



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
California State Office
2800 Cottage Way, Suite W1623
Sacramento, CA 95825

September 9, 2016

NOTICE OF COMPETITIVE GEOTHERMAL LEASE SALE

The California State Office is pleased to announce a Multi-State Competitive Geothermal Lease Sale to be held October 26, 2016. The participating states are: California, Nevada, Utah and Oregon/Washington. California will offer two parcels containing 3,495.23 acres of Federal lands in the State of California for geothermal leasing. For information on lands being offered in the participating states please contact the respective Bureau of Land Management (BLM) state office for that state. This notice provides:

- 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 legal land description. Below each parcel, we have listed the notices and stipulations that apply to the parcel.

When and where will the sale take place?

When: The competitive oral sale will begin at 1:00 p.m. on **Wednesday, October 26, 2016**. The sale room will open at 12:00 pm for registration and assignment of bidder numbers.

Where: The sale will be held at **The Sheraton Grand Hotel, 1230 J St. Sacramento, CA 95814**. Parking is available.

Access: The sale room is accessible to persons with disabilities. If assistance is needed for the hearing or visually impaired, contact **J. Barry Bonnett at (916) 978-4377, or by email at jbonnett@blm.gov, by October 7, 2016**.

How do I register as a bidder?

Before the sale starts, you must complete a bidder registration form to obtain a bidding number.

The forms will be available at the registration desk.

What is the sale process?

Starting at 1:00 p.m. on the day of the sale:

- the auctioneer offers the parcels in the order they are shown on the attached list;
- registered bidders make oral bids on a per-acre basis for all acres in a parcel;
- the winning bid is the highest oral bid equal to or exceeding the minimum \$2.00 bid;
- the decision of the auctioneer is final; and
- names of high bidders (lessees) remain confidential until the results list is available.

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).

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 California 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 \$155 competitive lease processing fee.
- **Remaining payments:** If your bonus bid was more than \$2 per acre or fraction of an acre and you didn't pay the full amount on the day of the sale, you must submit the balance of your bonus bid to the **BLM-California State Office, by 4:30 p.m. on November 10, 2016,** which is the 15th calendar day following the sale.
- **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. We encourage you to make any payments of \$25,000 or more by Automated Clearing House (ACH) or Fed Wire transfer.

- **Limitations on Credit Cards and Debit Payments:** *Please note, effective June 1, 2015, we will not accept credit or debit card payments for an amount equal to or greater than \$24,999.99.* We also will not accept aggregated smaller amounts to bypass this requirement. We encourage you to make any payments of \$25,000 or more by Automated Clearing House (ACH) or Fed Wire transfer.
- **Bid form:** On the day of the sale, successful bidders must submit a properly completed bid form (Form 3000-2, December 31, 2009 or later edition) along with their payment. This form can be found at <http://www.blm.gov/noc/st/en/business/eForms.html>, BLM form number 3000-002 (use the fillable PDF format). The bid form is a legally binding offer 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 all but the money part before the sale. You can fill out the money part at 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 3202.10; and
 - 2) Both of you have complied with 18 U.S.C., 1860, a law that prohibits unlawful combinations, intimidation or collusion among bidders.
- **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 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 Office of Natural Resource Revenue (ONRR), formerly the Minerals Management Service). After the tenth year, annual rent will be \$5 per acre. Rent is always due in advance. ONRR must receive annual rental payments by the anniversary date of the lease or your lease may be terminated.

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) Instruction Memorandum (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 Lease Stipulation.

How can I find out the results of this sale?

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

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 \$405 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 California State Office Information Access Center (Public Room), or submit during business hours to the California State Office. Noncompetitive offers submitted after the first business day after the sale must be filed in the California State Office.

May I amend my application of 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.

For more information, please contact J. Barry Bonnett BLM California State Office, at (916) 978-4377.



Debra Marsh
Chief, Branch of Adjudication
Division of Energy and Mineral Resources

PARCEL CA-10-16-1

T. 13 S., R. 18 E., SBM, CA
Sec. 17, All;
Sec. 18, All;

Imperial County 1,242.58 Acres

El Centro FO
Subject to Standard Stipulations 1 & 2
Subject to Information Notices #3 - ISDRA

PARCEL CA-10-16-2

T. 13 S., R. 18 E., SBM, CA
Sec. 21, All;
Sec. 22, All;
Sec. 27, All;
Sec. 28, NE, N2NW, SENW;

Imperial County 2,252.65 Acres

El Centro FO
Subject to Standard Stipulations 1 & 2
Subject to Information Notices #3 - ISDRA

Standard Lease Stipulations

Standard Stipulation No. 1

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 modifications 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, 16 USC § 1531 *et seq.*, as amended, including completion of any required procedure for conference or consultation.

Standard Stipulation No. 2

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.”

Information Notices – El Centro Field Office

1. Cultural Resources

All lease applications would be subject to the provisions of Section 106 of the National Historic Preservation Act (NHPA), would require Government-to-Government consultation with Native American tribes, and would be subject to other requirements for the identification and evaluation of historic properties and cultural resources within the Area of Potential Effect for each application.

2. BLM-Designated Sensitive Plant Species and priority species

Notice is given that the lease area contains the following priority plant species: Blue palo verde, Catclaw acacia, Ironwood, Mesquite, and smoke tree. These species are collectively known as microphyll woodland. Microphyll woodland is classified as an avoidance area for all commercial surface-disturbing activities in the planning area. There is a concentration of microphyll woodland east of Glamis. Sections east of the Union Pacific Railroad are almost entirely microphyll woodland.

BLM-Designated Sensitive Species

The lease areas are within the range of BLM designated sensitive plant species. Wiggin's croton, Algodones Dunes sunflower, Giant Spanish needle and Sand food are all located in the planning area.

The lease area is within the range of BLM designated sensitive animal species including Burrowing owl, Barefoot banded gecko, Colorado Desert fringed-toed lizard. Flat-tailed horned lizard and Couch's spadefoot toad all occur in the area as well.

Notice is given that monitoring plans will be required for BLM sensitive species.

Notice is given that biological studies may be required to analyze the effects of geothermal leasing on particular species.

Notice is given that additional species may exist in the lease areas and site specific surveys will be required for natural resources. Notice is given that consultation with other state or federal agencies may be required.

Threatened or Endangered Species

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species.

Two threatened species are known from the lease area: Desert tortoise and Peirson's Milk-Vetch. Section 7 consultations with the United States Fish and Wildlife or other state or federal agencies may be required.