

Form 1221-2
(June 1969)



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MANUAL TRANSMITTAL SHEET

Release
3-340

Date
05/21/2013

Subject

H-3203-1 – LEASING TERMS – APPENDIX 3 (P)

1. **Explanation of Materials Transmitted:** This release transmits H-3203-1, Leasing Terms, Appendix 3.
2. **Reports Required:** None.
3. **Materials Superseded:** Manual pages superseded by this release are listed under "REMOVE" below. No other directives are superseded. None.
4. **Filing Instructions:** File as directed below.

REMOVE

None

INSERT

**Appendix 3
H-3203-1
(13 pages)**

Michael D. Nedd

**Assistant Director,
Minerals and Realty Management**



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MANUAL TRANSMITTAL SHEET

Release

3-339

Date

2/18/2013

Subject

H-3203-1 – LEASING TERMS – APPENDIX 2

1. Explanation of Materials Transmitted: This release transmits H-3203-1, Leasing Terms, Appendix 2.
2. Reports Required: None.
3. Materials Superseded: Manual pages superseded by this release are listed under “REMOVE” below. No other directives are superseded. None.
4. Filing Instructions: File as directed below.

REMOVE

INSERT

None

H-3203-1, Appendix 2
(4 sheets)

Michael D. Nedd

Assistant Director
Minerals and Realty Management

H-3203-1 - Leasing Terms

Table of Contents

Page

I. Introduction	1
II. Additional Term	3
A. Continuation by Production	3
III. Extensions	5
A. Extension by Drilling	5
B. Rejection of Diligent Drilling Extension	7
C. Leases Committed to an Approved Cooperative or Unit Plan or Communitization Agreement - Extension by Drilling	8
D. Leases Committed to an Approved Cooperative or Unit Plan or Communitization Agreement - Continuation by Production	9
E. Extension By Meeting the Steam Act Amendments Requirements	11
F. Actions by Adjudication on Requests for Extension by Meeting the Steam Act Amendments Requirements	12
IV. Suspension of Operations and Production or Suspension of Operations	15
V. Segregation of Leases on Commitment to a Cooperative or Unit Plan or Communitization Agreement	17
VI. Segregation of Leases on Contraction of a Cooperative or Unit Plan or Communitization Agreement	21
VII. Consolidation of Leases	25
VIII. Diligent Exploration	29
A. Diligent Exploration Requirement	29
B. Expenditure Reports	29
C. Lease Cancellation	30
IX. Readjustment of Terms and Conditions	35
A. Readjustment of Rentals and Royalties	35
B. Readjustment of Lease Terms and Conditions	35
Glossary of Terms (See Manual Section 3100 and Handbook	

Section 3100)

Illustrations

1. Notice of Lease Account Transferred
2. Format for Accounting Advice for Lease Production Account Transferred from Terminable (Nonproducing) to Nonterminable (Producing) in MMS-DMD
3. Decision for 5-Year Lease Extension
4. Format for Accounting Advice for Drilling Extension
5. Decision for Lease Expiration
6. Format for Accounting Advice for Refund of 11th Year Rental
7. Decision for Extension of Leases Committed to Unit
8. Decision for Extension and Transfer of Account of Leases Committed to Unit
9. Format for Accounting Advice for Lease Production
10. Decision Regarding Extension Requirements under Steam Act Amendments
11. Decision Granting Extension under Requirements of Steam Act Amendments
12. Format for Accounting Advice for Extension under Requirements of Steam Act Amendments
13. Decision for Lease Segregation on Unit Approval
14. Format for Accounting Advice for Lease Segregation
15. Decision for Unit Contraction and Lease Termination
16. Decision for Unit Contraction and Account Transferred to MMS/DMD
17. Format for Accounting Advice for Segregation Out of

Producing Lease

18. Decision for Lease Segregation on Unit Contraction
19. Letter Requesting Action on Lease Consolidation
20. Memorandum Requesting Recommendations on Lease Consolidation
21. Form for Consolidated Leases (Form 32-24)
22. Decision Requiring Execution of Lease Form
23. Format for Accounting Advice for Consolidation of Leases
24. Decision for Lease Consolidation
25. Notice of Diligent Exploration Expenditure Requirement
26. Memorandum Requesting DEE Report
27. DEE Worksheet

Appendix

1. IBLA Decision on Lease Cancellation

[Index by Keywords](#)

I. Introduction

This Handbook Section provides guidelines for adjudication where lease terms have been continued by reason of production or where leases qualify for extensions.

Also provided is information regarding the diligent exploration expenditure requirement, consolidation of leases, and readjustment of lease terms and conditions.

The procedures concerning the dating of leases, lease acreage limitations, and description of lands in lease applications or offers are covered in H-3210-1

and H-3220-1.

II. Additional Term Keywords

A. Continuation by Production

A lease may be continued beyond its primary term if one or CONTINUATION

more wells have been completed thereon which are producing BY

or utilizing geothermal resources in commercial quantities PRODUCTION

or are capable of producing geothermal resources in

commercial quantities. The latter requires the operator

to demonstrate to the satisfaction of the authorized

officer that diligent efforts are being made to bring

the lease into actual production. At least 60 days prior

to the anniversary date of the lease, the operator must

provide the authorized officer a description of diligent

efforts completed for the lease year and planned for the

following year. Such information may include, but is not

limited to, descriptions of negotiations for geothermal

resources and/or electricity sales contracts, marketing

arrangements, electrical generating and/or transmission

agreements, and operations conducted or planned to better

define the geothermal resource. See Manual Section

3203.13A and 43 CFR 3203.1-3.

Responsible

Official Step Action Keywords

Authorized 1. Provide Adjudication with a copy of NOTIFICATION

Officer the First Production Memorandum, OF

(District or which is also submitted when an PRODUCTION

State Office) initial producible well is completed,

or other means showing lease is in
production in commercial quantities
or capable of such production

Docket 2. Assign case file to Adjudication.

Adjudication 3. Prepare notice to the lessee to notify NOTICE TO
of the lease continuation and transfer LESSEE
of the lease account from nonproducing
(terminable) to producing (nonterminable)
status (see Illustration 1).

4. Prepare accounting advice for MMS, Data ACCOUNTING
Management Division (MMS-DMD) to place ADVICE -
lease in producing status (see PRODUCTION
Illustration 2).

5. Check notice, attach copy of lease with
copy of first production memo, surname,
and route for signature.

6. Stamp case file "PRODUCING LEASE."

Responsible

Official Step Action Keywords

ALMRS Entry 7. Enter Action Date: (MANDATORY ACTION AUTOMATED
CODE) DE 1775/2910 Action Code (AC) 650 NOTATION
(actual production) or DE 1775/2910 AC
652 (well determined producible).

8. Also enter DE 1775/2910 AC 643 and DE
1775 AC 644/DE 2910 AC 658 and other
applicable AC's in accordance with
current Data Standards guidance.

9. Enter Action Date: (MANDATORY ACTION

CODE) DE 1775 AC 057/DE 2910 AC 102

(notice sent to MMS-DMD of lease

changing from nonproducing (terminable)

to producing (nonterminable) status).

10. Remove DE 1775/2910 AC 763-EXPIRES

while lease is in producing status.

Signing 11. Review and sign notice.

Official

Docket 12. File case file.

III. Extensions Keywords

A. Extension by Drilling

A lease may be extended for an additional 5 years EXTENSION

beyond its 10-year primary term if actual drilling BY

has commenced and is diligently continued over DRILLING

the end of the primary term until the well reaches

a bona fide geologic objective. The drilling must

occur on the lease. If production or utilization

in commercial quantities is occurring at the end

of the 5-year extended term, the lease may continue

for so long thereafter as geothermal steam is produced

or utilized in commercial quantities, up to 35 additional

years. (See Manual Section 3203.14B.)

Responsible

Official Step Action Keywords

Authorized 1. Report to Adjudication any drilling NOTIFICATION

Officer operation diligently performed. If OF DRILLING
(District or there are no activities to extend ACTIVITIES
State Office) lease, see Step III.B.1

Adjudication 2. Receive evidence of 11th year rental
payment (MMS rental receipt
information).

3. Check out case file from Docket.

Adjudication 4. Prepare decision to lessee DECISION
extending term of lease for 5 years TO LESSEE
(see Illustration 3).

5. Prepare accounting advice for ACCOUNTING
MMS-DMD to reflect the new expiration ADVICE
date (see Illustration 4). EXTENSION

6. Route for signature and ALMRS Entry.

ALMRS Entry 7. Enter Action Date: (MANDATORY ACTION AUTOMATED
CODE) Effective date of lease NOTATION
extension; DE 1775 AC 258/DE 2910 AC

235 (extended). Action Remarks:

Extended THRU MM/DD/YY (5 years beyond
primary term). General Remarks:

Indicate "BY DRILLING."

Responsible

Official Step Action Keywords

8. ENTER ACTION DATE: (MANDATORY ACTION
CODE) Enter new lease expiration date;
DE 1775/2910 AC 763-EXPIRES.

Docket 9. File case file.

B. Rejection of Diligent Drilling Extension

Responsible

Official Step Action Keywords

Adjudication 1. Receive report from authorized officer REPORT ON

(District/SO) that operations were not NONDILIGENCE

diligently conducted.

2. Prepare decision to lessee stating

that the lease did not qualify for

extension and had, therefore,

expired (see Illustration 5).

ALMRS Entry 3. Enter Action Date: (MANDATORY ACTION AUTOMATED

CODE) Date lease expired; DE 1775 AC NOTATION

762/DE 2910 AC 234 (expired).

NOTE: Do not close case file until

after end of appeal period.

Adjudication 4. Prepare accounting advice RENTAL

for MMS/DMD to show expiration and REFUND

to authorize refund of rental

(see Illustration 6).

5. Route case file to ALMRS Entry and

Records.

ALMRS Entry 6. Enter Action Date: If no appeal filed, AUTOMATED

enter DE 1995/2910 AC 970 (case closed). NOTATION

Records 7. Note expiration, remove lease number

from plat.

8. Route case file to Docket.

Docket 9. Close case file.

Adjudication 10. Make lands available for leasing in accordance with 43 CFR 3210 or 3220.

Keywords

C. Leases Committed to an Approved Cooperative EXTENSION BY or Unit Plan or Communitization Agreement - DRILLING

Extension by Drilling

A lease committed to an approved plan or agreement may be extended for an additional 5 years beyond its primary term if, prior to the end of its primary term, approved actual drilling operations are commenced on any committed tract and those operations thereafter are conducted diligently over the end of the lease's primary term until the well reaches a depth sufficient to test the geothermal objective specified by the plan or agreement or at a shallower depth with authorized officer approval. (See Manual Section 3203.14B.)

Responsible

Official Step Action Keywords

Authorized 1. Notify Adjudication of diligent NOTIFICATION Officer drilling activities under the plan OF DRILLING (District or or agreement that are being ACTIVITIES State Office) conducted over the end of the primary term of a lease committed to the plan or agreement.

Adjudication 2. Request Docket to pull affected case file(s).

3. Issue decision to lessee extending DECISION

lease pursuant to 43 CFR 3203.1-4(b) TO LESSEE

(see Illustration 7).

4. Prepare accounting advice to extend ACCOUNTING

term of lease in MMS-DMD (see ADVICE

Illustration 4). EXTENSION

ALMRS Entry 5. Enter Action Date: (MANDATORY ACTION AUTOMATED

CODE) Effective date of lease extension; NOTATION

DE 1775 AC 258/DE 2910 AC 235 (extended).

Action Remarks: Extended THRU MM/DD/YY

(5 years beyond primary term). General

Remarks: Indicate "BY DRILLING."

6. ENTER ACTION DATE: (MANDATORY ACTION

CODE) Enter new lease expiration date;

DE 1775/2910 AC 763-EXPIRES.

Docket 7. File case file.

Keywords

D. Leases Committed to an Approved Cooperative CONTINUATION

or Unit Plan or Communitization Agreement - BY PRODUCTION

Continuation by Production

If, prior to the end of its primary term, a lease is committed to a plan or agreement under which production or utilization in commercial quantities is occurring, or under which a producible well has been completed, the term of that lease may be continued for the remaining term of the plan or agreement provided that the lease remains committed to the plan or agreement.

(See Manual Section 3203.14 C2.)

Responsible

Official Step Action Keywords

Authorized 1. Notify Adjudication by memorandum of NOTIFICATION

Officer the establishment of a participating OF ESTABLISH-

(District or area (PA). The memorandum should MENT OF

State Office) include the effective date and the PARTICIPATING

boundary of the PA. AREA

Adjudication 2. Determine leases affected. Notify

Docket to pull case files.

3. Prepare decision extending the leases DECISION

to be continued for the remaining TO LESSEE

term of the plan or unit agreement

if the lease term would expire prior

to that of the plan or unit agreement.

Transfer lease accounts to MMS-DMD

(see Illustration 8).

4. Prepare accounting advices for MMS-DMD ACCOUNTING

to transfer leases into producing ADVICE

status (see Illustration 9). PRODUCTION

ALMRS Entry 5. Enter Action Date: (MANDATORY ACTION AUTOMATED

CODE) DE 1775/2910 AC 650 (actual NOTATION

production), or DE 1775/2910 AC 651

(allocated production), or DE 1775/2910

AC 653 (held by production elsewhere in

unit), or DE 1775/2910 AC 652 (well

determined producible).

6. Also enter DE 1775/2910 AC 643 and other

applicable AC's in accordance with
current Data Standards guidance.

Responsible

Official Step Action Keywords

7. Enter Action Date: (MANDATORY ACTION
CODE) DE 1775 AC 057/DE 2910 AC 102

(notice sent to MMS-DMD of producing
lease status).

8. Remove DE 1775/2910 AC 763-EXPIRES
while lease is in producing status.

Docket 9. File case files.

Keywords

E. Extension by Meeting the Steam Act

Amendments Requirements

Under Section 3 of the Geothermal Steam Act Amendments EXTENSION
of 1988 (P.L. 100-443; 102 Stat. 1766), a lease may be BY MEETING
extended for two successive 5-year periods beyond its STEAM ACT
primary term provided the lessee has made a bona fide AMENDMENTS
attempt to produce or utilize geothermal resources and REQUIREMENTS
agrees to either make payments in lieu of commercial
quantities production or make significant expenditures
during the periods of lease extensions.

The request for a lease extension under the Steam Act
Amendments (SAA) requirements shall be made 60 days
prior to the end of the primary term or extension
period. In making a request for an SAA extension,
the lessee/operator must indicate at the time of the

request: (1) diligent efforts made during the primary or current extension period, including attempts to negotiate a sales contract, (2) current economic conditions and factors affecting the efforts to produce from the lease, and (3) whether (a) payments in lieu of commercial quantity production, or (b) significant expenditures will be made on an annual basis during the extension.

Annual payments (in addition to the base annual rental) charged for payments in lieu of commercial quantities production are \$3 per acre yearly for the first 5-year extension and \$6 per acre yearly for the second 5-year extension.

If lessee/operator elects to make significant expenditures, the minimum amount that must be spent is \$15 per acre yearly for the first 5-year extension and \$18 per acre yearly for the second 5-year extension. To obtain credit towards meeting the significant expenditures requirement, the lessee/operator must submit to the BLM authorized officer a report of expenditures that qualify (those involving actual drilling operations on the lease, geochemical or geophysical surveys for exploratory or development wells, road or generating facility construction on the lease, architectural or engineering services procured for the design of generating facilities to be located on the lease, or environmental studies required by State or Federal law).

The report of expenditures shall be filed no later than

60 days after the end of the lease year in which the expenditures were made.

F. Actions by Adjudication on Requests for

Extension By Meeting the Steam Act

Amendments Requirements

Responsible

Official Step Action Keywords

Adjudication 1. Receive request for extension from lessee/operator.

2. Obtain case file from Docket.

3. Determine if extension application

complies with the regulation and if

lease is eligible for extension.

4. Request recommendation/review report

from District or Field Office

authorized officer.

ALMRS Entry 5. Enter Action Date: (MANDATORY ACTION

CODE) Date lease extension request

was filed; DE 1775 AC 238/DE 2910 AC

224 (extension request received).

6. Enter Action Date: Date report

requested from District or Field

Office; DE 1775 AC 152/DE 2910 AC

910. Action Remarks: Ext. Rqst -

43 CFR 3203.1-4(c).

Authorized 7. Determine if diligent efforts meet

Officer the SAA extension requirements.

(District or

State Office)

8. Report to State Office Adjudication

whether the lease is eligible for

SAA extension.

ALMRS Entry 9. Enter Action Date: Date report

received from District or Field

Office; DE 1775 AC 153/DE 2910 AC

911. Action Remarks: Ext. Rqst -

DO/Field Office response.

Responsible

Official Step Action Keywords

10. Prepare decision to lessee requesting

any monies due prior to issuing

5-year extension (an extensions under

the provisions of payment in lieu

commercial production)

11. Allow 30 days from receipt of this

decision in which to make payment.

This decision is an interlocutory

decision (see Illustration 10).

12. Check decision for correctness,

surname, route to signing official

for signature.

Signing 13. Review and sign decision.

Official

ALMRS Entry 14. Enter Action Date: Date decision

issued; DE 1775 AC 718/DE 2910 AC

393. Action Remarks: Nature of
decision.

15. Return case file to Docket pending
lessee's compliance with Step 16
above.

16. If lessee/operator has complied with
the requirements outlined in Step 16,
obtain case file from Docket.

17. Write decision to lessee extending
term of lease for 5 years (see
Illustration 11).

18. Check decision for correctness,
surname, and route to signing
for signature.

Signing 19. Review and sign decision.

Official

Adjudication 20. Prepare accounting advice to
forward to MMS-DMD the payment
received in lieu of commercial
quantities production (see
Illustration 12).

Responsible

Official Step Action Keywords

ALMRS Entry 21. Enter Action Date: (MANDATORY
ACTION CODE) Date additional payment
made in lieu of commercial production

under 43 CFR 3203.1-4(c) (2) (i);

DE 1775/2910 AC 144. Action Remarks:

Amount; lease year for which payment

is made; OR

22. Enter Action Date: (MANDATORY

ACTION CODE) Date of approval by

authorized officer that significant

expenditures were met under 43 CFR

3203.1-4(c) (2) (ii). Action Remarks:

Identify applicable lease year.

23. Enter Action Date: (MANDATORY

ACTION CODE) Effective date of lease

extension; DE 1775 AC 258/DE 2910 AC

235 (extended). Action Remarks:

"THRU MM/DD/YY;" and indicate whether

"1st EXT" or "2nd Ext." General

Remarks: Identify whether "BY STEAM

ACT AMENDMENTS."

24. Enter Action Date: (MANDATORY

ACTION CODE) Enter new lease

expiration date; DE 1775/2910 AC

763 (expires).

Adjudication 25. Return case file to Docket.

Keywords

IV. Suspension of Operations and Production or

Suspension of Operations

The term of any lease under a suspension of operations SUSPENSION OF

and production pursuant to 43 CFR 3205.3-8 will be OPERATIONS AND adjusted at the time the suspension is lifted. The PRODUCTION OR amount of time in which the lease was under suspension SUSPENSION OF shall be added to the primary term of that lease. No OPERATIONS lease will expire during any period of suspension.

The actions that need to be taken on leases affected by suspensions are outlined in H-3205-1.

Keywords

V. Segregation of Leases on Commitment to a SEGREGATION

Cooperative or Unit Plan or Communitization OF LEASES

Agreement COMMITTED TO

UNIT OR CA

This section outlines the procedures to follow when a cooperative or unit plan or communitization agreement (CA) has been approved and specifically covers the process of segregating leases that result from such an approval.

The regulations at 43 CFR 3203.1-5 provide for the segregation of leases that are committed to a plan or agreement and which are only partially within the boundary of that plan or agreement. The lands outside of the boundary are to be segregated into a new lease and the base lease will be comprised of those lands within the boundary of the plan or agreement.

The effective date of a segregation is the same as the approval date of the plan or agreement.

The term of the segregated lease will not be extended by reason of the segregation and will remain the same as

provided for in the original lease terms. (See Manual Section 3203.15.)

Responsible

Official Step Action Keywords

Authorized 1. Send Adjudication a copy of the NOTIFICATION Officer approved unit, Exhibit A (a map of OF PLAN (District or the unit boundary), Exhibit B APPROVAL State Office) (description of lands in leases within unit area) and a transmittal memorandum which includes the unit approval date and a list of leases within the unit, including those leases which require segregation.

Adjudication 2. Make a unit case file labeled with the unit name. Serialize the unit case file and enter into ALMRS.

Records 3. Note plan or agreement on affected RECORD plats. NOTATION

Adjudication 4. Determine affected leases. Notify Dockets to pull case files.

Responsible

Official Step Action Keywords

Docket 5. Send case files to Adjudication.

Adjudication 6. Check description of leases against Exhibit B. Any discrepancies are to be reported by memorandum to the authorized officer (District or State

Office) who approved the agreement.

7. For those leases that are either LEASES entirely or partially within the unit NOT boundary but are not committed to the COMMITTED unit the memorandum should be marked "NOT COMMITTED" and placed in the lease case file for information.

Route to ALMRS Entry.

8. For leases that are entirely within LEASES and committed to the unit agreement, ENTIRELY route to ALMRS Entry and to Docket. COMMITTED

9. Leases that are partially within the SEGREGATION unit boundary and are committed to OF LEASES the unit will require segregation PARTIALLY of the lands that are outside of the COMMITTED boundary into a new lease.

10. If there are any pending assignments PROCESS on a lease that can be processed PENDING with an effective date prior to the ASSIGNMENTS agreement effective date, they must be processed before the lease segregation.

11. Determine if any bond coverage is BOND required for the segregated portion COVERAGE of the lease. If coverage is required, REQUIRED it must be taken care of prior to the segregation.

12. Prepare segregation decision SEGREGATION

(see Illustration 13). DECISION TO
LESSEE

NOTE: The segregated lease will not be
extended as would an oil and gas
lease under the same circumstances.

The term of the segregated lease
remain the same as under the
terms of the original lease.

Responsible

Official Step Action Keywords

13. Prepare an accounting advice for ACCOUNTING
MMS-DMD (Illustration 14). ADVICE -
SEGREGATION

14. Request new serial number from
Accounts. Prepare a new folder for
segregated lease. Make copies of
pertinent documents in base lease to
be placed in new file. Pertinent
documents must include the lease,
lease terms, stipulations, etc.

ALMRS Entry 15. Enter Action Date: (MANDATORY ACTION AUTOMATED
CODE) Effective date of unit or CA NOTATION
approval; DE 1775 AC 226/DE 2910 AC 232
(lease committed to unit) or DE 1775 AC
256/DE 2910 AC 246 (lease committed to
CA). Action Remarks: Serial number

and name of unit or serial number of CA.

16. For leases partially committed to

unit/CA - Enter Action Date: (MANDATORY

ACTION CODE) Effective date of unit or

CA approval; DE 1775 AC 259/DE 2910 AC

700 (lease segregated). Action Remarks:

Enter "INTO" serial number of new lease

case.

17. For new lease segregated due to

unit/CA - Enter Action Date: Effective

date of unit/CA approval; DE 1775 AC

569/DE 2910 AC 209 (case created by

segregation). Action Remarks: Enter

"OUT OF" serial number of parent lease.

NOTE: Also add additional AC's in

accordance with current Data

Standards guidance, e.g., DE 1775

AC 001/DE 2910 AC 387 to

establish case, etc., including

DE 1775/2910 AC 763-EXPIRES.

18. For leases in unit/CA area but not

committed - Enter Action Date:

(MANDATORY ACTION CODE) DE 1775 AC

262/DE 2910 AC 233 (lease in

unit/uncommitted). Action Remarks:

Serial number of unit/CA.

Responsible

Official Step Action Keywords

Records 19. Note segregation of lease on plat RECORD and historical index (HI). Place NOTATION copy of plat in new case file.

Docket 20. File case files with active cases.

VI. Segregation of Leases on Contraction of a Keywords

Cooperative or Unit Plan or Communitization

Agreement

Contraction of an agreement is the process of reducing a SEGREGATION unit area to the boundaries of the PA, as outlined in the OF LEASES terms of the agreement. Pursuant to Article IV of the CONTRACTED model unit agreement, the unit must contract to the FROM UNIT approximate boundaries of the PA 5 years after the first OR CA PA is established unless drilling in the unit but outside the PA is diligently occurring on four-month intervals. Such drilling will extend the unit term. Check Article IV of the subject agreement.

Leases that are entirely eliminated from the plan or agreement are not entitled to an extension. The term of these leases will be as provided in the original lease.

(See 43 CFR 3203.1-5(c).)

Elimination of a portion of a lease committed to a plan or agreement upon contraction of that plan or agreement will result in a segregation of the eliminated portion into a new and distinct lease pursuant to 43 CFR 3203.1-5(b).

The segregated lease is not entitled to an extension and the term of the lease will remain the same as provided in

the terms of the original lease. (See Manual Section 3203.15 and 43 CFR 3203.1-5.)

Responsible

Official Step Action Keywords

Authorized 1. Notify State Office Adjudication NOTIFICATION Officer by memorandum that drilling is OF CONTRACTION

(District or occurring in the plan or unit

State Office) agreement which would delay unit contraction.

2. Notify State Office Adjudication

by memorandum when the plan or agreement has been contracted.

The memorandum should include a

map of the new boundary, the

effective date, and a list of

leases that have been entirely

or partially eliminated.

Adjudication 3. Send unit case file to Records for

plat notation.

Records 4. Change unit boundary on plats.

Responsible

Official Step Action Keywords

Adjudication 5. Determine leases affected by the

contraction and order case files

from Docket.

Docket 6. Pull case files and make copies of

memorandum for Adjudication.

Adjudication 7. File a copy of the memorandum in all lease case files affected and the unit file.

8. For leases eliminated from the plan ELIMINATED or agreement which were within the LEASES NOT unit boundary but not committed, no COMMITTED adjudicative action is required.

ALMRS Entry 9. Remove DE 1775 AC 262/DE 2910 AC 233 AUTOMATED (lease in unit/uncommitted) when NOTATION lease is removed from within unit boundary.

10. For leases committed to unit, but ELIMINATED entirely eliminated from the plan or LEASES agreement for which lease expiration TERMINATED dates precede that of the contraction, prepare a decision to the lessee noting the contraction and terminating the lease (see Illustration 15). Send a copy of the decision to the MMS-DMD.

ALMRS Entry 11. Enter Action Date: (MANDATORY ACTION AUTOMATED CODE) Effective date of unit/CA NOTATION contraction; DE 1775 AC 257/DE 2910 AC 226 (eliminated by contraction).

Action Remarks: Serial number of unit.

12. Enter Action Date: (MANDATORY ACTION CODE) Lease termination date; DE 1775 AC 790/DE 2910 AC 244 (terminated)

13. Enter Action Date: (MANDATORY ACTION CODE) DE 1775/2910 AC 970 (case closed).

Responsible

Official Step Action Keywords

14. For leases entirely eliminated from TRANSFER the plan or agreement which are ACCOUNT OF still within their primary terms: ELIMINATED LEASES

14a. Prepare a decision to the lessee noting the contraction and transferring the account to nonproducing (terminable) status (see Illustration 16).

14b. Prepare accounting advice for MMS-DMD to reactivate the lease in nonproducing (terminable) status (see Illustration 17).

ALMRS Entry 15. Enter Action Date: (MANDATORY ACTION AUTOMATED CODE) Effective date of unit/CA NOTATION contraction; DE 1775 AC 257/DE 2910 AC 226 (eliminated by contraction).

Action Remarks: Serial number of unit.

16. For leases partially eliminated from unit/CA - Enter Action Date: (MANDATORY ACTION CODE) Effective date of unit or CA approval; DE 1775 AC 259/DE 2910 AC 700 (lease segregated). Action Remarks:

Enter "INTO" serial number of new lease case.

17. For new lease segregated due to partial elimination from unit/CA - Enter Action

Date: Effective date of unit/CA

contraction; DE 1775 AC 569/DE 2910 AC 209 (case created by segregation).

Action Remarks: Enter "OUT OF" serial number of parent lease.

NOTE: Also add additional AC's in

accordance with current Data

Standards guidance, e.g., DE 1775

AC 001/DE 2910 AC 387 to

establish case, etc., including

DE 1775/2910 AC 763-EXPIRES.

18. Enter Action Date: (MANDATORY ACTION

CODE) DE 1775/2910 AC 058 (notice sent

to MMS-DMD that lease is changed from a

producing (nonterminable) to

nonproducing (terminable) status).

Responsible

Official Step Action Keywords

Adjudication 19. Prepare a segregation decision for SEGREGATION

committed lease partially eliminated OF LEASE

due to contraction of unit/CA PARTIALLY

(see Illustration 18). (See 43 CFR ELIMINATED

3203.1-5(b).)

20. Prepare accounting advice to reactivate ACCOUNTING

new lease in MMD-DMD created due to ADVICE -

partial contraction (Illustration 14). SEGREGATION

ALMRS Entry 21. Enter Action Date: (MANDATORY ACTION AUTOMATED

CODE) DE 1775 AC 234/DE 2910 AC 253 NOTATION

(elimination by partial contraction).

Action Remarks: Serial number of

unit/CA. General Remarks: Describe

legal land description and acres of

lease eliminated from unit/CA.

Adjudication 22. Make copies of pertinent documents

to be placed in the new lease case

file such as the lease, lease terms

and stipulations and any assignments.

23. Route case files to Records.

Records 24. Note segregation of lease on plat and

historical index (HI). Place copy of

plat in new case file.

25. Route case files to Docket.

Docket 26. File case files.

Keywords

VII. Consolidation of Leases

At the request of the lessee, the authorized officer may CONSOLIDATION

consolidate two or more contiguous geothermal resources OF LEASES

leases held by the same lessee, provided that the rental,

royalty, and all other terms and conditions are the same

and that the total acreage of the combined leases does

not exceed 2,560 acres. If the lease boundaries are not adjacent, the leases may still be consolidated at the discretion of the authorized officer. Leases with different effective dates may also be consolidated, however, the effective date of the new lease will be that of the earliest issued lease.

The rental and royalty rates and the terms and conditions of the consolidated lease will remain the same as those provided for in the earliest effective lease.

Responsible

Official Step Action Keywords

Adjudication 1. Receive request for consolidation REQUEST of leases from lessee. FOR CONSOLIDATION

2. Check out affected case files.

3. Review cases for the following REVIEW OF criteria. If one or more of the REQUEST following criteria have not been met, the consolidation should be denied or curative action requested by letter from the lessee if possible. (Illustration 19).

3a. All leases must be held by the same lessee.

3b. The total acreage of all leases combined must not exceed 2,560 acres, except where the rule of

approximation applies (see 43

CFR 3203.2(a)).

4. Request recommendations on REQUEST

consolidation from the authorized RECOM-

officer (SO/District Office), MENDATION

noting if the consolidation request

involves leases which are not

adjacent (Illustration 20).

Responsible

Official Step Action Keywords

Authorized 5. Make determination on consolidation.

Officer Report recommendations to

Adjudication.

Adjudication 6. Receive recommendations from

authorized officer. If the consolid-

ation is not to be allowed, deny the

request by decision, allowing for an

appeal period. If the report from the

authorized officer is favorable,

prepare a new lease form (Illustration

21) to show the following:

6a. All of the serial numbers are to

be shown on the lease form. The

new lease is to be referenced by

the senior lease serial number.

6b. Combined land description and

total acreage.

6c. Effective date. If the consolidated leases have different effective dates, the effective date of the new lease will be that of the senior lease.

6d. Any additional information as recommended by the authorized officer.

7. Prepare decision to lessee requesting execution of the lease form (Illustration 22).

8. After receiving executed lease forms from lessee, prepare accounting advice for MMS-DMD if the leases are nonproducing (Illustration 23). If the leases are producing, a copy of the final decision is sent to MMS-DMD.

Adjudication 9. Prepare decision consolidating the leases. (Illustration 24).

Responsible

Official Step Action Keywords

10. Combine the case files under senior lease serial number.

ALMRS Entry 11. Enter Action Date: (MANDATORY ACTION AUTOMATED CODE) Date of decision consolidating NOTATION leases; DE 1775 AC 199/DE 2910 AC 972 (cases consolidated). Action Remarks:

Serial number of lease that was

consolidated into this lease.

12. On case absorbed into another lease -

12a. Enter Action Date: Date of decision

lease consolidated into other lease;

DE 1775 AC 199/DE 2910 972.

12b. Enter Action Date: Date case

consolidated; DE 1775/2910 AC 970

(case closed). Action Remarks:

Enter "INTO" serial number of

remaining senior lease.

Records 13. Note consolidation on appropriate

plat and HIs.

Docket 14. File case files.

Keywords

VIII. Diligent Exploration DILIGENT

EXPLORATION

A. Diligent Exploration Requirement

Regulation 43 CFR 3203.5 requires that diligent exploration

operations be performed on the lease until there is a well

capable of commercial production on the leased lands. In

addition, after the fifth lease year, operations must

exceed the following minimum per acre expenditures:

Lease Year Expenditure Per Acre

6th \$ 4

7th \$ 6

8th \$ 8

9th \$10

10th-15th \$12

Holders of leases have the option of either performing the minimum required diligent exploration or paying an additional \$3 per acre each year.

B. Expenditure Reports EXPENDITURE

REPORTS

Expenditure reports are to be submitted to and approved by the authorized officer (District or State Office). The lessee or operator may file expenditure reports at any time. However, for qualifying expenditures to be credited toward diligent exploration expenditure requirements for a specific year, the report must be submitted within 60 days after the end of that lease year (see 43 CFR 3264.3). Any expenditure claims received after the 60-day deadline must be credited to the current or future lease years.

Any approved expenditures in excess of the minimum required may be credited to the expenditure for successive years. See 43 CFR 3203.5 and Manual Section 3203.5.

Keywords

C. Lease Cancellation LEASE

CANCELLATION

Although 43 CFR 3244.3 does not provide for the mandatory cancellation of a lease that is in violation of the lease terms, regulations, or law, 43 CFR 3203.5 states that "Failure to either pay the additional rental or complete

the minimum required diligent exploration by the end of a lease year shall subject the lease to cancellation."

Therefore, BLM may rightfully hold a lease for cancellation where the minimum qualifying expenditures are not made after the sixth year of the primary lease term, at which time the requirement must be continually met on an annual basis; See Union Texas Exploration Company, 81 IBLA 153 (1984) (Appendix 1).

Lessees in violation of this requirement must be allowed 30 days after receipt of the violation notice in which to correct the violation. If the violation is corrected, the lease will remain in good standing. However, such notification is not necessary when the lease would otherwise expire at the end of the primary period.

Responsible

Official Step Action Keywords

Adjudication 1. Notify the lessee that, beginning with NOTIFICATION the sixth lease year, minimum diligent OF REQUIREMENT exploration expenditures (DEE) or TO LESSEE additional rental is required by the end of that lease year. Include the amount of minimum required expenditures and the additional rental in the notice.

Also state that, in order for qualifying expenditures to be credited to the lease for the sixth year, such expenditures must be reported within

60 days after the end of that lease

year (Illustration 25).

2. Have a suspense file for DEE.

NOTE: ALMRS AC 247 may be used as a

suspense file. Notify Docket

to pull case file after end of

sixth year.

Docket 3. Pull case file for Adjudication.

Responsible

Official Step Action Keywords

Adjudication 4. Check in case file for evidence of one EVIDENCE OF

of the following: EXPENDITURES

4a. Memorandum showing approved

expenditures;

4b. Memorandum showing that no

expenditures have been reported

for the lease; or

4c. Rental receipt for additional \$3

per acre or fraction thereof.

5. If there is no evidence of steps 4a,

b, or c, above, first telephone MMS-DMD

and verify whether or not the additional

rental has been submitted.

6. If the additional rental was submitted,

check to make sure the amount is correct

and see step 13, below. If no

additional rental was submitted, see

step 7, below.

7. Sixty days after the end of the lease year, send memorandum to District/S.O.

Fluid Minerals inquiring whether any expenditures were approved for the lease (Illustration 26).

Authorized 8. Submit memorandum on expenditures Officer within 10 working days to Adjudication.

(District or If applicable, the memorandum should State Office) state if the operator has fully met the DEE requirement for the remainder of the primary term, or if a producible well has been completed on the lease.

Adjudication 9. If expenditures have been approved, check to make sure the amount exceeds the minimum required. See step 13, below.

Responsible

Official Step Action Keywords

10. If no expenditures have been DECISION approved, the lease should be held OF for cancellation in accordance with CANCELLATION 43 CFR 3244.3. Prepare a decision FOR to the lessee allowing 30 days in NONCOMPLIANCE which to comply and an additional 30 days for appeal.

ALMRS Entry 11. Optional - Enter Action Date: Date AUTOMATED

decision issued; DE 1775 AC 718/DE NOTATION

2910 AC 393. Action Remarks:

Specify what is required by the

decision. Also may enter

DE 1775/2910 AC 247-FUTURE ACTION

SUSPENSE.

Docket 12. File case file.

Adjudication 13. If expenditures have been approved

or the additional rental was sub-

mitted, see step 14. If no action

has been taken by lessee, see step 17.

14. Complete expenditure requirement work-

sheet in case file (Illustration 27).

Log case file into suspense file for

end of next lease year.

ALMRS Entry 15. Enter Action Date: (MANDATORY ACTION AUTOMATED

CODE) Date of approval by AO that NOTATION

diligent exploration expenditures met;

DE 1775 AC 221/DE 2910 AC 220 (diligent

exploration met). Action Remarks:

Indicate applicable lease year.

16. If additional rental was paid in lieu

of DEE - Enter Action Date: (MANDATORY

ACTION CODE) Date annual payment is

received in lieu of DEE; DE 1775/2910 AC

142 (additional rental in lieu of DEE).

Action Remarks: Amount; and applicable

lease year.

Adjudication 17. If no expenditures were approved and no additional rental was submitted, check to make sure the certified card was returned. Allow an additional 30-day period for any appeal.

Responsible

Official Step Action Keywords

18. If no appeal is filed, prepare decision of lease cancellation.

ALMRS Entry 19. Enter Action Date: (MANDATORY ACTION AUTOMATED CODE) Date of lease cancellation NOTATION

decision. DE 1775 AC 756/DE 2910 AC

199 (cancelled). Action Remarks:

Indicate reason.

20. Remove DE 1775/2910 AC 763-EXPIRES.

Records 21. Remove lease from plat and note HI.

Docket 22. Stamp case file "DEAD" and file.

IX. Readjustment of Terms and Conditions Keywords

A. Readjustment of Rentals and Royalties

In accordance with 43 CFR 3205.3-9, the rentals and READJUSTMENT royalties of any geothermal lease may be readjusted OF RENTALS at not less than 20-year intervals beginning 35 years AND ROYALTIES after the date that geothermal steam is produced, as determined by the authorized officer. If the rental or royalty is increased as a result of this readjustment, the rate shall not be increased more than 50 percent

above that rate paid prior to the readjustment. In no event shall the royalty rate be increased in excess of 22 1/2 percent. The authorized officer shall give notice of any proposed readjustment of the rental or royalty rate.

Unless the lessee relinquishes the lease within 30 days after receipt of the readjustment notice, the lessee will have agreed to the readjusted rates stated in the notice received (see 43 CFR 3205.3-9). The readjusted rentals and royalties shall be effective as of the end of the term being adjusted.

B. Readjustment of Lease Terms and Conditions

The terms and conditions of any geothermal lease other than the rental and royalty may be readjusted, as determined by the authorized officer, at not less than 10-year intervals beginning 10 years after the date that geothermal resources are produced and utilized commercially from the lease for any purpose, including the generation of electricity. Since the provisions of the Geothermal Steam Act of 1970 separately provided for the readjustment of the lease rental and royalty, as addressed in Step IX.A. above, the readjustment of the terms and conditions provided for by the Section 8(a) of the law shall concern terms and conditions **other** than the rental and royalty, such as environmental protection measures. In accordance with 43 CFR 3203.9, the authorized officer shall give notice of any proposed readjustment of the lease terms and conditions. Unless

the lessee files an objection within 30 days after receipt of the readjustment notice or relinquishes the lease within 30 days after receipt of such notice, the lessee will have agreed to the readjusted terms and conditions stated in the notice received (see 43 CFR 3203.9).

Index by Keywords

Page

Accounting Advice - Extension (Extension by Drilling) 5

Accounting Advice - Extension (Extension by Drilling - Units) 8

Accounting Advice - Production (Continuation by Production) 3

Accounting Advice - Production (Continuation by Production - Units) 9

Accounting Advice - Segregation (Partially Committed Leases) 19

Accounting Advice - Segregation (Partially Eliminated Leases) 24

Automated Notation - (Approval of DEE) 32

Automated Notation - (Case Closed) 7

Automated Notation - (Consolidation of Leases) 27

Automated Notation - (Continuation by Production) 4

Automated Notation - (Continuation by Production - Units) 9

Automated Notation - (Expiration) 7

Automated Notation - (Extension by Drilling) 5

Automated Notation - (Extension by Drilling - Units) 8

Automated Notation - (Lease Cancellation for Noncompliance

with DEE Requirements) 33

Automated Notation - (Lease Committed to Unit or CA) 19

Automated Notation - (Lease Held for Cancellation for
Noncompliance) 32

Automated Notation - (Lease Eliminated by Contraction
Terminated) 22

Automated Notation - (Segregation of Leases Partially Eliminated) 24

Automated Notation - (Transfer Account of Leases Eliminated) 23

Automated Notation - (Uncommitted Lease in Unit Removed) 22

Bond Coverage Required 18

Consolidation of Leases 25

Continuation by Production 3

Continuation by Production - Units 9

Decision of Cancellation for Noncompliance 32

Decision to Lessee - (Continuation by Production - Units) 9

Decision to Lessee - (Extension by Drilling) 5

Decision to Lessee - (Extension by Drilling - Units) 8

Diligent Exploration 29

Eliminated Lease Not Committed 22

Eliminated Leases Terminated 22

Evidence of Expenditures 31

Expenditure Reports 29

Extension By Drilling 5

Extension By Drilling - Units 8

Extension by Meeting Steam Act Amendments Requirements 11

Lease Cancellation 30

Leases Entirely Committed 18

Leases Not Committed 18

Notice to Lessee 3

Notification of Contraction 21

Notification of Drilling Activities (Extension by Drilling) 5

Notification of Drilling Activities (Units) 8

Notification of Establishment of Participating Area 9

Notification of Plan Approval 17

Notification of Production 3

Notification of Requirement to Lessee 30

Process Pending Assignments 18

Readjustment of Lease Terms and Conditions 35

Readjustment of Rentals and Royalties 35

Record Notation (Committed Lease) 17

Record Notation (Noncommitted Lease) 20

Rental Refund 7

Request for Consolidation 25

Request Recommendation 25

Report on Nondiligence 7

Review of Request 25

Segregation Decision to Lessee 18

Segregation of Leases Committed to Unit or CA 17

Segregation of Leases Contracted from Unit or CA 21

Segregation of Leases Partially Committed 18

Segregation of Leases Partially Eliminated 24

Suspension of Operations and Production or Suspension of Operations 15

APPENDIX 2

New and Modified Legacy Rehost 2000 Case Types and Action Codes for Tracking Geothermal Resources Leasing and Operations under the revised Geothermal Leasing regulations and implementation of the National Lease Sale System (NLSS) Public Challenge and Stipulations Modules

The following tables provide guidance for the use of eight new and two modified Legacy Rehost 2000 (LR2000) System Case Recordation Case Types and the use of nine new and the modification of five existing Action Codes for geothermal leasing.

The Final rulemaking for 43 CFR Parts 3000, 3200, and 3280, effective June 1, 2007, implemented provisions of the Energy Policy Act of 2005 (EPAct) by amending the existing geothermal regulations. The rule restructures the existing regulations in the following areas: leasing; lease terms, conditions, and rentals; lease duration; acreage limitations; work commitment requirements; annual rental and credit of rental towards royalty; and unit and communitization agreements.

The EPAct eliminated the two-tier leasing program and replaced it with an all competitive leasing system, similar to oil and gas leasing. In addition, the rule provides for noncompetitive leasing for direct use, without sale, for purposes other than commercial generation of electricity. This revision requires a change to current data standards and Corporate Metadata Repository data elements.

**CASE TYPE CODE AND ACTION CODE
CHANGES TO
LEGACY REHOST 2000 (LR2000) FOR GEOTHERMAL
LEASING**

Modified Case Type Codes		
Case Type Codes		Description
321000	Geothermal Lease (NONCOMPETITIVE)	For pre-Energy Policy Act (EPAcT) leases and EPAcT grandfathered lease applications that are issued after 08/08/2005 that do not convert.
322000	Geothermal Lease (COMPETITIVE)	For pre-EPAcT competitive leases only.

New Case Type Codes		
Case Type Code		Description
321200	GEOLEASE- NONCOMPETITIVE	EPAcT noncompetitive lease (2-year window).
321300	GEOLEASE- NONCOMPETITIVE CONVERTED	Noncompetitive lease or grandfathered lease application issued after 08/08/2005 that elect to convert to new lease terms or royalty.
321400	GEOLEASE- NONCOMPETITIVE DIRECT USE	EPAcT lease issued for direct use only.
321500	GEO LEASE-MINING CLAIMANT	EPAcT noncompetitive lease issued to mining claimant with a current approved plan of operations.
322200	GEOLEASE- COMPETITIVE	EPAcT competitive lease issued after 08/08/2005.
322300	GEOLEASE- COMPETITIVE CONVERTED	Pre-EPAcT competitive lease that is converted to new lease terms or royalty.
322400	GEOLEASE- COMPETITIVE DIRECT USE	EPAcT lease application that had competitive interest and was issued
323000	GEO NOMINATION	EPAcT nomination for competitive leasing, use only for geothermal resources.

Modified Action Codes		
Action Code		Description
217	SIGNIFICANT EXPEND MET	Enter date of approval of significant expenditures for pre-EPA leases, EPA leases, and those leases converted. Enter appropriate lease year in action remarks. For diligent exploration expenditures use AC 220.
235	EXTENDED	No changes were made, but were considered.
763	EXPIRES	Added EPA leases to Action Code.
238	LEASE MODIFIED- AMENDED	Modified Case Types 321000 and 322000 and added case types only for leases that convert to new lease terms or royalty between dates of 06/01/2007 and 12/01/2008.
536	RLTY RATE- OTHER	Added for case group 32 leases enter royalty on solid leasable by products under 30 USC 181 and for non-arms length sale of resource.
607	PUBLIC NOTICE POSTED	Added enter lease application date for 90-day posting for case types 321400 (direct use noncompetitive) and 322400 (direct use competitive).

New Action Codes		
Action Code		Description
027NEW	INITIATED BY SECRETARY	Enter date decision is signed by authorized officer to initiate formation of unit agreement.
028 NEW	ROYALTY RATE- 1.75%-3.5%	Enter effective date of lease. Royalty rate is 1.75% for first 10 years of production and 3.5% thereafter for EPA leases and converted noncompetitive pre-EPA leases and grandfathered lease applications that are issued after 08/08/2005.
029 NEW	PRODUCTION FEE SCHEDULE	Enter date production began for direct use production using ONRR Fee Schedule.
030 NEW	PRODUCTION INCENTIVE FILED	Enter date production incentive request is received. Use for pre-EPA leases and grandfathered lease applications that are issued after 08/08/2005.
031 NEW	PRODUCTION INCENTIVE APPROVED	Enter date production incentive request is approved. Use for pre-EPA leases and grandfathered lease applications that are issued after 08/08/2005.
032 NEW	PRODUCTION INCENTIVE DENIED DENIED	Enter date production incentive request is denied. Use for pre-EPA leases and grandfathered lease applications that are issued after 08/08/2005.
033 NEW	PRODUCTION INCENTIVE EXPIRES	Enter date production incentive expires. For pre Use for pre-EPA leases and grandfathered lease applications that are issued after 08/08/2005.
034 NEW	LEASE REQUIRED TO JOIN UNIT	Enter date decision requiring a lease to join a unit.

<p>035 NEW</p>	<p>NOMINATION FEE RECEIVED</p>	<p>Enter date that fee is received with nomination for competitive geothermal leasing. This is normally a nonrefundable fee. For the Collections & Billing System (CBS), a fee of \$100 plus \$0.10 per acre must accompany the nomination filing. This fee will be received into the following Commodity, Subject, Action (CSA) in CBS.</p> <p>C: Geothermal S: Competitive A: Nomination Fee (5104)</p> <p>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.</p> <p>The funds received for the Nomination will interface to case information in LR2000 Case Recordation via LR2000 Action Code 035 (Nomination Fee Received).</p>
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APPENDIX 3

Geothermal Leasing under the Energy Policy Act of 2005

The Bureau of Land Management (BLM) final rulemaking for 43 CFR Parts 3200 and 3280 was published in the *Federal Register* on May 2, 2007, and became effective on June 1, 2007. The final rule revised the existing regulations governing Geothermal Resource Leasing and Geothermal Resources Unit Agreements to implement the Energy Policy Act of 2005 (EPAAct) geothermal provisions. The EPAAct eliminates the previous two-tier leasing program and replaces it with a competitive leasing system similar to the oil and gas leasing system. In addition, the EPAAct provides for four circumstances where noncompetitive leasing is permitted. See 43 CFR 3203.5 and below for noncompetitive “direct use” leases in areas determined to be appropriate for exclusive direct use, without sale, for purposes other than commercial generation of electricity.

In contrast to the previous limitation that competitive leasing occur only in Known Geothermal Leasing Areas, the EPAAct requires that all lands available for geothermal leasing first be offered competitively to the highest qualified bidder, with the following exceptions:

- (1) Those parcels not receiving a bid are then available noncompetitively for a period of 2 years following the competitive lease sale; and
- (2) Lands designated for
 - (a) direct use leasing only;
 - (b) areas for which grandfathered noncompetitive lease applications were pending on August 8, 2005; and
 - (c) under certain circumstances, lands that are subject to mining claims are not subject to the competitive sale process.

The BLM may issue noncompetitive direct use leases in areas designated as being appropriate for direct uses only (i.e., only moderate to low temperature resources are available). The BLM may also issue a noncompetitive direct use lease after the BLM determines that there is no competitive interest. If there is competitive interest in an area otherwise deemed appropriate for exclusive direct use, the BLM may offer the lands at the next competitive lease sale as a standard geothermal lease, but with a stipulation restricting operations to direct uses. The BLM may designate direct use areas in response to an application.

State Offices that received nominations or expressions of interest filed before August 8, 2005 (the “date of enactment” of the EPAAct) may offer those lands, if available, for competitive leasing under the revised geothermal regulations (see 72 FR 24358, May 2, 2007). The BLM may also include lands in a competitive lease sale on its own initiative. The BLM encourages offices to hold geothermal lease sales in conjunction with quarterly oil and gas lease sales.

Competitive Geothermal Lease Sale Nomination Process (43 CFR 3203)

The BLM will accept nominations to include certain described lands in its next geothermal lease sale at the appropriate BLM State Office. Parties may submit nominations in writing on Form 3203-10 (2008), Nomination of Lands for Competitive Geothermal Leasing (illustration 1).

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. Nominations greater than 5,120 acres are required to describe the nomination in aliquot parts.

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

Collecting the Nomination Fee: The nonrefundable filing fee 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 hardcoded 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 subactivity 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 GEOT when coding expenditures.

A nominator may request that the BLM offer the lands 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.

Geothermal Lease Sale Process (43 CFR 3203)

Sale Frequency: The EPAct requires that the BLM hold a sale at least once every 2 years when lands are available for leasing in a state that has nominations pending. 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 Policy Act (NEPA) compliance has been completed. The BLM cannot include nominated lands in a lease sale until the BLM confirms that leasing conforms to the land use plan and all NEPA requirements have been met.

The BLM encourages offices 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, the BLM will post a notice in the State Office Information Access Center (Public Room) before the sale. The BLM will announce all withdrawn parcels before the sale begins.

Payment due: A bidder may not withdraw a bid; the bid is a legally binding commitment to accept a lease. A successful bidder is legally obligated to (1) sign the bid form if one has not already been submitted, (2) accept the lease, and (3) 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’s rental; and (3) the competitive lease application processing fee, updated annually (see 43 CFR 3000.12). The successful bidder must make all payments 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 successful bidder must submit the balance of the bid to the BLM office that conducted the sale or as specified in the sale notice.

Forms of payment: The successful bidder must make payment 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. The bidder must make checks payable to: The U.S. Department of the Interior, Bureau of Land Management. The BLM will not accept cash payments. The BLM may require a certified check if a check received in the past has been returned for insufficient funds. If the successful bidder makes payment 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. The BLM cannot grant an extension of time to pay the money owed.

Limitations on Credit Cards and Debit Payments: The bidder may not use credit or debit cards for any amount in excess of \$49,999.99 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 required payment. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once the successful bidder signs the form, 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 the BLM has accepted a bid form and the successful bidder has paid all the monies due, the BLM, pending any lease sale protest, will issue lease Form 3200-24a (2008). The lease is effective the first day of the month following the month in which the authorized officer signs the lease.

Two-Year Window Noncompetitive Leasing (43 CFR 3204.5, .10, and .11)

Lands that do not receive a bid at a competitive lease sale are available on a first-come, first-served basis for a 2-year period beginning the day after the sale. An Offer to Lease, Form 3200-24a (2008) (illustration 2), must be properly completed and signed. **Note:** The lease form may be copied; however, the document's first two pages are required to be on one page, double-sided. If the form's first two pages are not on a double-sided single page, or if an obsolete lease form is used, the offer will be rejected.

The applicant must submit a payment consisting of the filing fee, updated annually, as provided in 43 CFR 3000.12, and the advance first year rental of \$1 per acre (rounded up to the nearest acre) with the Offer to Lease.

Multiple applications filed on the same parcel the day after the competitive lease sale will be considered simultaneously filed, and the winner will be picked at random.

A parcel will maintain its integrity for a period of 30 days following the sale. After the 30-day period, any available lands offered in a competitive lease sale and not sold, provided they are reasonably compact, may be included in a non-competitive application.

Noncompetitive Leasing for Lands Subject to a Mining Claim (43 CFR 3204.12)

The BLM may issue a noncompetitive geothermal lease to a mining claimant who has a current approved plan of operations. Lands available are limited to those described in 43 CFR 3204.12, that is, lands "within" a mining claim. The BLM may request lode claimants whose claims are described in metes-and-bounds to submit additional information, such as a plat map with information to tie monuments identified on the plat to the nearest surveyed corner or aliquot corner. The applicant must submit two executed copies of the lease application Form 3200-24a, the filing fee, first-year rental, documentation of mining claim ownership, and the current approved plan of operations for the mine. For this type of noncompetitive lease, there are no restrictions on utilization of the resource that may be used directly, sold to a purchaser, or used for the commercial generation of electricity.

Direct Use Leasing (43 CFR 3205)

A direct use lease is a lease that the BLM issues noncompetitively in an area that is determined appropriate for exclusive direct use of the geothermal resources. The lease is for direct use operations, without sale of the resource or any resulting electricity, and is to be used for purposes other than commercial generation of electricity. Generation of electricity for use on the lease is permitted. The area of land applied for may not be greater than what is reasonably necessary for the proposed direct use.

The BLM may consider a noncompetitive direct use lease application regardless of whether the lands covered by the application are in an area that the BLM has already designated as appropriate for exclusive direct use. However, the BLM must ensure that all of the conditions listed at 43 CFR 3205.6 are met and confirm land use plan conformance and pre-leasing NEPA compliance before the BLM may issue a direct use lease. These conditions include:

- (1) The lands applied for are open for geothermal leasing;
- (2) The BLM determines (after appropriate consultation if other surface management agencies are involved) that the lands are appropriate for exclusive direct use, without sale, for purposes other than commercial generation of electricity;
- (3) The acreage does not exceed the quantity of acreage reasonably necessary for the proposed use;
- (4) The BLM publishes a notice of the land proposed for a direct use for 90 days before issuing the lease;
- (5) During the 90-day period beginning on the date of publication, the BLM does not receive a nomination to include the land in a future competitive lease sale;
- (6) The BLM determines there is no competitive interest in the resource; and
- (7) The applicant is the first qualified applicant.

If the BLM has determined that the lands are appropriate for exclusive direct use and there is competitive interest, the BLM may offer the lands at a competitive lease sale. The BLM will then offer the successful bidder a competitive geothermal lease that is limited to direct use. Unlike a direct use lease, the resource may be sold, but the resource may not be used by the operator or a purchaser for the commercial generation of electricity. The acreage limitation for this type of lease is the same as a standard lease.

Noncompetitive Lease Applications Pending on August 8, 2005 (43 CFR 3204.13)

The BLM will process noncompetitive lease applications pending on August 8, 2005 (grandfathered), under policies and procedures existing on that date unless the applicant notifies

the BLM in writing that the applicant elects to convert the application to the competitive leasing process specified in the new regulations. The BLM will consider this election a nomination for future competitive sale offerings. The BLM will retain the fee previously submitted with the lease application and the BLM will not require a nomination fee. Enter action code 103, Additional Info Rec'd, with an entry in action remarks, "conversion rqst recd" into LR2000.

Grandfathered lease applications may be issued using the lease Form 3200-024 (2001) and will be subject to the regulations in effect on August 8, 2005. A lessee whose lease was issued on or after August 8, 2005, but before June 1, 2007, was required by the regulations to elect to convert the lease or royalty rate by December 1, 2008 (see 43 CFR 3200.8). The election to convert for leases issued on or after June 1, 2007, must be made prior to lease issuance (see 43 CFR 3200.8).

Illustration 1

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOMINATION OF LANDS FOR COMPETITIVE GEOTHERMAL LEASING

READ INSTRUCTIONS BEFORE COMPLETING

1. Name	1a. Street	
1b. City	1c. State	1d. Zip Code

2. Surface managing agency if other than BLM: _____ Unit/Project: _____

Legal description of land requested (segregate by public domain and acquired lands):

T.	R.	Section	Meridian	State	County
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3. <input type="checkbox"/> Check if this nomination is part of a block nomination. Include supporting information (see instructions).	3a. Total Acres Nominated: _____
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4. Amount Remitted (43 CFR 3203.12): Filing Fee: \$ _____ + Acres x \$0.10: \$ _____ = Total: \$ _____

5. Nominated lands cannot be included in a lease sale until BLM confirms that leasing conforms to the land use plan and all National Environmental Policy Act requirements have been met.

(Printed Name of Nominator or Attorney-in-Fact)

(Signature of Nominator or Attorney-in-Fact)

(Date)

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

INSTRUCTIONS

A. General

1. Entries must be typed or printed plainly in ink. The nominator must sign the form (item 5) in ink.
2. This offer must be filed in the proper BLM State Office serving the nominated lands. See regulations at 43 CFR 1821.10 for office locations.
3. Submit only one nomination per form.
4. If more space is needed, additional sheets must be attached to each copy of the form submitted.
5. Two or more nominations may be requested to be sold as a block (43 CFR 3203.11). Check the box in Item 3. Block nominations must include information to support your request and whether the lands requested will be identified with a project or unit.

B. Specific

Item 1—Enter the nominator's name and billing address.

Item 2—Indicate the agency managing the surface use of the land and, for a block nomination, the name of the unit or project of which the land is a part. The nominator may also provide other information that will assist in establishing status of the lands being nominated. The description of land must conform to 43 CFR 3203.10. Each nomination may not exceed 5,120 acres, unless the area to be leased includes an irregular subdivision (43 CFR 3203.10).

Payments: Each nomination must include a filing fee that is found in the fee schedule at 43 CFR 3000.12. If the total acreage nominated contains fractional acreage, the per-acre fee must be rounded up to the next whole acre.

NOTICE

The Privacy Act of 1974 and the regulation at 43 CFR 2.48(d) provide that you be furnished with the following information in connection with information required by this geothermal lease nomination.

AUTHORITY: 30 U.S.C. 1000 et seq.

PRINCIPAL PURPOSE—The information is to be used to process geothermal lease nominations.

ROUTINE USES: (1) The adjudication of the nomination for leasing of geothermal resources. (2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources. (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting uses or rights in public lands or resources. (4) Transfer to the appropriate Federal, State, local, or foreign agencies, when relevant to civil, criminal, or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION—If all the information is not provided, the nomination may be rejected. See regulations at 43 CFR Part 3200.

Illustration 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial No. _____

**OFFER TO LEASE AND LEASE FOR GEOTHERMAL RESOURCES
(For New Leases Issued Under the Energy Policy Act of 2005 [August 5, 2005])**

The undersigned (see page 2) offers to lease all or any of the lands in item 2 that are available for lease pursuant to the Geothermal Steam Act of 1970, as amended (30 U.S.C. 1001-1025).

READ INSTRUCTIONS BEFORE COMPLETING

1. Name		1a. Street	
1b. City	1c. State	1d. Zip Code	

2. Surface managing agency if other than BLM: _____ Unit/Project: _____

Legal description of land requested (segregate by public domain and acquired lands): Enter T., R., Meridian, State and County

Total Acres Applied for _____

Percent U.S. interest _____

Amount remitted: Processing Fee \$ _____ Rental Fee \$ _____ Total \$ _____

DO NOT WRITE BELOW THIS LINE

3. Land included in lease: Enter T., R., Meridian, State and County

Total Acres in Lease _____

Rental Retained \$ _____

In accordance with the above offer, or the previously submitted competitive bid, this lease is issued granting the exclusive right to drill for, extract, produce, remove, utilize, sell, and dispose of all the geothermal resources in the lands described in Item 3 together with the right to build and maintain necessary improvements thereupon, for a primary term of 10 years and subsequent extensions thereof in accordance with 43 CFR subpart 3207. Rights granted are subject to: applicable laws; the terms, conditions, and attached stipulations of this lease; the Secretary of the Interior's regulations and formal orders in effect as of lease issuance; and, when not inconsistent with the provisions of this lease, regulations and formal orders hereafter promulgated.

Type of Lease:

- Competitive
- Noncompetitive
- Noncompetitive direct use (43 CFR subpart 3205)

Comments:

THE UNITED STATES OF AMERICA

BY _____
(Signing Official)

(Printed Name)

(Title)

(Date)

EFFECTIVE DATE OF LEASE _____

Check if this is a converted lease

EFFECTIVE DATE OF LEASE CONVERSION _____

4. (a) The undersigned certifies that:

(1) The offeror is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States, any State or the District of Columbia; (2) All parties holding an interest in the offer are in compliance with 43 CFR part 3200 and the authorizing Act; (3) The offeror's chargeable interests, direct and indirect, do not exceed those allowed under the Act; and (4) The offeror is not considered a minor under the laws of the State in which the lands covered by this offer are located.

(b) The undersigned agrees that signing this offer constitutes acceptance of this lease, including all terms, conditions and stipulations of which the offeror has been given notice. The offeror further agrees that this offer cannot be withdrawn, either in whole or part, unless the withdrawal is received by the proper BLM State Office before this lease, an amendment to this lease, or a separate lease, whichever covers the land described in the withdrawal, has been signed on behalf of the United States.

This offer will be rejected and will afford the offeror no priority if it is not properly completed and executed in accordance with the regulations or if it is not accompanied by the required payments. Title 18 U.S.C. § 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

Duly executed this _____ day of _____, 20_____.

(Printed Name of Lessee or Attorney-in-fact)

(Signature of Lessee or Attorney-in-fact)

LEASE TERMS

Sec. 1. Rentals—Rentals must be paid to the proper office of the lessor in advance of each lease year. Annual rental rates per acre or fraction thereof, as applicable, are:

(a) Noncompetitive lease (includes post-sale parcels not receiving bids, a direct use lease or a lease issued to a mining claimant): \$1.00 for the first 10 years; thereafter \$5.00; or

(b) Competitive lease: \$2.00 for the first year; \$3.00 for the second through tenth year; thereafter \$5.00.

Annual rental is always due by the anniversary date of this lease (43 CFR 3211.13), regardless of whether the lease is in a unit or outside of a unit, the lease is in production or not, or royalties or direct use fees apply to the production.

Rental may only be credited toward royalty under 43 CFR 3211.15 and 30 CFR 218.303. Rental may not be credited against direct use fees. Failure to pay annual rental timely will result in late fees and will make the lease subject to termination in accordance with 43 CFR 3213.14.

Sec. 2. (a) Royalties—Royalties must be paid to the proper office of the lessor. Royalties are due on the last day of the month following the month of production. Royalties will be computed in accordance with applicable regulations and orders. Royalty rates for geothermal resources produced for the commercial generation of electricity but not sold in an arm's length transaction are: 1.75 percent for the first 10 years of production and 3.5 percent after the first 10 years. The royalty rate is to be applied to the gross proceeds derived from the sale of electricity in accordance with 30 CFR part 206 subpart H.

The royalty rate for byproducts derived from geothermal resource production that are minerals specified in section 1 of the Mineral Leasing Act (MLA), as amended (30 U.S.C. 181), is 5 percent, except for sodium compounds, produced between September 29, 2006 and September 29, 2011 (Pub. L. No. 109-338, §102; note to 30 U.S.C. 362) for which the royalty rate is 2 percent. No royalty is due on byproducts that are not specified in 30 U.S.C. § 181. (43 CFR 3211.19)

If this lease or a portion thereof is committed to an approved communitization or unit agreement and the agreement contains a provision for allocation of production, royalties must be paid on the production allocated to this lease.

(b) Arm's length transactions—The royalty rate for geothermal resources sold by you or your affiliate at arm's length to a purchaser is 10 percent of the gross proceeds derived from the arm's-length sale (43 CFR 3211.17, 3211.18).

(c) Advanced royalties—In the absence of a suspension, if you cease production for more than one calendar month on a lease that is subject to royalties and that has achieved commercial production, your lease will remain in effect only if you make advanced royalty payments in accordance with 43 CFR 3212.15(a) and 30 CFR 218.305.

(d) Direct use fees—Direct use fees must be paid in lieu of royalties for geothermal resources that are utilized for commercial, residential, agricultural, or other energy needs other than the commercial production or generation of electricity, but not sold in an arm's length transaction (43 CFR 3211.18; 30 CFR 206.356).

This requirement applies to any direct use of federal geothermal resources (unless the resource is exempted as described in 30 CFR 202.351(b) or the lessee is covered by paragraph (e), below) and is not limited to direct use leases. Direct use fees are due on the last day of the month following the month of production.

(e) If the lessee is a State, tribal, or local government covered by 43 CFR 3211.18(a)(3) and 30 CFR 206.366, check here: . A lessee under this paragraph is not subject to paragraph (d), above. In lieu of royalties, the lessee under this paragraph must pay a nominal fee of \$_____.

Sec. 3. Bonds—A bond must be filed and maintained for lease operations as required by applicable regulations.

Sec. 4. Work requirements, rate of development, unitization, and drainage—Lessee must perform work requirements in accordance with applicable regulations (43 CFR 3207.11, 3207.12), and must prevent unnecessary damage to, loss of, or waste of leased resources. Lessor reserves the right to specify rates of development and production and to require lessee to commit to a communitization or unit agreement, within 30 days of notice, if in the public interest. Lessee must drill and produce wells necessary to protect leased lands from drainage or pay compensatory royalty for drainage in the amount determined by lessor. Lessor will exempt lessee from work requirements only where the lease overlies a mining claim that has an approved plan of operations and where BLM determines that the development of the geothermal resource on the lease would interfere with the mining operation (43 CFR 3207.13).

Sec. 5. Documents, evidence, and inspection—Lessee must file with the proper office of the lessor, not later than (30) days after the effective date thereof, any contract or evidence of other arrangement for the sale, use, or disposal of geothermal resources, byproducts produced, or for the sale of electricity generated using geothermal resources produced from the lease. At such times and in such form as lessor may prescribe, lessee must furnish detailed statements and all documents showing (a) amounts and quality of all geothermal resources produced and used (either for commercial production or generation of electricity, or in a direct use operation) or sold; (b) proceeds derived therefrom or from the sale of electricity generated using such resources; (c) amounts that are unavoidably lost or reinjected before use, used to generate plant parasitic electricity (as defined in 30 CFR 206.351) or electricity for lease operations, or otherwise used for lease operations related to the commercial production or generation of electricity; and (d) amounts and quality of all byproducts produced and proceeds derived from the sale or disposition thereof. Lessee may be required to provide plats and schematic diagrams showing development work and improvements, and reports with respect to parties in interest.

In a format and manner approved by lessor, lessee must: keep a daily drilling record, a log, and complete information on well surveys and tests; keep a record of subsurface investigations; and furnish copies to lessor when required.

Lessee must keep open at all reasonable times for inspection by any authorized officer of lessor, the leased premises and all wells, improvements, machinery, and fixtures thereon, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or in the leased lands. Lessee must maintain copies of all contracts, sales agreements, accounting records, billing records, invoices, gross proceeds and payment data regarding the sale, disposition, or use of geothermal resources, byproducts produced, and the sale of electricity generated using resources produced from the lease, and all other information relevant to determining royalties or direct use fees. All such records must be maintained in lessee's accounting offices for future audit by lessor and produced upon request by lessor or lessor's authorized representative or agent. Lessee must maintain required records for 6 years after they are generated or, if an audit or investigation is underway, until released of the obligation to maintain such records by lessor.

Sec. 6. Conduct of operations—Lessee must conduct operations in a manner that minimizes adverse impacts to the land, air, and water, to cultural, biological, visual, and other resources, and to other land uses or users. Lessee must take reasonable measures deemed necessary by lessor to accomplish the intent of this section. To the extent consistent with leased rights granted, such measures may include, but are not limited to, modification to siting or design of facilities, timing of operations, and specification of interim and final reclamation measures. Lessor reserves the right to continue existing uses and to authorize future uses upon or in the leased lands, including the approval of easements or rights-of-way. Such uses will be conditioned so as to prevent unnecessary or unreasonable interference with rights of lessee. Prior to disturbing the surface of the leased lands, lessee must contact lessor to be apprised of procedures to be followed and modifications or reclamation measures that may be necessary. Areas to be disturbed may require inventories or special studies to determine the extent of impacts to other resources. Lessor may require lessee to complete minor inventories or short term special studies under guidelines provided by lessor. If, in the conduct of operations, threatened or endangered species, objects of historic or scientific interest, or substantial unanticipated environmental effects are observed, lessee must immediately contact lessor. Lessee must cease any operations that are likely to affect or take such species, or result in the modification, damage or destruction of such habitats or objects.

Sec. 7. Production of byproducts—If the production, use, or conversion of geothermal resources from these leased lands is susceptible of producing a valuable byproduct or byproducts, including commercially demineralized water for beneficial uses in accordance with applicable State water laws, lessor may require substantial beneficial production or use thereof by lessee.

Sec. 8. Damages to property—Lessee must pay lessor for damage to lessor's improvements, and must save and hold lessor harmless from all claims for damage or harm to persons or property as a result of lease operations.

Sec. 9. Protection of diverse interests and equal opportunity—Lessee must maintain a safe working environment in accordance with applicable regulations and standard industry practices, and take measures necessary to protect public health and safety. Lessor reserves the right to ensure that production is sold at reasonable prices and to prevent monopoly. Lessee must comply with Executive Order No. 11246 of September 24, 1965, as amended, and regulations and relevant orders of the Secretary of Labor issued pursuant thereto. Neither lessee nor lessee's subcontractor may maintain segregated facilities.

Sec. 10. Transfer of lease interests and relinquishment of lease—As required by regulations, lessee must file with lessor any assignment or other transfer of an interest in this lease. Subject to the requirements of 43 CFR subpart 3213, lessee may relinquish this lease or any legal subdivision by filing in the proper office a written relinquishment, which will be effective as of the date BLM receives it, subject to the continued obligation of the lessee and surety to be responsible for: paying all accrued rentals and royalties; plugging and abandoning all wells on the relinquished land; restoring and reclaiming the surface and other resources; and complying with 43 CFR 3200.4.

Sec. 11. Delivery of premises—At such time as all or portions of this lease are returned to lessor, lessee must place all wells in condition for suspension or abandonment, reclaim the land as specified by lessor, and within a reasonable period of time, remove equipment and improvements not deemed necessary by lessor for preservation of producible wells or continued protection of the environment.

Sec. 12. Proceedings in case of default—If lessee fails to comply with any provisions of this lease or other applicable requirements under 43 CFR 3200.4, and the noncompliance continues for 30 days after written notice thereof, this lease will be subject to termination in accordance with the Act and 43 CFR 3213. This provision will not be construed to prevent the exercise by lessor of any other legal and equitable remedy or action, including waiver of the default. Any such remedy, waiver, or action will not prevent later termination for the same default occurring at any other time. Whenever the lessee fails to comply in a timely manner with any of the provisions of the Act, this lease, the regulations, or other applicable requirements under 43 CFR 3200.4, and immediate action is required, the lessor may enter on the leased lands and take measures deemed necessary to correct the failure at the lessee's expense.

Sec. 13. Heirs and successors-in-interest—Each obligation of this lease will extend to and be binding upon, and every benefit hereof will inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

INSTRUCTIONS

A. General

1. Items 1 and 2 need to be completed only by parties filing for a noncompetitive lease. The BLM will complete the front of the form for other types of leases. The BLM may use the "Comments" space under Item 3 to identify when: the lessee has elected to make all lease terms subject to the Energy Policy Act of 2005 under 43 CFR 3200.7(a)(2) or 43 CFR 3200.8(b) (box labeled "converted lease" must also be checked); the lease is being issued noncompetitively to a party who holds a mining claim on the same lands as is covered by the lease under 43 CFR 3204.12; the lease is a direct use lease issued to a State, local, or tribal government (box at section 2(e) under Lease Terms must also be checked); the lease is a competitive lease with direct-use-only stipulations attached; or other special circumstances exist. A lessee who seeks to convert only the royalty rate of a lease under 43 CFR 3212.25 or who qualifies for a case-by-case royalty rate determination under 43 CFR 3211.17(b)(1)(i) should not use this form, but should instead use an addendum to the existing lease.
2. Entries must be typed or printed plainly in ink. The offeror must sign the form (Item 4) in ink.
3. An original and two copies of this offer must be prepared and filed in the proper BLM State Office. See regulations at 43 CFR 1821.10 for office locations.
4. If more space is needed, additional sheets must be attached to each copy of the form submitted.

B. Specific

Item 1—Enter the offeror's name and billing address.

Item 2—Indicate the agency managing the surface use of the land and the name of the unit or project of which the land is a part. The offeror may also provide other information that will assist in establishing status of the lands. The description of land must conform to 43 CFR 3203.10. Total acres applied for must not exceed that allowed by regulations (43 CFR 3203.10; 43 CFR 3206.12).

Payments: For noncompetitive leases, the amount remitted must include the processing fee for noncompetitive lease applications (43 CFR 3204.10; 43 CFR 3000.12) and the first year's rental at the rate of \$1 per acre or fraction thereof. If the United States owns only a fractional interest in the geothermal resources, you must pay a prorated rental under 43 CFR 3211.11(d). The BLM will retain the processing fee even if the offer is completely rejected or withdrawn. To maintain the offeror's priority, the offeror must submit rental sufficient to cover all the land requested. If the land requested includes lots or irregular quarter-quarter sections, the exact acreage of which is not known to the offeror, rental should be submitted on the assumption that each such lot or quarter-quarter section contains 40 acres. If the offer is withdrawn or rejected in whole or in part before a lease issues, the BLM will return the rental remitted for the parts withdrawn or rejected.

The BLM will fill in the processing fee for competitive lease applications (43 CFR 3203.17; 43 CFR 3000.12) and the first year's rental at the rate of \$2 per acre or fraction thereof.

Item 3—The BLM will complete this space.

NOTICES

The Privacy Act of 1974 and the regulation at 43 CFR 2.48(d) provide that you be furnished with the following information in connection with information required by this geothermal lease application.

AUTHORITY: 30 U.S.C. 1000 et seq.

PRINCIPAL PURPOSE—The information is to be used to process geothermal lease applications.

ROUTINE USES: (1) The adjudication of the lessee's rights to the land or resources. (2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources. (3) Transfer to appropriate Federal agencies when concurrence is required prior to granting uses or rights in public lands or resources. (4) Transfer to the appropriate Federal, State, local, or foreign agencies, when relevant to civil, criminal, or regulatory investigations or prosecutions.