

SUZANNE WALSH

IBLA 84-764

Decided April 11, 1985

Appeal from decision of the New Mexico State Office, Bureau of Land Management, rejecting high bid for competitive oil and gas lease NM 59056 (OK).

Set aside and remanded.

1. Oil and Gas Leases: Competitive Leases--Oil and Gas Leases: Discretion to Lease

Where a competitive oil and gas lease high bid is not clearly spurious or unreasonable on its face and the record fails to reveal sufficient data in support of the decision to reject such bid, the decision will be set aside and the case remanded for compilation of a more complete record and readjudication of the bid.

APPEARANCES: Suzanne Walsh, pro se.

OPINION BY ADMINISTRATIVE JUDGE ARNESS

Suzanne Walsh appeals from a decision of the New Mexico State Office, Bureau of Land Management (BLM), dated July 11, 1984, which rejected her bid for competitive oil and gas lease NM 59056 (OK). Walsh submitted a bid of \$ 810 for parcel 50 in the June 20, 1984, sale of competitive oil and gas leases. The sale record shows her bid to be the higher of two submitted for this parcel. BLM's decision to reject the bid was stated as follows: "The bid covering the captioned parcel is hereby rejected. Our evaluation of this parcel shows that the bid was less than the pre-sale tract valuation." However, the only item in the case file to support BLM's decision is a copy of a memorandum dated July 2, 1984, from the Deputy State Director, Mineral Resources to the Deputy State Director, Operations, reporting that the bids for the sale had been reviewed and the Branch of Economic Evaluation had recommended that the high bids for parcel 50 and certain other parcels be rejected.

The following argument was submitted by Walsh in support of her appeal:

You have been rejecting too many of my bids, and I have yet to find out what the real reasons are. You say my bids are inadequate but you do not have a minimum bid, so just what do you expect of me? I truly believe I overbid since I bid \$ 810.00 on merely 35 acres of land. I have given you geological studies before, but I do not even know if you understand them, so I am

not giving you anymore. * * * I am doing the best I know how on the bidding. I have won the parcel, so it should be mine, so I am asking you to waive your decision.

Appellant has previously appeared four times before the Board of Land Appeals to appeal rejection of her high bids for competitive oil and gas leases by the New Mexico State Office, BLM. In three of those appeals, IBLA 83-499, IBLA 84-253, and IBLA 84-404, 1/ the Board set aside BLM's decision and remanded the case files. Suzanne Walsh, 83 IBLA 274 (1984); Suzanne Walsh, 83 IBLA 187 (1984); Suzanne Walsh, 75 IBLA 247 (1983); The first case was remanded for readjudication of the bid after BLM had submitted memoranda evaluating the parcel but failed to explain critical elements of the evaluation. Suzanne Walsh, 75 IBLA at 249-50. 2/ The latter two cases, like the present appeal, involved BLM decisions in which only supportive evidence found in the record was a memorandum recommending rejection of the high bid which offered no data or rationale for the recommendation. Both cases were remanded for compilation of a more complete record and readjudication of the acceptability of the bid. Suzanne Walsh, 83 IBLA at 276; Suzanne Walsh, 83 IBLA at 189.

While the ultimate burden is on appellant to establish that her rejected bid actually represents fair market value, where the rejected high bid is not clearly spurious or unreasonable on its face, it is the practice of the Board to remand such bid rejection in the absence of any presale evaluation and sufficient documentation in support thereof to establish its prima facie correctness. Southland Royalty Co., 83 IBLA 302 (1984); Michael Shearn, 83 IBLA 53 (1984). In readjudicating appellant's bid, BLM should, if it again determines to reject appellant's bid, provide her with an adequate basis for understanding and accepting the bid rejection or for disputing it before the Board.

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 set aside and the case remanded for further action consistent with this decision.

Franklin D. Arness
Administrative Judge

We concur:

C. Randall Grant, Jr.
Administrative Judge

Wm. Philip Horton
Chief Administrative Judge

1/ BLM's decision in the fourth appeal, IBLA 83-585, was vacated and remanded by order dated May 18, 1983, pursuant to a request from counsel for BLM and for the stated reason that "[i]nformation recently made available to [BLM] indicates that the high bid for this lease should have been accepted." 2/ The case file for this lease, NM A 56285 (OK), was supplemented and readjudicated by BLM, resulting in rejection of Walsh's high bid by BLM decision dated Jan. 9, 1985. Walsh has appealed that decision and the appeal has been docketed as IBLA 85-381.

