

Appeal from a decision of the California State Office, Bureau of Land Management, rejecting competitive bid for geothermal resources lease, CA 12968.

Set aside and remanded.

1. Geothermal Leases: Competitive Leases

The Secretary of the Interior has the discretionary authority to reject a high bid in a competitive geothermal lease sale where the record discloses a rational basis for the conclusion that the highest bid was inadequate. Where a competitive lease bid is not clearly spurious or unreasonable on its face and the record fails to disclose a rational basis for the conclusion that the bid is inadequate, the decision must be set aside and remanded for compilation of a more complete record and readjudication of the acceptability of the bid.

APPEARANCES: Nevins D. Young, Esq., Huntington Beach, California, for appellant.

OPINION BY ADMINISTRATIVE JUDGE STUEBING

Aminoil USA, Inc., appeals from a decision of the California State Office, Bureau of Land Management (BLM), dated August 26, 1982, rejecting its competitive bid for geothermal resources lease, CA 12968, "because the highest bid is lower than recommended by the Minerals Management Service [MMS]." The file contains no factual data or reasoned explanation for rejection of the bid. Appellant's bid was the higher of two submitted for parcel 2 of the July 20, 1982, competitive lease sale.

In its statement of reasons, appellant discusses several factors which it considers determinative that the rejected bid was indeed adequate and reasonable.

[1] Appellant has not disputed the Secretary's discretionary authority to reject a high bid in a competitive geothermal resources lease sale. See 30 U.S.C. §§ 1002-1003 (1976); 43 CFR 3220.6(c). This Board has upheld that authority so long as the record discloses a rational basis for the conclusion that the highest bid was inadequate. California Energy Co., 63 IBLA 159 (1982); Union Oil Co., 38 IBLA 373 (1978).

The decision appealed from is unsupported by the record, which affords no means by which the correctness of the decision can be judged on appeal. Where a competitive lease bid is not clearly spurious or unreasonable on its face and the record fails to disclose the factual basis for the conclusion that the bid is inadequate, the decision must be set aside and the case remanded for compilation of a more complete record and readjudication of the acceptability of the bid. Amoco Production Co., 53 IBLA 72 (1981); Yates Petroleum Corp., 51 IBLA 181 (1980) (oil and gas lease bids). Upon review of the record and appellant's statement of reasons, the rejected bid does not appear clearly unreasonable or spurious.

Appellant requests a hearing at which it proposes to submit additional facts and arguments. In light of our disposition of this appeal, that request is denied at this time.

Instead, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision appealed from is set aside and the case remanded for the compilation of a proper record and readjudication of the bid's acceptability.

Edward W. Stuebing
Administrative Judge

We concur:

Will A. Irwin
Administrative Judge

James L. Burski
Administrative Judge

