**Section 250.50 Designation of Proven Territory**

a) The Office may designate any State owned land as proven territory if the Office determines that the land is underlain by recoverable oil or gas reserves based upon the producing wells in the vicinity and upon geological data in the Office's possession.

b) The Department, with the approval of the Governor, shall request competitive bids to lease proven territory, as set forth in Section 250.60 of this Part, within 120 days after designating the State owned land as proven territory.