

JAMES L. SANTY

IBLA 76-503

Decided July 6, 1976

Appeal from decision of the Utah State Office, Bureau of Land Management, rejecting noncompetitive acquired lands oil and gas lease offer U-31816.

Affirmed.

1. Mineral Leasing Act for Acquired Lands: Lands Subject to--Oil and Gas Leases: Acquired Lands Leases--Oil and Gas Leases: Applications: Generally--Oil and Gas Leases: Lands Subject to

Because the Mineral Leasing Act for Acquired Lands specifically excludes the leasing of land located within an incorporated city, town, or village, a noncompetitive oil and gas lease offer for acquired land within the boundaries of such a city, town, or village is properly rejected.

2. Oil and Gas Leases: Competitive Leases--Oil and Gas Leases: Lands Subject to--Secretary of the Interior

In the absence of specific statutory authority to lease, the Secretary of the Interior has implied authority, as guardian of the public's natural resources, to lease an oil and gas deposit under his jurisdiction when it is in danger of being drained by wells drilled on adjacent land. However, such protective leases may be issued only by competitive bidding.

APPEARANCES: James L. Santy, pro se.

OPINION BY ADMINISTRATIVE JUDGE THOMPSON

James L. Santy appeals from the January 16, 1976, decision of the Utah State Office, Bureau of Land Management (BLM), rejecting his noncompetitive acquired lands oil and gas lease offer U-31816. Appellant filed his offer for 2.94 acres of land located in the SE 1/4 NE 1/4 sec. 30, T. 11 N., R. 7 E., S.L.M. Appellant also described the land as Lot 5 of Block 32, Randolph City Survey.

The BLM State Office rejected appellant's offer because the land applied for is "within the city limits." Appellant argues that refusal to issue a lease for this land is not in the public interest. He asserts that "over 90%" of the town of Randolph is presently under lease for oil and gas and suggests that failure to lease the acquired federal land would prevent exploration and development of the oil and gas deposits.

[1] Section 3 of the Mineral Leasing Act for Acquired Lands, 30 U.S.C. § 352 (1970), makes subject to the mineral leasing laws deposits of oil and gas located within lands acquired by the United States "exclusive of such deposits in such acquired lands as are (a) situated within incorporated cities, towns and villages." The land for which appellant filed his oil and gas lease offer is acquired land located within the boundaries of the incorporated city of Randolph, Utah. There is no authority to issue a noncompetitive lease for this land. Therefore, appellant's lease offer was properly rejected. Sallie B. Sanford, 23 IBLA 312 (1976).

[2] We note that in the absence of specific statutory authority to lease, the Secretary of the Interior has implied authority, as the guardian of the public's natural resources, to lease an oil and gas deposit under his jurisdiction when it is in danger of being drained by wells drilled on adjacent land. If such a situation occurs, however, protective leases may be issued only by competitive bidding. 43 CFR 3100.3-3; Mobil Oil Corp., 10 IBLA 7, 10 (1973); Roy G. Barton, Jr., 9 IBLA 50, 51 (1973); Arnold R. Gilbert, A-29123 (January 14, 1963). We suggest the United States Geological Survey be advised to assure the interests of the United States will be protected in the event there is production in the area.

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

Joan B. Thompson

Administrative Judge

We concur:

Anne Poindexter Lewis
Administrative Judge

Joseph W. Goss
Administrative Judge

