



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
California State Office
2800 Cottage Way, Suite W1623
Sacramento, CA 95825

May 29, 2009

NOTICE OF COMPETITIVE GEOTHERMAL LEASE SALE

The California State Office is pleased to announce that we will offer for competitive sale, 15 **parcels containing 11,392.29** acres of Federal lands in the State of California for geothermal leasing. This notice provides:

- The time, date, and place of the lease sale;
- How to participate in the bidding process;
- The sale process;
- The conditions of the sale;
- How to file a noncompetitive offer after the sale.

This sale will be held in accordance with the Energy Policy Act of 2005, and the final rules issued May 2, 2007 (43 CFR Parts 3000, 3200, and 3280, Fed. Reg. Vol. 72, No. 84),

Attached to this notice is a list of the lands we are offering by parcel number and legal land description. Below each parcel, we have listed the notices and stipulations that apply to the parcel.

When and where will the sale take place?

When: The competitive oral sale will begin at 9:00 a.m. on **Tuesday, July 14, 2009**. The sale room will open at 8:00 am for registration and assignment of bidder numbers.

Where: We will hold the sale at the Bureau of Land Management's **Nevada State Office, 1340 Financial Blvd, Reno, Nevada**. Onsite parking is available.

Access: The sale room is accessible to people with disabilities. If you need a sign language interpreter or materials in an alternate format, please contact **Chris Pulliam at (775) 861-6506** no later than one week before the sale.

How do I register as a bidder?

Before the sale starts, you must complete a bidder registration form to obtain a bidding number. The forms will be available at the registration desk.

What is the sale process?

Starting at 9:00 a.m. on the day of the sale:

- the auctioneer offers the parcels in the order they are shown on the attached list;
- all parcels included in a block will be sold together. If the entire block receives no bids, the auctioneer will reoffer the parcels individually.
- registered bidders make oral bids on a per-acre basis for all acres in a parcel/block;
- the winning bid is the highest oral bid equal to or exceeding the minimum \$2.00 bid;
- the decision of the auctioneer is final; and
- names of high bidders (lessees) remain confidential until the results list is available.

The minimum bid BLM can accept is \$2 per acre. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.51 acres requires a minimum bid of \$202 (\$2 x 101 acres).

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the California State Office Information Access Center (Public Room) before the day of the sale. We will announce withdrawn parcels before the sale begins.
- **Payment due:** You may not withdraw a bid. Your bid is a legally binding commitment to sign the bid form, accept the lease, and pay the money due on the day of the sale. By 4:30 p.m. on the day of the sale, you must pay the following: (1) Twenty percent of the bid; (2) the total amount of the first year's rental (\$2 per acre); and (3) the \$140 competitive lease processing fee.
- **Remaining payments:** If your bonus bid was more than \$2 per acre or fraction of an acre and you didn't pay the full amount on the day of the sale, you must submit the balance of your bonus bid to the **BLM-California State Office, by 4:30 p.m. on July 29, 2009,** which is the 15th calendar day following the sale.

Forms of payment: You must pay by personal check, cashier's check, certified check, money order, or credit card (American Express, Discover, MasterCard, or Visa only). Make checks payable to: **Department of the Interior-BLM.** We cannot accept cash. If a check you have sent to us in the past has been returned for insufficient funds, we may ask that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. However, we cannot grant you an extension of time to pay the money that is due the day of the sale. We encourage you to make any payments of \$100,000 or more by Automated Clearing House (ACH) or Fed Wire transfer.

- **Limitations on Credit Cards and Debit Payments:** Per Instruction Memorandum No.

BC-2005-008, Change 1, dated December 13, 2004, effective February 1, 2005, credit or debit cards cannot be used for any amount in excess of \$99,999.99, for any purpose.

- **Bid form:** On the day of the sale, successful bidders must submit a properly completed bid form (Form 3000-2, October 1989 or later edition) along with their payment. This form can be found at www.blm.gov/FormsCentral/show-home.do, BLM form number 3000-002 (use the Fill in PDF format). The bid form is a legally binding offer to accept a lease and all its terms and conditions. Once the form is signed you cannot change it. **We will not accept any bid form that has information crossed out or is otherwise altered.**

We recommend you get a copy of the bid form and complete all but the money part before the sale. You can fill out the money part at the sale. Your completed bid form certifies that:

- 1) You and the prospective lessee are qualified to hold a geothermal lease under our regulations at 43 CFR 3202.10; and
- 2) Both of you have complied with 18 U.S.C., 1860, a law that prohibits unlawful combinations, intimidation or collusion among bidders.

- **Lease Issuance:** After we receive the bid form and all the money due, we can issue the lease. BLM issues your lease the day we sign it. Your lease goes into effect the first day of the next month after the issuance date.
- **Lease terms:** A lease issued as a result of this sale will have a primary term of 10 years. BLM will extend the primary term of the lease, if the requirements found in the regulations at 3207.10 have been met. The annual rental is \$2 per acre for the first year (paid to BLM), and \$3 per acre for the second through tenth year (paid to Minerals Management Service (MMS)). After the tenth year, your annual rent will be \$5 per acre. Your rent is always due in advance. MMS must receive your annual rental payment by the anniversary date of the lease each year.

Royalty rates on geothermal resources produced for the commercial generation of electricity are 1.75 percent for the first 10 years of production and 3.5 percent after the first 10 years. The royalty rate is 10 percent for geothermal resources sold by you or your affiliate at arm's length to a purchaser who uses the resource to generate electricity (see the regulations at 30 CFR 206 subpart H and 43 CFR 3211.17 through 3211.20). Royalties shall be due and payable on the last day of the month following the month in which production occurred.

- **Stipulations:** Some parcels have special requirements or restrictions, which are called stipulations. These are included with the parcel descriptions. Stipulations are part of the lease and supersede any inconsistent provisions of the lease form.

All Federal geothermal lease rights are granted subject to applicable laws, and lessees must meet certain requirements under the Endangered Species Act, as amended, 16

U.S.C. 1531 et. seq. In accordance with Washington Office (WO) Instruction Memorandum (IM) No. 2002-174, each parcel included in this lease sale will be subject to the attached Endangered Species Act Section 7 Consultation Stipulation.

In accordance with (WO) Instruction Memorandum (IM) No. 2005-003, Cultural Resources and Tribal Consultation, for Fluid Minerals Leasing, each parcel in this lease sale will be subject to the attached Cultural Resource Protection Lease Stipulation.

How can I find out the results of this sale?

We will post the sale results in the California State Office Information Access Center. You can buy a printed copy of the results list from the California State Office Information Access Center for \$5.00. The results will also be available at our public internet site: <http://www.blm.gov/ca/st/en/prog/energy/geothermal.html>

How can I obtain a noncompetitive lease?

Lands offered at a competitive lease sale that receive no bids will be available for noncompetitive leasing for a two-year period beginning the first business day following the sale. Submit two executed copies of the applicable noncompetitive lease form to BLM, along with the \$365 processing fee and advance rent in the amount of \$1 per acre (remember to round up fractional acreage). At least one form must have an original signature. We will accept only exact copies of the form on one 2-sided page.

For 30 days after the competitive geothermal lease sale, noncompetitive applications will be accepted only for parcels as configured in the Notice of Competitive Geothermal Lease Sale. Subsequent to the 30-day period, you may file a noncompetitive application for any available lands covered by the competitive lease sale, not to exceed 5,120 acres per lease.

All applications for a particular parcel will be considered simultaneously filed if received in the proper BLM office any time during the first business day following the competitive lease sale. You may submit only one application per parcel. An application will not be available for public inspection the day it is filed. BLM will randomly select an application among those accepted on the first business day to receive a lease offer.

Subsequent to the first business day following the competitive lease sale, the first qualified applicant to submit an application will be offered the lease. If BLM receives simultaneous applications as to date and time for overlapping lands, BLM will randomly select one to receive a lease offer.

For noncompetitive offers filed the day of the sale and the first business day after the sale, put the application in a sealed envelope marked "Noncompetitive Geothermal Offer". Place the envelope in the drop box in the Nevada State Office Information Access Center (Public Room), or submit during business hours to the California State Office. Noncompetitive offers submitted after the first business day after the sale must be filed in the California State Office.

May I amend my application of a noncompetitive lease?

You may amend your application for a noncompetitive lease at any time before we issue the lease, provided your amended application does not add lands not included in the original application. To add lands, you must file a new application.

May I withdraw my application for a noncompetitive lease?

During the 30-day period after the competitive lease sale, BLM will only accept a withdrawal of the entire application. Following that 30-day period, you may withdraw your noncompetitive lease application in whole or in part at any time before BLM issues the lease. If a partial withdrawal causes your lease application to contain less than the minimum acreage required (640 acres, or all lands available for leasing in the section, whichever is less), BLM will reject the application.

For more information, please contact Laurie Moore, BLM California State Office, at (916) 978-4377.

/s/Debra Marsh
Chief, Branch of Adjudication
Division of Energy and Mineral Resources

LANDS NOT IN A BLOCK

PARCEL CA-07-09-1

T. 11 N., R. 8 W., MDM, CA
Sec. 30, Lots 1-8, 10-15, NWNE;
Sec. 31, Lots 2-7, 12-17, 21, 22, 27.

Sonoma County 948.93 Acres
Split Estate Ukiah FO
Subject to Special Stipulations 1 & 2

Sec. 24, Lots 5, 7, 18, 19;
Sec. 25, Lots 3-15, 17, 18;
Sec. 26, Lots 1-4, NE, S2NW, N2S2;
Sec. 27, Lots 4, 5, NESE;
Sec. 34, Lot 1;
Sec. 35, Lots 1-6.

Sonoma County 1541.87 Acres
Split Estate;
Ukiah FO
Subject to Special Stipulations 1 & 2

PARCEL CA-07-09-2

T. 11 N., R. 9 W., MDM, CA
Sec. 14, Lots 17, 19;
Sec. 15, Lots 4-7, 9, S2NW;
Sec. 16, Lots 1-3;
Sec. 22, Lots 1-4, E2, E2NW;
Sec. 23, Lots 10, 11, 13-19, W2SW,
SWSE.

Sonoma County 1229.050 Acres
Split Estate;
Ukiah FO
Subject to Special Stipulations 1 & 2

PARCEL CA-07-09-3

T. 11 N., R. 9 W., MDM, CA

LANDS IN A BLOCK

BLOCK NAME: Truckhaven North CA 07-09-04 thru CA 07-09-10

PARCEL CA-07-09-4

T. 11 S., R. 9 E., SBM, CA
Sec. 10, All.

Imperial County 640.000 Acres
El Centro FO
Subject to Special Stipulations 1, 2 & 3

PARCEL CA-07-09-8

T. 11 S., R. 9 E., SBM, CA
Sec. 26, All.

Imperial County 640.000 Acres
El Centro FO
Subject to Special Stipulations 1, 2 & 3

PARCEL CA-07-09-5

T. 11 S., R. 9 E., SBM, CA
Sec. 14, All.

Imperial County 640.000 Acres
El Centro FO
Subject to Special Stipulations 1, 2 & 3

PARCEL CA-07-09-9

T. 11 S., R. 10 E., SBM, CA
Sec. 20, All.

Imperial County 640.000 Acres
El Centro FO
Subject to Special Stipulations 1, 2 & 3

PARCEL CA-07-09-6

T. 11 S., R. 9 E., SBM, CA
Sec. 22, All.

Imperial County 640.000 Acres
El Centro FO
Subject to Special Stipulations 1, 2 & 3

PARCEL CA-07-09-10

T. 11 S., R. 10 E., SBM, CA
Sec. 22, All.

Imperial County 640.000 Acres
El Centro FO
Subject to Special Stipulations 1, 2 & 3

PARCEL CA-07-09-7

T. 11 S., R. 9 E., SBM, CA
Sec. 24, All.

Imperial County 640.000 Acres
El Centro FO
Subject to Special Stipulations 1, 2 & 3

LANDS IN A BLOCK

BLOCK NAME: Truckhaven South CA 07-09-11 thru CA 07-09-15

PARCEL CA-07-09-11

T. 12 S., R. 9 E., SBM, CA
Sec. 2, All.

Imperial County 639.200 Acres
El Centro FO
Subject to Special Stipulations 1, 2 & 3

T. 12 S., R. 10 E., SBM, CA
Sec. 8, All.

Imperial County 640.000 Acres
El Centro FO
Subject to Special Stipulations 1, 2 & 3

PARCEL CA-07-09-12

T. 12 S., R. 9 E., SBM, CA
Sec. 10, All.

Imperial County 640.000 Acres
El Centro FO
Subject to Special Stipulations 1, 2 & 3

PARCEL CA-07-09-15

T. 12 S., R. 10 E., SBM, CA
Sec. 10, All.

Imperial County 640.000 Acres
El Centro FO
Subject to Special Stipulations 1, 2 & 3

PARCEL CA-07-09-13

T. 12 S., R. 9 E., SBM, CA
Sec. 12, All.

Imperial County 640.000 Acres
El Centro FO
Subject to Special Stipulations 1, 2 & 3

PARCEL CA-07-09-14

Special Lease Stipulations

Special Stipulation No. 1

ENDANGERED SPECIES ACT SECTION 7 CONSULTATION STIPULATION

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modifications of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act, 16 USC § 1531 *et seq.*, as amended, including completion of any required procedure for conference or consultation.

Special Stipulation No. 2

CULTURAL RESOURCE PROTECTION – LEASE STIPULATION

“This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.”

Special Stipulation No. 3

UNITIZATION STIPULATION

The lessee shall fully commit the lease to a geothermal unit acceptable to the Bureau of Land Management within 6 months of the effective date of the lease. Failure to commit the lease to a geothermal unit acceptable to the Bureau of Land Management shall subject the lease to cancelation.