, ET AL.

IBLA 70-654  
IBLA 70! 655  
IBLA 70! 656  
IBLA 71! 251

Decided September 28, 1972

Appeals from decisions by Santa Fe land office, Bureau of Land Management, rejecting applications for ten-year renewal of unitized oil and gas leases LC 030570(a), et al.

Affirmed.

Oil and Gas Leases: Renewals -- Oil and Gas Leases: Twenty-Year Leases -- Oil and Gas Leases: Extensions -- Oil and Gas Leases: Unit and Cooperative Agreements

A 20-year oil and gas lease which has been renewed for successive 10-year periods, and which at the time of expiration of a 10-year period is committed to an approved unit plan of development, is not entitled to another 10-year renewal.

APPEARANCES: Fred A. Watson, Esq., of Watson and Watson, for the appellants.

OPINION BY MR. FISHMAN

Anne Burnett Tandy and others 1/ have appealed to the Secretary of the Interior from decisions of the Santa Fe land office, Bureau of Land Management, dated January 2, 1970, March 6, 1970, and March 2, 1971, which rejected applications for renewal of leases LC 030570(a), LC 029338(a), LC 055264, and LC 029339(a).

The record discloses that all of the leases were originally issued for periods of twenty years with a preferential right in the lessees to renew their respective leases for successive periods of ten years each, unless otherwise provided by law at the time of expiration of such periods.

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1/ The appeal number, the lease number, the name of the appellants under each lease, and the date of the decision appealed from, are set forth in Appendix A.

Renewal leases were subsequently issued at successive ten-year intervals in connection with each of the leases. Each renewal lease contained a preferential right of renewal identical to the preferential right contained in the original leases.

The leases were committed to the Grayburg-Jackson (San Andres) Unit Agreement on August 1, 1967, and were still committed to the unit at the time appellants filed their respective applications for a third 10-year renewal lease and at the end of the current 10-year period.

Appellants contend that it was error to reject their applications for 10-year renewal leases because they were entitled to the renewal pursuant to the provisions of their leases as well as section 17(b) of the Mineral Leasing Act, as amended, 30 U.S.C. § 226(j) (1970).

The pertinent part of section 17(b) provides:

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.

This statutory language was construed in Texaco, Inc., 76 I.D. 196 (1969). The Department held in effect that the quoted language was a substitute for a 10-year renewal provision contained in leases of the type under consideration here, and constituted the exclusive method for continuation of such leases beyond their stated expiration dates. <sup>2/</sup> The same conclusion was reached in Martin Yates III, et al., 7 IBLA 261 (1972).

The arguments raised by the appellants in the present case were essentially considered in Texaco, Inc., supra, and in Yates and any further discussion of those arguments here would serve no useful purpose.

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<sup>2/</sup> In the event the leases in issue are eliminated from the Grayburg-Jackson (San Andres) Unit, the leases will continue in effect for 2 years after any such elimination, and so long thereafter as oil or gas is produced in paying quantities. See 30 U.S.C. § 226(j) (1970) and 43 CFR 3107.5 (1972).

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Therefore, pursuant to the authority delegated to the Board of Land Appeals, 43 CFR 4.1, the decisions of the Bureau of Land Management are affirmed.

Frederick Fishman  
Member

We concur:

Martin Ritvo  
Member

Anne Poindexter Lewis  
Member

7 IBLA 358

APPENDIX A

| <u>IBLA</u> | <u>Lease</u> | <u>Lessees</u>  | <u>Date of Decision</u> |
|-------------|--------------|---|-------------------------|
| 71-251      | LC 030570(a) | Anne Burnett Tandy<br>(formerly Anne Burnett<br>Windfohr), Allied<br>Chemical Corporation,<br>Maconda Brown O'Connor,<br>Louisa Stude Sarofim,<br>Nancy Brown Negley,<br>and Isabel Brown Mathis.   | March 2, 1971           |
| 70-656      | LC 029338(a) | Anne Burnett Tandy (for-<br>merly Anne Burnett Windfohr),<br>Yates Petroleum Corporation,<br>Allied Chemical Corporation,<br>Maconda Brown O'Connor, Louisa<br>Stude Sarofim, M. S. Stude, Nancy<br>Brown Negley, and Isabel Brown<br>Mathis. | March 6, 1970           |
| 70-655      | LC 055264    | Anne Burnett Tandy (formerly  | January 2, 1970         |
| 70-654      | LC 029339(a) | Anne Burnett Windfohr)<br>Allied Chemical Corporation,<br>Maconda Brown O'Connor, Louisa<br>Stude Sarofim, M. S. Stude, Nancy<br>Brown Negley, and Isabel Brown<br>Mathis.  | January 2, 1970         |

