corporate stock or a beneficial interest in the association; and

(c) If you own a lease interest, you will be charged with the proportionate share of the total lease acreage based on your share of the lease ownership. You will not be charged twice for the same acreage where you own both record title and operating rights for the lease. For example, if you own 50 percent record title interest in a 640 acre lease and 25 percent operating rights, you are charged with 320 acres.

§ 3206.15 How will BLM charge acreage holdings if the United States owns only a fractional interest in the geothermal resources in a lease?

Where the United States owns only a fractional interest in the geothermal resources of the lands in a lease, BLM will only charge you with the part owned by the United States as acreage holdings. For example, if you own 100 percent of record title in a 100 acre lease, and the United States owns 50 percent of the mineral estate, you are charged with 50 acres.

§ 3206.16 Is there any acreage which is not chargeable?

BLM does not count leased acreage included in any approved unit agreement, drilling contract, or development contract as part of your total state acreage holdings.

§ 3206.17 What will BLM do if my holdings exceed the maximum acreage limits?

BLM will notify you in writing if your acreage holdings exceed the limit in §3206.13. You have 90 days from the date you receive the notice to reduce your holdings to within the limit. If you do not comply, BLM will cancel your leases, beginning with the lease most recently issued, until your holdings are within the limit.

§ 3206.18 When will BLM issue my lease?

BLM issues your lease the day we sign it. Your lease goes into effect the first day of the next month after the issuance date.

§ 3207.11 What work am I required to perform during the first 10 years of my lease for BLM to grant the initial extension of the primary term of my lease?

(a) By the end of the 10th year, you must expend a minimum of $40 per acre in development activities that provide additional geologic or reservoir information, such as:
(a) To continue the initial extension of the primary term of your lease, in
each of lease years 11, 12, 13, and 14, you must expend a minimum of $15 per
acre (or fraction thereof) per year in development activities that establish a
geothermal potential or confirm the existence of producible geothermal re-
sources. Such activities include, but are not limited to:
(1) Geologic investigation and analysis;
(2) Drilling temperature gradient wells;
(3) Core drilling;
(4) Geochemical or geophysical sur-
veys;
(5) Drilling production or injection wells;
(6) Reservoir testing; or
(7) Other activities approved by BLM.

(b) For BLM to grant the additional extension of the primary term of your
lease, in year 15 you must expend a minimum of $15 per
acre (or fraction thereof) per year in development activities that
provide additional geologic or reservoir information, such as those described in
paragraph (a) of this section.

(c) To continue the additional extension of the primary term of your lease,
in each of lease years 16, 17, 18, and 19, you must expend a minimum of $25 per
acre (or fraction thereof) per year in development activities that provide addi-
tional geologic or reservoir information, such as those described in para-
graph (a) of this section.

(d) In lieu of the work requirements in paragraphs (a), (b), and (c) of this
section, you may:

(1) Make a payment to BLM equiva-
- lent to the required work expenditure
such that the total of the payment and
the value of the work you perform
equals $40 per acre (or fraction thereof)
of land included in your lease; or
(2) Submit documentation to BLM
that you have produced or utilized geo-
thermal resources in commercial quan-
tities.

(c) Prior to the end of the 10th year
of the primary term, you must submit
detailed information to BLM dem-
- onstrating that you have complied
with paragraph (a) or (b) of this sec-
tion. Describe the activities by type,
location, date(s) conducted, and the
dollar amount spent on those oper-
ations. Include all geologic informa-
tion obtained from your activities in
your report. Submit additional infor-
mation that BLM requires to deter-
mine compliance within the timeframe
that we specify. We must approve the
type of work done and the expenditures
claimed in your report before we can
credit them toward your requirements.

(d) If you do not perform develop-
ment activities, make payments, or
document production or utilization as
required by this section, your lease will
expire at the end of the 10-year pri-
mary term.

(e) If you complied with paragraph
(c) of this section, but BLM has not de-
termined by the end of the 10th year
whether you have complied with the
requirements of paragraph (a) or (b) of
this section, upon request we will sus-
pend your lease effective immediately
before its expiration in order to deter-
mine your compliance. If we determine
that you have complied, we will lift the
suspension and grant the first 5-year
extension of the primary term effective
on the first day of the month following
our determination of compliance. If we
determine that you have not complied,
we will terminate the suspension and
your lease will expire upon the date of
the termination of the suspension.

(f) Every 3 calendar years the dollar
amount of the work requirements and
the amount to be paid in lieu of such
work required by this section will
automatically be updated. The update
will be based on the change in the Im-
plicit Price Deflator-Gross Domestic
Product for those 3 years.