



Expiring Leases: Minerals, Oil & Gas, and Geothermal Lease Issuance Process

In accordance with [Executive Order 2020-02, Transparency in Agency Guidance Documents](#), guidance documents promulgated by the department are not new laws. They represent an interpretation of existing law, except as authorized by Idaho Code or incorporated into a contract.

This document may reference other documents that are not currently available online. Copies of these reference documents may be obtained by filing a public records request at <https://www.idl.idaho.gov/public-records-request>.

Agency Contact

Bureau Chief – Real Estate Services

Purpose

To provide an overview of the expiring lease application process to interested parties, applicants, and lessees.

This document outlines an expiring lease application process that is consistent with the following Idaho statutes and administrative rules:

- [Title 47, Chapter 7, Idaho Code – Mineral Rights in State Lands](#)
- [Title 47, Chapter 8, Idaho Code – Oil and Gas Leases on State and School Lands](#)
- [Title 47, Chapter 16, Idaho Code – Geothermal Resources](#)
- [IDAPA 20.03.15 – Rules Governing Geothermal Leasing on Idaho State Lands](#)
- [IDAPA 20.03.16 – Rules Governing Oil and Gas Leasing on Idaho State Lands](#)

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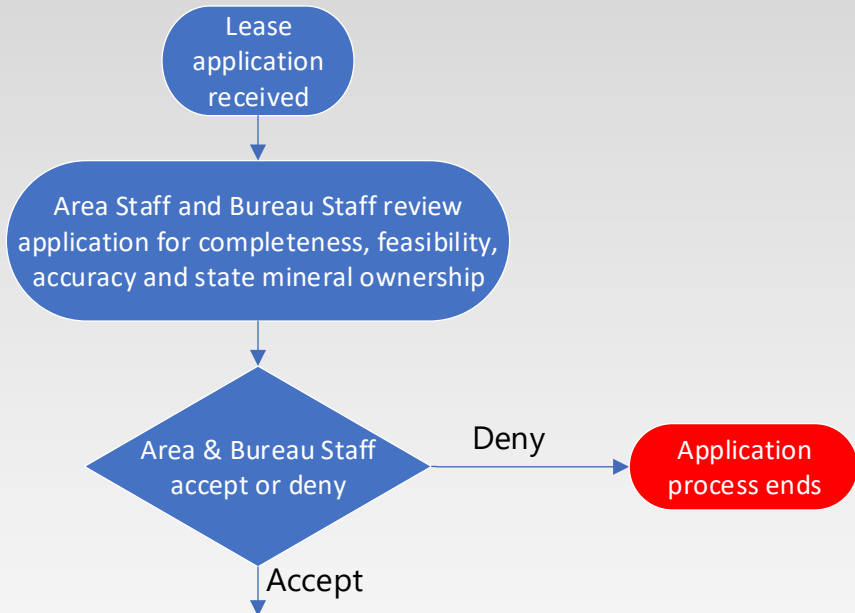


- EXPIRING LEASES - MINERALS, OIL & GAS and GEOTHERMAL LEASE ISSUANCE PROCESS

1. EXPIRING LEASE ADVERTISING

- IDL advertises expiring leases on the IDL website (www.idaho.idl.gov) 3 years prior to the expiration
- IDL may advertise expiring leases using other forms of media at its discretion
- Notice of application published in the local newspaper 5 weeks prior to the application deadline of April 30th (the year prior to lease expiration)
- IDL sends application to each lessee of expiring lease and any interested party (January 1st - April 30th of the year prior to expiration)

2. LEASE APPLICATION and REVIEW



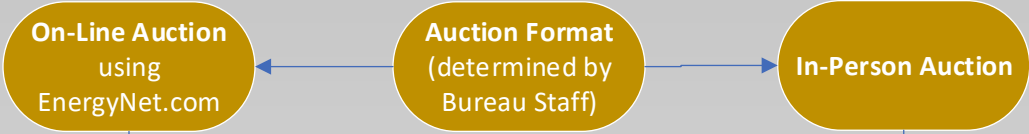
3. LEASE DRAFTING

- Area Staff provide lease information to Bureau Staff
- Bureau Staff review and develop the draft lease
- Office of Attorney General reviews and suggests revisions to the draft lease, as needed
- Bureau Staff and Areas Staff review suggestions and resolve any questions
- Bureau Staff and Area Staff agree to revisions to the draft lease
- Office of Attorney General approves draft lease for further processing
- IDL provides draft lease to applicant for review and acceptance/acknowledgement



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4. LEASE AUCTION



Advertising

- IDL notifies applicant of auction opening and closing dates
- EnergyNet.com posts auction information including:
 - auction opening and closing dates
 - auction registration process
 - auction rules and process
 - draft lease and other related information
- EnergyNet.com advertises auction
- IDL advertises auction on www.idl.idaho.gov
- IDL posts auction notice in local IDL office and Staff office
- Legal notice of auction published in local newspaper for 4 weeks

Advertising

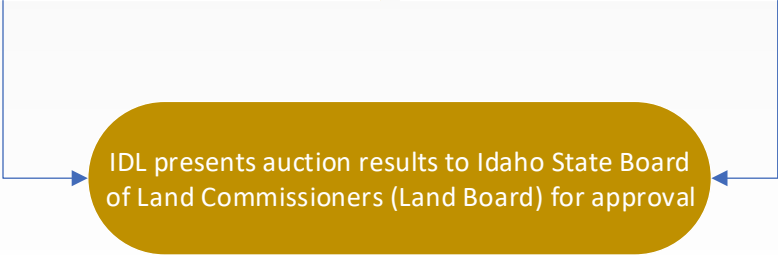
- IDL notifies applicant of auction date, time and location
- IDL advertises auction on www.idl.idaho.gov
- IDL advertises auction using other methods at its discretion
- IDL posts auction notice in local IDL office and Staff office
- Legal notice of auction published in local newspaper for 4 weeks

Auction

- Applicant registers on EnergyNet.com
- Other interested parties register on EnergyNet.com
- Auction is opened by EnergyNet.com for 1 week
- Registered participants bid until auction closing time
- EnergyNet.com identifies auction winner
- Auction winner pays EnergyNet:
 - application fee
 - first year's rent
 - pre-paid royalty (if required)
 - auction bid amount

Auction

- Applicant registers at the auction location
- Other interested parties register at the auction location
- Auction process and rules are explained to participants
- Auction is opened for bidding
- Auction participants bid until auction is closed
- Auction winner pays IDL:
 - application fee
 - first year's rent
 - pre-paid royalty (if required)
 - auction bid amount





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5. LEASE EXECUTION

- Bureau Staff revise lease to include pending lessee information
- Bureau Staff sends lease to pending lessee for notarized signature
- Lessee returns executed lease to IDL
- Final Office of Attorney General review of lease
- ID submits lease to Director and Land Board for signatures
- Pending lessee submits to IDL any required financial assurance or other required documentation
- IDL sends fully executed lease to lessee and lease commences