**Section 250.60 Leasing Proven Territory**

a) The Department shall provide public notice, in accordance with Section 250.80 of this Part, of the availability of proven territory for lease, subject to competitive bid. The public notice of proven territory shall contain a legal description of the designated land and state that interested parties may request an "invitation for bid" from the Department.

b) All invitations for bids developed by the Department shall:

1) state the legal description of the land proposed to be leased;

2) include the basic lease terms and conditions for the State owned land, as enumerated in Section 250.40(b) of this Part;

3) include any additional terms specified by the State agency with jurisdiction over the land encompassed within the lease, as enumerated in but not limited to Section 250.40(c) of this Part;

4) inform the bidder of the amount of the required bond; and

5) state a minimum bonus payment for the acquisition of the lease in addition to the annual rental payments specified in Section 250.40(b)(3) of this Part.

c) No less than five days prior to the opening of the sealed bids, bidder must file with the Department a bid bond (letter of credit) in the amount fixed by the Department in the invitation for bid to guarantee the posting of a performance bond in the event he is the successful bidder.

d) At the date, time and location of the bid opening designated in the notice, the Department shall open all bids actually received. Any bid not received at the designated location on or before the designated time shall not be considered in making a determination on high bidder.

e) The highest responsible bidder shall be contacted and offered a lease containing the terms provided by subsection (b) and for the consideration as bid, unless the proven acreage is covered by a permit to explore and a preferential right is granted in accordance with Section 250.40(d) of this Part. If the highest bidder does not wish to accept the lease, then the next highest bidder shall be contacted to lease the State owned land.

f) After receipt of all bids, the Department may make a determination that no bid is reasonable and reject them all, notwithstanding the provisions of subsection (a). If the Department makes such a determination, the Department may again solicit bids in accordance with this Section or it may choose not to lease such land.