

*"our Public Lands"  
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# *Is This the Way To Get Rich?*

**Better think twice before plunking down cash for Federal oil and gas lease**

Maybe you've been tempted by a newspaper or magazine ad, or through direct mail solicitation, to buy a Federal oil lease and "get rich." Most of us would like riches; there's nothing wrong in that. In these days of inflation there is a latent temptation to try one's luck.

You might even get rich from a Federal oil and gas lease. But the chances are so slim you'd better think twice, or more, before you plunk down even the \$10 filing fee. Remember, the oil business is one for the pros, not for amateurs, and the most experienced of pros sometimes go from riches to rags in short order. The purpose of this article is not to discourage your enterprise. It is merely to acquaint you with the facts.

Federal oil and gas leases are issued under the Mineral Leasing Acts of 1920 and 1947. Some oil and gas leases may be obtained noncompetitively, others through competitive bidding only. The distinction is this: If the lands to be leased are within a known geologic structure of a producing oil and gas field, they can be leased only through competitive bidding. Lands which are not within such a structure, and which are commonly termed "wildcat" lands, may be leased noncompetitively on a first-come-first-served basis.

## **For Citizens Only**

Only citizens of the United States are qualified to obtain and to hold a Federal oil and gas lease. To determine which Federal lands are available for oil and gas leasing, you must examine the records in the Bureau of Land Management land office having jurisdiction

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Mexican duck, the New Mexican mallard, the New Mexican black duck, or just the black duck. This is only a partial list of the common names attributed to this particular duck. There are probably no more than 250 of the birds in the United States during their peak period of occupancy.

### Decline Since 1940

While New Mexico is the principal habitat in the United States for this threatened species, the duck has ranged over a wider area. Wildlife workers in Colorado have reported it as far north as San Luis Valley. In the middle and late 1940's, the New Mexican duck, which had been common and even abundant in some places in the Rio Grande drainage, began its slow but steady decline toward obscurity. By 1960 it was estimated that the New Mexican duck population was down to about 150 in New Mexico during peak periods. Because of this low population, the New Mexican duck is now considered an endangered species. The duck appeared in the list of rare birds published as a special supplement to the International Union for Conservation of Nature and Natural Resources Bulletin No. 10, January through March 1964. It is also considered an endangered species by the U.S. Department of the Interior. Information provided to the International Union by the Bureau of Sport Fisheries and Wildlife was that the complete range of the duck is extremely localized in southwestern and central southern New Mexico, southeast Arizona, western Texas, and northern Chihuahua, Mexico. The Bureau estimates between 100 and 150 birds occur in New Mexico in the wild, with very few in Texas and about 20 in Arizona. The species is more numerous in Mexico, but numbers are unknown.

Probable reasons for the shrinking population of the duck are that marshes have been drained, rivers channelized, and water tables lowered by increased well-water pumping. Cattle grazing at critical times and human disturbance probably also have contributed to the decline.

### Preservation Project

Since 1960, William S. Huey of the New Mexico Department of Game and Fish has had a special project for the preservation and management of the New Mexican duck. Huey has been instrumental in capturing and propagating the duck in captivity, starting with five ducklings trapped in San Simon Cienega in 1959 in Hidalgo County. From this small beginning, Huey and others have been able to obtain recently as many as 40 birds from one cooperator, who, along with others, is raising birds for release in the wild.

The Bureau of Sport Fisheries and Wildlife, recognizing the ducks' need for assistance, has begun a propagation program in cooperation with the New Mexico Department of Game and Fish at the Bosque del Apache National Wildlife Refuge.

In the San Simon area, the Bureau of Land Management administers about 600 acres of marsh, which is prime historic habitat for this species. About 20 acres of this habitat lie in Arizona, while about 40 acres are in New Mexico. The habitat has been jeopardized because of low water tables during the nesting and brooding seasons, and for other reasons.

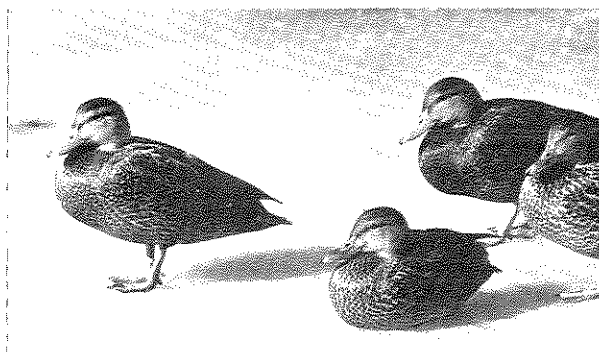
### Cooperative Efforts

Within the last few months, cooperative discussions and inspections have been held with the Bureau of Land Management and the Bureau of Sport Fisheries and Wildlife to determine what is the best course to follow in developing policies and techniques which would provide the San Simon area with management primarily for the benefit of the New Mexican duck. These agencies of the Department of the Interior are devising a basic plan, with the help of the Game and Fish Departments of Arizona and New Mexico, to restore the marsh habitat so that it can again produce significant numbers of New Mexican ducks.

Although no agency or person is seeking individual credit for any accomplishments toward the improvement of duck population and habitat areas, we must recognize that contributions such as Huey's and the New Mexico Department of Game and Fish have been outstanding. They may have averted the extinction of this duck.

Construction has begun on small ponds and a well for nesting and brooding habitat. By 1969 BLM plans to spend approximately \$50,000 for the renovation of habitat. This will be a major contribution to the comeback of the Mexican duck.

Both male and female members of the New Mexican duck family resemble a mallard hen.



over the lands on which a lease is desired. An oil and gas lease cannot be obtained simply by writing to the BLM. Land office records are open to public inspection during the usual business hours.

If you determine from the records that a particular tract of land is available for leasing, you may file an "offer to lease" on a BLM form which may be obtained from any BLM office. This "offer" is the same thing as an application for a lease. It must be accompanied by a \$10 filing fee and by payment of the first year's advance rental at the rate of 50 cents per acre or fraction of an acre. It should be borne in mind that if there is any default in the payment of annual rentals, the lease is terminated automatically under existing law.

Lands formerly in leases which were canceled, which lapsed or terminated, become available for leasing through a simultaneous filing procedure. Such lands are not available for leasing on a first-come-first-served basis, but rather by a method calculated to insure that all parties interested in leasing such lands will have an equal opportunity to do so. A description of such lands, together with parcel numbers, are posted every month on the bulletin boards of the land offices. For five days after such posting, offers to lease may be filed on a simultaneous drawing entry card which may also be obtained from any of the land offices. All offers filed during that time are deemed to have been filed at the same time, or simultaneously. If more than one offer to lease is filed for a particular parcel, a drawing is held to determine which of the offers will have priority right to the lease. Copies of the monthly lists showing lands available for leasing may be obtained from the appropriate land office at a small charge. (A listing of BLM land offices and addresses is found on p. 23 of this magazine.)

### Minimum Acreage

An offer to lease may not be made for less than 640 acres, except where a smaller area is completely surrounded by lands not available for leasing, or where the lists of available lands posted in the land offices for simultaneous filings contain parcels of less than 640 acres. Nor may any offers involve more than 2,560 acres. These are the minimum and maximum acreages that may be included in one lease.

Noncompetitive oil and gas leases are issued for 10 years and so long thereafter as oil or gas is produced in paying quantities. If, at the end of the 10th year there is no production from the lands, the lease terminates. There is no authority under the law to grant extensions.

Many people who obtain oil and gas leases don't have the slightest experience with oil and gas exploration, drilling, or production. Their only motive is the laudable one of making a profit, which they hope to realize by selling their leases to oil companies for a cash bonus per acre, plus an overriding royalty in the event of production.

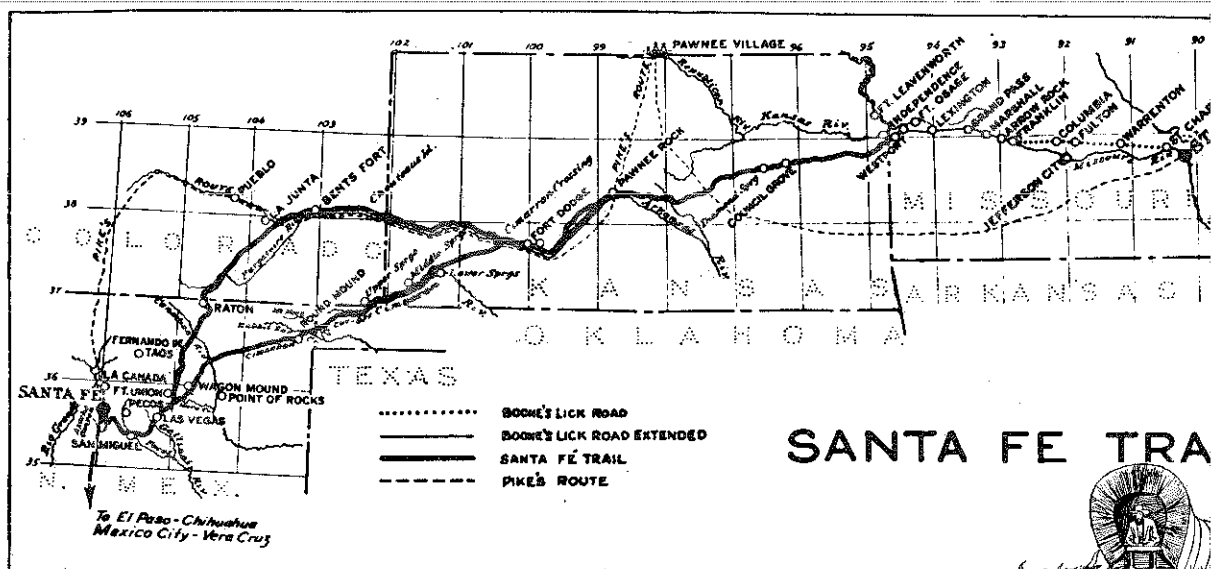
The original holder of a noncompetitive lease almost never engages in his own drilling operations for two reasons: (1) Lack of experience and (2) lack of the tremendous risk capital which such an operation entails. The leasing of lands upon which the expenditure of large amounts of money for drilling would be justified involves the use of considerable technical skill and savvy. Oil exploration is a highly speculative venture. The odds are against a small acreage lessee being lucky enough to strike it rich.

For many years there has been considerable newspaper and periodical advertising offering Federal oil and gas leases for sale. Some of these imply that you may be lucky enough to "strike it rich" by relying solely on the information offered. These advertisers may offer you maps showing oil activities within a particular State. If you cannot distinguish between development and wildcat drilling, or between reality and dreamland, you'd better go easy.

In reality, the intelligent leasing of lands for oil and gas cannot be based on such information, but rather on the use of considerable technical skill and geological knowledge. Such activities require, above all, considerable risk capital. The average layman, inexperienced in the oil industry and ignorant of the time and effort required for the selection of drilling sites, can easily be misled by advertisements which report oil strikes. Forty-acre leases out of 2,560-acre leases are usually sold for about \$100. Since there are sixty-four 40-acre tracts in one 2,560-acre lease, it becomes obvious that the advertisers could realize \$6,400 on an initial outlay of only \$1,280, the first year's advance annual rental and the \$10 filing fee. This is not a bad deal for the advertisers. BLM cannot, under the present law, refuse to approve such partial small-acreage assignments or transfers of leases where all of the regulations are complied with and where the assignee is qualified to hold a lease.

The oil business is challenging, fascinating, and frustrating. Just don't be lured by promises that you may get rich from a Federal oil and gas lease, although it is possible that you could be a terribly long-shot winner. Chances are far greater, however, that you won't realize a dime and that you may never even recover your initial "investment."

Think it over.



# HIGHWAY FOR HOMESTEADERS

Of all the trails of the historic West—from those of early explorers, to routes of settlers and pioneer commerce, to stagecoach roads—none lives more vividly in romance and importance than the Santa Fe Trail. Famous as the first American thoroughfare west of the Mississippi River, the trail originated in Missouri, wended most of its way through Kansas, touched Oklahoma on one of its branches, and ended in the Plaza at Santa Fe, N. Mex. It was a highway to homesteads and commerce in the settlement of southeastern Colorado. For nearly 200 miles, or almost a quarter of its length, the trail passed through the State. Along its route at Lamar, in eastern Colorado, a land office was set up to take care of the influx of homesteading pioneers. Others pushed on to Pueblo where another land office was opened.

At one time pack trains of 50 to 200 mules, each animal carrying 300 pounds of freight, wound along its tortuous way. Later, wagon trains, taking 80 to 90 days and charging \$10 to \$12 per hundred pounds for freight, cut deep furrows of commerce. In 1846 a

single caravan of 414 wagons hauled \$1,752,290 merchandise to Santa Fe. Then came thousands of homesteaders and a postal route. In 1849 a stagecoach line from Independence, Mo., to Santa Fe was established. It continued for 20 years.

## Historic Horseback Ride

What has been called the greatest horseback ride in history took place along the trail. F. X. Aubrey, a Santa Fe trader, set a record of riding the 800 miles from Santa Fe to Independence, Mo., in 5 days and 10 hours. Aubrey rode six horses to death, walked the last 100 miles, slept a few hours near Dodge City, Kans., and had to be helped from his horse at Independence.

Famed as an early trading and military route, the Santa Fe Trail became a highway of colonization. After the Mexican War, thousands of settlers, traders, and land hungry emigrants, and others followed it to Colorado and New Mexico; other thousands pushed through the Gila and Mojave deserts to southern California to build another great commonwealth in the development of a nation. Finally, it became the backbone of one of America's great railroads; now transcontinental highways follow the trail, and jet airline routes crisscross far above its sleeping ruts.

But long before courageous pioneers of the Mississippi Valley and other more populous areas to the east had faced the hazards of a strange and barren land, Spanish armies of exploration had traveled it. And even before that, it was a highway for Plains Indians en route to trade with tribes of the Southwest.

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