

COMPETITIVE GEOTHERMAL LEASE PROCESS

Competitive Geothermal Lease Sale Nomination Process (43 CFR 3203)

The Bureau of Land Management (BLM) will accept nominations to include certain described lands in its next geothermal lease sale at the appropriate BLM State Office.

Nominations must be submitted in writing on Form 3203-10 (2008), Nomination of Lands for Competitive Geothermal Leasing (attachment 2). Lands surveyed under the public land survey system are to be described to the nearest aliquot part. Each nomination is to be no larger than 5,120 acres, unless the area includes one or more irregular subdivisions.

A nominator may submit more than one nomination. Each nomination requires a nonrefundable filing fee (see 43 CFR 3203.12), currently \$100 plus \$0.10 per acre, rounded up to the nearest acre. The fee is updated annually.

Collecting the Nomination Fee:

A fee of \$100 plus \$0.10 per acre must accompany the nomination filing. This fee will be receipted into the following Commodity, Subject, Action (CSA) in the Collections & Billing System (CBS).

C: Geothermal
S: Competitive
A: Nomination Fee (5104)

Project Code: GEOT

Note: The Project Code is hard-coded within CBS so no entry is necessary.

Authorization Number: The Serial Number associated with the nominated lands must be entered into the Authorization Number Field.

The funds received for the Nomination will interface to case information in LR2000 Case Recordation via LR2000 Action Code 035 (Nomination Fee Received).

Expending the Fees:

Funds receipted into Sub-activity 5104 may be used for adjudicative actions associated with the lands nominated for leasing. These funds may be expended immediately upon receipt without further appropriation. However, expenditures must not exceed the collected amount. Use Program Element (PE) EI and Project Code when coding expenditures.

A nominator may request that lands be offered as a block, or the BLM may offer leases as a block on its own initiative for competitive sale. The block request must specify that the lands will be associated with a project or unit and include information to support the request. The BLM may require the nominator to submit additional information to support the request.

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Sale Frequency: The EPAct requires that a sale be held at least every 2 years when parcels are available. The requirement that lands be “available” means both that the lands are open to geothermal leasing consistent with the terms of the applicable land use plan, and also that adequate pre-leasing National Environmental Protection Act (NEPA) compliance has been completed. Nominated lands cannot be included in a lease sale until the BLM confirms that leasing conforms to the land use plan and all NEPA requirements have been met.

Offices are encouraged to hold geothermal lease sales in conjunction with quarterly oil and gas lease sales when lands are available. The BLM may include lands in a competitive lease sale on its own initiative.

Sale Notice: The BLM will post a notice of the parcels to be included in the sale, with appropriate stipulations or restrictions on use, along with the time, date, location, and sale format and procedures.

Parcel withdrawal or sale cancellation: The BLM may withdraw parcels before the sale begins. If parcels are withdrawn, a notice will be posted in the State Office Information Access Center (Public Room) before the day of the sale. Withdrawn parcels will be announced before the sale begins.

Payment due: A bidder may not withdraw a bid, since the bid is a legally binding commitment. A successful bidder is legally obligated to sign the bid form if one has not already been submitted, accept the lease, and pay the money due on the day of the sale. Payment due by close of business on the day of the sale includes the following: (1) 20 percent of the bid; (2) the total amount of the first year rental (currently \$2 per acre); and (3) the competitive lease application processing fee. The lease application processing fee is currently \$140, updated annually (see 43 CFR 3000.12). All payments must be paid by close of official business hours on the day of the sale unless the BLM specifies another time. Within 15 calendar days after the day of the sale, the balance of the bid must be submitted to either the BLM office that conducted the sale or the office serving those lands nominated, as specified in the sale notice.

Forms of payment: Payment must be by personal check, cashier’s check, certified check, bank draft, money order, wire transfer, or credit card (Discover, Visa, American Express, or MasterCard only), subject to the limitations below. Checks must be made payable to: The U.S. Department of the Interior, Bureau of Land Management. Cash will not be accepted. A certified check may be required if a check received in the past has been returned for insufficient funds. If payment is by credit card, the bidder must remain available until the BLM has determined that the transaction is accepted. If the transaction is refused, the bidder must pay by another means and an extension of time to pay the money will not be granted.

Limitations on Credit Cards and Debit Payments: In accordance with National Business Center Instruction Memorandum No. 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, the successful bidder must give the BLM a properly completed and signed Competitive Bid Form 3000-2, (2007) with the payment. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once the form is signed, it is binding and cannot be changed. A bid form that has information crossed out or is otherwise altered will not be accepted.

Lease Issuance: Once a bid form has been accepted and all the monies due have been paid, the lease Form 3200-24a may be issued. The lease is effective the first day of the month following the month in which it is signed by the authorized officer.