

ZONA R, JACKSON

IBLA 76-724

Decided October 6, 1976

Appeal from decision of the Utah State Office, Bureau of Land Management, canceling oil and gas lease U-32417.

Affirmed.

Oil and Gas Leases: Cancellation--Oil and Gas  
Leases: Rentals

Where the Bureau of Land Management sends notice to an offeror, pursuant to 43 CFR 3103-1, that the first year's rental accompanying an oil and gas lease offer is deficient in the amount of 41 cents, and that the deficiency must be paid within 30 days from notice under penalty of cancellation of the lease, the lease will be canceled where the lessee receives the notice, yet fails to pay.

APPEARANCES: Zona R. Jackson, pro se.

OPINION BY ADMINISTRATIVE JUDGE FISHMAN

Zona R. Jackson has appealed from a decision of the Utah State Office, Bureau of Land Management (BLM), dated June 29, 1976, canceling lease U-32417 for failure to submit additional rental pursuant to 43 CFR 3103.3-1. Such regulation provides:

Each offer, when first filed, shall be accompanied by full payment of the first year's rental based on the total acreage if known \* \* \*. An offer deficient in the

first year's rental by not more than 10 percent will be approved by the signing officer provided all other requirements are met. The additional rental must be paid within 30 days from notice under penalty of cancellation of the lease.

Appellant filed noncompetitive oil and gas lease offer U-32417 on February 13, 1976, in the Utah State Office. The lands applied for totaled 663.20 acres, and \$331.59 advance rental accompanied the filing. The amount of rental, at a rate of 50 cents per acre or fraction thereof, which should have been filed was \$332.00.

Lease U-32417 issued April 1, 1976. On March 29, 1976, appellant was sent Billing No. A 025028 in the amount of 41 cents for additional rental due. The bill was sent certified mail return receipt requested. The return receipt card was signed by appellant and received by BLM on April 8, 1976.

On June 29, 1976, more than 30 days after appellant received notice and the additional rental not having been filed, BLM canceled the lease.

On appeal appellant claims that she got the balance due of 41 cents confused with a balance due on lease U-31554. She states that the balance due on U-31554 was 45 cents and that she had just paid it prior to receiving the notice concerning U-32417. She stated further:

When I received the notice due of \$.41, I thought my payment and the notice had just crossed in the mail. I truly thought I was paid in full and in good standing.

Appellant received adequate notice of the deficiency and she failed to respond within the required time. The regulation is clear. She failed to comply with the regulatory requirements and cancellation of the lease was mandatory. See Albert J. Finer, 27 IBLA 61 (1976).

The other issue presented by this appeal is whether appellant's payment of the first year's rental is returnable. The issue is governed by Finer, supra at 63-64, and under the circumstances of this case, appellant's payment should be returned.

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.

---

Fredrick Fishman  
Administrative Judge

We concur:

---

Joan B. Thompson  
Administrative Judge

---

Anne Poindexter Lewis  
Administrative Judge