

NORMA RICHARDSON

IBLA 84-751

Decided April 25, 1985

Appeal from a decision of the Wyoming State Office, Bureau of Land Management, rejecting noncompetitive oil and gas lease offer W 85859.

Affirmed.

1. Oil and Gas Leases: Applications: Generally--Oil and Gas Leases: Known Geologic Structure--Oil and Gas Leases: Noncompetitive Leases

Lands within a known geologic structure of a producing oil or gas field may only be leased by competitive bidding pursuant to 43 CFR Subpart 3120. A noncompetitive oil and gas lease offer filed before the lands were determined to be within a known geologic structure but not accepted by the United States on the date of determination is properly rejected.

APPEARANCES: Norma Richardson, Pinedale, Wyoming, pro se.

OPINION BY ADMINISTRATIVE JUDGE HARRIS

Norma Richardson submitted a simultaneous oil and gas lease application for parcel WY 549 in the May 1983 simultaneous drawing. Her application was selected with first priority and she filed executed offer forms.

On June 20, 1984, BLM issued a decision rejecting her offer W 85859. BLM stated that all the lands in offer W 85859 were determined, effective November 18, 1983, to be within an undefined addition to the Pinedale Field defined known geologic structure (KGS). BLM explained that lands within a KGS may only be leased competitively in accordance with 43 CFR Subpart 3120.

Richardson has appealed, claiming that her original application had been accepted and that she had paid the rental. She asserts that there was nothing to reject. She asks that we reverse the BLM decision.

[1] Section 17(b) of the Mineral Leasing Act of 1920, as amended, 30 U.S.C. § 226(b) (1982), provides that "[i]f the lands to be leased are within any known geological structure of a producing oil or gas field, they shall be leased to the highest responsible qualified bidder by competitive bidding." See 43 CFR 3100.3-1; 43 CFR Subpart 3120.

43 CFR 3112.5-2(b) provides:

If, prior to the time a lease is issued, all or part of the lands in the offer are determined to be within a known geological structure of a producing oil or gas field, the offer shall be rejected in whole or in part as may be appropriate and the lease, if issued, shall include only those lands not within the known geological structure of a producing oil or gas field.

Appellant apparently misunderstands the significance of the selection of her simultaneous oil and gas lease application. The drawing of such an application merely establishes the priority of filing an offer; it does not create any property or contract rights. Lloyd Chemical Sales, Inc., 82 IBLA 182 (1984).

A listing of parcels available for leasing under the simultaneous procedures notifies the public of those lands for which BLM will accept applications. A drawing of such applications is subsequently held, and the first-priority applicant is forwarded lease forms in accordance with 43 CFR 3112.6-1. The lease agreement, signed by the successful applicant, and payment of the first year's rental within the time prescribed constitute the offer to lease. Prior to acceptance of the offer, the authorized officer is required to determine the status of the lands in the offer. Lands classified as KGS lands at any time prior to lease issuance must be leased competitively pursuant to 43 CFR Subpart 3120, and a noncompetitive lease offer for such lands must be rejected. McDade v. Morton, 353 F. Supp. 1006, aff'd, 494 F.2d 1156 (D.C. Cir. 1974); Joseph A. Talladira, 83 IBLA 256, 258 (1974). Appellant has raised no challenge to the KGS determination itself.

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.

Bruce R. Harris
Administrative Judge

We concur:

Gail M. Frazier
Administrative Judge

Will A. Irwin
Administrative Judge.

