

ANADARKO PRODUCTION COMPANY

IBLA 75-383

Decided March 4, 1976

Appeal from separate decisions of Oregon State Office, Bureau of Land Management, rejecting applications for noncompetitive geothermal resources leases. OR 11860, OR 11863, OR 11864, OR 11867, OR 11868.

Affirmed.

1. Geothermal Leases: Competitive Leases -- Geothermal Leases:
Known Geothermal Resources Areas -- Geothermal Leases:
Noncompetitive Leases

Section 4 of the Geothermal Steam Act of 1970 authorizes competitive bidding as the sole basis for issuance of geothermal resources leases for lands determined to be within a known geothermal resources area, whether the KGRA determination is made before or after a noncompetitive application is filed.

APPEARANCES: R. J. Kepke, Esq.; Glenn S. Dille, Jr., Vice President, Anadarko Production Co., for appellant.

OPINION BY ADMINISTRATIVE JUDGE HENRIQUES

Anadarko Production Company (Anadarko) has appealed from separate decisions, each dated February 14, 1975, wherein the Oregon State Office, Bureau of Land Management, rejected applications OR 11860, OR 11863, OR 11864, OR 11867 and OR 11868 for noncompetitive geothermal resources leases. Each decision declared that the lands applied for are within the Alvord Known Geothermal Resources Area, and are not subject to noncompetitive leasing. Each of Anadarko's applications was filed on January 31, 1974, during the initial 30-day filing period following the date upon which the regulations permitting geothermal leasing of lands owned by the United States became effective. 1/

1/ 43 CFR, Part 3200, which became effective January 1, 1974.

Appellant contends that the KGRA determination is arbitrary, capricious, erroneous, without foundation or reason under the regulations and is, in fact, in violation of the regulations. Appellant suggests there is support for its contentions in the results of the sale of competitive geothermal leases offered in the Alvord Hot Springs sale of May 29, 1975.

The authority to make KGRA determinations has been delegated to the Geological Survey by the Secretary of the Interior. 220 DM 4.1(H). Section 4 of the Geothermal Steam Act of 1970, 30 U.S.C.A. § 1003, authorizes competitive bidding as the sole basis for issuance of geothermal resources leases for lands determined to be within a KGRA as defined in § 1001(e).

In response to the contentions of appellant, Geological Survey has submitted the report of its Mineral Land Evaluation Committee, which culminated in the definition of the Alvord Known Geothermal Resources Area. The report indicates that the committee gave careful consideration to these geothermal indicia: the graben structure of the Alvord area; evidence of Pleistocene and Holocene tectonism and volcanism as reflected in the presence of small cumulo domes, lava cones, cinder cones, plugs and necks adjacent to the Alvord graben on the east and west sides, and the history of minor seismic activity along transverse faults in the Alvord valley; hot springs and drilling activity at Muddy Hot Springs in sec. 13, T. 33 S., R. 35 E., Alvord Hot Springs in sec. 33, T. 34 S., R. 35 E., and Hot Lake (Borax Lake) in secs. 11 and 14, T. 37 S., R. 35 E., W.M.; the geochemistry and subsurface geothermometry of the hot springs; heat flow and thermal gradient data from holes drilled in the central part of Alvord desert; and the competitive interest evinced by the number of applicants as well as the number of applications for geothermal resources leases in the Alvord area.

Review of the report makes it clearly apparent that the action by the Geological Survey to establish the Alvord KGRA was taken after consideration of the evidentiary factors set out in the Act. The action is wholly supportable by favorable classification factors as they are defined in Geological Survey Circular 647, "Classification of Public Land Values for Geothermal Steam and Associated Geothermal Resources."

Appellant has submitted nothing to indicate that the indicia utilized by the Survey are improper or that the conclusions of the Survey are not supported by the record.

[1] As has been held by this Board, section 4 of the Act authorizes competitive bidding as the sole basis for issuance of geothermal resources leases within a KGRA and noncompetitive lease applications for such lands must be rejected whether or not filed before the KGRA determination was made. Hydrothermal Energy and Resources, Inc., 18 IBLA 393, 82 I.D. 60 (1975).

Therefore, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decisions appealed from are affirmed.

Douglas E. Henriques
Administrative Judge

We concur:

Martin Ritvo
Administrative Judge

Joseph W. Goss
Administrative Judge

