1. LEASE APPLICATION and REVIEW

- Lease application received
- Area Staff and Bureau Staff review application for completeness, feasibility, accuracy and state mineral ownership
- Area & Bureau Staff accept or deny
  - Accept
  - Deny
    - Application process ends

2. 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 Area 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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3. LEASE AUCTION

On-Line Auction using EnergyNet.com

Auction Format (determined by Bureau Staff)

In-Person 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

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

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 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

IDL presents auction results to Idaho State Board of Land Commissioners (Land Board) for approval

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4. LEASE EXECUTION

- Bureau Staff revise lease to include pending lessee information
- Final Office of Attorney General review of lease
- Bureau Staff sends lease to pending lessee for notarized signature
- Lessee returns executed lease to IDL
- IDL 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

This guidance document is not a new law. This document is an agency interpretation of existing law, except as authorized by Idaho Code or incorporated into a contract.

Agency Contact
Bureau Chief – Real Estate Services