Editor's note: Appealed -- dismissed, (not ripe); Civ. No. 77-1167 (D. Idaho Jan. 19, 1978)

ARJAY OIL COMPANY

IBLA 77-253 Decided July 22, 1977

Appeal from decision of Idaho State Office, Bureau of Land Management, dismissing protests against the issuance of two hundred and one (201) oil and gas leases. I-9257 et al.

Affirmed.

1. Oil and Gas Leases: Applications: Sole Party in Interest

A protest by a junior offeror against oil and gas lease offers which charges that fraudulent statements were made on the offers and implies other wrongdoing that violates the regulation requiring disclosure of all parties in interest is properly dismissed where the protestant fails to establish these charges or that the successful offers were in fact defective. A suggestion of the possibility of a violation of a regulation is not sufficient; a protestant must present competent proof of such violation, absent which a protest is properly rejected.

APPEARANCES: R. J. Hollberg, Jr., President of Arjay Oil Company, pro se.

OPINION BY ADMINISTRATIVE JUDGE RITVO

Arjay Oil Company appeals from a decision of the Idaho State Office, Bureau of Land Management (BLM), dated February 25, 1977, dismissing its protests against the issuance of oil and gas leases pursuant to two hundred and one (201) oil and gas lease offers for

available lands filed by J. W. Bloom or Rosita Trujillo. 1/ Appellant has filed conflicting junior offers.

Appellant alleged as the basis for the protests that the offerors, J. W. Bloom and Rosita Trujillo, were not the sole parties in interest as they had indicated in paragraph 6 of their offers. 2/ Appellant claimed the offerors were agents for undisclosed principals and that the real parties in interest were Continental Oil Company and/or American Quasar Petroleum Company. When appellant presented no evidence to substantiate these allegations to the BLM other than its own information and beliefs, the State Office dismissed the protests stating:

> This office has no evidence or belief that the offerors did not execute the offers in good faith or that any fraudulent statements were made, nor is there any justification to question the offeror's statement that he/she is the sole party in interest.
>
> It would not be in the public interest to demand each offeror to submit an additional statement under oath based solely on another parties belief and for the sole purpose of gaining priority under subsequent filings.

Appellant contends that the successful offerors, J. W. Bloom and Carolyn Bloom, filed the lease applications:

> At the request of American Quasar Petroleum Company and Continental Oil Company as their agents and on their behalf. They had no interest in the

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1/ The serial numbers of the 201 lease offers involved were divided into two groups as follows:

Serial Numbers for Group One

I-9257 I-9262 I-9559 thru I-9564 I-9566 thru I-9568 I-9570 thru I-9576 I-9589 thru I-9594 I-9596 thru I-9601 I-9604 and I-9605 I-9607 thru I-9614 I-9620 thru I-9625 I-9628 I-9630 thru I-9635 I-9637 thru I-9639 I-9641 thru I-9649 I-9656 thru I-9669 I-9674 thru I-9676 I-9684 thru I-9703

Serial Numbers for Group Two

I-10414 thru I-10434 I-10436 thru I-10468 I-10470 thru I-10503 I-10529 thru I-10531 I-10653 I-10655 thru I-10661

It appears that leases issued on seven of the offers in dispute prior to the receipt of the protest.

2/ Paragraph 6 of the applications was checked "offeror is the sole party in interest in this offer and lease, if issued."

> applications other than as nominees of the principals. * * * Had these been arms length transaction[s], Mr. and Mrs. Bloom would certainly have retained an economic interest in the leases so assigned.

J. W. Bloom has responded on appeal, essentially, that he has already filed a statement that he is the sole party in interest and that any additional statement would add nothing to his applications.

As to the offers of Rosita Trujillo, appellant contends, on appeal, that on January 22, 1977, Trujillo stated to R. J. Hollberg, Jr., in the presence of other parties, that:

> [S]he had given an interest in her applications in order to get the money to file the applications which are shown as Group Two of Exhibit "A". It is evident from her statement that prior to the time the applications were filed she had given an interest to another party or parties and that the funds used for filing fees and initial rentals were supplied by a person or persons other than Mrs. Trujillo.

Rosita Trujillo has responded that she also has already filed a sole party in interest statement and Arjay has not submitted any evidence or basis to question that statement or to require the Bureau of Land Management to go to the time and expense of investigation of these allegations.

It appears that appellant has made essentially the same allegations on appeal as before the BLM, but has again failed to provide any substantive evidence, other than its president's statement, to prove these charges. From our review of the record, we can find no basis for further question of the successful offerors' actions in this matter. No affirmative proof has been presented that these parties violated the governing regulation 43 CFR 3102.7. 3/

[1] In the final analysis, appellant has not shown where the State Office decision was in error. The burden is on the protestant to show justification for the disqualification of the successful drawee in a simultaneous filing drawing procedure and that the

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3/ This section of the regulations requires the offeror to provide a signed statement that he is the sole party in interest in the offer and in the lease if issued; if he is not, he shall set forth the names of the other interested parties. If there are other parties interested in the offer, a separate statement must be signed by them and by the offeror, setting forth the nature and extent of the interest by each in the offer, the nature of the agreement between them if oral, and a copy of such agreement if written.

offer is in fact defective. Mere suggestion of the possibility of violation of a regulation is not sufficient; a protestant must present competent proof of such violation. Absent an adequate showing of disqualification, the Board has repeatedly held that a protest alleging disqualification is properly rejected. D. E. Pack, 30 IBLA 230 (1977); Harry L. Mathews, 29 IBLA 240 (1977); Georgette B. Lee, 3 IBLA 171 (1971).

Accordingly, appellant's protest was properly dismissed by the State Office. The State Office may proceed to issue the leases in question, all else being regular.

Therefore, 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.

Martin Ritvo
Administrative Judge

We concur:

Douglas E. Henriques
Administrative Judge

Edward W. Stuebing
Administrative Judge