

Bureau of Land Management, Interior

§ 3206.13

§ 3205.15 To whom does BLM issue the lease?

We will issue the lease to the highest bidder who qualifies for a lease. All other bids are rejected. If we determine that the highest bid is too low, we will also reject that bid. BLM reserves the right to reject any and all bids.

§ 3205.16 How will I know whether my bid is accepted?

(a) If BLM accepts your bid, we will send you a notice informing you of our decision within 30 days after the sale. We will also include 3 copies of the lease. When you receive the notice and lease forms, you have 15 days in which to send BLM:

- (1) Signed lease forms;
- (2) The remaining four-fifths of the bonus bid;
- (3) The first year's advance rent; and
- (4) Signed stipulations, if applicable.

(b) If you do not meet the requirements of this section after we have accepted your bid, BLM will then revoke acceptance of your bid and keep one-fifth of your bonus bid.

(c) If BLM rejects your bid, we will send you a notice informing you of our decision. At that time, we will return the one-fifth of the bonus bid that you sent with your bid offer.

Subpart 3206—Lease Issuance

§ 3206.10 What must I do for BLM to issue my lease?

Before BLM issues you a lease, you must:

- (a) Accept all lease stipulations;
- (b) Sign a unit joinder or waiver, if applicable; and,
- (c) Not exceed the maximum limit on acreage holdings (see 43 CFR 3206.12).

§ 3206.11 What must BLM do before issuing my lease?

BLM must:

- (a) Determine that the land is available; and
- (b) Determine that your lease development will not significantly impact any significant thermal feature within any of the following units of the National Park System:
 - (1) Mount Rainier National Park;
 - (2) Crater Lake National Park;
 - (3) Yellowstone National Park;

(4) John D. Rockefeller, Jr. Memorial Parkway;

(5) Bering Land Bridge National Preserve;

(6) Gates of the Arctic National Park and Preserve;

(7) Katmai National Park;

(8) Aniakchak National Monument and Preserve;

(9) Wrangell-St. Elias National Park and Preserve;

(10) Lake Clark National Park and Preserve;

(11) Hot Springs National Park;

(12) Big Bend National Park (including that portion of the Rio Grande National Wild Scenic River within the boundaries of Big Bend National Park);

(13) Lassen Volcanic National Park;

(14) Hawaii Volcanoes National Park;

(15) Haleakala National Park;

(16) Lake Mead National Recreation Area; and

(17) Any other significant thermal features within National Park System Units which the Secretary may add to the list of these features, in accordance with 30 U.S.C. 1026(a)(3).

§ 3206.12 What is the maximum acreage I may hold?

You may not directly or indirectly hold more than 51,200 acres in any one state. This includes any leases you acquire under sections 4(a)-4(f) of the Act. You also may not convert mineral leases, permits, applications for permits, or mining claims acquired under the Act into geothermal leases totaling more than 10,240 acres.

§ 3206.13 How does BLM compute acreage holdings?

BLM will compute acreage holdings as follows:

(a) If you own an undivided lease interest, your acreage holdings will include the total lease acreage.

(b) If you own stock in a corporation or a beneficial interest in an association which holds a geothermal lease, your acreage holdings will include your proportionate part of the corporation's or association's share of the total lease acreage. This paragraph applies only if you own more than 10 percent of the corporate stock or beneficial interest of the association.

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(c) If you own a lease interest, you will be charged with the proportionate share of the total lease acreage based on your share of the lease ownership. You will not be charged twice for the same acreage where you own both record title and operating rights for the lease. For example, if you own 50% record title interest in a 640 acre lease and 25% operating rights, you are charged with 320 acres.

§ 3206.14 How will BLM charge acreage holdings if the United States owns only a fractional interest in the geothermal resources?

Where the United States owns only a fractional interest in the geothermal resources of the lands, BLM will only charge you with the part owned by the United States as acreage holdings. For example, if you own 100 percent of record title in a 100 acre lease, and the United States owns 50 percent of the mineral estate, you are charged with 50 acres.

§ 3206.15 Is there any acreage which is not chargeable?

BLM does not count leased acreage included in any approved unit or cooperative agreement or development contract as part of your total acreage holdings.

§ 3206.16 What will BLM do if my holdings exceed the maximum acreage limits?

BLM will notify you in writing if your acreage holdings exceed the limit in 43 CFR 3206.12. You have 90 days from the date you receive the notice to reduce your holdings to within the limit. If you do not comply, BLM will cancel your leases, beginning with the lease most recently issued, until your holdings are within the limit.

§ 3206.17 What is the primary term of my lease?

Leases have a primary term of 10 years.

§ 3206.18 When will BLM issue my lease?

BLM issues your lease the day we sign it. Your lease goes into effect the first day of the next month after the issue date.

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Subpart 3207—Additional Lease Term

§ 3207.10 When may I get an additional lease term beyond the primary term?

(a) If you produce or use geothermal resources in commercial quantities during the primary term, your lease will continue in additional term for as long as you produce or use geothermal resources in commercial quantities for up to forty years beyond the primary term. Section 3207.11 explains how to continue your lease beyond the additional term.

(b) If, before the primary or extended term ends, you have a well capable of producing geothermal resources in commercial quantities, BLM may continue your lease for up to forty years beyond the primary term. To continue your lease in an additional term, we must determine that you are diligently trying to begin production. We may ask you to describe in writing your efforts to begin production during the lease term, and the efforts you plan for future lease years. You should also describe negotiations for sales contracts, marketing arrangements, and electrical generating and transmission agreements, and any other information you believe shows diligent efforts.

§ 3207.11 May I renew my lease at the end of its additional term?

If BLM does not need the lands for another purpose at the end of the forty-year additional term, and if you are producing geothermal resources in commercial quantities, you will have a preferential right to renew the lease for an additional 40-year period under terms and conditions BLM determines. If your lease is located on lands administered by the Department of Agriculture, they must concur with the use of the surface and any terms and conditions before we may grant your renewal. If another Federal agency manages the surface, we will consult with them before granting your renewal.