

**UIC - 999**

**FEDERAL  
DEPARTMENT OF  
INTERIOR  
(DOI)**



# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John H. Bemis**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



June 21, 2011

Mr. Alfredo J. Riera  
Fort Bliss Directorate of Public Works  
Building 77  
Fort Bliss, Texas 79916

**RE: New Mexico Bureau of Land Management (BLM) Geothermal Notice of Intent to Conduct Geothermal Resource Exploration Operations on Military Land**

Dear Mr. Riera:

I became aware of your name and company address from a recent New Mexico BLM geothermal land lease letter dated June 17, 2011.

I am writing to introduce myself and provide some geothermal resource information from the New Mexico Oil Conservation Division (OCD). Some geothermal resource links to study from New Mexico are provided below.

**Geothermal Publications** (includes links to OCD Geothermal Regulations):  
<http://www.emnrd.state.nm.us/ocd/Publications.htm>

**Geothermal Working Group Information:**  
<http://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pCJC1004741751>.

If you have any questions or need assistance, please contact me at (505) 476-3490 or via E-mail: [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us). Thank you for your interest in New Mexico's geothermal resources.

Sincerely,

Carl J. Chávez  
Environmental Bureau Engineer

CJC/cc  
Attachments

xc: OCD District II Office, Artesia

Oil Conservation Division  
1220 South St. Francis Drive • Santa Fe, New Mexico 87505  
Phone (505) 476-3440 • Fax (505) 476-3462 • [www.emnrd.state.nm.us/OCD](http://www.emnrd.state.nm.us/OCD)





New Mexico Energy, Minerals and Natural Resources Department

# **Oil Conservation Division (OCD)**

## **Geothermal Power Regulations, Application, Bonding, Forms & Resource Information**

(Revised: 08/18/2009)

### **Geothermal Regulations:**

Chapter 71: Energy & Minerals  
Article 5: Geothermal Resources Conservation Act  
Chapter 71, Article 5 NMSA 1978

Title 19: Natural Resources & Wildlife  
Chapter 14: Geothermal Power  
Title 19, Chapter 14 NMAC (11-15-83 Recompiled 12-31-01)

### Geothermal Rules & Regulations

Water Quality Control Commission 20.6.2 NMAC (Class V Injection Well Designation)

### **Application Forms:**

Geothermal  
Permit to Inject (C-108)

**Drilling (G-101 & 102) & Bond Forms** (please note that bonds for Class V Injection Wells are handled separately under the WQCC Regulations (UIC Program) while geothermal production or development wells are bonded separately under the "G" Forms and associated geothermal regulations):

Geothermal Exploration & Production Forms (see "Geothermal Well Forms")  
Bonding (see "Bond Forms" GT-B-1 and GT-B-2)

### **Geothermal State Leasing- State Land Office:**

**Legislative Reference:** New Mexico Annotated Code Title 19 Chapter 14-1;  
Title 19 Chapter 2-7; Title 19 Chapter 13-7 to 13-12

**State Agency Responsible for Leasing:** New Mexico State Lands Office (see US Bureau of Land Management links below for Federal lease information)

**Leasing:** Leases are available on a non-competitive basis. However, the Commissioner of Public Lands may at his discretion reject any application and offer the tract or tracts at public auction. Lands classified as “known geothermal fields” are leased through public auction through either sealed or oral bidding procedure.

**Lease Terms:**

**Primary:** 5 years

**Renewal:** Primary term can be renewed for additional 5 years and thereafter so long as geothermal resources are being produced or utilized or are capable of being produced or utilized in commercial quantities.

**Rentals:** \$1.00 per acre or fraction thereof per year (escalates to \$5.00 per acre per year after primary lease term).

**Royalties:** 10 % of the gross revenue from the sale or use of steam, brines or hot water, associated gases or other forms of heat or energy derived from production with a minimum of \$2.00 per acre or fraction thereof per year. A royalty of not less than 2 % nor more than 5 % of the gross revenue received for the sale of mineral products or chemical compounds recovered from geothermal fluids. A royalty of 8 % of the net revenue for the operation of an energy producing plant on the leased land. A royalty of not less than 2 % nor more than 10 % of the gross revenue received from the operation of the geothermal resource for recreational, space heating, or health purposes.

**Geothermal Resources:**

[Geo-Heat Center](#)

[Geothermal Education Office](#)

[Geothermal Energy Association](#)

[Geothermal Heat Pump Consortium](#)

[Geothermal Resources Council Annual Meeting](#)

[New Mexico Bureau of Geology & Mineral Resources](#)

[New Mexico Collocated Resources](#)

[New Mexico Energy Conservation & Management Division Geothermal Website](#)

[New Mexico Geothermal Working Group](#)

New Mexico Oil Conservation Division Geothermal Search Engine (enter order type as "GTLT" or "GTHT")

New Mexico State University- A Strategic Plan For New Mexico Geothermal Resources Development

US Bureau of Land Management

Geothermal Leasing in the Western United States

Geothermal Leasing PEIS A User's Guide

Public & NFS Lands Open & Closed to Geothermal Leasing in New Mexico

US Department of Energy

GeoPowering the West

Geothermal Resource Maps

Geothermal Resource Needs in New Mexico

Geothermal Technologies Program

US Geological Survey

Assessment of Low-Temperature Geothermal Resources of the United States 1982 (USGS Circular 892)

Assessment of Moderate and High Temperature Geothermal Resources of the US

Current Assessment of Moderate and High-Temperature Geothermal Resources

Geothermal Related Publications & Data

National Geothermal Resource Assessment

Selected Data for Low-Temperature (less than 90°C) Geothermal Systems in the United States; Reference Data for U.S. Geological Survey (Circular 892, USGS Open-File Report 83-250)

## **Who Does What?**

In New Mexico, on federal land, heat is a mineral. On state or private land, it depends on the use and temperature. For example, above 250 °F it is considered a mineral and falls within the jurisdiction of the Oil Conservation Division (**OCD**) for power generation and the Office of the State Engineer (**OSE**) for water adjudicatory issues. Below 250 °F it is still a mineral and falls within the jurisdiction of the New Mexico Environment Department (**NMED**)\* for direct heat use when wells are installed and/or the OSE for water adjudicatory issues or when heat pumps instead of wells are used for direct heat or geothermal purposes. Heat is not considered a mineral at all if the geothermal extraction is only incidental to a beneficial use of the water, in which case the water is not considered geothermal and it falls only within the jurisdiction of the OSE.

\* Note that oil and gas geothermal co-production technology where the geothermal reservoir temperature is less than 250 °F may also be regulated by the OCD.

**Contacts:**

New Mexico Bureau of Geology & Mineral Resources (Marshall Reiter 575-835-5306)

New Mexico Bureau of Land Management (Mike Smith 575-525-4421)

New Mexico Economic Development Department ([Brendan.miller@state.nm.us](mailto:Brendan.miller@state.nm.us))

New Mexico Energy Conservation & Management Division (Stephen Lucero 505-476-3324)

**New Mexico Environment Department- Ground Water Quality Bureau**  
**(Direct Heat Contact John Hall 505-827-1049)**

**New Mexico Office of the State Engineer** (Contact District Supervisor)

New Mexico Office of Taxation & Revenue (505-827-0825)

**New Mexico Oil Conservation Division** (Power Plant Contact Carl Chavez  
**505-476-3490 or E-mail: [carlj.chavez@state.nm.us](mailto:carlj.chavez@state.nm.us)**)

New Mexico State Land Office (Brian Bingham 505-827-5760)

U.S. Geological Survey (Marshall J. Reed 650-329-5620)

U.S. Department of Energy (Curtis Framel 303-275-4872)



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Las Cruces District Office  
1800 Marquess Street  
Las Cruces, New Mexico 88005  
www.blm.gov/nm



RECEIVED OAD

2011 JUN 20 P 12:20

In Reply Refer To:

3200 (L0310)

JUN 17 2011

**CERTIFIED--RETURN RECEIPT REQUESTED**

7006 2150 0004 4494 6309

Mr. Alfredo J. Riera  
Fort Bliss Directorate of Public Works  
Building 77  
Fort Bliss, TX 79916

Dear Mr. Riera:

The Bureau of Land Management (BLM) Las Cruces District Office has received (June 13, 2011) your Notice of Intent (NOI) to Conduct Geothermal Resource Exploration Operations on military administered land in T. 22 S., R. 7 E.; T 22 S., R 8 E. (Otero County, New Mexico); and T. 25 S., R. 4 E. (Dona Ana County, New Mexico), NMPM.

Based on the information you provided, the BLM has determined that the proposed activities are located within the boundaries of the military reservation established by Public Land Order (PLO) Number 833 (Federal Register May 27, 1952, vol. 17, p. 4822). PLO 833 specifically states that these areas are withdrawn from all forms of appropriation, including the mining and mineral leasing laws, and reserved for the use of the Department of the Army for military purposes. Therefore, provided that any geothermal resources discovered are utilized for military purposes, the Directorate of Public Works may proceed with the proposed exploratory activities. There is no need for BLM approval and your NOI is returned unsigned.

Because the proposed exploratory activity is located on the military reservation, the Directorate of Public Works or other appropriate Department of Defense agency is responsible for compliance with all applicable laws and regulations. These laws could include, but are not limited to, the National Environmental Policy Act of 1969 (42 USC §4321 et. seq.), the National Historic Preservation Act of 1966 (16 U.S.C. 470 et seq.), the Endangered Species Act of 1973 (7 U.S.C. §136, 16 U.S.C. §1531 et seq.), and any applicable State of New Mexico regulations.

The BLM must emphasize that the terms of PLO 833 indicate that any geothermal resources discovered within the military reservation may only be used for military-related purposes. Such purposes could include space-heating of military facilities or generating electricity to be

distributed to military facilities along dedicated power lines. It would not include distributing electricity along power lines owned or operated by civilian electrical utilities or cooperatives.

If you have any questions, please contact Michael Smith at (575) 525-4421.

Sincerely,



Edward Seum  
Supervisory Multi-Resources Specialist  
Division of Multi-Resources

1 Enclosure

cc:

✓ New Mexico Energy, Minerals  
and Natural Resources Department



# New Mexico Energy, Minerals and Natural Resources Department

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Governor

**John H. Bemis**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



May 5, 2011

Ms. Jake Gerhard  
Ormat Nevada, Inc.  
6225 Neil Road, Suite 300  
Reno, Nevada 89511

RE: **New Mexico Bureau of Land Management (BLM) Geothermal Land Leases**

Dear Ms. Gerhard:

I became aware of your name and company address from a recent New Mexico BLM geothermal land lease letter.

I am writing to introduce myself and provide some geothermal resource information from the New Mexico Oil Conservation Division (OCD). Some geothermal resource links to study from New Mexico are provided below.

**Geothermal Publications** (includes links to OCD Geothermal Regulations):  
<http://www.emnrd.state.nm.us/ocd/Publications.htm>

**Geothermal Working Group Information:**  
<http://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pCJC1004741751>.

If you have any questions or need assistance, please contact me at (505) 476-3490 or via E-mail: [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us). Thank you for your interest in New Mexico's geothermal resources.

Sincerely,

Carl J. Chavez  
Environmental Bureau Engineer

CJC/cc  
Attachments

xc: OCD District III Office, Aztec

Oil Conservation Division  
1220 South St. Francis Drive • Santa Fe, New Mexico 87505  
Phone (505) 476-3440 • Fax (505) 476-3462 • [www.emnrd.state.nm.us/OCD](http://www.emnrd.state.nm.us/OCD)





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BUREAU OF LAND MANAGEMENT  
Las Cruces District Office  
1800 Marquess Street  
Las Cruces, New Mexico 88005  
www.blm.gov/nm

RECEIVED OCD

2011 MAY -4 A 11: 03

In Reply Refer To.

NMNM 126341  
NMNM 126342  
NMNM 126343  
NMNM 126344  
NMNM 126345  
NMNM 126346  
NMNM 126347  
NMNM 126348  
3203 (L0310)

MAY 3 2011

CERTIFIED--RETURN RECEIPT REQUESTED  
7006 0810 0000 8915 0254

Ormat Nevada, Inc.  
c/o Ms. Jake Gerhard  
6225 Neil Road, Suite 300  
Reno, NV 89511

Dear Ms. Gerhard:

On March 1, 2011, the Bureau of Land Management (BLM), Las Cruces District Office (LCDO) received your nominations for competitive geothermal leasing (BLM Form 3203-1) on lands administered by the United States Forest Service (USFS) in Rio Arriba and Sandoval Counties, New Mexico. The nominated parcels are assigned the following serial numbers:

NMNM 126341  
NMNM 126342  
NMNM 126343  
NMNM 126344  
NMNM 126345  
NMNM 126346  
NMNM 126347  
NMNM 126348

Please refer to the enclosed serial register pages (SRPs) to correlate the nominated lands with the above serial numbers.

Our review has determined that the application for lease nomination NMNM 126347 is complete and accurate. For the other seven applications, please make the required corrections listed below and resubmit the nomination forms to the BLM LCDO.

**NMNM 126431 and NMNM 126434:** The nomination forms contain redundant descriptions of nominated parcels, please remove these redundancies, check total nominated acreage, and recalculate acreage if necessary.

**NMNM 126342:** all of sections 10, 11 and 12 of T. 21 N., R. 3 E., NMPM, have been nominated. Parts of these three sections were patented with no mineral reservation to the United States. Please refer to the enclosed patents 641154 and 1037851. Revise the descriptions of these nominated lands to eliminate the non-Federal mineral estate. Also, the nominated acreage (4,932.50 acres in section 3a of Form 3203-1) significantly exceeds the described acreage (approximately 4,320 acres, not subtracting the 117.5 acres of non-Federal mineral estate). Please recalculate the acreage or revise the nomination to include lands you may have inadvertently omitted.

**NMNM 126343:** the nominated acreage (5,119.02 acres in section 3a of Form 3203-1) significantly exceeds the described acreage (approximately 4,520 acres). Please recalculate the acreage or revise the nomination to include lands you may have inadvertently omitted.

**NMNM 126345:** the nominated acreage (4,983.14 acres in section 3a of Form 3203-1) exceeds the described acreage (approximately 4,480 acres). Please recalculate the acreage or revise the nomination to include lands you may have inadvertently omitted.

**NMNM 126346:** the total nominated acres (5,118.06 acres in section 3a of Form 3203-1) exceeds the total acreage possible for six nominated sections. Either revise the description to include inadvertently omitted lands, or recalculate the nominated acreage.

**NMNM 126348:** two of the nominated parcels (W½, sections 24 and 25) are listed in T. 21 N., R. 3 W. All other nominated parcels are listed in T. 21 N., R. 3 E. Is this difference in the range a typographic error, or does ORMAT Nevada, Inc., intend to nominate the Bankhead-Jones Act lands located in the W½, sections 24 and 25, T. 21 N., R. 3 W.?

After the corrected nominations have been received by the LCDO, the BLM will refer all eight nominations to the USFS for concurrence. By regulation (43 CFR 3201.10), the BLM will issue geothermal leases for USFS-administered lands only after receiving concurrence from the Department of Agriculture. If you do not submit corrected nomination forms (BLM Form 3203-1) within 30 days of receipt of this letter, the BLM will close the case files without further action or notification, and return your filing fees.

The information you have provided adequately justifies a block lease. Please contact Michael Smith, Geologist at (575) 525-4421, if you have any questions.

Sincerely,



Edward Seum  
Supervisory Multi-Resources Specialist  
Division of Multi-Resources

24 Enclosures:

- 1 - Nomination Fee Receipt (1)
- 2 - SRPs (8)
- 3 - Nomination Forms (8 copies)
- 4 - Land Patent (2)
- 4,5 - MTPs (5)

cc:

- Mr. Corbin L. Newman, Jr.
- ✓ Mr. Carl Chavez
- NM (921000; J. Spielman)



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3203 (L0310)

MAY 3 2011

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Supervisory Multi-Resources Specialist  
Division of Multi-Resources

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- ✓ Mr. Carl Chavez
- NM (921000; J. Spielman)



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Las Cruces District Office  
1800 Marquess Street  
Las Cruces, New Mexico 88005  
www.blm.gov/nm



RECEIVED OCD

2011 FEB -9 P 1:18

In Reply Refer To:

NMNM 125604  
NMNM125605  
3203 (L0310)

FEB 4 2011

Dear Reader:

The Bureau of Land Management (BLM), Las Cruces District Office (LCDO) is taking this opportunity to inform you that we have received two applications for a competitive lease of geothermal resources in the area north of the town of Rincon in Dona Ana County, New Mexico. Legal descriptions of the proposed leasing areas are provided below:

**NMNM 125604 (Rincon North, 4,398.48 acres more or less):**

T. 18 S., R. 2 W.,  
secs. 27, 28, 29, 30, 31, and 33 (All);

T. 18 S., R. 2 W.,  
sec. 34, NW $\frac{1}{4}$ , SW $\frac{1}{4}$ , SE $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NE $\frac{1}{4}$ .

**NMNM 125605 (Rincon South, 3,930.61 acres more or less):**

T. 19 S., R. 2 W.,  
sec. 3, NW $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ , SE $\frac{1}{4}$ , S $\frac{1}{2}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ ;

T. 19 S., R. 2 W.,  
secs. 4, 5, and 6 (All);

T. 19 S., R. 2 W.,  
sec. 7, E $\frac{1}{2}$ NE $\frac{1}{4}$ ;

T. 19 S., R. 2 W.,  
sec. 8, W $\frac{1}{2}$ NW $\frac{1}{4}$ ;

T. 19 S., R. 2 W.,  
sec. 9, NE $\frac{1}{4}$ , SE $\frac{1}{4}$ , SW $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ ;

T. 19 S., R. 2 W.,  
sec. 10 (All).

A map of the proposed leasing area is enclosed with this letter.

The specific activity being proposed is to offer for competitive geothermal leasing approximately 8,329.09 acres of Federal mineral estate. Two separate competitive lease nominations would be

auctioned in block, which means both leases would be awarded to the highest bidder. **Sale of a geothermal lease does not authorize the leaseholder or their operator to begin development activities such as exploratory drilling, roadwork, or facility development; such activities must be authorized separately after the proponent has met regulatory requirements defined in 43 CFR 3200. Furthermore, a separate environmental assessment specific to the location and nature of the proposed lease development activities will be required.**

The proposed leasing area overlaps the Rincon Area of Critical Environmental Concern (ACEC); please refer to the enclosed map. As part of the proposed action, it has been determined by the LCDO District Manager that the area of the Rincon ACEC will be subjected to the No Surface Occupancy (NSO) stipulation. This will effectively close the 840 acres of the Rincon ACEC from any surface disturbing activity associated with the development of lease NMNM 125604.

If the proposed leasing sale proceeds, the competitive lease auction will be held at the LCDO following procedures defined in current BLM regulations (43 CFR 3203). An auction date has not been established, but it is not anticipated that the auction will occur before the summer of 2011. Once issued, a geothermal lease is effective for a primary term of 10 years. The lease may be extended up to 35 years and renewed for up to 55 years provided the leaseholder meets specific development requirements defined in 43 CFR 3207.11 - .16.

The BLM will decide whether to offer all, none, or a subset of the nominated area for competitive geothermal leasing. Should it be determined that competitive leasing can proceed, lease stipulations will be applied to protect surface resources and assure the sustainable development of the geothermal resource. The LCDO encourages you to take this opportunity to comment on this proposal. The LCDO will accept scoping comments until close of business (4:30 p.m.) on **March 14, 2011**. All comments must be submitted in writing to the Las Cruces District Office, 1800 Marquess Street, Las Cruces, NM 88005 and to the attention of Michael Smith.

Before including your address, telephone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment, including your personal identifying information, may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

You may direct questions to Michael Smith, Geologist, at (575) 525-4421.

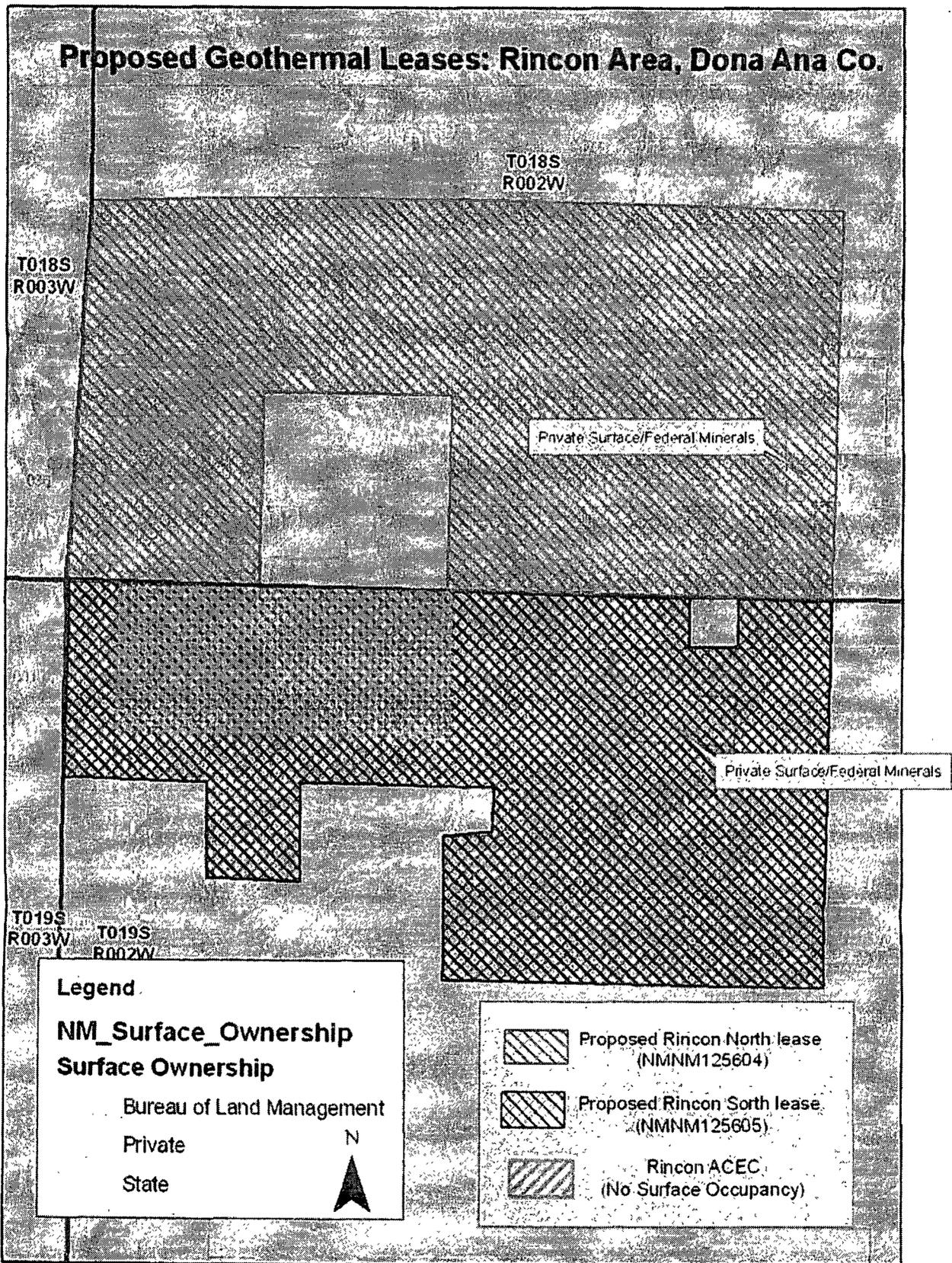
Sincerely,



Bill Childress  
District Manager

1 Enclosure

# Proposed Geothermal Leases: Rincon Area, Dona Ana Co.



**Legend**

**NM\_Surface\_Ownership**

**Surface Ownership**

- Bureau of Land Management
- Private
- State

N



-  Proposed Rincon North lease (NMNM125604)
-  Proposed Rincon South lease (NMNM125605)
-  Rincon ACEC (No Surface Occupancy)

1:45,000

## Chavez, Carl J, EMNRD

---

**From:** Chavez, Carl J, EMNRD  
**Sent:** Friday, September 24, 2010 8:06 AM  
**To:** Hall, John, NMENV; Johnson, Mike S., OSE; Heber, David, OSE; Altomare, Mikal, EMNRD; Lucero, Stephen A., EMNRD; Olson, Bill, NMENV; Fesmire, Mark, EMNRD; 'Mike\_Smith@blm.gov'; Martinez, Lisa, RLD; 'Adrienne.Brumley@blm.gov'; Brooks, David K., EMNRD; Dalmy, Andy., RLD; Baca, Jerome T., RLD; Pacheco, Rem, RLD; Aragon, Fermin, RLD; VonGonten, Glenn, EMNRD; Chavez, Carl J, EMNRD; Rappuhn, Doug H., OSE; Sizemore, Jim L., OSE; 'Black, Herb'; Hill, Larry, EMNRD; Dade, Randy, EMNRD; Perrin, Charlie, EMNRD; Martin, Ed, EMNRD  
**Cc:** Bailey, Jami C.; Sanchez, Daniel J., EMNRD  
**Subject:** Geothermal Regulations & Programs Stakeholders Meeting Minutes from September 8, 2010 Final Meeting  
**Attachments:** Meeting Minutes 9-8-10.doc

Ladies and Gentlemen:

Please find attached a copy of the final meeting minutes from our last and final meeting on geothermal regulations, etc. held on September 8, 2010. The meeting minutes will be scanned into the Oil Conservation Division's (OCD) Administrative Record at "OCD Online" (see link below).

OCD Online (UIC-999) under "Geothermal Regulations-Programs Stakeholder Meetings":  
<http://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pCJC1004741751>

Please take a moment to review the final minutes and consider providing any final comments or input to the OCD by COB October 8, 2010. A couple of issues after finalizing the minutes that the OCD would like to resolve are:

- 1) OCD requests Counsel from RLD to contact Counsel from OCD (Ms. Mikal Altomare) at (505) 476-3480 to discuss the OSE's requirement for NM Certified Water Well Drillers at all Geothermal Projects in NM. The OCD is not sure how this requirement would apply to a high-temperature geothermal environment project?
- 2) OCD is working to update Geothermal Forms G-108 (Monthly Production Report) and G-109 (Monthly Purchasers Report), which may be relied upon by other state and federal agencies for financial assessments. OCD will need to allow agencies that will assess taxes, royalty, etc. an opportunity to review the forms before OCD can finalize them for its website. I have copied the State Land Office (SLO) on this message so it knows the OCD will be sending the forms via e-mail very soon. The Department of Interior has already provided feedback on the forms that will be sent to the SLO. Similar to No. 1 above, Ms. Altomare may be contacted for questions about the forms.

Any other issues that the OCD identifies for closure of its Administrative Record may be forthcoming....

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM  
New Mexico Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division, Environmental Bureau  
1220 South St. Francis Dr., Santa Fe, New Mexico 87505  
Office: (505) 476-3490  
Fax: (505) 476-3462  
E-mail: [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)  
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>  
(Pollution Prevention Guidance is under "Publications")

## Chavez, Carl J, EMNRD

---

**From:** Black, Herb [Herb.Black@boemre.gov]  
**Sent:** Wednesday, September 08, 2010 3:22 PM  
**To:** Chavez, Carl J, EMNRD  
**Subject:** RE: Tentative: Geothermal Regulations & Programs Stakeholders Final Meeting

Carl;

Nobody uses millions of tons in royalty calculations. Its just a production amount that we collect. The amount of electricity produced is, however, used in royalty calculations, of course.

In direct use, on new federal leases, lessees use the amount of water produced and the temperature to read off the fees (ie, royalty) from a table that we produced.

Hope that helps.

Herb

Herb Black  
Geologist  
Royalty Valuation  
P.O. Box 25165, MS 6112B, Denver, CO 80225  
303-231-3769  
herb.black@mms.gov

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**From:** Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]  
**Sent:** Wednesday, September 08, 2010 3:19 PM  
**To:** Black, Herb  
**Subject:** RE: Tentative: Geothermal Regulations & Programs Stakeholders Final Meeting

Herb:

I may be giving you a call to understand how millions of tons produced steam, dry steam, etc. is applied in any calculations, but let me check out the links you provided to see if I can grasp the calculations.

I think what OCD was looking for in the forms is to make sure we have proper report categories, i.e., kwh produced, MMBtus produced, etc. and were unsure of how millions of tons could be used today for purchaser reports, etc.

Thanks.

Carl J. Chavez, CHMM  
New Mexico Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division, Environmental Bureau  
1220 South St. Francis Dr., Santa Fe, New Mexico 87505  
Office: (505) 476-3490  
Fax: (505) 476-3462  
E-mail: [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)  
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>  
(Pollution Prevention Guidance is under "Publications")

---

**From:** Black, Herb [mailto:Herb.Black@boemre.gov]  
**Sent:** Wednesday, September 08, 2010 2:52 PM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Cobb, Lawrence  
**Subject:** RE: Tentative: Geothermal Regulations & Programs Stakeholders Final Meeting

Thanks Carl;

Sorry I couldn't make the call.

Here are the geothermal product codes we have our geothermal lessees use when reporting their royalties to us. As you can see, we want to know about electricity production, steam or hot water, and if its a direct use facility, then we use different units (ie, hundreds of gallons vs. thousands of pounds or millions of gallons for electricity production):

- 31 Geothermal—electrical generation, kWh
- 32 Geothermal—electrical generation, thousands of pounds
- 33 Geothermal—electrical generation, MMBtu
- 34 Geothermal—electrical generation, other
- 35 Geothermal—direct utilization, MMBtu
- 36 Geothermal—direct utilization, hundreds of gal
- 37 Geothermal—direct utilization, other
- 38 Geothermal—commercially demineralized water
- 41 Geothermal byproduct—sulfur
- 42 Geothermal byproduct—carbon dioxide
- 43 Geothermal byproduct—silica
- 44 Geothermal byproduct—other

Here is the link to this royalty reporting handbook:  
<http://www.mrm.boemre.gov/FM/PDFDocs/RevenueHandbook.pdf>

If you want to know more about how geothermal royalties are calculated for electrical generation and direct use facilities on federal leases, here is the link to The Geothermal Payor Handbook:  
<http://www.mrm.boemre.gov/FM/PDFDocs/geopayor.pdf>

This handbook is in the process of being revised to reflect the new geothermal regulations.

I read the section on royalties in your geothermal section. It looks like your Form G-109 is sufficient for reporting byproducts and geothermal resources from wells. However, I did not see a section to report on electricity produced if a company has to pay royalties based on the following: A royalty of 8 % of the net revenue for the operation of an energy producing plant on the leased land.

As far as your Form G-108, someone from BLM would be more qualified than I to comment on production reports.

Please let me know if I be of any more assistance.

Herb

Herb Black  
Geologist  
Royalty Valuation  
P.O. Box 25165, MS 61112B, Denver, CO 80225  
303-231-3769  
herb.black@mms.gov

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**From:** Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]  
**Sent:** Wednesday, September 08, 2010 1:24 PM  
**To:** Black, Herb  
**Subject:** RE: Tentative: Geothermal Regulations & Programs Stakeholders Final Meeting

Herb:

See attachment. Looks like the G-109 is the form used to assess royalties and under OCD Jurisdiction....? Also, if you could browse OCD's web "G-Forms" at <http://www.emnrd.state.nm.us/ocd/Forms.htm> to make sure our forms address royalty assessment, etc. this would be greatly appreciated.

Thanks.

Carl J. Chavez, CHMM  
New Mexico Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division, Environmental Bureau  
1220 South St. Francis Dr., Santa Fe, New Mexico 87505  
Office: (505) 476-3490  
Fax: (505) 476-3462  
E-mail: [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)  
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>  
(Pollution Prevention Guidance is under "Publications")

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**From:** Black, Herb [mailto:Herb.Black@boemre.gov]  
**Sent:** Wednesday, September 08, 2010 9:55 AM  
**To:** Chavez, Carl J, EMNRD  
**Subject:** RE: Tentative: Geothermal Regulations & Programs Stakeholders Final Meeting

Hi Carl;

I am downloading this document and its taking a long time! As I think I wrote to you in the meeting invitation, I have another conflicting meeting here at work I have to attend. If I get out early enough, I will call in. Otherwise, I will email you any comments I may have once I see this document.

Herb

Herb Black  
Geologist  
Royalty Valuation  
P.O. Box 25165, MS 61112B, Denver, CO 80225  
303-231-3769  
herb.black@mms.gov

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**From:** Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]  
**Sent:** Wednesday, September 08, 2010 9:33 AM  
**To:** Black, Herb  
**Subject:** RE: Tentative: Geothermal Regulations & Programs Stakeholders Final Meeting

Herb:

Hi. Could you please take a look at OCD Form G-109 "Purchasers Report" form. You can access it through OCD Online (UIC-999 "Geothermal Regulations-Programs Stakeholder Meetings" thumbnail at <http://ocdimage.emnrd.state.nm.us/imaging/AEOrderFileView.aspx?appNo=pCJC1004741751>).

Any advice for revisions would be appreciated. I'm struggling with "Total Mass Produced" and "Total Dry Stream Produced", etc,

Thanks in advance if you have a chance. Thanks.

Carl J. Chavez, CHMM

New Mexico Energy, Minerals & Natural Resources Dept.

Oil Conservation Division, Environmental Bureau

1220 South St. Francis Dr., Santa Fe, New Mexico 87505

Office: (505) 476-3490

Fax: (505) 476-3462

E-mail: [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)

Website: <http://www.emnrd.state.nm.us/ocd/index.htm>

(Pollution Prevention Guidance is under "Publications")

-----Original Appointment-----

**From:** Black, Herb [mailto:Herb.Black@boemre.gov]  
**Sent:** Tuesday, September 07, 2010 8:15 AM  
**To:** Chavez, Carl J, EMNRD  
**Subject:** Tentative: Geothermal Regulations & Programs Stakeholders Final Meeting  
**When:** Wednesday, September 08, 2010 10:00 AM-12:00 PM (GMT-07:00) Mountain Time (US & Canada).  
**Where:** Oil Conservation Division 3rd Floor Conference Room (Wendell Chino Bldg.) 1220 South St. Francis Dr., Santa Fe, NM 87505

Hi Carl;

Thank you for keeping me in the loop. I have a conflicting meeting during most of this time, but I will call in if I get back in time.

Thanks!

Herb Black

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## Chavez, Carl J, EMNRD

---

**From:** Black, Herb [Herb.Black@boemre.gov]  
**Sent:** Friday, July 30, 2010 8:11 AM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Cobb, Lawrence  
**Subject:** New MMS name and geothermal royalty calculation input.  
**Attachments:** Reorganization%20Structure.pdf

Carl;

Good morning. Thank you for the update on all your hard work on geothermal, I think its great!

The only thing I am wondering is about geothermal royalties, that being my current area of concentration. I remember that in one of your documents there was a reference to the old Federal direct use royalty calculation method which used two meters, one for input to the facility and one for output after the heat was extracted. That method is no longer in use for new Federal leases.

The new Federal method for direct use is to use only the output meter and assume an input temperature and that the volume is the same before and after extraction. The temperature and volume are then entered into a "fee schedule" and read directly from that, instead of having to do a calculation. Its MUCH simpler.

Likewise, for electrical generation, we now have implemented a "percent of gross proceeds" royalty method for new leases, instead of the cumbersome "netback" method that many of the old leases still use.

I am not aware of how New Mexico is going to calculate/charge for royalties on state leases, for direct use or electrical generation.

If there is any input you would like on that, I would be more than happy to give it.

As for the name of our agency, we have a new one which will be in effect until October 1, at which time it will change again. Right now, our parent bureau has changed from MMS to BOEM (Bureau of Ocean Energy Management, Regulation, and Enforcement). Within that bureau, my division is still MRM (Minerals Revenue Management). Under that, my particular group is RV (Royalty Valuation), under AV, (Asset Valuation), which is under AM (Asset Management) So, the string is: BOEM/MRM/AM/AV/RV.

However, starting October 1, MRM is becoming a separate Office under the Secretary of Interior, called the Office of Natural Resources Revenue (ONRR). We will no longer be a bureau or part of BOEM and will report directly to the Assistant Secretary for Policy, Management, and Budget. No one knows yet, but we assume that my current group will still be AM/AV/RV under ONRR.

There is a schematic attached above.

Thanks so much Carl for allowing me to participate in your phone conferences; its been very interesting to me. Please let me know if I can be of any further assistance.

Herb

Herb Black  
Geologist  
Royalty Valuation  
P.O. Box 25165, MS 61112B, Denver, CO 80225  
303-231-3769  
herb.black@mms.gov

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**From:** Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]  
**Sent:** Friday, July 30, 2010 5:47 AM  
**To:** Black, Herb  
**Subject:** RE: Declined: Geothermal Regulations & Programs Stakeholders Teleconference Meeting

Herb:

Good morning. If you could provide your full details of you new agency name within the DOI, etc. for our records, that would be appreciated.

If you have any key recommendations to share, OCD would appreciate them. OCD is attempting to follow California and Nevada's lead on the regulatory and technical (i.e., high-temp BOPE, special drill equipment, etc.) side.

Pulling together OCD's final Policy and Technical Recommendations for the report to the Governor on December 1, 2010 with recommendations to streamline the process for commercial geothermal power companies to receive all applicable permits. NM's scarce fresh water resources make geothermal power generation a real challenge and we are hoping the companies will propose pollution prevention, waste minimization and heat transfer solutions that minimally stress the fresh water hydrologic and hydrogeologic systems wherever they are located—isolation preferred. Also, concerns with aesthetics and seismicity.....

Thanks for your participation.

Carl J. Chavez, CHMM

New Mexico Energy, Minerals & Natural Resources Dept.

Oil Conservation Division, Environmental Bureau

1220 South St. Francis Dr., Santa Fe, New Mexico 87505

Office: (505) 476-3490

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E-mail: [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)

Website: <http://www.emnrd.state.nm.us/ocd/index.htm>

(Pollution Prevention Guidance is under "Publications")

-----Original Appointment-----

**From:** Black, Herb [mailto:Herb.Black@boemre.gov]

**Sent:** Thursday, July 29, 2010 6:15 PM

**To:** Chavez, Carl J, EMNRD

**Subject:** Declined: Geothermal Regulations & Programs Stakeholders Teleconference Meeting

**When:** Wednesday, August 04, 2010 10:00 AM-12:00 PM (GMT-07:00) Mountain Time (US & Canada).

**Where:** Oil Conservation Division 3rd Floor Conference Room (Wendell Chino Bldg.) 1220 South St. Francis Dr., Santa Fe, NM 87505

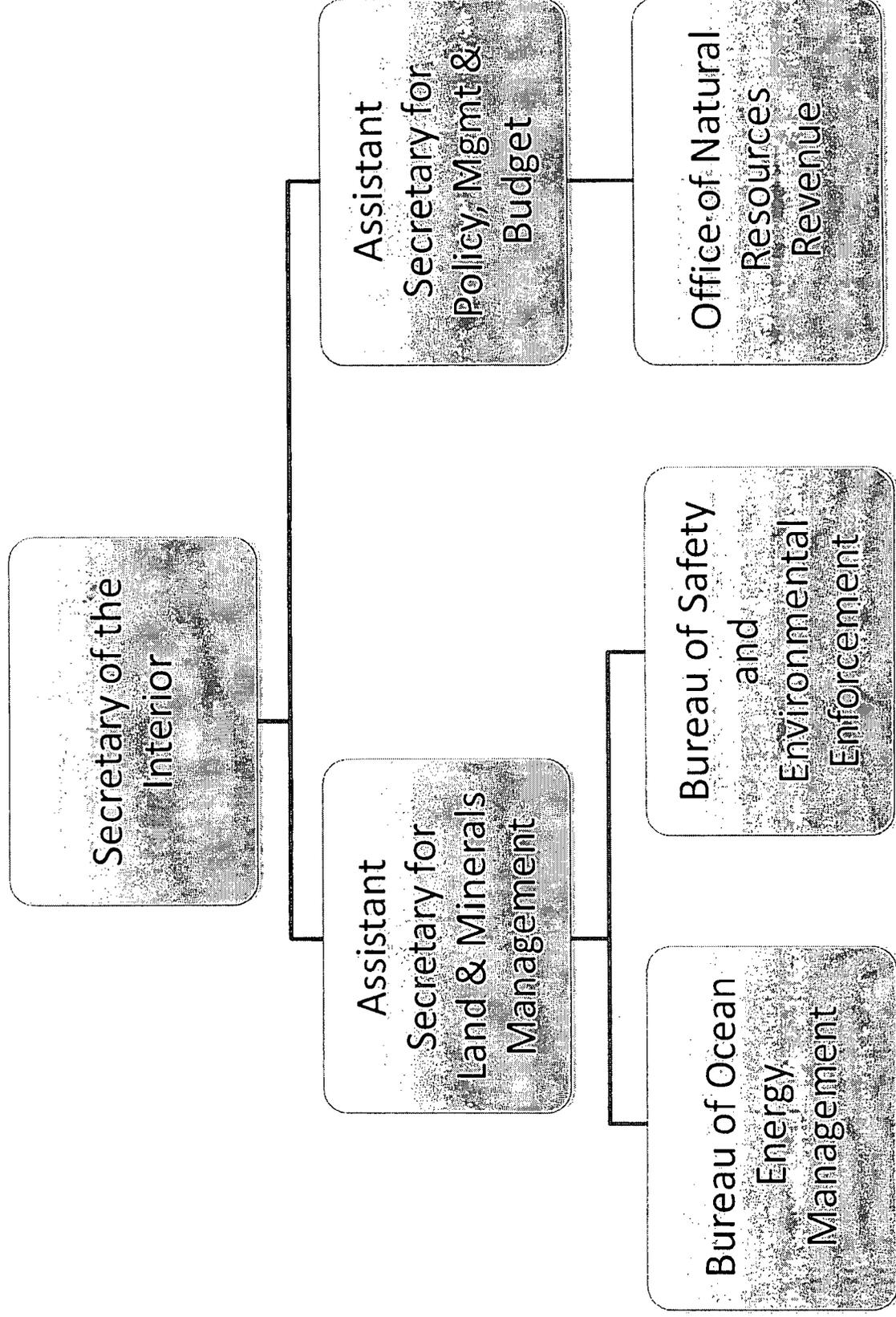
Thanks for the invitation Carl. However, I will be on leave and can't attend.

Best of luck!

Herb

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# Post-reorganization Structure



# Bureau of Ocean Energy Management

**Mission – Responsibly manage the sustainable development of the ocean’s energy resources through renewable energy and offshore conventional energy**

Office will perform the following functions:

- Conduct five year planning processes
- Process and approve leasing activities
- Develop new structure of expanding renewable energy opportunities

# Bureau of Safety and Environmental Enforcement

**Mission - Assure highest level of safety and environmental standards and performance in the production of all offshore energy activities**

Office would incorporate the following functions:

- Creation of standards
- Inspections
- Enforcement

# Natural Resources Revenue Service

**Mission: Assure full realization of value of public energy resources for the benefit of the American people**

Existing revenue management function to be placed under the Assistant Secretary for Policy, Management and Budget (PMB)

- Eliminates conflicts associated with revenue collection being commonly managed with resource management and safety and environmental enforcement
- Greater operational alignment within PMB will support improved performance

# Approach to Reform

- Objective is to remove potential conflicts and enhance Interior's ability to pursue each element of the MMS mission:
  - Operational safety ;
  - Environmental protection;
  - Full and efficient collection of all payments due; and
  - Responsible and sustainable management of offshore energy development
- Goal is to enhance Interior's performance and accountability through greater functional independence and oversight while maintaining an effective process

## Chavez, Carl J, EMNRD

---

**From:** Chavez, Carl J, EMNRD  
**Sent:** Thursday, June 10, 2010 8:45 AM  
**To:** 'Black, Herb'  
**Cc:** Cobb, Lawrence; Kepler, Glenn; Prael, Robert  
**Subject:** RE: Handouts for today's Geothermal Regulations Stakeholder Work Group Meeting- Teleconference Call  
**Attachments:** image001.gif; image002.gif; image003.gif

Herb:

I would like to share your information as an FYI to the Geothermal Regulations Stakeholder Group and our State Land Office. Unfortunately, our one attorney is downplaying the importance of documentation of royalties, rents, etc. and taxation associated with our geothermal program(s) right now. My intent with my flow chart was to have a links to federal and state flow chart boxes where web browsers could learn more about the royalty process, who to contact, but the attorney said in the meeting yesterday she doesn't what that. Unfortunately, nobody chimed up to support my flow chart and there may be comments received from the group recommending that all entities involved in NM Geothermal program(s) should be represented, but I don't think OCD will receive any comments supporting my perceived concept of what we should have on our website resource page.

Please contact me if you have questions. I will share your e-mail with the OCD Attorneys and ask if it should be shared with the group and as an FYI to the State Land Office for consideration of your land acreage concept. Thank you.

Carl J. Chavez, CHMM  
New Mexico Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division, Environmental Bureau  
1220 South St. Francis Dr., Santa Fe, New Mexico 87505  
Office: (505) 476-3490  
Fax: (505) 476-3462  
E-mail: [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)  
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>  
(Pollution Prevention Guidance is under "Publications")

---

**From:** Black, Herb [mailto:Herb.Black@mms.gov]  
**Sent:** Thursday, June 10, 2010 8:14 AM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Cobb, Lawrence; Kepler, Glenn; Prael, Robert  
**Subject:** RE: Handouts for today's Geothermal Regulations Stakeholder Work Group Meeting- Teleconference Call

Thanks Carl, it is our pleasure to be involved in whatever way MMS can in New Mexico's geothermal program. I personally am a big fan of geothermal and am endlessly fascinated with how everyone is implementing it. I realize this is a large and complicated feat you are undertaking! As New Mexico has a rather large geothermal potential, I believe this is extremely important work. I did my MS on geothermal geology way back in 1975 and so have a long history with it, both technically and policy-wise.

BTW, I did find an error in the Summary of Discussion from the May 19-20<sup>th</sup> meeting you had at New Mexico Tech. On Page 7, under the heading "Federal BTU meter requirements" at the top of the page. Turns out Congress did NOT remove the requirement for a BTU meter on direct use facilities. An earlier version of the Energy Policy Act did propose a fee based on acreage, but that was nixed (perhaps due in part to our (MMS) comments against it). We at MMS feel strongly that direct use fees or royalties need to be based on how much heat energy (BTU) (resource) is used, not simply on acreage leased. A small acreage could use much geothermal energy or conversely a large acreage could use little geothermal energy for instance. The MMS Royalty Policy Committee in 2005, of which I was an MMS representative and technical analyst, with the technical help of BLM's Rich Estabrook, came up with the fee schedule now incorporated into the MMS May 2, 2007 geothermal regulations at 30CFR 206.356. This fee schedule for direct use geothermal does require one meter (as opposed to the required two meters under the old MMS regulations for direct use). The operator must input temperature and volume of hot water input to the greenhouse or other direct use facility. Then it's a simple matter of reading the fees from the table. In the past, there was a rather complicated calculation and steam table inputs.

I would be happy to provide an edit for that heading on page 7 if you would like. I am intimately familiar with this issue (and others dealing with geothermal royalties and valuation) because I was the co-author of the 2007 MMS geothermal regulations and worked as part of the "steam team" with the BLM when they also wrote their 2007 geothermal regulations. So if there are any royalty or direct use fee issues or questions I would be very happy to help. I am also the person revising the geothermal Payor Handbook here at MMS to incorporate all the changes from our new geothermal regulations mandated by congress in EAct 2005.

I am attaching a copy of the MMS Royalty Policy Committee (RPC) report from 2005 in which we came up with the direct use fee schedule that is currently in use in our 2007 regulations. This report also recommended a simplified "percent of gross proceeds" royalty calculation method for geothermal electricity projects. This method was also adopted by Congress in EAct 2005 and incorporated in the 2007 BLM and MMS geothermal regulations. Note that Mr. Burgett also participated from New Mexico in the RPC.

Thank you for allowing MMS to participate in your geothermal projects.

Herb Black  
Geologist  
Royalty Valuation  
P.O. Box 25165, MS 61112B, Denver, CO 80225  
303-231-3769  
herb.black@mms.gov

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**From:** Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]  
**Sent:** Wednesday, June 09, 2010 1:45 PM  
**To:** Black, Herb  
**Subject:** RE: Handouts for today's Geothermal Regulations Stakeholder Work Group Meeting- Teleconference Call

Thanks Herb. We are impressed with the support and effort MMS has shown to our group....

"Lord Give Us Strength to Endure....." CJC ☺

Carl J. Chavez, CHMM  
New Mexico Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division, Environmental Bureau  
1220 South St. Francis Dr., Santa Fe, New Mexico 87505  
Office: (505) 476-3490  
Fax: (505) 476-3462  
E-mail: [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)  
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>  
(Pollution Prevention Guidance is under "Publications")

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**From:** Black, Herb [mailto:Herb.Black@mms.gov]  
**Sent:** Wednesday, June 09, 2010 9:09 AM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Cobb, Lawrence  
**Subject:** RE: Handouts for today's Geothermal Regulations Stakeholder Work Group Meeting- Teleconference Call

Thank you, I think I will listen in if that is okay since the BLM will be speaking.

Herb Black  
Geologist  
Royalty Valuation  
P.O. Box 25165, MS 6112B, Denver, CO 80225  
303-231-3769  
herb.black@mms.gov

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---

**From:** Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]  
**Sent:** Wednesday, June 09, 2010 8:59 AM  
**To:** Black, Herb  
**Subject:** RE: Handouts for today's Geothermal Regulations Stakeholder Work Group Meeting- Teleconference Call

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Type of Conference: Standard  
Dial-in Number: 1-213-289-0500 (Los Angeles)  
Participant Access Code: 4509670  
Organizer Access Code: ★693464 (you must include the leading star key)  
Conference Controls: Conversation Mode (all Participants can be heard)  
Entry Chimes - Enabled  
Exit Chimes - Enabled

Carl J. Chavez, CHMM  
New Mexico Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division, Environmental Bureau  
1220 South St. Francis Dr., Santa Fe, New Mexico 87505  
Office: (505) 476-3490  
Fax: (505) 476-3462  
E-mail: [CarlJ.Chavez@state.nm.us](mailto:CarlJ.Chavez@state.nm.us)  
Website: <http://www.emnrd.state.nm.us/ocd/index.htm>  
(Pollution Prevention Guidance is under "Publications")

---

**From:** Black, Herb [mailto:Herb.Black@mms.gov]  
**Sent:** Wednesday, June 09, 2010 8:53 AM

**To:** Chavez, Carl J, EMNRD

**Cc:** Prael, Robert; Corona, Lorraine

**Subject:** RE: Handouts for today's Geothermal Regulations Stakeholder Work Group Meeting- Teleconference Call

Hello Mr. Chavez;

I received this email and wonder if you wanted someone from MMS to be on this geothermal teleconference? If so, could you please supply me with the number and time and code?

Thank you.

Herb Black  
Geologist  
Royalty Valuation  
P.O. Box 25165, MS 61112B, Denver, CO 80225  
303-231-3769  
herb.black@mms.gov

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**From:** Chavez, Carl J, EMNRD [mailto:CarlJ.Chavez@state.nm.us]

**Sent:** Wednesday, June 09, 2010 7:54 AM

**To:** Mike\_Smith@blm.gov; Rappuhn, Doug H., OSE; Prael, Robert; Black, Herb

**Subject:** Handouts for today's Geothermal Regulations Stakeholder Work Group Meeting- Teleconference Call

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## Chavez, Carl J, EMNRD

---

**From:** Chavez, Carl J, EMNRD  
**Sent:** Wednesday, June 09, 2010 1:45 PM  
**To:** 'Black, Herb'  
**Subject:** RE: Handouts for today's Geothermal Regulations Stakeholder Work Group Meeting- Teleconference Call  
**Attachments:** image001.gif; image002.gif; image003.gif

Thanks Herb. We are impressed with the support and effort MMS has shown to our group....

"Lord Give Us Strength to Endure....." CJC ☺

Carl J. Chavez, CHMM  
New Mexico Energy, Minerals & Natural Resources Dept.  
Oil Conservation Division, Environmental Bureau  
1220 South St. Francis Dr., Santa Fe, New Mexico 87505  
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Website: <http://www.emnrd.state.nm.us/ocd/index.htm>  
(Pollution Prevention Guidance is under "Publications")

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**From:** Black, Herb [<mailto:Herb.Black@mms.gov>]  
**Sent:** Wednesday, June 09, 2010 9:09 AM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Cobb, Lawrence  
**Subject:** RE: Handouts for today's Geothermal Regulations Stakeholder Work Group Meeting- Teleconference Call

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Herb Black  
Geologist  
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P.O. Box 25165, MS 61112B, Denver, CO 80225  
303-231-3769  
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**From:** Black, Herb [<mailto:Herb.Black@mms.gov>]  
**Sent:** Wednesday, June 09, 2010 8:53 AM  
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**Subject:** RE: Handouts for today's Geothermal Regulations Stakeholder Work Group Meeting- Teleconference Call

Hello Mr. Chavez;

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Thank you.

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**Sent:** Wednesday, June 09, 2010 7:54 AM  
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Hey guys.

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## Chavez, Carl J, EMNRD

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**From:** Chavez, Carl J, EMNRD  
**Sent:** Wednesday, June 09, 2010 9:12 AM  
**To:** 'Black, Herb'  
**Subject:** RE: Handouts for today's Geothermal Regulations Stakeholder Work Group Meeting- Teleconference Call  
**Attachments:** image001.gif; image002.gif; image003.gif

It is toward the end on the agenda, but if you pressed for time, let us know and we can talk earlier about it. Thnx. Got to run....

Carl J. Chavez, CHMM  
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## Chavez, Carl J, EMNRD

---

**From:** Chavez, Carl J, EMNRD  
**Sent:** Thursday, May 06, 2010 4:40 PM  
**To:** 'Black, Herb'  
**Cc:** Prael, Robert; Cobb, Lawrence; Brooks, David K., EMNRD; Altomare, Mikal, EMNRD  
**Subject:** RE: MMS geothermal links

Thanks Herb and Robert for your participation during yesterday's telephone conference call. I will share this with the rest of the group.

Please contact me if you have questions. Thank you.

Carl J. Chavez, CHMM  
New Mexico Energy, Minerals & Natural Resources Dept.  
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**From:** Black, Herb [<mailto:Herb.Black@mms.gov>]  
**Sent:** Thursday, May 06, 2010 4:17 PM  
**To:** Chavez, Carl J, EMNRD  
**Cc:** Prael, Robert; Cobb, Lawrence  
**Subject:** MMS geothermal links

Dear Mr. Chavez;

As you requested, I am sending you some links to MMS geothermal regulations and geothermal handbooks having to do with valuation and royalty.

This link lists pdf files of two MMS handbooks concerning geothermal: Minerals Revenue Reporter Handbook (Geothermal is in Chapter 7) and Geothermal Payor Handbook:

<http://www.mrm.mms.gov/ReportingServices/Handbooks/Handbks.htm>

In addition, here is a link to the new MMS geothermal valuation regulations from May, 2007:

[http://www.mrm.mms.gov/Laws\\_R\\_D/FRNotices/PDFDocs/24448.pdf](http://www.mrm.mms.gov/Laws_R_D/FRNotices/PDFDocs/24448.pdf)

Finally, here is a link to the Financial Management website with contact names.

<http://www.mrm.mms.gov/ReportingServices/WhoWeAre.htm>

Please contact me if you need any further information.

Sincerely,

Herb Black  
Geologist  
Royalty Valuation  
P.O. Box 25165, MS 61112B, Denver, CO 80225

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## Chavez, Carl J, EMNRD

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**From:** Chavez, Carl J, EMNRD  
**Sent:** Wednesday, June 09, 2010 1:52 PM  
**To:** 'Black, Herb'; Prael, Robert  
**Subject:** FW: Message from 45C-2  
**Attachments:** S45C-210060910000.pdf

FYI.

Carl J. Chavez, CHMM  
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**From:** Chavez, Carl J, EMNRD  
**Sent:** Wednesday, June 09, 2010 1:50 PM  
**To:** Johnson, Mike S., OSE; Heber, David, OSE; Altomare, Mikal, EMNRD; Lucero, Stephen A., EMNRD; Olson, Bill, NMENV; Fesmire, Mark, EMNRD; 'Mike\_Smith@blm.gov'; Martinez, Lisa, RLD; 'Adrienne.Brumley@blm.gov'; Brooks, David K., EMNRD; Hall, John, NMENV; Dalmy, Andy ., RLD; Baca, Jerome T., RLD; Pacheco, Rem, RLD; Aragon, Fermin , RLD; VonGonten, Glenn, EMNRD; Chavez, Carl J, EMNRD; Rappuhn, Doug H., OSE; Sizemore, Jim L., OSE  
**Subject:** FW: Message from 45C-2

Please find attached J.T.'s pamphlet he was referring to in today's meeting that I promised to send out.

Enjoy! Thanks all for your help and support.

Carl J. Chavez, CHMM  
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Office: (505) 476-3490  
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(Pollution Prevention Guidance is under "Publications")

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**From:** Baca, Jerome T., RLD  
**Sent:** Wednesday, June 09, 2010 10:07 AM  
**To:** Chavez, Carl J, EMNRD  
**Subject:** FW: Message from 45C-2

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**From:** [calendars.rld@state.nm.us](mailto:calendars.rld@state.nm.us) [mailto:[calendars.rld@state.nm.us](mailto:calendars.rld@state.nm.us)]  
**Sent:** Wed 6/9/2010 11:00 AM  
**To:** Baca, Jerome T., RLD  
**Subject:** Message from 45C-2