



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Oregon/Washington State Office
P.O. Box 2965 (333 SW First Ave.)
Portland, OR 97208
www.blm.gov/or



NOTICE OF COMPETITIVE LEASE SALE GEOTHERMAL RESOURCES

We are pleased to announce that we will offer for competitive sale certain Federal lands in the State of Oregon for Federal geothermal leasing. This notice describes:

- The time and place of the 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.

The 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 referenced any special conditions or restrictions that will be made a part of the lease below each parcel. The bid form can be found at <https://www.blm.gov/FormsCentral/show-home.do>.

When and where will the sale take place?

When: The competitive oral auction will begin at 8:00 a.m. on Tuesday, December 19, 2008. The sale room will be open at 7:30 a.m. so you can register and get your bidding number. There will be a BLM representative available to escort you to the 5th floor.

Where: We will hold the sale in the 5th Floor Monument Conference Room 532 at the Bureau of Land Management Utah State Office, 3 Gateway Building, 440 West 200 South, Salt Lake City, Utah. There are parking facilities at the building.

Access: The sale room is accessible to persons 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 at (801) 539-4108 by December 1, 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 auctioneer will offer Parcels 12-19-08-1 through 7 as a block (one bid for all parcels). If no one bids on the block, the auctioneer will offer the parcels individually. Parcels 12-19-08-8 through 11 will be offered individually;
- All bids are on a per-acre basis for the entire acreage in the block/parcel;
- 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 of the required payments; and
- The decision of the auctioneer is final.

If a parcel contains fractional acreage, round it up to the next whole acre. For example, if you bid \$2.00 an acre on a parcel of 100.51 acres, the bid is \$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 Oregon/Washington State Office Land Office (Public Room) before the day of the sale. We will announce withdrawn parcels before the sale begins.

•Payment due: You cannot withdraw a bid. Your bid is a legal binding commitment to sign the bid form, accept the lease, and pay the money due on the day of the sale. You must pay immediately after the sale the following (1) Twenty percent of the bonus bid; (2) the total amount of the first year's rental (\$2 per acre); and (3) the \$140 competitive lease processing fee. All payments must be paid by 4:30 on the day of the sale. Within 15 calendar days after the last day of the sale, you must submit the balance of the bid to the Oregon/Washington State Office BLM. Do not send payment to the Utah State Office.

•Forms of payment: You must pay by personal check, certified check, money order, credit card (Discover, Visa, American express or MasterCard 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 arrangement. However, we cannot grant you and extension of time to pay the money that is due the day of the sale.

•Limitations on Credit Cards and Debit Payments: Per IM 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, dated August 2007) 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 43 CFR 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.

• **Lease Issuance:** After we receive the bid form and all the money due, we can issue the lease. A lease is effective the first day of the month following the month in which we sign it.

• **Lease Terms:** A lease issued as a result of this sale will have primary term of 10 years. It will continue beyond its primary term as long as geothermal in paying quantities is produced on or for the benefit of the lease. The annual rental will be \$2 per acre for the first year and \$3 per acre for years 2 through 10. Beginning with the eleventh lease year, the rental rate for all leases increases to \$5 per acre. Rentals are due on or before the anniversary date each year until production begins. Once a lease is producing, you must pay a royalty at 1.75 percent for the first 10 years, and 3.5 percent thereafter.

• **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.

How do I file a noncompetitive offer after the sale?

Lands that do not receive a bid at the competitive lease sale 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 the Oregon State Office BLM, along with the \$365 processing fee and advance rental in the amount of \$1 per acre, or fraction thereof. At least one form must have an original signature. We will accept only exact copies of the form on one 2-sided page. Note: You may copy the lease form, but you must copy the four pages of the lease document onto two pages. If you copy the form on 4 pages or use an obsolete lease form, we will reject your offer. Any copy you make should be legible.)

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.

DO NOT submit your offer to the Utah State Office after the sale is closed.

All applications for a particular parcel will be considered simultaneously filed if received in the Oregon/Washington 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 amount 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.

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 Oregon/Washington State Office Land Office (Public Room), and on our website at <http://www.blm.gov/or/energy/geothermal/index.php>. Or, you can buy (\$5) a printed copy of the results list from the Land Office.

For more information regarding the location of the sale and building access, please contact Judy Nordstrom at (801) 539-4108. For information regarding leasing, please contact Donna Kauffman, BLM Oregon/Washington State Office, at 503-808-6162. For information regarding operations and stipulations, please contact Eric Hoffman, BLM Oregon/Washington State Office, at 503-808-6039.

Christopher B. DeWitt
Chief, Minerals Section

PUBLIC DOMAIN LANDS
WILLAMETTE MERIDIAN, OREGON

BEGIN BLOCK 1

PARCEL NUMBER 12-19-08-1 (OROR-65720)

T. 23 S., R. 21 E.,
Sec. 13, N2NE, SENE, SWNW, W2SW;
Sec. 14, All;
Sec. 23, All;
Sec. 24, SWNW, S2;
Sec. 25, All.

Lake County 2,520.00 acres
Subject to Lease Stipulations/Notices

PARCEL NUMBER 12-19-08-2 (OROR-65721)

T. 23 S., R. 22 E.,
Sec. 07, Lots 1-4, NE, E2W2;
Sec. 08, All;
Sec. 09, All;
Sec. 10, All;
Sec. 11, All;
Sec. 17, E2, SENW, SW;
Sec. 18, Lots 1, 2, W2NE, SENE, E2W2, SE.

Lake County 4,041.67 acres
Subject to Lease Stipulations/Notices

PARCEL NUMBER 12-19-08-3 (OROR-65722)

T. 23 S., R. 22 E.,
Sec. 19, E2, E2SW;
Sec. 29, All;
Sec. 30, Lots 1-4, E2, E2W2 (All);
Sec. 32, N2, SW, NWSE;
Sec. 33, All.

Lake County 2,835.92 acres
Subject to Lease Stipulations/Notices

PUBLIC DOMAIN LANDS
WILLAMETTE MERIDIAN, OREGON

PARCEL NUMBER 12-19-08-7 (OROR-65726)

T. 23 S., R. 23 E.,
Sec. 32, All;
Sec. 33, All;
Sec. 34, All;
Sec. 35, N2, N2S2, SWSW, SESE.
T. 24 S., R. 23 E.,
Sec. 01, Lots 1-4, SWSW;
Sec. 02, SW, S2SE.
Sec. 03, Lots 1-4, S2N2, S2 (All);
Sec. 04, Lots 1-4, S2N2, S2 (All).

Lake County 4,200.88 acres
Subject to Lease Stipulations/Notices

END BLOCK 1

PARCEL NUMBER 12-19-08-8 (OROR-65727)

T. 23 S., R. 22 E.,
Sec. 12, All;
Sec. 13, All;
Sec. 14, N2, SW, N2SE, SESE;
Sec. 15, All;
Sec. 20, All;
Sec. 21, All;
Sec. 22, All;
Sec. 23, E2NE, SWNE, W2, SE.

Lake County 5,040.00 acres
Subject to Lease Stipulations/Notices

PARCEL NUMBER 12-19-08-9 (OROR-65728)

T. 23 S., R. 22 E.,
Sec. 26, All;
Sec. 27, All;
Sec. 28, All;
Sec. 34, NENE, W2E2, W2;
Sec. 35, E2, N2NW.

Lake County 2,840.00 acres
Subject to Lease Stipulations/Notices

PUBLIC DOMAIN LANDS
WILLAMETTE MERIDIAN, OREGON

PARCEL NUMBER 12-19-08-10 (OROR-65729)

T. 23 S., R. 22 E.,
 Sec. 24, N2, E2SW, SWSW, SE;
 Sec. 25, All.
T. 24 S., R. 22 E.,
 Sec. 01, Lots 1-4, S2N2, S2 (All);
 Sec. 12, All;
T. 23 S., R. 23 E.,
 Sec. 19, Lots 1-4, E2, E2W2 (All);
 Sec. 29, All;
 Sec. 30, Lots 1-4, E2, E2W2 (All);
 Sec. 31, Lots 1-4, E2, E2W2 (All).

Lake County 5,071.04 acres
Subject to Lease Stipulations/Notices

PARCEL NUMBER 12-19-08-11 (OROR-65730)

T. 24 S., R. 23 E.,
 Sec. 05, Lots 1-4, S2N2, S2 (All);
 Sec. 06, Lots 1-7, S2NE, SENW, E2SW, SE (All);
 Sec. 07, Lots 1-4, E2, E2W2 (All);
 Sec. 08, All;
 Sec. 09, All;
 Sec. 10, All.

Lake County 3,843.22 acres
Subject to Lease Stipulations/Notices

Total parcels: 11
Total acres: 41,362.30

LEASE NOTICES/STIPULATIONS:

Sage Grouse

The entire lease area is considered occupied or potentially occupied sage grouse habitat. Any future exploration or development proposals within the lease area may result in an amendment to the Brothers LaPine and Three Rivers Resource Management Plans (RMPs). An amendment would consider any species information, direction, policies, strategies and agreements collected or approved since the Brother LaPine and Three Rivers RMPs were finalized in 1989 and 1992 respectively. The amendments would ensure that any required avoidance, set-back (buffer) zones, visual and noise levels, best management practices and any other required mitigations are consistent with the RMPs.

APPLIES TO ALL PARCELS

Cultural Resource

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 proposal to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized or mitigated.

APPLIES TO ALL PARCELS

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.

APPLIES TO ALL PARCELS

Weed Prevention Notice

- (1) All earth-moving equipment used in connection with this lease shall be thoroughly washed down and cleaned of all mud, dirt, and vegetative debris at a location acceptable to the Authorized Officer. Cleaning of equipment shall be accomplished immediately prior to initial mobilization and anytime the equipment is removed and returned to the road area.
- (2) The lessee shall be responsible for weed prevention and control within the limits of the lease when new surface disturbing activities on the lease are proposed. Prior to undertaking any weed prevention or control measures the lease holder shall consult with the BLM Authorized Officer regarding acceptable weed control methods, monitoring, reporting, and education of personnel on weed identification. Application of chemicals for control of noxious weeds or any other purpose shall be in accordance with applicable Federal and State law and shall be approved by BLM prior to application.

APPLIES TO ALL PARCELS