PLACID OIL COMPANY

IBLA 74-297 Decided September 30, 1974

Appeal from decision of Utah State Office, Bureau of Land Management, rejecting oil and gas lease offer U-25684.

Affirmed.

1. Oil and Gas Leases: Discretion to Lease

   The Secretary has discretionary authority to reject an oil and gas lease offer where there is an uncertainty regarding title to the oil and gas deposits.

2. Oil and Gas Leases: Applications: Generally

   A public lands oil and gas lease offer which has been rejected by the Bureau of Land Management because of unresolved title question to the lands in issue will not be suspended to await resolution of that question.

APPEARANCES: A. F. Nickelson, Land Manager, Placid Oil Company, for appellant.

OPINION BY ADMINISTRATIVE JUDGE RITVO

Placid Oil Company has appealed from a decision of the Utah State Office, Bureau of Land Management, dated April 10, 1974, which rejected its oil and gas lease offer U-25684.

The decision stated that:

> Our records do not indicate that the federal government owns the oil and gas interest in lot 4 sec. 4, T. 19 S., R. 2 W., SLM, Utah. It appears that an error may have been made in Patent No. 922741 in describing this tract since the land was later included in Patent No. 1110582 with a reservation of all minerals to the United States. A lease cannot be issued until such time as the discrepancy is resolved.

Appellant requests that the Department delay action on this offer until the title question is determined so that it will not lose its priority in filing.

[1] In similar circumstances, the Department has held that an oil and gas lease offer is properly rejected in the exercise of the Secretary's administrative discretion where there is a "mere uncertainty regarding title to oil and gas deposits." J. W. McTiernan, 11 IBLA 284 (1973); Carolyn C. Stockmeyer, 1 IBLA 87 (1970).

[2] Where title of the lands described in the oil and gas lease offer is in question the Department does not hold the offer in abeyance until that question is resolved. The long standing practice of the Department is to reject lease applications where title to the land is disputed and there is no prospect of any resolution of the controversy in the foreseeable future. The basis for this policy is that it is not usually in the best interest of the Government to lease the lands under such circumstances. Forest Oil Corporation, 15 IBLA 33 (1974); Georgette B. Lee, 10 IBLA 23 (1973).

Appellant has not provided any persuasive reasoning to overturn the Department's practice in this case.

Accordingly, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision is affirmed.

Martin Ritvo
Administrative Judge

We concur:

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Anne Poindexter Lewis
Administrative Judge

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Joseph W. Goss
Administrative Judge