

110TH CONGRESS
2D SESSION

H. R. 6673

To amend the Geothermal Steam Act of 1970 to authorize noncompetitive leasing of certain areas adjoining other lands for which a qualified company or individual holds a preexisting legal right to develop geothermal resources, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2008

Mr. INSLIEE (for himself and Mr. SIMPSON) introduced the following bill;
which was referred to the Committee on Natural Resources

A BILL

To amend the Geothermal Steam Act of 1970 to authorize noncompetitive leasing of certain areas adjoining other lands for which a qualified company or individual holds a preexisting legal right to develop geothermal resources, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 The Congress finds the following:

5 (1) It is in the best interest of the United
6 States to develop clean renewable geothermal energy.

1 (2) Development of such energy should be pro-
2 moted on appropriate Federal lands.

3 (3) Under the Energy Policy Act of 2005, the
4 Bureau of Land Management is authorized to issue
5 three different types of non-competitive leases for
6 production of geothermal energy on Federal lands,
7 including non-competitive geothermal leases to min-
8 ing claim holders that have a valid operating plan,
9 direct use leases, and leases on parcels that do not
10 sell at a competitive auction.

11 (4) Federal geothermal energy leasing activity
12 should be directed towards those seeking to develop
13 the land as opposed to those seeking to speculate on
14 geothermal resources and thereby artificially raising
15 the cost of legitimate geothermal energy develop-
16 ment.

17 (5) Developers of geothermal energy on Federal
18 lands that have invested substantial capital and
19 made high risk investments should be allowed to se-
20 cure a discovery of geothermal energy resources.

21 (6) Successful geothermal development on Fed-
22 eral lands will provide increased revenue to the Fed-
23 eral Government, with the payment of production
24 royalties over decades.

1 **SEC. 2. NONCOMPETITIVE LEASING OF ADJOINING AREAS**
2 **FOR DEVELOPMENT OF GEOTHERMAL RE-**
3 **SOURCES.**

4 The Geothermal Steam Act of 1970 is amended—

5 (1) in section 2 (30 U.S.C. 1001)—

6 (A) by striking the period at the end of
7 each of paragraphs (e) and (f) and inserting a
8 semicolon;

9 (B) by striking “, and” at the end of para-
10 graph (g) and inserting a semicolon; and

11 (C) by adding at the end the following new
12 paragraphs:

13 “(h) ‘industry standards’ means the standards
14 by which a qualified geothermal professional assesses
15 whether downhole or flowing temperature measure-
16 ments with indications of permeability are sufficient
17 to produce geothermal steam or geothermal re-
18 sources as determined through flow or injection test-
19 ing or measurement of lost circulation while drilling;

20 “(i) ‘qualified geothermal professional’ means
21 an individual who is an engineer or geoscientist in
22 good professional standing with at least five years of
23 experience in geothermal exploration, development,
24 project assessment, or any combination of the for-
25 going; and

1 “(j) ‘valid discovery’ means a discovery of a
2 geothermal resource by a new or existing slim hole
3 or production well, that exhibits downhole or flowing
4 temperature measurements with indications of per-
5 meability sufficient to meet industry standards.”;
6 and

7 (2) in section 4(b) (30 U.S.C. 1003(b)), by add-
8 ing at the end the following:

9 “(4) ADJOINING LANDS.—

10 “(A) IN GENERAL.—Areas that adjoin
11 Federal or non-Federal lands for which a quali-
12 fied company or individual holds a legal right to
13 develop geothermal resources may be available
14 for noncompetitive lease under this section to
15 the qualified company or individual at the fair
16 market value per acre, if—

17 “(i) the adjoining areas—

18 “(I) consist of an area of not
19 more than a total of 640 acres;

20 “(II) each consist of not less
21 than one acre;

22 “(III) are not already leased
23 under this Act or nominated to be
24 leased under subsection (a);

1 “(ii) the qualified company or indi-
2 vidual has not previously received a non-
3 competitive lease under this paragraph in
4 connection with the valid discovery for
5 which data has been submitted under sub-
6 clause (I) of clause (iii); and

7 “(iii) sufficient geological and other
8 technical data prepared by a qualified geo-
9 thermal professional has been submitted by
10 the qualified company or individual to the
11 relevant Federal land management agency
12 that would engender a belief in individuals
13 who are experienced in the subject matter
14 that—

15 “(I) there is a valid discovery of
16 geothermal steam or geothermal re-
17 sources on the lands for which the
18 qualified company or individual holds
19 the legal right to develop geothermal
20 resources; and

21 “(II) such thermal feature ex-
22 tends into the adjoining areas.

23 “(B) FAIR MARKET VALUE PER ACRE DE-
24 FINED.—As used in this paragraph, the term

1 ‘fair market value per acre’ means a dollar
2 amount per acre that—

3 “(i) except as provided in this sub-
4 paragraph, shall be equal to the market
5 value per acre, as determined by the Sec-
6 retary;

7 “(ii) shall be determined by the Sec-
8 retary with respect to a lease under this
9 paragraph, by not later than the end of the
10 90-day period beginning on the date the
11 Secretary receives an application for the
12 lease;

13 “(iii) if the Secretary does not deter-
14 mine the fair market value per acre for a
15 lease before the end of the period referred
16 to in clause (ii), shall be \$100 per acre
17 (adjusted by the Secretary for inflation an-
18 nually beginning with fiscal year 2010)
19 until the Secretary establishes such fair
20 market value; and

21 “(iv) for any lease for which an appli-
22 cation is received before the end of the 15-
23 year period beginning on the date of the
24 enactment of this clause, shall not exceed
25 \$200 per acre (adjusted by the Secretary

1 for inflation annually beginning with fiscal
2 year 2010).”.

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