

§ 1003. Leasing procedures**(a) Nominations**

The Secretary shall accept nominations of land to be leased at any time from qualified companies and individuals under this chapter.

(b) Competitive lease sale required**(1) In general**

Except as otherwise specifically provided by this chapter, all land to be leased that is not subject to leasing under subsection (c) shall be leased as provided in this subsection to the highest responsible qualified bidder, as determined by the Secretary.

(2) Competitive lease sales

The Secretary shall hold a competitive lease sale at least once every 2 years for land in a State that has nominations pending under subsection (a) if the land is otherwise available for leasing.

(3) Lands subject to mining claims

Lands that are subject to a mining claim for which a plan of operations has been approved by the relevant Federal land management agency may be available for noncompetitive leasing under this section to the mining claim holder.

(c) Noncompetitive leasing

The Secretary shall make available for a period of 2 years for noncompetitive leasing any tract for which a competitive lease sale is held, but for which the Secretary does not receive any bids in a competitive lease sale.

(d) Pending lease applications**(1) In general**

It shall be a priority for the Secretary, and for the Secretary of Agriculture with respect to National Forest Systems land, to ensure timely completion of administrative actions, including amendments to applicable forest plans and resource management plans, necessary to process applications for geothermal leasing pending on August 8, 2005.¹ All future forest plans and resource management plans for areas with high geothermal resource potential shall consider geothermal leasing and development.

(2) Administration

An application described in paragraph (1) and any lease issued pursuant to the application—

(A) except as provided in subparagraph (B), shall be subject to this section as in effect on the day before August 8, 2005; or

(B) at the election of the applicant, shall be subject to this section as in effect on August 8, 2005.

(e) Leases sold as a block

If information is available to the Secretary indicating a geothermal resource that could be produced as 1 unit can reasonably be expected to underlie more than 1 parcel to be offered in a competitive lease sale, the parcels for such a resource may be offered for bidding as a block in the competitive lease sale.

¹ See Codification note below.

(f) Leasing for direct use of geothermal resources

Notwithstanding subsection (b), the Secretary may identify areas in which the land to be leased under this chapter exclusively for direct use of geothermal resources, without sale for purposes other than commercial generation of electricity, may be leased to any qualified applicant that first applies for such a lease under regulations issued by the Secretary, if the Secretary—

(1) publishes a notice of the land proposed for leasing not later than 90 days before the date of the issuance of the lease;

(2) does not receive during the 90-day period beginning on the date of the publication any nomination to include the land concerned in the next competitive lease sale; and

(3) determines there is no competitive interest in the geothermal resources in the land to be leased.

(g) Area subject to lease for direct use**(1) In general**

Subject to paragraph (2), a geothermal lease for the direct use of geothermal resources shall cover not more than the quantity of acreage determined by the Secretary to be reasonably necessary for the proposed use.

(2) Limitations

The quantity of acreage covered by the lease shall not exceed the limitations established under section 1006 of this title.

(Pub. L. 91-581, § 4, Dec. 24, 1970, 84 Stat. 1566; Pub. L. 109-58, title II, §§ 222, 223(b), Aug. 8, 2005, 119 Stat. 660, 662.)

CODIFICATION

August 8, 2005, referred to in subsec. (d)(1), was in the original “the date of enactment of this subsection” which was translated as meaning the date of enactment of Pub. L. 109-58, which amended this section generally, to reflect the probable intent of Congress.

AMENDMENTS

2005—Pub. L. 109-58, § 222, inserted section catchline and amended text generally. Prior to amendment, text related to competitive bidding requirements, conversion of prior leases to geothermal leases, conflicting land interests, conversion of prior applications, acreage limitation, regulations, and time for payment.

Subsecs. (f), (g). Pub. L. 109-58, § 223(b), added subsecs. (f) and (g).

§ 1004. Rents and royalties**(a) In general**

Geothermal leases shall provide for—

(1) a royalty on electricity produced using geothermal resources, other than direct use of geothermal resources, that shall be—

(A) not less than 1 percent and not more than 2.5 percent of the gross proceeds from the sale of electricity produced from such resources during the first 10 years of production under the lease; and

(B) not less than 2 and not more than 5 percent of the gross proceeds from the sale of electricity produced from such resources during each year after such 10-year period;

(2) a royalty on any byproduct that is a mineral specified in the first section of the Min-