

Bureau of Land Management, Interior

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(b) Proximity to wells capable of production in commercial quantities. BLM will designate a KGRA if the lands are:

(1) Within 5 miles of a well which is capable of producing steam in commercial quantities, or

(2) In the same geologic structure as a well capable of producing steam in commercial quantities; and

(c) Existence of competitive interest. A competitive interest exists where two or more people apply to lease some or all of the same lands for geothermal resources. BLM will not designate a KGRA based on competitive interest alone; we will also review the other factors discussed in this section to decide whether a KGRA designation is warranted.

Subpart 3204—Noncompetitive Leasing

§ 3204.10 How do I file a lease offer?

Submit two (2) executed copies of Form 3200-24 to BLM. At least one form must have an original signature. We will accept only exact copies of the form on one two-sided page. You must accurately describe the lands covered by your offer on the form or BLM may reject of all or part of your offer. To obtain this form (and other BLM forms), contact the nearest BLM Office.

§ 3204.11 How do I describe the lands in my lease offer?

Describe the lands as follows:

(a) For lands surveyed under the public land rectangular survey system, describe the lands by legal subdivision, section, township, and range;

(b) For unsurveyed lands, describe the lands by metes and bounds, giving courses and distances, and tie this information to an official corner of the public land surveys, or to a prominent topographic feature;

(c) For approved protracted surveys, include an entire section, township, and range. Do not divide protracted sections into aliquot parts;

(d) For unsurveyed lands in Louisiana and Alaska that have water boundaries, discuss the description with BLM before submission; and

(e) For fractional interest lands, identify the United States mineral ownership by percentage.

§ 3204.12 What fees must I pay with my lease offer?

Submit the processing fee for non-competitive lease applications found in the fee schedule in §3000.12 of this chapter for each lease offer, and an advance rent in the amount of \$1 per acre (or fraction of an acre). BLM will refund the advance rent if we reject the lease offer, or if you withdraw the lease offer before BLM accepts it. If the advance rental payment you send is more than 10 percent below the correct amount, BLM will reject the lease offer.

[63 FR 52364, Sept. 30, 1998, as amended at 58875, Oct. 7, 2005]

§ 3204.13 May I combine acquired and public domain lands on the same lease offer?

Yes, you may combine acquired and public domain lands on the same lease offer if you clearly identify both the acquired lands and the public domain lands.

§ 3204.14 What is the largest and smallest lease I can apply for?

Lease offers must cover all lands available for leasing in a section. The smallest lease you can apply for is 640 acres, or all lands available for leasing in the section, whichever is less. You may not apply for a lease which is larger than 2,560 acres, although BLM will make an exception to this requirement when your lease offer includes an irregular subdivision. Leases must not extend outside a 6 square mile area. If your offer does not meet these requirements, we will reject it.

§ 3204.15 What happens when two or more offerors apply for a non-competitive lease for the same land?

BLM begins processing offers as soon as we receive them. If more than one person makes a lease offer for the same lands, BLM will give priority to the qualified offer which we received first. Once BLM approves a noncompetitive

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lease offer, we will reject any later offers received for the same land. However, if BLM receives additional offers for the same land while the original offer is still pending, BLM must determine if the overlapping offers warrant converting the land at issue to a KGRA:

(a) If BLM determines that the land should be considered a KGRA, then we reject all noncompetitive offers, and offerors must follow the competitive bidding procedures to lease the lands.

(b) If BLM determines that KGRA status is not warranted despite the multiple offers, then we will award the lease to the first qualified offeror.

§ 3204.16 How does BLM determine the first qualified offeror?

BLM determines the first qualified offeror based on when we received the offer and whether the offeror is qualified to hold a lease. We will issue a noncompetitive lease to the offeror who is first to file a lease offer that meets all the requirements.

§ 3204.17 May I withdraw my lease offer?

You may withdraw your lease offer in whole or in part before we issue you a lease. If you withdraw only part of your offer, the lands remaining must meet the acreage requirements of 43 CFR 3204.14. If a partial withdrawal causes your lease offer to contain less than the minimum acreage required under 43 CFR 3204.14, we will reject the lease offer.

§ 3204.18 May I amend my lease offer?

You may amend your lease offer before we issue the lease, provided your amended lease offer meets all the lease offer requirements in this subpart. BLM will determine your priority based on the date we receive your amended lease offer, not the date of the original lease offer.

Subpart 3205—Competitive Leasing

§ 3205.10 How does BLM lease lands competitively?

(a) We lease some Federal lands through competitive sales using sealed bids. Those lands which we lease com-

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petitively include lands from terminated, expired, or relinquished leases, and lands within a KGRA (see 43 CFR 3203.11). BLM may also use a competitive lease sale if there is public interest.

(b) BLM lists these parcels, with any stipulations, in a sale notice. This sale notice will tell you where and when to submit your bids. We will post the sale notice in appropriate BLM offices, and may take other measures such as:

- (1) Publishing news releases;
- (2) Notifying interested parties of the lease sale;
- (3) Publishing the notice in newspapers; or
- (4) Posting the list on the Internet.

§ 3205.11 How do I get information about competitive lease terms and conditions?

See our notice posted in the BLM office conducting the sale, and otherwise publicized as described in 43 CFR 3205.10. This notice will include the terms and conditions of the lease(s), including the rental and royalty rates, and will also tell you where you may obtain a form on which to submit your bid.

§ 3205.12 How do I bid for a parcel?

(a) Submit your bid during the time period and to the BLM office specified in the sale notice;

(b) Submit your bid on Form 3000-2 (or exact copy on one two-sided page);

(c) Submit your bid in a separate, sealed envelope for each full parcel;

(d) Include in each bid a certified or cashier's check, bank draft, or money order equal to one-fifth of the bid amount, payable to the "Department of the Interior, Bureau of Land Management;"

(e) Label each envelope with the parcel number and the statement "Not to be opened before (date posted in the sale notice);" and

(f) Be aware that unlawful combination or intimidation of bidders is prohibited by 18 U.S.C. 1860.

§ 3205.13 What is the minimum acceptable bid?

BLM will not accept bids which do not meet or exceed the fair market value, which BLM determines using