



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Idaho State Office
1387 South Vinnell Way
Boise, Idaho 83709-1657
<http://www.id.blm.gov>



In Reply Refer To:
3220

JUN 18 2012

Notice of Competitive Geothermal Lease Sale

The BLM-Idaho State Office is holding a competitive oral sale of one parcel in the State of Idaho for geothermal leasing. The sale will be held on **August 14, 2012**. Attached is a list that includes the parcel number, legal land description, and corresponding lease stipulations and notices.

The list is also available on the internet at:
<http://www.blm.gov/id/st/en/prog/energy/geothermal.html>

If the site is not accessible, you may request a paper copy from our Information Access Center by calling (208) 373-3891 between the hours of 9:00 am and 4:00 pm.

When and where will the sale take place?

When: The competitive sale begins at 9:00 am on **Tuesday, August 14, 2012**. The sale room opens at 8:00 am for registration and assignment of bidding numbers.

Where: We will hold the sale at the Bureau of Land Management, Idaho State Office, 1387 S. Vinnell Way, Boise, Idaho. Onsite parking is available.

Access: The sale room is accessible to people with disabilities. If you need a sign language interpreter or materials in an alternate format, please tell us no later than one week before the sale. You may contact Tracy Hadley at (208) 373-3886.

How do I register as a bidder?

All bidders are required to register prior to the sale. Before the sale starts, you must complete a bidder registration form and present a photo identification card to obtain a bidding number. We will register bidders from 8:00 am until 8:45 am. No bidder registration is allowed once the sale has started. We are now accepting pre-registration by mail or fax, by completing the enclosed bidder registration form and mailing to the above address or faxing to (208) 373-3899.

On the day of the sale, pre-registered bidders must present a photo identification card to receive a bidder number. A bidder number will be assigned at the completion of registration. Interested parties who will not be bidding are not required to register. Interested parties are welcome to observe the sale, however if seating becomes limited, bidders will be given seating preference.

What is the sale process?

Starting at 9:00 am on the day of the sale:

- The auctioneer offers the parcel on the attached list.
- Registered bidders make bids on a per-acre basis for all acres in a parcel / block.
- The winning bid is the highest bid equal to or exceeding the minimum \$2 bid.
- The names of high bidders (lessees) remain confidential until the results list is available.
- The decision of the auctioneer is final. However, if you believe the auctioneer has made an error or not acknowledged your bid, you must immediately make your concerns known to the auctioneer.

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

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw parcels or cancel a sale, we will post a notice in the Idaho State Office Information Access Center and announce withdrawn parcels at the sale. We will also post a notice to our web page.

- **Lease terms:** Leases issue for a primary term of 10 years. BLM will extend the primary term of the lease if the provisions of regulations at 43 CFR 3207 are met. Annual rental is \$2 per acre for the first year (paid to BLM), and \$3 per acre for the second through tenth years (paid to Office of Natural Resource Revenue (ONRR), formerly Minerals Management Service). After the 10th year, annual rental will be \$5 per acre. Rent is always due in advance. ONRR must receive annual rental payments by the anniversary date of the lease.

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 thereafter. These rates are applied to the gross proceeds from the sale of electricity. 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 description. 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 under Section 6 of the lease terms, and lessees must meet certain requirements under the Endangered Species Act, as amended, 16 U.S.C. 1531 et. seq. In accordance with Section 1.10.5 of the Record of Decision for Geothermal Leasing in the Western United States, dated December 2008, and 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 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 Stipulation.

- **Payment**

You cannot withdraw your bid.

Payment due on the day of the sale: 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 4:00 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 at \$2 per acre; and (3) the non-refundable \$150 competitive lease processing fee.

Remaining payments: If you did not pay the full amount of your bid on the day of the sale, you must pay the balance of your bid by **4:00 pm on August 29, 2012**, which is the 15th calendar day following the sale. **If payment is not received in full by the BLM-Idaho State Office by this date, you lose the right to the lease and you will forfeit the money you paid on the day of the sale.** We may offer the parcel in a future sale.

- **Forms of payment:** You can pay by personal check, cashier's check, certified check, bank draft or money order, payable to the **Department of the Interior-Bureau of Land Management**. 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.

You may also pay by credit card (Visa, Mastercard, American Express or Discover). **Please note:** BLM will not accept credit or debit card payments for an amount equal to or greater than \$50,000. We also will not accept aggregated small 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. 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.

• **Lease Issuance:** After we receive the bid form and all monies due, we can issue the lease. BLM issues your lease the day we sign it. The effective date of the lease is the first day of the next month after the issuance date.

How can I find out the results of this sale?

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

How can I file a noncompetitive offer to lease after the sale?

Lands that do not receive a bid are available for a two-year period beginning the first business day after the sale. To file a noncompetitive offer, you must submit:

- Two (2) executed copies of the applicable noncompetitive lease form;
- \$380 non-refundable processing fee; and
- First year's advance rental in the amount of \$1 per acre or fraction thereof.

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. The 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 the BLM receives simultaneous applications as to date and time for overlapping lands, the BLM will randomly select one to receive a lease offer.

May I amend my application for 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, the 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 the 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), the BLM will reject the application.

Who should I contact if I have a question?

For more information, please contact Tracy Hadley, Land Law Examiner, BLM Idaho State Office, at (208) 373-3886.

/s/ DAVID H. MURPHY

David H. Murphy
Chief, Branch of Lands, Minerals & Water Rights



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IN REPLY REFER TO:
3200
(ID-933)

PUBLIC NOTICE

Bidders are reminded that a bid shall not be withdrawn and shall constitute a legally binding commitment to execute the lease bid form and accept a lease, including the obligation to pay the bonus bid, first year's rental, and administrative fee. There have been cases in past oral auctions where the minimum deposit due from the high bidder on the day of the auction was not paid, or was paid by check drawn on an account with insufficient funds. The Bureau of Land Management will be closely monitoring situations of this nature to determine whether further measures should be initiated to protect the integrity of the system.

**BIDDER REGISTRATION FORM
COMPETITIVE GEOTHERMAL LEASE SALE**

By completing this form, I certify that the undersigned, or the principal party whom the undersigned is acting on behalf of, is in compliance with the applicable regulations and leasing authorities governing a bid and subsequent lease.

I certify that any bid submitted by the undersigned or on behalf of the principal party is a good faith intention by the undersigned or the principal party to acquire a geothermal lease on the offered lands. Further, I acknowledge that if a bid is declared the high bid, it will constitute a legally binding commitment to execute BLM Form 3000-2 and to accept the lease. Additionally, if a bid is declared the high bid, the undersigned or the principal party will pay to the Bureau of Land Management by the close of official business hours on the day of the auction, or such other time as may be specified by the authorized officer, an amount at least equal to minimum monies owed the day of sale for that bid, as set out in applicable regulations. Further, the undersigned or the principal party acknowledge that these monies are due to the Bureau of Land Management, whether or not a lease is subsequently issued as a result of the winning bid.

It is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 for any person to knowingly and willfully make any false, fictitious or fraudulent statements or representations as to any matter within the jurisdiction.

A separate form is required for each company or individual you are representing.

Please fill in the company/individual name and address as it will appear on the issued lease. We will send a copy of the lease and billing notices to the name and address as shown below. NOTE: Please use the same lessee name and address information on BLM Form 3000-2..

Bidder Number (leave blank)

Lessee Name: _____

Mailing Address: _____

City: _____

State: _____ Zip Code: _____

Bidder Name: _____ Phone number: _____
(include area code)

Relationship to lessee: _____
(self, agent, attorney-in-fact, president, etc.)

Signature

Date

PARCEL DESCRIPTION

The following lands were nominated for competitive geothermal leasing. The nominated lands are in the Targhee National Forest.

Parcel No. IDI-36242

T. 2 N., R. 43 E., Boise Meridian, Bonneville County, Idaho

- section 12 – E2SE;
- section 13 – lots 1-4, W2E2, S2NW;
- section 24 – lots 1 & 4.

T. 2 N., R. 44 E., Boise Meridian, Bonneville County, Idaho

- section 7 – lots 2-4, E2, SENW, E2SW;
- section 19 – lots 1-2, E2, E2NW;
- section 20 – All;
- section 28 – All;
- section 29 – N2, N2SE, SESE;
- section 32 – NENE;
- section 33 – N2.

Total Acres: 3,685.24



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Endangered Species Act Section 7 Consultation Stipulation

WO IM 2002-174, 5/21/02

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 modification 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 as amended, 16 U.S.C. 1531 *et seq.*, including completion of any required procedure for conference or consultation.

Cultural Resource Protection – Lease Stipulation

WO IM 2005-003, 10/5/04

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.

**TARGHEE NATIONAL FOREST
NO SURFACE OCCUPANCY STIPULATION**

No surface occupancy or use is allowed on the entire lease* due to:

- a. Inventoried Roadless Area
- b. Steep Slopes (>40%)
- c. Unstable and/or Highly Erosive Soils
- d. Developed Recreation Site (within one mile of developed site) on lands within:

T. 2 N., R. 43 E., BM
Section 12: E2SE
Section 13: Lot 1, NWNE

T. 2 N., R. 44 E., BM
Section 7: Lots 2-4, NE, SENW, E2SW, N2SE, SWSE

For the following purposes:

- a. To preclude surface occupancy and surface disturbing activities that would alter the primitive setting.
- b. To preclude construction of well sites and related facilities on slopes over 40% which would involve relatively large cut and fill slopes and would be difficult to rehabilitate.
- c. To preclude surface disturbing activities on areas that have a high erosion/stability hazard and would be difficult to reclaim.
- d. To preclude surface occupancy and new surface disturbing activities within or near developed recreation sites.

Any changes to this stipulation will be made in accordance with the land use plan, the Targhee NF Oil and Gas EIS/ROD, and/or the regulatory provisions for such changes. In areas identified as having steep slopes or unstable/highly erosive soils, actual ground conditions will be used to determine surface occupancy restrictions.

***per Targhee NF Oil and Gas Leasing EIS ROD, pages 6, 7, & 8**

**NOTICE FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
DEPARTMENT OF AGRICULTURE**

In conducting operations associated with this lease, the lessee/operator must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use, occupancy, and management of National Forest System (NFS) lands when not inconsistent with existing lease rights granted by the Secretary of Interior.

All matters related to this notice are to be addressed to: Forest Supervisor
Caribou-Targhee NF
1405 Hollipark Drive
Idaho Falls, ID 83401

Telephone: 208-524-7500

who is the authorized representative of the Secretary of Agriculture.

CULTURAL RESOURCES (National Historic Preservation Act of 1966 (NHPA), P.L. 89-665 as amended by P.L. 94-422, P.L. 94-458, and P.L. 96-515):

The Forest Service authorized officer is responsible for ensuring that the leased lands are examined prior to the undertaking of any ground-disturbing activities to determine whether or not cultural resources are present, and to specify mitigation measures for effects on cultural resources that are found to be present.

The lessee or operator shall contact the Forest Service to determine if a site-specific cultural resource inventory is required prior to undertaking any surface-disturbing activities on Forest Service lands covered by this lease.

The lessee or operator may engage the services of a cultural resource specialist acceptable to the Forest Service to conduct any necessary cultural resource inventory of the area of proposed surface disturbance. In consultation with the Forest Service authorized officer, the lessee or operator may elect to conduct an inventory of a larger area to allow for alternative or additional areas of disturbance that may be needed to accommodate other resource needs or operations.

The lessee or operator shall implement mitigation measures required by the Forest Service to preserve or avoid destruction of cultural resource values. Mitigation may include relocation of proposed facilities, testing, salvage, and recordation or other protective measures.

During the course of actual surface operations on Forest Service lands associated with this lease, the lessee or operator shall immediately bring to the attention of the Forest Service the discovery of any cultural or paleontological resources. The lessee or operator shall leave such discoveries intact until directed to proceed by Forest Service.

THREATENED OR ENDANGERED SPECIES (The Endangered Species Act. (ESA), P.L. 93-205 (1973), P.L. 94-359 (1974), P.L. 95-212 (1977), P.L. 95-632 (1978), P.L. 96-159 (1979), P.L. 97-304 (1982), P.L. 100-653 (1988)).

The Forest Service authorized officer is responsible for compliance with the Endangered Species Act. This includes meeting ESA Section 7 consultation requirements with the U.S. Fish and Wildlife Service prior to any surface disturbing activities associated with this lease with potential effects to species and/or habitats protected by the ESA. The results of consultation may indicate a need for modification of or restrictions on proposed surface disturbing activities.

The lessee or operator may choose to conduct the examination at their cost. Results of the examination will be used in any necessary ESA consultation procedures. This examination and any associated reports, including Biological Assessments, must be done by or under the supervision of a qualified resource specialist approved by the Forest Service. Any reports must also be formally approved by the USDA Forest Service biologist or responsible official.