



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>



November 4, 2008

Notice of Competitive Geothermal Lease Sale

We wish to announce that we will offer for competitive sale certain lands in the State of Idaho for Federal geothermal leasing. The sale will be held on **December 19, 2008**. This notice describes:

- The time, date, and place of the lease sale;
- How to participate in the bidding process;
- The sale process;
- The conditions of the sale;
- How to file a noncompetitive offer after the sale.

This sale will be held in accordance with the Energy Policy Act of 2005, and the final rules issued May 2, 2007 (43 CFR Parts 3000, 3200, and 3280, Fed. Reg. Vol. 72, No. 84).

Attached to this notice is a list of the lands we are offering by parcel number and description. We have included any special conditions or restrictions that will be made a part of the lease below each parcel. For your convenience, we are including a copy of the bid form. The form can also be found at www.blm.gov/FormsCentral/show_home.do, BLM form number 3000-002 (use the Fill in PDF format). The geothermal lease form is still under revision. It will be consistent with the geothermal regulations published May 2, 2007, and will be available the day of the sale.

When and where will the sale take place?

When: The competitive oral auction will begin at 8:00 a.m. on **Friday, December 19, 2008**. Registration will begin at 7:30 am. Due to the elevators not allowing public access until 7:45 am, we will have a BLM representative to escort you to the 5th floor.

Where: We will hold the sale at the Bureau of Land Management's Utah State Office, 3 Gateway Building, Fifth Floor, Monument Conference Room 532, 440 West 200 South, Salt Lake City, Utah. There are parking facilities at the building.

Access: The sale room is accessible to people with disabilities. If you need an auxiliary aid or service to participate in the sale, such as sign language interpreter or materials in an alternate format, contact Judy Nordstrom, (801) 539-4108, by December 9, 2008.

How do I participate in the bidding process?

To participate in the bidding process, you must register for and get a bidding number. We will begin registering bidders at 7:30 a.m. on the day of the sale. You must display your bid number to the auctioneer when you submit a bid.

The geothermal lease sale will begin at 8:00 a.m. on the day of the sale.

- The auctioneer will offer the geothermal parcels, in the order they are shown on the attached list;
- All bids are on a per-acre basis for the entire acreage in the parcel;
- The winning bid is the highest oral bid equal to or exceeding the minimum acceptable bid of \$2 per acre;
- BLM will reject all bids and re-offer a parcel if we determine that the high bidder is not qualified, or the high bidder fails to make all the required payments; and
- The decision of the auctioneer is final.

The minimum bid 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). After we have offered all the parcels, you may ask the auctioneer to re-offer any unsold parcels.

What conditions apply to the lease sale?

- **Parcel withdrawal or sale cancellation:** We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the Idaho State Office Information Access Center (Public Room) before the day of the sale. We will announce withdrawn parcels before the sale begins.

- **Payment due:** You may not withdraw a bid. Your bid is a legally binding commitment to sign the bid form, accept the lease, and pay the money due on the day of the sale. By 4:30 p.m. on the day of the sale, you must pay the following: (1) Twenty percent of the bid; (2) the total amount of the first year's rental (\$2 per acre); and (3) the \$140 competitive lease processing fee. Within 15 calendar days of the sale, you must submit the balance of the bid to the BLM-Idaho State Office.

- **Forms of payment:** You must pay by personal check, cashier's check, certified check, money order, or credit card (American Express, Discover, MasterCard, or Visa only). Make checks payable to: **Department of the Interior-BLM**. We cannot accept cash. If a check you have sent to us in the past has been returned for insufficient funds, we may ask that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. However, we cannot grant you an extension of time to pay the money that is due the day of the sale.

Limitations on Credit Cards and Debit Payments: Per Instruction Memorandum No. BC-2005-008, Change 1, dated December 13, 2004, effective February 1, 2005, credit or debit cards cannot be used for any amount in excess of \$99,999.99, for any purpose.

• **Bid form:** On the day of the sale, if you are a successful bidder you must give us a properly completed and signed competitive bid form (Form 3000-2, October 1989, or later edition) with your payment. This form is a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once the form is signed, you cannot change it. We will not accept any bid form that has information crossed out or is otherwise altered.

We recommend you get a copy of the bid form and complete it prior to the sale. Your completed bid form certifies that:

(1) You and the prospective lessee are qualified to hold a geothermal lease under our regulations at Subpart 3202; and

(2) Both of you have complied with 18 U.S.C. 1860, a law that prohibits unlawful combinations, intimidation of and collusion among bidders.

A copy of the bid form is included with this notice.

• **Lease Issuance:** After we receive the bid form and all the money due, we can issue the lease. BLM issues your lease the day we sign it. Your lease goes into effect the first day of the next month after the issuance date.

• **Lease terms:** A lease issued as a result of this sale will have a primary term of 10 years. BLM will extend the primary term of the lease, if the requirements found in the regulations at 43 CFR 3207.10 have been met. The annual rental is \$2 per acre for the first year (paid to BLM), and \$3 per acre for the second through tenth year (paid to Minerals Management Service (MMS)). After the tenth year, your annual rent will be \$5 per acre. Your rent is always due in advance. MMS must receive your annual rental payment by the anniversary date of the lease each year.

Royalty rates on geothermal resources produced for the commercial generation of electricity are 1.75 percent for the first 10 years of production and 3.5 percent after the first 10 years. The royalty rate is 10 percent for geothermal resources sold by you or your affiliate at arm's length to a purchaser who uses the resource to generate electricity (see the regulations at 30 CFR 206 Subpart H and 43 CFR 3211.17 through 3211.20). Royalties shall be due and payable on the last day of the month following the month in which production occurred.

• **Stipulations:** Some parcels have special requirements or restrictions, which are called stipulations. These are included with the parcel descriptions. Stipulations are part of the lease and supersede any inconsistent provisions of the lease form.

All Federal geothermal lease rights are granted subject to applicable laws, and lessees must meet certain requirements under the Endangered Species Act, as amended, 16 U.S.C. 1531 et. seq. In accordance with Washington Office (WO) Instruction Memorandum (IM) No. 2002-174, each parcel included in this lease sale will be subject to the attached Endangered Species Act Section 7 Consultation Stipulation.

In accordance with WO 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.

How can I obtain a noncompetitive lease?

Lands offered at a competitive lease sale that receive no bids will be available for noncompetitive leasing for a two-year period beginning the first business day following the sale. Submit two executed copies of the applicable noncompetitive lease form to BLM, along with the \$335 processing fee and advance rent in the amount of \$1 per acre (remember to round up fractional acreage). At least one form must have an original signature. We will accept only exact copies of the form on one 2-sided page.

For 30 days after the competitive geothermal lease sale, noncompetitive applications will be accepted only for parcels as configured in the Notice of Competitive Geothermal Lease Sale. Subsequent to the 30-day period, you may file a noncompetitive application for any available lands covered by the competitive lease sale, not to exceed 5,120 acres per lease.

All applications for a particular parcel will be considered simultaneously filed if received in the proper BLM office any time during the first business day following the competitive lease sale. You may submit only one application per parcel. An application will not be available for public inspection the day it is filed. BLM will randomly select an application among those accepted on the first business day to receive a lease offer.

Subsequent to the first business day following the competitive lease sale, the first qualified applicant to submit an application will be offered the lease. If BLM receives simultaneous applications as to date and time for overlapping lands, BLM will randomly select one to receive a lease offer.

For noncompetitive offers filed the day of the sale and the first business day after the sale, put the application in a sealed envelope marked "Noncompetitive Geothermal Offer". 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, BLM will only accept a withdrawal of the entire application. Following that 30-day period, you may withdraw your noncompetitive lease application in whole or in part at any time before BLM issues

the lease. If a partial withdrawal causes your lease application to contain less than the minimum acreage required (640 acres, or all lands available for leasing in the section, whichever is less), BLM will reject the application.

How can I find out the results of this sale?

We will 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.html>

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

/s/Jerry L. Taylor
Chief, Branch of Lands, Minerals
& Water Rights



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Idaho State Office
1387 S. Vinnell Way
Boise, ID 83709-1657
www.id.blm.gov



IN REPLY REFER TO:
3200
(ID-933)

Endangered Species Act Section 7 Consultation Stipulation

The lease area may now or hereafter contain plants, animals or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse 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.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Idaho State Office
1387 S. Vinnell Way
Boise, ID 83709-1657
www.id.blm.gov



IN REPLY REFER TO:
3200
(ID-933)

Cultural Resource Protection – Lease Stipulation

This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, E.O. 13007, or other statutes and executive orders. The BLM will not approve any ground disturbing activities that may affect any such properties or resources until it completes its obligations under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

BLM-IDAHO GEOTHERMAL LEASE SALE PARCELS
December 19, 2008

IDI-36087

T. 14 S., R. 26 E., Boise Meridian, Idaho
Sec. 25 – All.

T. 15 S., R. 26 E., Boise Meridian, Idaho
Sec. 1 – Lots 1-4, S½N½, S½.

T. 14 S., R. 27 E., Boise Meridian, Idaho
Sec. 30 – Lots 1-4, NE¼, E½W½, N½SE¼, SW¼SE¼;
Sec. 31 – Lots 1-4, E½W½, NW¼NE¼.

T. 15 S., R. 27 E., Boise Meridian, Idaho
Sec. 6 – Lots 3-7, SE¼NW¼, NE¼SW¼;
Sec. 7 – Lots 1-3;
Sec. 31 – Lots 1-2, W½NE¼, E½NW¼.

3,035.71 acres, Cassia County

The following stipulations apply to all listed lands:

1. Protect ferruginous hawks between March 1 and July 15 by prohibiting activity within the shorter of the following distances – 2,000 feet or the visible range of active nest sites.
2. No exploration/development work in sage grouse strutting/brood-rearing habitat from April 1 through June 15.
3. No exploration or development in crucial deer winter range December 1 through March 31.
4. Both prehistoric and historic cultural resources are known to exist within the proposed competitive lease area. The lessee will coordinate with BLM staff to complete cultural resource inventories and mitigation plans where appropriate prior to conducting any ground disturbing activities on successful leases.

The following stipulation applies only to T. 15 S., R. 27 E., Boise Meridian, Idaho, Sec. 31:

1. Control surface disturbing activities in areas with soils that have high erosion potential.

IDI-36088

T. 14 S., R. 26 E., Boise Meridian, Idaho

Sec. 33 – All;

Sec. 34 – All;

Sec. 35 – All.

T. 15 S., R. 26 E., Boise Meridian, Idaho

Sec. 2 – Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$;

Sec. 3 – Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$;

Sec. 10 – N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$.

3,681.42 acres, Cassia County

The following stipulations apply to all listed lands:

1. Protect ferruginous hawks between March 1 and July 15 by prohibiting activity within the shorter of the following distances – 2,000 feet or the visible range of active nest sites.
2. No exploration/development work in sage grouse strutting/brood-rearing habitat from April 1 through June 15.
3. No exploration or development in crucial deer winter range December 1 through March 31.
4. Both prehistoric and historic cultural resources are known to exist within the proposed competitive lease area. The lessee will coordinate with BLM staff to complete cultural resource inventories and mitigation plans where appropriate prior to conducting any ground disturbing activities on successful leases.

IDI-36089

T. 14 S., R. 26 E., Boise Meridian, Idaho

Sec. 28 – All;

Sec. 29 – All;

Sec. 30 – Lots 1-4, E½W½, E½.

1,958.72 acres, Cassia County

The following stipulations apply to all listed lands:

1. Protect ferruginous hawks between March 1 and July 15 by prohibiting activity within the shorter of the following distances – 2,000 feet or the visible range of active nest sites.
2. No exploration/development work in sage grouse strutting/brood-rearing habitat from April 1 through June 15.
3. No exploration or development in crucial deer winter range December 1 through March 31.
4. Both prehistoric and historic cultural resources are known to exist within the proposed competitive lease area. The lessee will coordinate with BLM staff to complete cultural resource inventories and mitigation plans where appropriate prior to conducting any ground disturbing activities on successful leases.

The following stipulation applies only to the portion of Section 30 of T. 14 S., R. 26 E., Boise Meridian that lies above the 6600 foot elevation:

1. Use of only non-motorized vehicles/equipment at elevations above 6600 feet to protect the natural qualities on the upper slopes of the Jim Sage Mountain.