

STATE BOARD OF LAND COMMISSIONERS

January 16, 2024

Consent Agenda

Subject

Mineral Lease Live Auction – December 14, 2023

Question Presented

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

Background

The Idaho Department of Lands (Department) received application for a new basalt mineral lease located just northeast of the Dworshak Reservoir in Clearwater County (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 December 14, 2023, at the Department's Clearwater Area office. Stedham Holdings, LLC submitted the successful premium bid of \$21,000 for mineral lease E400010 (an 8.31-acre parcel). Two parties registered for this auction, including the original applicant (Stedham Holdings, LLC). The lease includes a 10-year term for the extraction of basalt, including annual rent of \$250.00 (based on \$3.00 per acre or \$250.00 minimum); a minimum annual royalty payment of \$2,750; and a royalty rate of \$1.25 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.

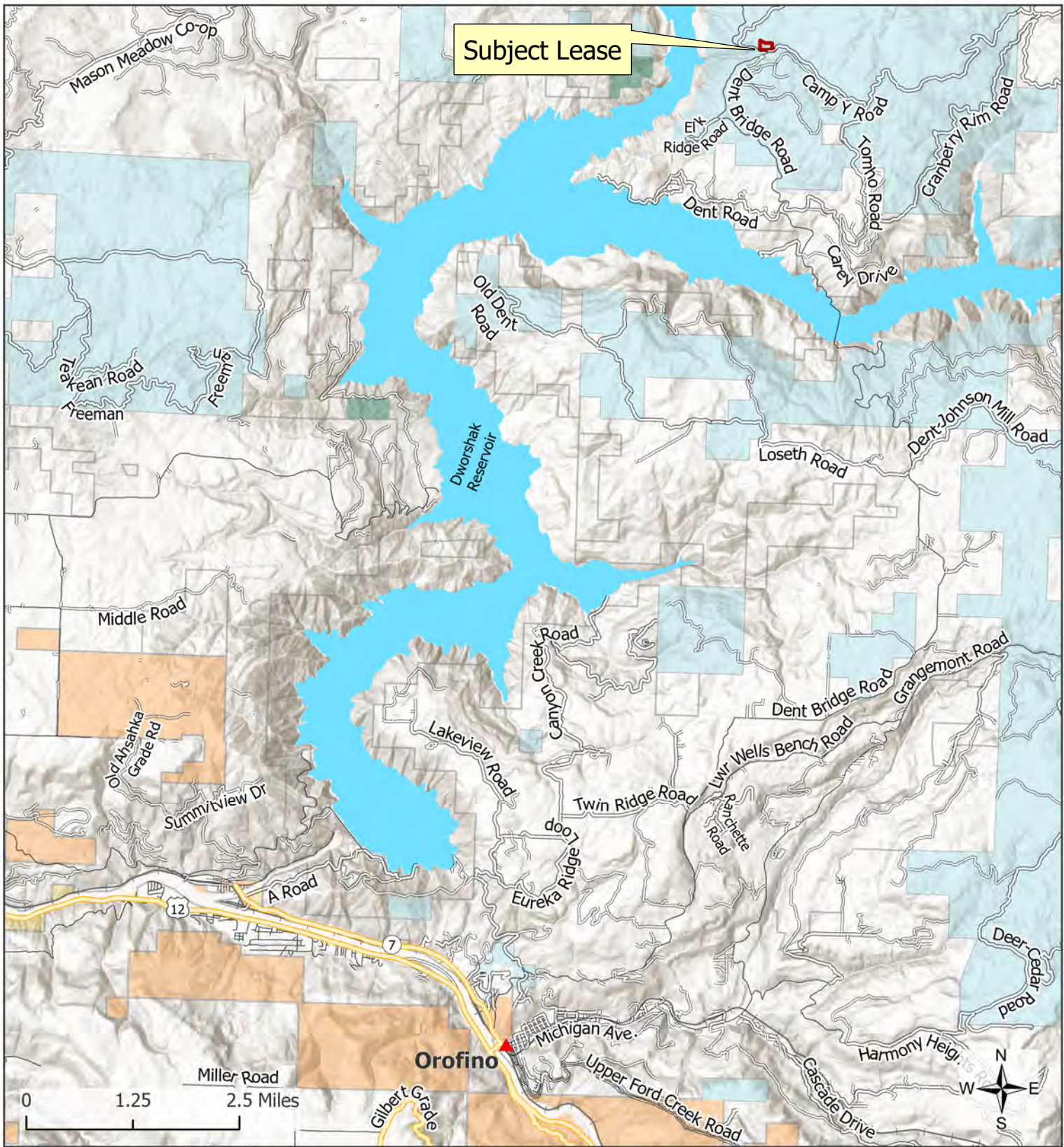
Recommendation

Direct the Department to award mineral lease E400010 to Stedham Holdings, LLC, the high bidder at the auction.

Board Action

Attachments

1. Site Maps
2. Summary of Auction Results



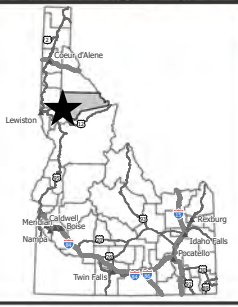
Subject Lease

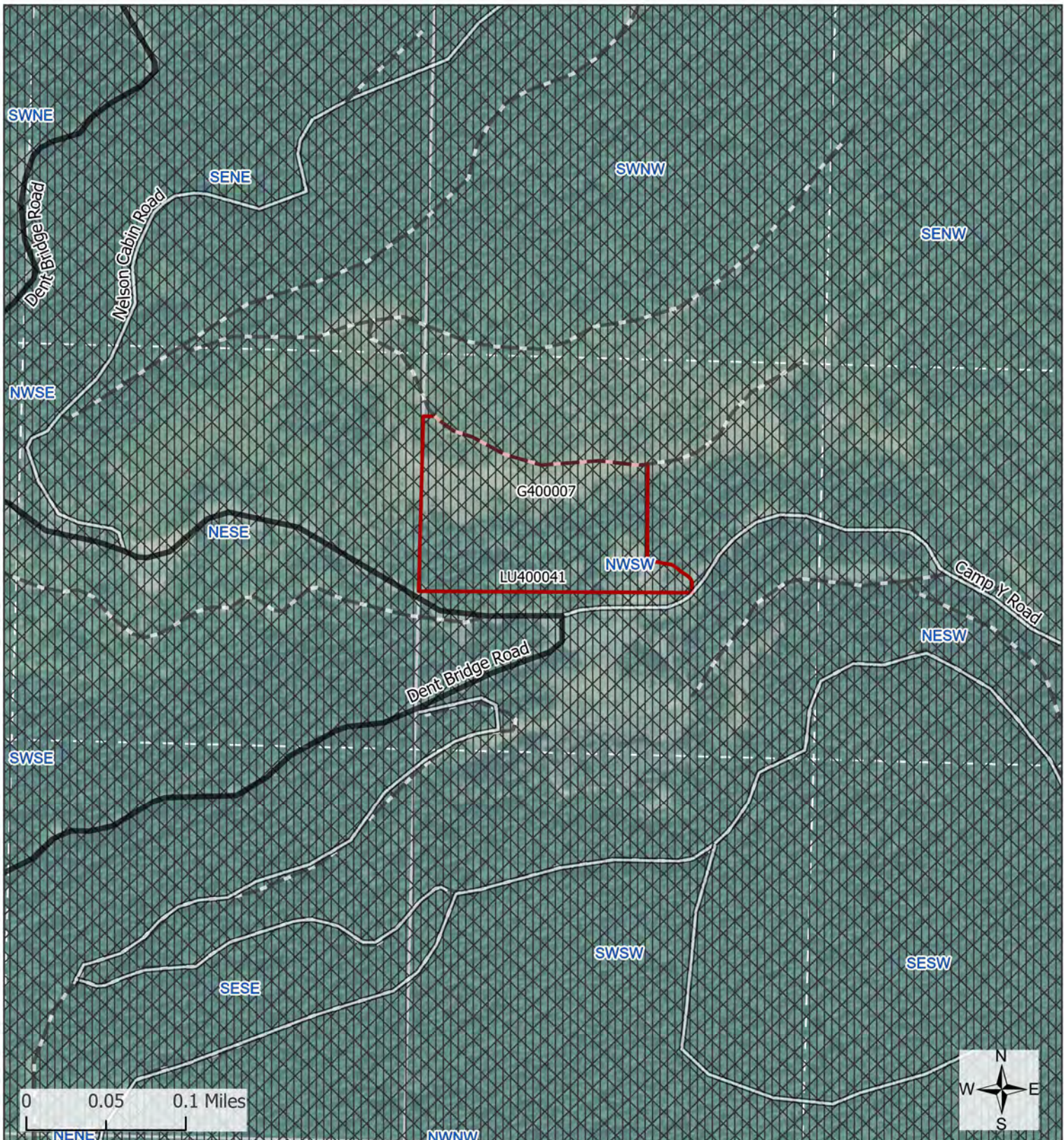
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|--|---------------|--|-------------|
| | Subject Lease | | BLM |
| | US Highway | | Tribal Land |
| | State Highway | | State |
| | County | | USFS |
| | Main | | Private |
| | Secondary Rd | | Cities |

E400010 - Vicinity
 Sec. 10
 T38N - R02E
 Clearwater County, Idaho
 9/14/2023



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
- State
- County
- Main
- Secondary Rd
- Spur Road
- LU400041
- G400007

E400010-Detail
 Sec. 10
 T38N - R02E
 Clearwater County, Idaho
 9/26/2023



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Summary of December 14, 2023 Mineral Lease Live Auction

Supervisory Area	Lease Number	Endowment	Lease Term (Years)	Acres	Commodity	# of Participants	# of Bids	High Bid Amount	High Bidder
Clearwater	E400010	NS	10	8.31	Basalt	2	8	\$21,000	Stedham Holdings, LLC

Total: \$21,000