



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

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



March 18, 2011

Notice of Geothermal Competitive Lease Sale

The Bureau of Land Management-Idaho State Office is offering eight (8) parcels in the State of Idaho at a competitive oral sale for geothermal leasing. The sale will be held on **Tuesday, May 24, 2011**. Attached is a list that includes the parcel numbers, legal land descriptions, 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 website is not accessible, you may purchase a paper copy for \$5.00 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 oral sale begins at 9:30 am on **Tuesday, May 24, 2011**. The registration table opens at 7:45 am for registration and assignment of bidding numbers. Geothermal parcels will be offered following BLM-Utah's oil and gas lease sale, which begins at 9:00 am.

Where: We will hold the sale at the **BLM-Utah State Office**, 3 Gateway Building, 440 West 200 South, Fifth floor, Monument Conference Room 532, Salt Lake City, Utah. There are parking facilities at the building.

Access: The sale room is accessible to people with disabilities. If you need a sign language interpreter or materials in an alternate format, contact Teresa Thompson at (801) 539-4047 by May 5, 2011.

How do I participate in the bidding process?

To participate in the BLM bidding process, you must register and obtain a bidder number. If you are bidding for more than one party, you must register and obtain a separate bidder number for each company or individual you represent. The BLM will begin registering bidders at 7:45 am on the day of the sale. When you register to bid, you are required to show a valid government-issued photo identification (ID) to verify your identity. If you do not provide a valid photo ID, you will not be allowed to register as a bidder or participate in the auction.

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

If you, or the party you represent, owe the United States any monies that were due the day of a previous oil and gas lease auction conducted by any BLM office (the minimum monies due the day of the sale), you will not be allowed to register to bid at this lease sale. The Mineral Leasing Act requires that leases be issued to a "responsible qualified bidder" [30 U.S.C. 226(b)(1)(A)]. Any bidder, or party represented by a bidding agent, that does not pay the minimum monies owed the day of the sale is not a "responsible qualified bidder" and will be barred from participating in any oil and gas lease auction nationwide until that debt to the United States is settled. In addition, if you or the party you represent defaults at any three sales conducted by any BLM office, you or the party you represent will be barred permanently from participating in any other BLM oil and gas lease sale auction.

What is the sale process?

Starting at 9:30 am on the day of the sale:

- The auctioneer offers the parcels in the order they are shown on the attached list.
- All parcels included in a block will be sold together. If the entire block receives no bids, the auctioneer will reoffer the parcels individually.
- Registered bidders make 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 \$2.00 bid.
- The names of high bidders (lessees) remain confidential until the results list is available.
- The decision of the auctioneer is final.

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. The 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 the 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. The 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 descriptions. Stipulations are part of the lease and supersede any inconsistent provisions of the lease form.

All Federal geothermal lease rights are granted subject to applicable laws 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 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 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 4:30 pm on the day of the sale, you must pay the following at the Accounting Office on the 5th floor of the BLM-Utah State Office: (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 \$145 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 June 8, 2011**, which is the 15th calendar day following the sale. **If payment is not received in full by the BLM 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:** The BLM will not accept credit or debit card payments for an amount equal to or greater than \$100,000. We also will not accept aggregated small amounts to bypass this requirement. 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. The 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.html>

How can I obtain a noncompetitive lease?

Lands that do not receive a bid are available for a 2-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;
- \$375 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.

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

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.

May I protest BLM's decision to offer the lands in this Notice for lease?

Yes, you may protest the inclusion of a parcel listed in this sale notice. All protests must meet the following requirements:

- We must receive a protest no later than close of business on the 30th day after this sale notice is posted. The protest must include any statement of reasons to support the protest. We will dismiss a late-filed protest or a protest filed without a statement of reasons. All protests must reference the IDI 5-digit serial number.
- A protest must include the name and address of the protesting party.
- A protest must state the interest of the protesting party in the matter.
- You may file a protest either by mail in hardcopy form or by telefax. You may not file a protest by electronic mail. A protest sent by mail must be addressed to the Idaho State Director at 1387 South Vinnell Way, Boise, Idaho, 83709. A protest filed by fax must be sent to (208) 373-3899. A protest sent to a fax number other than the fax number identified or a protest filed by electronic mail will be dismissed.
- If the party signing the protest is doing so on behalf of an association, partnership or corporation, the signing party must reveal the relationship between them. For example, unless an environmental group authorizes an individual member of its group to act on their behalf, the individual cannot make a protest in the group's name.

If BLM receives a timely protest of a parcel advertised on this Sale Notice, how does it affect bidding on the parcel?

We will announce receipt of any protest at the beginning of the sale. We will also announce a decision to either withdraw the parcel or proceed with offering it at the sale.

If I am the high bidder at the sale for a protested parcel, when will the BLM issue my lease?

We will issue no lease for a protested parcel until the State Director makes a decision on the protest. If the State Director denies the protest, we will issue your lease concurrently with that decision.

If I am the successful bidder of a protested parcel, may I withdraw my bid and receive a refund of my first year's rental and bonus bid?

No, you may not withdraw your bid.

If BLM upholds the protest, how does that affect my competitive bid?

If we uphold a protest and withdraw the parcel from leasing, we will refund your first year's rental, bonus bid and administrative fee. If the decision upholding the protest results in additional stipulations, we will offer you an opportunity to accept or reject the lease with the additional stipulations prior to lease issuance. If you do not accept the additional stipulations, we will reject your bid and we will refund your first year's rental, bonus bid and administrative fee.

If the BLM's decision to uphold the protest results in additional stipulations, may I appeal that decision?

Yes, you may. Note: an appeal from the State Director's decision must meet the requirements of Title 43 CFR 4.411 and Part 1840.

May I appeal BLM's decision to deny my protest?

Yes, you may. Note: an appeal from the State Director's decision must meet the requirements of Title 43 CFR 4.411 and Part 1840.

May I withdraw my bid if a protestor files an appeal?

No. If the protestor appeals our decision to deny the protest, you may not withdraw your bid. We will issue your lease concurrently with the decision to deny the protest. If resolution of the appeal results in lease cancellation, we will authorize a refund of the bonus bid, rentals and administrative fees if:

- There is no evidence that the lessee(s) derived any benefit from possession of the lease during the time they held it, and;
- There is no indication of bad faith or other reasons not to refund the rental, bonus bid and administrative fee.

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



Jeffery L. Foss
Deputy State Director
Resource Services

5 Attachments:

- 1 – Public Notice (1 p)
- 2 – Bidder Registration Form (1 p)
- 3 – Parcel Legal Descriptions (3 pp)
- 4 – Stipulations & Lease Notices (12 pp)
- 5 – Maps (12 pp)



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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