



Idaho leases thousands more acres for oil and gas development



October 16, 2014

(BOISE) - The Idaho Department of Lands (IDL) **auctioned oil and gas leases for 5,238.76 acres of State owned lands and minerals** Wednesday in Boise.

The auction generated **\$263,229 in bonus bids** for the State endowment trusts that support Idaho's public school system, Idaho State University, State Juvenile Corrections Center, State Hospital North, Idaho State Veterans Homes, and the Idaho School for the Deaf and Blind.

The leases were for **600 acres in Cassia County; 4,478.76 acres in Owyhee County; and 160 acres in Gem County.**

Trendwell West, Inc., was awarded leases on eight tracts for \$190,000 in bonus bids, and AM Idaho, LLC was awarded leases on three tracts for \$73,229 in bonus bids.

The average bid was approximately \$46 per acre.

The highest competitive bid was \$105 per acre on approximately 638 acres located in Owyhee County. The lease sold for \$67,871.

With Wednesday's auction, the total amount of State owned lands and minerals leased for oil and gas development is more than 97,900 acres. **In 2014 alone, IDL held oil and gas lease auctions for more than 31,600 acres of State owned land and minerals, and generated more than \$2.1 million in revenue for the State of Idaho.**

Increased leasing activity is an indication of greater interest in developing the resource. Thousands more acres of privately owned lands and minerals are leased for oil and gas development.

All of the mineral rights auctioned for oil and gas leases are owned by the State endowment trust. Lands and minerals owned by the State endowment trust are managed under a constitutional mandate to generate maximum long-term income for public schools and other specific State beneficiaries.

Click [here](#) for the tract list, lease template, and lease stipulations.

Sixteen wells in Idaho are drilled and ready for development or already in development. The next auction for State oil and gas leases is scheduled for January 21, 2015.

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Income for Idahoans

The income from *leasing* is only part of the potential income to Idahoans, public schools, communities, and the State of Idaho from oil and gas activity in Idaho.

Idahoans also are benefited through royalties, severance taxes on production of oil or gas.

A 12.5% royalty on production is distributed to the permanent fund of the appropriate endowment beneficiary, other state agencies and the General Fund

A 1.5% tax on production goes to the Oil and Gas Conservation Commission to regulate oil and gas production in Idaho.

A 1% tax on production is split between:

>>**County** where the oil or gas is produced (28%)

>>**Cities** where the oil or gas is produced (28%)

>>**Public School Income Fund** (28%)

>>**A local economic development account** to provide assistance to counties that may experience severe economic hardship due to the cutback or closure of business and industry associated with oil or gas production (16%)

[\(Idaho Code 47-330\)](#)

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