



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

California State Office
2800 Cottage Way, W1623
Sacramento, CA 95825
www.blm.gov/ca

June 13, 2014

NOTICE OF COMPETITIVE LEASE SALE GEOTHERMAL RESOURCES

The California State Office is pleased to announce that we will offer for competitive sale, **6 parcels containing 14,306.83** acres of Federal lands in Imperial County, 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 **Thursday, September 11, 2014**. The sale room will open at 8:00 am for registration and assignment of bidder numbers.

Where: The sale will be held at **The Bureau of Land Management, California State Office, 2800 Cottage Way, Sacramento, CA 95825**. Onsite parking is available.

Access:

1. **A government-issued photo I.D. will be required for admittance to the Federal Building**
2. The sale room is accessible to persons with disabilities. If assistance is needed for the hearing or visually impaired, contact **Laurie Moore at (916) 978-4377, or by email at lmoore@blm.gov, by August 28, 2014.**

How do I participate in the bidding process?

To participate in the Bureau of Land Management (BLM) bidding process, you must register and obtain a bidder number. If you are bidding for more than one party, you must register and obtain a separate bidder number for each company or individual you represent. The BLM will begin registering bidders at 8:00 a.m. on the day of the sale.

When you register to bid, you will be required to show valid government-issued photo identification (ID) to verify your identity. If you do not provide a valid photo ID, you will not be allowed to register as a bidder and participate in the auction.

You will also be asked to sign a statement to confirm that any bid you cast will represent a good-faith intention to acquire geothermal lease and that you understand that any winning bid will constitute a legally binding commitment to accept the lease and pay monies owed. Further, you will acknowledge that you understand that it is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 to knowingly and willfully make any false, fictitious, or fraudulent statements or representations regarding your qualifications; bidder registration and intent to bid; acceptance of a lease; or payment of monies owed; and that any such offense may result in a fine or imprisonment for not more than 5 years or both. You will also acknowledge that you understand that it is a crime under 30 U.S.C. 195 (a) and (b) to organize or participate in any scheme to defeat provisions of the mineral leasing regulations. Any person who knowingly violates this provision will be punished by a fine of not more than \$500,000, imprisonment for not more than 5 years, or both.

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;

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 \$155 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 September 26, 2014**, 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.
- **Limitations on Credit Cards and Debit Payments:** *Please note, effective June 30, 2012, we will not accept credit or debit card payments for an amount equal to or greater than \$49,999.99.* We also will not accept aggregated smaller amounts to bypass this requirement. We encourage you to make any payments of \$50,000 or more by Automated Clearing House (ACH) or Fed Wire transfer.
- **Bid form:** On the day of the sale, successful bidders must submit a properly completed bid form (Form 3000-2, December 31, 2009 or later edition) along with their payment. This form can be found at <http://www.blm.gov/noc/st/en/business/eForms.html>, 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 Office of Natural Resource Revenue (ONRR), formerly the Minerals Management Service). After the tenth year, annual rent will be \$5 per acre. Rent is always due in advance. ONRR must receive annual rental payments by the anniversary date of the lease or your lease may be terminated.

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. 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 \$400 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 and submit during business hours to the California State Office Public Room. 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

PARCEL CA-09-14-1

T. 11 S., R. 9 E., SBM, CA
Sec. 12, All;
T. 11 S., R. 10 E., SBM, CA
Sec. 6, Lots 3-9, S2NE, SENW, E2SW,
SE;
Sec. 8, All;
Sec. 18, Lots 1, 2 of NW, Lots 1, 2 of SW,
E2.

Imperial County 2,585.46 Acres

Split Estate Lands;

T. 11 S., R. 9 E., SBM, CA
Sec. 12, N2;

El Centro FO

Subject to Standard Stipulations 1 & 2
Subject to Information Notices #1 - TGLA

PARCEL CA-09-14-2

T. 10 S., R. 14 E., SBM, CA
Sec. 26, All.

Imperial County 637.50 Acres

Split Estate Lands;

Sec. 26, SWNW, S2SE, N2N2SW.

El Centro FO

Subject to Standard Stipulations 1 & 2
Subject to Information Notices #2 - WCM

PARCEL CA-09-14-3

T. 13 S., R. 17 E., SBM, CA
Sec. 7, E2;
Sec. 8, W2SWNW, W2NESW, NWSW,
S2SW;
Sec. 17, W2NE, NW, S2;
Sec. 18, Lots 5, 6, E2, E2W2;
Sec. 19, Lots 3-6, E2, E2W2;
Sec. 20, All;
Sec. 21, W2, NWSE, S2SE.

Imperial County 3,300.03 Acres

El Centro FO

Subject to Standard Stipulations 1 & 2
Subject to Information Notices #3 - ISDRA

PARCEL CA-09-14-4

T. 13 S., R. 17 E., SBM, CA
Sec. 27, SWNW, SW, SWSE;
Sec. 28, All;
Sec. 29, All;
Sec. 30, Lots 3-6, E2, E2W2;
Sec. 34, NWNE, S2NE, NW, S2;
Sec. 35, W2SE;

T. 14 S., R. 17 E., SBM, CA

Sec. 2, Lots 5, 6, SWNE, S2NW, S2.

Imperial County 3,346.32 Acres

El Centro FO

Subject to Standard Stipulations 1 & 2
**Sec. 2, T. 14S., R. 17E., Subject to Special
Stipulation 1**
Subject to Information Notices #3 - ISDRA

PARCEL CA-09-14-5

T. 13 S., R. 18 E., SBM, CA

Sec. 17, All;

Sec. 18, All;

Sec. 21, All;

Sec. 22, All.

Imperial County 3,290.66 Acres

El Centro FO

Subject to Standard Stipulations 1 & 2

Subject to Information Notices #3 - ISDRA

PARCEL CA-09-14-6

T. 13 S., R. 18 E., SBM, CA

;

Sec. 27, All;

Sec. 28, All;

Sec. 29, All;

Sec. 34, All;

Imperial County 3,290.66 Acres

El Centro FO

Subject to Standard Stipulations 1 & 2

Subject to Information Notices #3 - ISDRA

Standard Lease Stipulations

Standard 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.

Standard 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 Lease Stipulation

Special Stipulation No. 1

NO SURFACE OCCUPANCY

No surface occupancy: Section 2, T. 14S., R.17E., SBM of this lease is within an area that contains habitat of special status species. To prevent disturbance of this habitat No Surface Occupancy is allowed on the lease.

In conformance with the Flat-tailed Horned Lizard Rangeland Management Strategy lands within the East Mesa Flat Tailed Horned Lizard (FTHL) management area have a no surface occupancy restriction.

Resource: Special status species habitat

Objective: To protect habitat of the Flat-tailed Horned Lizard.

Information Notices #1 – TGLA

1. Cultural Resources

All lease applications would be subject to the provisions of Section 106 of the National Historic Preservation Act, would require Government-to-Government consultation with Native American tribes, and would be subject to other requirements for the identification and evaluation of historic properties and cultural resources within the Area of Potential Effect for each application. The Truckhaven area is known to contain sensitive cultural resources that are important to the tribes.

2. Water Resources

There are potential U.S Army Corps of Engineers (USACE) jurisdictional waters on the parcels. Site Specific National Environmental Policy Act (NEPA) analysis would need to include the USACE as a cooperator if jurisdictional waters are detected.

3. Additional Environmental Analysis Required

Prior to issuing any permits for development, the BLM must comply with the NEPA which requires the preparation of an environmental document analyzing and disclosing the environmental impacts of the proposed action along with cumulative impacts. The environmental document will also analyze mitigation measures to reduce impacts and alternatives to the proposed action. Preparation of the environmental document may require the gathering of baseline environmental data, including cultural resources inventories and species surveys. Timing of the baseline surveys is critical, in that some species can only be surveyed during a brief period each year. Preparation of the environmental document may also involve consultation with the U.S. Fish and Wildlife Service and other agencies if Threatened and Endangered or other special status plant and animal species are found.

Depending on the extent of the operations proposed and the sensitivity of the area, preparation of the environmental document(s) may result in significant delay to operations. Public comments received during the NEPA process could also delay operations. In addition, the lessee or operator may be asked to fund all or part of the costs of preparing and finalizing the environmental document.

4. Impact Mitigation

The BLM may impose additional mitigation measures to reduce the environmental impacts of proposed geothermal development activities. The mitigation measures will be developed as part of the environmental analysis done by the BLM or on behalf of the BLM under the NEPA. Mitigation measures may require modification of the location, type, and timing of proposed activities.

5. Potential for Drainage

This constitutes notice that this parcel has a high potential for drainage of geothermal resources from production on adjacent properties.

6. Recreation

Geothermal development could have an adverse impact on recreational opportunities by reducing public access and altering the aesthetics of the natural landscape. Recreation within the TGLA could be affected by limiting access to designated routes and reducing the acreage available for off-highway vehicle use and camping, thus reducing or eliminating recreation opportunities. The recreation opportunities within the TGLA are managed by the Ocotillo Wells State Vehicle Recreation Area through a Memorandum of Understanding (MOU) with the El Centro Field Office which was updated in 2008. Consultation and coordination with this agency shall be required should geothermal exploration or development be proposed.

Information Notices #2 - WCM

1. Cultural Resources

All lease applications would be subject to the provisions of Section 106 of the National Historic Preservation Act, would require government-to-government consultation with Native American tribes, and would be subject to other requirements for the identification and evaluation of historic properties and cultural resources within the Area of Potential Effect for each application.

2. Additional Environmental Analysis Required

Prior to issuing any permits for development, BLM must comply with the National Environmental Policy Act (NEPA) which requires the preparation of an environmental document analyzing and disclosing the environmental impacts of the proposed action along with cumulative impacts. The environmental document will also analyze mitigation measures to reduce impacts and alternatives to the proposed action. Preparation of the environmental document may require the gathering of baseline environmental data, including cultural resources inventories and species surveys. Timing of the baseline surveys is critical, in that some species can only be surveyed during a brief period each year. Preparation of the environmental document may also involve consultation with the U.S. Fish and Wildlife Service and other agencies if Threatened and Endangered or other special status plant and animal species are found.

Depending on the extent of the operations proposed and the sensitivity of the area, preparation of the environmental document(s) may result in significant delay to operations. Public comments received during the NEPA process could also delay operations. In addition, the lessee or operator may be asked to fund all or part of the costs of preparing and finalizing the environmental document.

3. Impact Mitigation

The BLM may impose mitigation measures to reduce the environmental impacts of proposed geothermal development activities. The mitigation measures will be developed as part of the environmental analysis done by the BLM or on behalf of the BLM under the NEPA. Mitigation measures may require modification of the location, type, and timing of proposed activities.

4. Potential for Drainage

This constitutes notice that this parcel has a high potential for drainage of geothermal resources from production on adjacent properties.

5. Recreation

Geothermal development could have an adverse impact on recreational opportunities by reducing public access and altering the aesthetics of the natural landscape. Recreation within the WCMREEA could be affected by limiting access to designated routes and reducing the acreage available for off-highway vehicle use and camping, thus reducing or eliminating recreation opportunities. Geothermal minerals leasing may involve numerous developments and facilities. These facilities could result in elimination or reduction of recreational opportunities or degradation of the recreation setting and experience and mitigation measures may be required.

Information Notices #3 - ISDRA

1. Cultural Resources

All lease applications would be subject to the provisions of Section 106 of the National Historic Preservation Act (NHPA), would require Government-to-Government consultation with Native American tribes, and would be subject to other requirements for the identification and evaluation of historic properties and cultural resources within the Area of Potential Effect for each application.

2. BLM-Designated Sensitive Plant Species and priority species

Notice is given that the lease area contains the following priority plant species: Blue palo verde, Catclaw acacia, Ironwood, Mesquite, and smoke tree. These species are collectively known as microphyll woodland. Microphyll woodland is classified as an avoidance area for all commercial surface-disturbing activities in the planning area. There is a concentration of microphyll woodland east of Glamis. Sections east of the Union Pacific Railroad are almost entirely micophyll woodland.

BLM-Designated Sensitive Species

The lease areas are within the range of BLM designated sensitive plant species. Wiggin's croton, Algodones Dunes sunflower, Giant Spanish needle and Sand food are all located in the planning area.

The lease area is within the range of BLM designated sensitive animal species including Burrowing owl, Barefoot banded gecko, Colorado Desert fringed-toed lizard. Flat-tailed horned lizard and Couch's spadefoot toad all occur in the area as well.

Notice is given that monitoring plans will be required for BLM sensitive species.

Notice is given that biological studies may be required to analyze the effects of geothermal leasing on particular species.

Notice is given that additional species may exist in the lease areas and site specific surveys will be required for natural resources. Notice is given that consultation with other state or federal agencies may be required.

Threatened or Endangered Species

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species.

Two threatened species are known from the lease area: Desert tortoise and Peirson's Milk-Vetch. Section 7 consultations with the United States Fish and Wildlife or other state or federal agencies may be required.

3. Additional Environmental Analysis Required

Prior to issuing any permits for development, the BLM must comply with the National Environmental Policy Act (NEPA) which requires the preparation of an environmental document analyzing and disclosing the environmental impacts of the proposed action along with cumulative impacts. The environmental document will also analyze mitigation measures to reduce impacts and alternatives to the proposed action. Preparation of the environmental document may require the gathering of baseline environmental data, including cultural resources inventories and species surveys. Timing of the baseline surveys is critical, in that some species can only be surveyed during a brief period each year. Preparation of the environmental document may also involve consultation with the U.S. Fish and Wildlife Service and other agencies if Threatened and Endangered or other special status plant and animal species are found.

Depending on the extent of the operations proposed and the sensitivity of the area, preparation of the environmental document(s) may result in significant delay to operations. Public comments received during the NEPA process could also delay operations. In addition, the lessee or operator shall be required to fund all or part of the costs of preparing and finalizing the inventories and environmental documents as well as pay for BLM staff review time.

4. Impact Mitigation

The BLM may impose mitigation measures to reduce the environmental impacts of proposed geothermal development activities. The mitigation measures will be developed as part of the environmental analysis done by the BLM or on behalf of the BLM under the NEPA, NHPA, Endangered Species Act Section 7 consultation or other relevant laws and regulations. Mitigation measures may require modification of the location, type, and timing of proposed activities.

5. Potential for Drainage

This constitutes notice that this parcel has a high potential for drainage of geothermal resources from production on adjacent properties.

6. Recreation

Geothermal development could have an adverse impact on recreational opportunities by reducing public access and altering the aesthetics of the natural landscape. Recreation within the ISDRA SRMA could be affected by limiting access to designated routes and reducing the acreage available for off-highway vehicle use and camping, thus reducing or eliminating recreation opportunities. Lands available for geothermal minerals leasing may involve numerous developments and facilities. These facilities could result in elimination or reduction of recreational opportunities or degradation of the recreation setting and experience and specific mitigation may be required.