

DALE CARR

IBLA 79-352

Decided January 30, 1980

Appeal from decision of Wyoming State Office, Bureau of Land Management, holding that lease W 15874-H expired at the end of its primary term.

Affirmed.

1. Oil and Gas Leases: Assignments or Transfers

In general, the assignee, upon approval of the assignment, becomes the lessee of the Government as to the assigned interest and is responsible for complying with all lease terms and conditions.

2. Oil and Gas Leases: Extensions -- Oil and Gas Leases: Termination

A State Office properly holds that a noncompetitive oil and gas lease expires at the end of its primary term when there is no cognizable activity on the leased lands as of that date under 30 U.S.C. § 226(e) (1976), and the unit or cooperative provisions of 30 U.S.C. § 226(j) have not operated to extend the lease.

APPEARANCE: Dale Carr, pro se.

OPINION BY ADMINISTRATIVE JUDGE LEWIS

Dale Carr appeals from a decision of the Wyoming State Office, Bureau of Land Management (BLM), dated April 2, 1979, holding that lease W 15874-H expired at the end of its primary term October 31, 1978, because there was no activity on the lease land "over the expiration date."

The original lease was issued to Chas. W. Crader for a primary term of 10 years effective November 1, 1968. BLM approved a partial assignment of the lease to H. H. Geis effective January 15, 1969. Mary Geis, executrix for the estate of H. H. Gies, assigned the interest in the lease to appellant. BLM approved the assignment effective December 1, 1971. Having been advised by Geological Survey that there was no activity "over the expiration date" on the lease, BLM held that the lease expired at the end of its primary term October 31, 1978.

In his statement of reasons, appellant contends that he received the lease through assignment, does not have the original lease, and therefore does not know the provisions or other options on renewal.

[1] The Assignment Affecting Record Title to Oil and Gas Lease signed by appellant contains the following language regarding assignments:

Effect of Assignment - Approval of assignment of a definitely described portion of the leased lands creates separate leases. Assignee, upon approval of assignment, becomes lessee of the Government as to the assigned interest and is responsible for complying with all lease terms and conditions, including timely payment of annual rental and maintenance of any required bond; except in the case of assignment of undivided interests, royalties, and operating agreements.

The burden rests with the assignee to apprise himself of all rules, regulations, and laws regarding his lease. C. J. Streit, 44 IBLA 285, 288 (1979). Therefore, appellant's contention that he had no knowledge of the provisions of the lease is without merit.

[2] In any event, a lease may be extended beyond its primary term if the requirements of 30 U.S.C. § 226(e) (1976) are met, regardless of whether the assignee is knowledgeable of the provision. 30 U.S.C. § 226(e) (1976) reads as follows:

Competitive leases issued under this section shall be for a primary term of five years and noncompetitive leases for a primary term of ten years. Each such lease shall continue so long after its primary term as oil or gas is produced in paying quantities. Any lease issued under this section for land on which, or for which under an approved cooperative or unit plan of development or operation, actual drilling operations were commenced prior to the end of its primary term and are being diligently prosecuted at that time shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities.

The extensions granted by this section devolve upon a lease by operation of law, not upon application by a lessee nor by action of any official. Rio Blanco Natural Gas Company, 30 IBLA 191, 196, 84 I.D. 198, 200-201 (1977). It is irrelevant whether or not appellant knew about the law. The controlling factor in this case is the fact that there was no activity on the lease at the expiration of the primary term so it could not be extended under 30 U.S.C. § 226(e) (1976). Also, it does not appear that the cooperative or unit plan provisions of 30 U.S.C. § 226(j) (1976) operated to extend the lease. Therefore, the State Office properly held that the lease had expired.

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.

Anne Poindexter Lewis  
Administrative Judge

We concur:

James L. Burski  
Administrative Judge

Frederick Fishman  
Administrative Judge

