

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.

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## 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

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## 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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