

STATE BOARD OF LAND COMMISSIONERS

December 19, 2023

Consent Agenda

Subject

Mineral Lease Live Auction – November 9, 2023

Question Presented

Shall the Land Board direct the Department to award the mineral lease to the high bidder at the live auction?

Background

The Idaho Department of Lands (Department) received application for a new sand, gravel, and basalt mineral lease located southeast of Boise, just west of the Blacks Creek Public Shooting Range along Kuna-Mora Road (site maps included as Attachment 1). Pursuant to Idaho Code § 58-310 and Department procedure, the public auction was advertised and held to determine the high bidder for the lease. Auction participants, including the original applicant for the lease, were required to register for the live auction one week prior to the auction date. Department staff conducted the live auction.

Discussion

For the purposes of securing a single lessee for the mineral lease, a live auction was held on November 9, 2023, at the Department's Southwest Area office. ASG Resources, LLC submitted the successful premium bid of \$550,000 for mineral lease E600119 (an 89.2-acre parcel). Six parties registered for this auction, including the original applicant (Premier, LLC). The lease includes a 10-year term for the extraction of sand, gravel and basalt, including annual rent of \$268.00 (\$3.00 per acre); a minimum annual royalty payment of \$7,500; and a royalty rate of \$0.95 per short ton. Attachment 2 summarizes the results of the live auction.

Idaho Code § 58-310(4) provides that the State Board of Land Commissioners (Land Board) has the right to reject any bid made at a live auction where fraud or collusion are present, or for any reason, all within the sole discretion of the Land Board. The Department completed the lease auction process in accordance with existing statute and procedures and did not observe any indication of fraud or collusion related to this process.

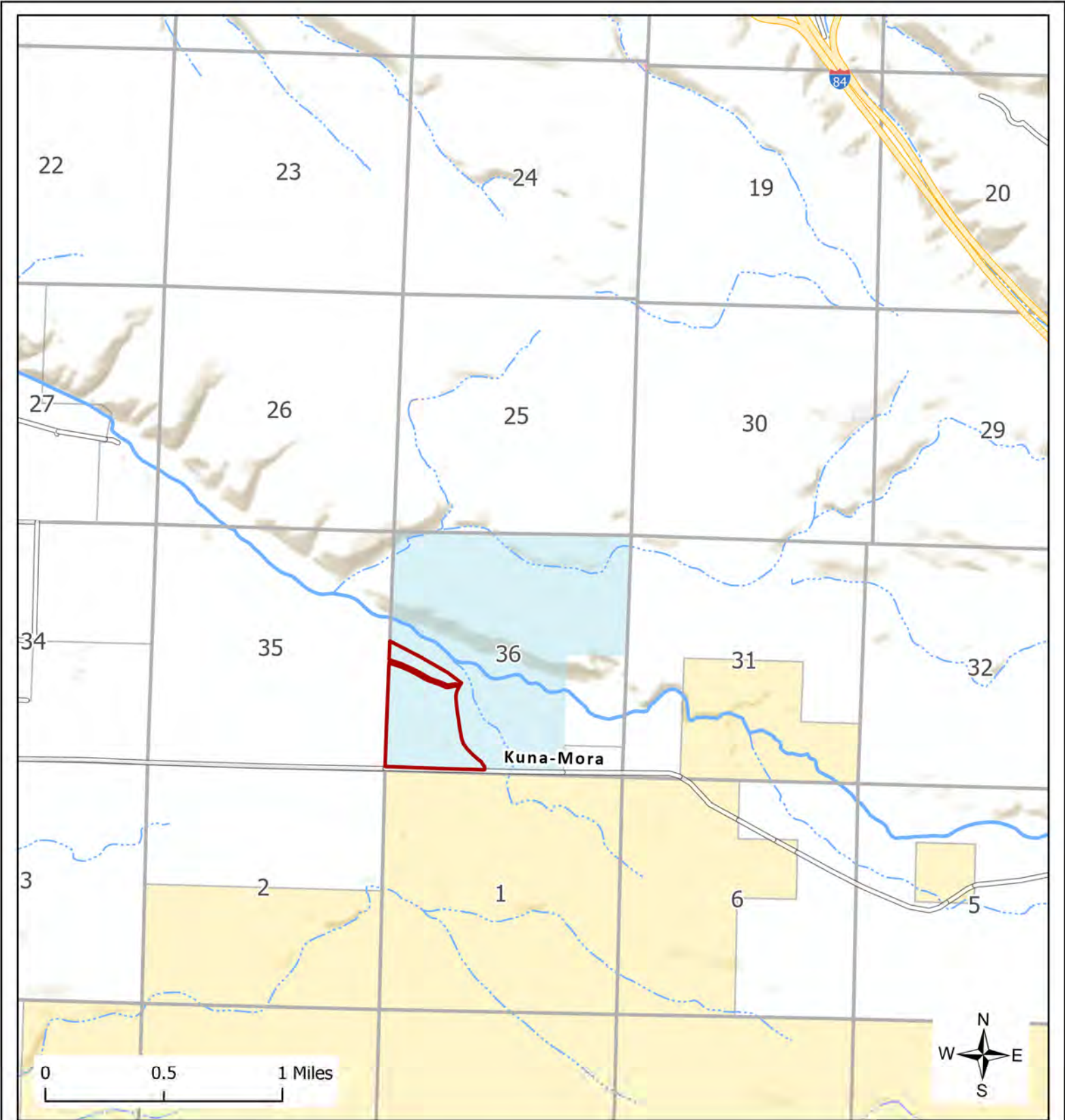
Recommendation

Direct the Department to award mineral lease E600119 to ASG Resources, the high bidder at the auction.

Board Action

Attachments

1. Site Maps
2. Summary of Auction Results

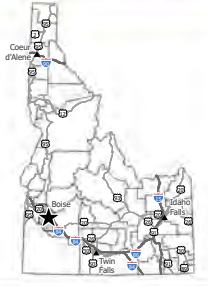


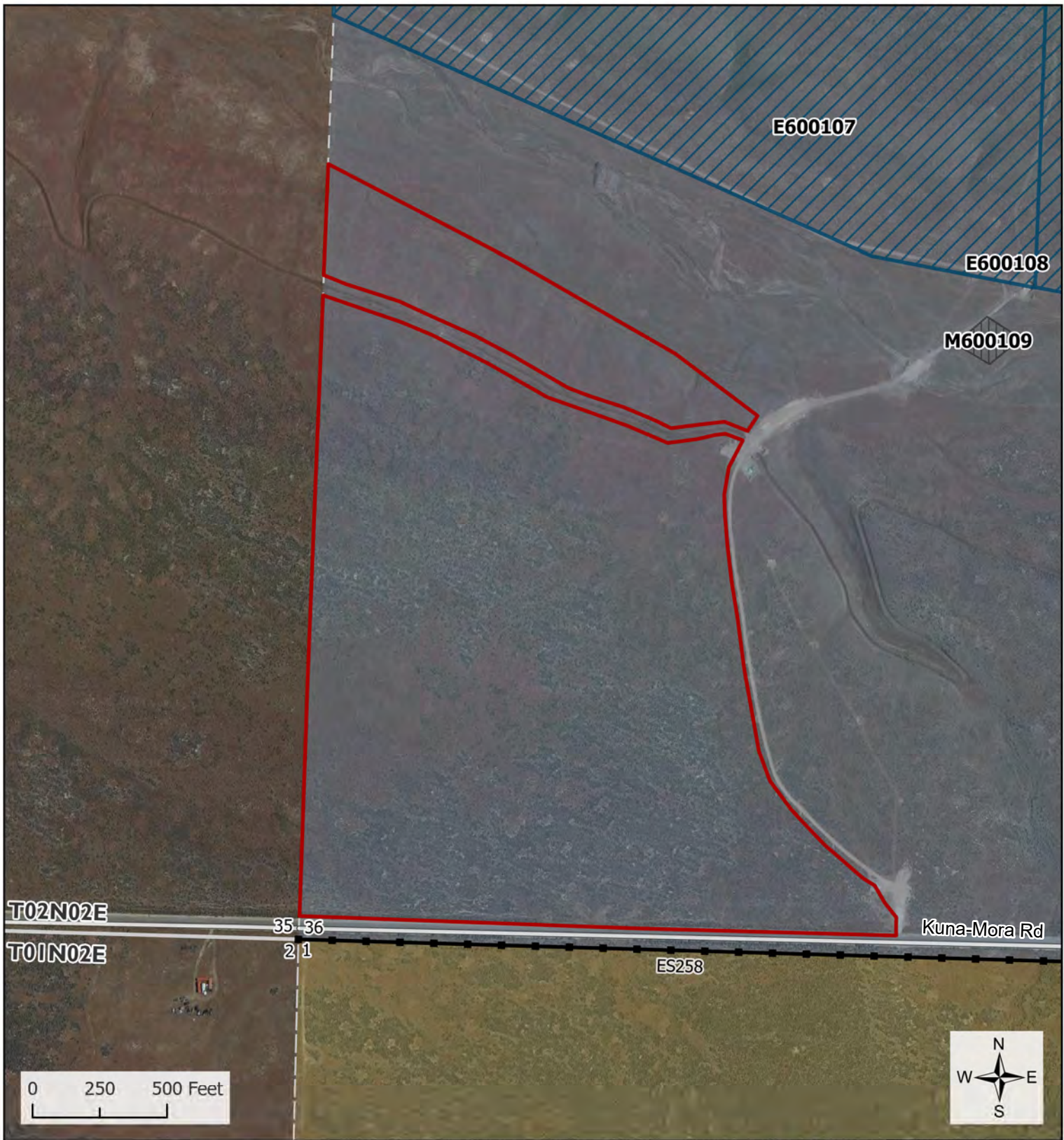
- Subject Lease
- Interstate
- Roads
- BLM
- State
- Private

E600119 - Overview
 Sec. 36
 T02N - R02E
 Ada County, Idaho
 8/17/2023



Disclaimer: This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and completeness is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources.





- Subject Lease
- Mineral Lease
- Misc. Lease
- Existing Easement
- Roads
- BLM
- State
- Private

E600119
 Sec. 36
 T02N - R02E
 Ada County, Idaho
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Summary of November 9, 2023 Mineral Lease Live Auction

| Supervisory Area | Lease Number | Endowment | Lease Term (Years) | Acres | Commodity | # of Participants | # of Bids | High Bid Amount | High Bidder |
|------------------|--------------|-----------|--------------------|-------|----------------------|-------------------|-----------|-----------------|--------------------|
| Southwest | E600119 | PS | 10 | 89.20 | Sand, Gravel, Basalt | 6 | 27 | \$550,000 | ASG Resources, LLC |

Total: \$550,000