

113TH CONGRESS  
1ST SESSION

# H. R. 2004

To expand geothermal production, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

MAY 15, 2013

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

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## A BILL

To expand geothermal production, 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. SHORT TITLE.**

4       This Act may be cited as the “Geothermal Production  
5       Expansion Act of 2013”.

6       **SEC. 2. NONCOMPETITIVE LEASING OF ADJOINING AREAS**

7                       **FOR DEVELOPMENT OF GEOTHERMAL RE-**  
8                       **SOURCES.**

9       Section 4(b) of the Geothermal Steam Act of 1970  
10     (30 U.S.C. 1003(b)) is amended by adding at the end the  
11     following:

12                     “(4) ADJOINING LAND.—

1 “(A) DEFINITIONS.—In this paragraph:

2 “(i) FAIR MARKET VALUE PER  
3 ACRE.—The term ‘fair market value per  
4 acre’ means a dollar amount per acre  
5 that—

6 “(I) except as provided in this  
7 clause, shall be equal to the market  
8 value per acre (taking into account  
9 the determination under subparagraph  
10 (B)(iii) regarding a valid discovery on  
11 the adjoining land) as determined by  
12 the Secretary under regulations issued  
13 under this paragraph;

14 “(II) shall be determined by the  
15 Secretary with respect to a lease  
16 under this paragraph, by not later  
17 than the end of the 180-day period  
18 beginning on the date the Secretary  
19 receives an application for the lease;  
20 and

21 “(III) shall be not less than the  
22 greater of—

23 “(aa) 4 times the median  
24 amount paid per acre for all land

1 leased under this Act during the  
2 preceding year; or

3 “(bb) \$50.

4 “(ii) INDUSTRY STANDARDS.—The  
5 term ‘industry standards’ means the stand-  
6 ards by which a qualified geothermal pro-  
7 fessional assesses whether downhole or  
8 flowing temperature measurements with  
9 indications of permeability are sufficient to  
10 produce energy from geothermal resources,  
11 as determined through flow or injection  
12 testing or measurement of lost circulation  
13 while drilling.

14 “(iii) QUALIFIED FEDERAL LAND.—  
15 The term ‘qualified Federal land’ means  
16 land that is otherwise available for leasing  
17 under this Act.

18 “(iv) QUALIFIED GEOTHERMAL PRO-  
19 FESSIONAL.—The term ‘qualified geo-  
20 thermal professional’ means an individual  
21 who is an engineer or geoscientist in good  
22 professional standing with at least 5 years  
23 of experience in geothermal exploration,  
24 development, or project assessment.

1                   “(v) QUALIFIED LESSEE.—The term  
2                   ‘qualified lessee’ means a person that may  
3                   hold a geothermal lease under this Act (in-  
4                   cluding applicable regulations).

5                   “(vi) VALID DISCOVERY.—The term  
6                   ‘valid discovery’ means a discovery of a  
7                   geothermal resource by a new or existing  
8                   slim hole or production well, that exhibits  
9                   downhole or flowing temperature measure-  
10                  ments with indications of permeability that  
11                  are sufficient to meet industry standards.

12                  “(B) AUTHORITY.—An area of qualified  
13                  Federal land that adjoins other land for which  
14                  a qualified lessee holds a legal right to develop  
15                  geothermal resources may be available for a  
16                  noncompetitive lease under this section to the  
17                  qualified lessee at the fair market value per  
18                  acre, if—

19                         “(i) the area of qualified Federal  
20                         land—

21                                 “(I) consists of not less than 1  
22                                 acre and not more than 640 acres;  
23                                 and

1 “(II) is not already leased under  
2 this Act or nominated to be leased  
3 under subsection (a);

4 “(ii) the qualified lessee has not pre-  
5 viously received a noncompetitive lease  
6 under this paragraph in connection with  
7 the valid discovery for which data has been  
8 submitted under clause (iii)(I); and

9 “(iii) sufficient geological and other  
10 technical data prepared by a qualified geo-  
11 thermal professional has been submitted by  
12 the qualified lessee to the applicable Fed-  
13 eral land management agency that would  
14 lead individuals who are experienced in the  
15 subject matter to believe that—

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

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

23 “(C) DETERMINATION OF FAIR MARKET  
24 VALUE.—

1                   “(i) IN GENERAL.—The Secretary  
2 shall—

3                   “(I) publish a notice of any re-  
4 quest to lease land under this para-  
5 graph;

6                   “(II) determine fair market value  
7 for purposes of this paragraph in ac-  
8 cordance with procedures for making  
9 those determinations that are estab-  
10 lished by regulations issued by the  
11 Secretary;

12                   “(III) provide to a qualified les-  
13 see and publish, with an opportunity  
14 for public comment for a period of 30  
15 days, any proposed determination  
16 under this subparagraph of the fair  
17 market value of an area that the  
18 qualified lessee seeks to lease under  
19 this paragraph; and

20                   “(IV) provide to the qualified les-  
21 see and any adversely affected party  
22 the opportunity to appeal the final de-  
23 termination of fair market value in an  
24 administrative proceeding before the  
25 applicable Federal land management

1 agency, in accordance with applicable  
2 law (including regulations).

3 “(ii) LIMITATION ON NOMINATION.—  
4 After publication of a notice of request to  
5 lease land under this paragraph, the Sec-  
6 retary may not accept under subsection (a)  
7 any nomination of the land for leasing un-  
8 less the request has been denied or with-  
9 drawn.

10 “(iii) ANNUAL RENTAL.—For pur-  
11 poses of section 5(a)(3), a lease awarded  
12 under this paragraph shall be considered a  
13 lease awarded in a competitive lease sale.

14 “(D) REGULATIONS.—Not later than 270  
15 days after the date of enactment of the Geo-  
16 thermal Production Expansion Act of 2013, the  
17 Secretary shall issue regulations to carry out  
18 this paragraph.”.

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