

From: Karl [karl@geo-energy.org]

Sent: Wednesday, April 16, 2003 12:22 PM

To: MRM Comments

Subject: ATTN: Geothermal Proposal 2003

Attached are comments submitted on behalf of the Board of Directors of the Geothermal Energy Association. Thank you.

Karl Gawell
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April 16, 2003

Geothermal Energy Association
209 Pennsylvania Ave SE
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Paul Kuueven, Manager
Records and Information Management Team
Minerals Management Service
Denver, Colorado 80225-0165

ATTN: Geothermal Proposal 2003

Dear Mr. Juueven,

In response to the Federal Register Notice of the Minerals Management Service published on March 17, 2003, I am responding on behalf of the Board of Directors of the Geothermal Energy Association.

As the Geothermal Energy Association recently testified before the House Resource Committee (March 19, 2003) the current royalty requirements should be modified to reduce administrative costs and promote new power and direct use development. In order to achieve this, we believe that royalties should be based upon a simple percentage of gross proceeds.

In our view, legislation that establishes a gross proceeds formula is the preferred approach. This would reflect market value, be easy to administer and readily verifiable, and be applicable to both new and existing leases. Also, a royalty on gross proceeds will save on the administrative costs of both the government and industry as well as eliminate many uncertainties that arise under the current system, including the potential for audits years after royalty payments are made.

On behalf of the members of the GEA Board, list attached, we request that we be advised of any actions that MMS takes pursuant to its Federal Register notice, and wish to have the option of being involved in any subsequent meetings, discussions or workshops.

Sincerely,

Karl Gawell
Executive Director
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Attachment: GEA Board List

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