

JUNE 29, 2009

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON JUNE 29, 2009, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, DEVELOPMENT, AND FEE WAIVER BUSINESS MATTERS AS INDICATED AND WHICH BECOME EFFECTIVE AT 6:00 P.M. ON JUNE 29, 2009.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 8; SURFACE ACTIONS AS LISTED ON PAGES 9 TO 23; DEVELOPMENT ACTIONS AS LISTED ON PAGES 23 TO 24; AND ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 24.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS AND ARE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY'S RULES. ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 6:00 P.M. ON MONDAY, JULY 13, 2009. APPEALS NOT FILED BY THAT TIME WILL BE CONSIDERED UNACCEPTABLE AND THE MATTERS WILL BE UNAPPEALABLE.



KEVIN S. CARTER, DIRECTOR
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION



LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

MINERAL ACTIONS

MATERIALS PERMIT NO. 439 (APPROVAL)

APPLICANT:

Garfield County Road Department
55 South Main
P.O. Box 77
Panguitch, UT 84759

AFFECTED LANDS:

Township 37 South, Range 5 West, SLB&M.
Section 19: W $\frac{1}{2}$ W $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$

Township 37 South, Range 6 West, SLB&M.
Section 24: NE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$

COUNTY: Garfield

ACRES: 60.0+

FUND: SCH

PROPOSED ACTION:

Applicant proposes to mine common sand and gravel on the subject lands to maintain and construct county roads.

RELEVANT FACTUAL BACKGROUND:

The subject lands have been historic sand and gravel operations. Applicant previously held Materials Permit No. 305 for the subject lands. This action is exempt from the State of Utah Resource Development Coordinating Committee ("RDCC") process because it is an ongoing historic use of the lands and no additional lands will be disturbed. Consultation with the Trust Lands Staff Archeologist resulted in the determination that no survey was necessary. The Public Notice process was completed. No competing applications were received. Royalty rate for the materials mined is \$0.62 per bank cubic yard of ordinary sand and gravel material. Annual rental rate is \$10 per acre. Annual minimum royalties are based on 3,000 cubic yards of material per year (\$1,860 annually). The permit term is for a period of five (5) years beginning July 1, 2009, and ending June 30, 2014.

EVALUATION OF FACTS:

R850-23-200 states that the Trust Lands Administration may issue materials permits or convey profits a prendre or similar interests on trust lands where the Trust Lands Administration deems it consistent with land use plans and Trust responsibilities. Mining of sand and gravel is a historic use of the subject lands and an appropriate use of the lands, pursuant to R850-23-200. The royalty rates set for commodities from this site are consistent with royalty rates for other material permit sites on trust lands in Central Utah. These rates reflect fair market value for the materials and meet the requirements of R850-23-300. The term of the permit is five (5) years, which is consistent with the requirements of R850-23-600.

This action qualifies for an exception to the Administrative Policy of Records of Decision. This action is not considered substantive and does not warrant the time and expense to complete a full narrative record of decision, nor is there any evidence that any interested party might be denied access to an appeal process. This summary shall constitute the record of decision.

Upon recommendation of Mr. Randy Harden, the Director approved the issuance of Materials Permit No. 439 for a term of five (5) years.

MATERIALS PERMIT NO. 422 (EXPIRATION) (SCH)

The following Materials Permit, No. 422, expired on May 30, 2009. The Permittee no longer has any rights relevant to the permit.

<u>MP 422</u>	<u>T13S, R9E, SLB&M.</u>	Carbon
Nielson Construction	SEC. 34: NE $\frac{1}{4}$ NE $\frac{1}{4}$	40.0 \pm acres
P.O. Box 620		
North Loop Road		
Huntington, UT 84528		

This item was submitted by Mr. Harden for record-keeping purposes only.

APPROVAL OF MINERAL LEASE APPLICATION FOR VOLCANIC MATERIALS (SCH)

The following-described application was received for the issuance of mineral lease for Volcanic Materials. The applicant is registered to do business in the State of Utah. Dale E. Clarkson, who is the President of Bryce Canyon Investments, LLC, represents that he, personally, is the owner of the surface estate of the lands that are described below within Section 25. The minerals estate of said lands within Section 25 is owned by the Trust. The Trust is the owner of both the surface and minerals estates of the lands described within Section 36. Current usages of the land include grazing and oil and gas leasing. The lands have been checked by the Minerals Group and are found to be open and available for the issuance of a mineral lease for Volcanic Materials. Volcanic cinders are the main materials of interest for mining by the applicant. The applicant has submitted the required \$30 application fee plus the first year annual lease rental of \$500. The applicant has agreed to enter a five-year (5) mineral lease with production royalties set at 10% gross value or \$1 per short ton, whichever amount is greater. The applicant will obtain a DOGM mining permit and follow all state and local regulations pertaining to the proposed mining activity.

<u>ML 51625</u>	<u>T39S, R4.5W, SLB&M.</u>	Kane
Bryce Canyon Investments, LLC	SEC. 25: SW $\frac{1}{4}$ SE $\frac{1}{4}$	80.00 acres
160 E. Kanab Creek Drive	SEC. 36: NW $\frac{1}{4}$ NE $\frac{1}{4}$	
Kanab, UT 84741		

Upon recommendation of Mr. Blake, the Director approved the above-listed application.

WITHDRAWAL NO. 66 – OVER-THE-COUNTER METALLIFEROUS MINERALS (SCH)

The lands listed below contain potentially developable deposits of Metalliferous Minerals. In order to serve the best interest of the Trust, and to ensure that the Metalliferous Minerals resources are responsibly and diligently recovered, the lands are withdrawn from over-the-counter leasing under Withdrawal No. 66. These lands will only be offered for Metalliferous Minerals Lease through the sealed-bid competitive lease offering or by Board approval as provided for under Utah Code Ann. 53C-2-401(1)(d)(ii), which permits the Board of Trustees to approve “other business arrangements”.

<u>WDRN 66</u>	<u>T11S, R14W, SLB&M.</u>	Juab
School and Institutional Trust	SEC. 16: LOTS 1(37.00), 2(1.23), 3(13.07),	611.30 Acres
Lands Administration	E½, NW¼, E½SW¼ (All)	
675 East 500 South, Suite 500		
Salt Lake City, UT 84102	<u>T14S, R11W, SLB&M.</u>	Juab
	SEC. 36: LOTS 1(37.40), 2(27.74), 3(10.23), 4(35.38),	387.89 Acres
FUND: SCH	5(39.95), 6(2.20), 7(0.04), 8(1.62), 9(14.70),	
	10(20.08), 11(38.55), E½E½	
	TOTAL:	999.19 Acres

Upon recommendation of Mr. Stokes, the Director approved the withdrawal of the above-referenced lands from over-the-counter Metalliferous Minerals Leasing.

METALLIFEROUS MINERAL LEASE APPROVAL

Upon recommendation of Mr. Stokes, the Director approved the Metalliferous Minerals lease application listed below at a minimum annual rental rate of \$500 per lease or \$1 per acre, whichever is greater. The production royalty, as provided in the lease form, approved by the Director of the Trust Lands Administration, is 8% for fissionable minerals and 4% for non-fissionable minerals - based on the gross value of the ore. The land status has been examined utilizing both the plat books and the business system and the lands were found to be open and available. The application has been checked for completeness and found to be in proper order. The business system and plat books have been updated to show the lease application as an existing contract on the lands described below:

<u>ML 51626</u>	<u>T12S, R6W, SLB&M.</u>	Juab
HEM Mining, LLC	SEC. 32: LOTS 1(40.85), 2(41.07), 3(40.90), 4(40.68),	643.50 Acres
1862 North 1740 West	E½, SW¼ [ALL]	
Provo, UT 84604		

Annual Rental: \$644

FUND: SCH

REFUND OF ANNUAL RENTAL PAYMENT – GEOTHERMAL ENERGY LEASE - ML 51187

On March 23, 2009, the Director approved an annual rental refund of \$640 for lease of Section 36, T20S, R9W, SLB&M. Section 36 was not only included in Geothermal Energy Lease ML 51187, but was also included in Geothermal Energy Lease ML 50770. Therefore, the Trust Lands Administration was receiving double annual lease rentals from the lessee, Intermountain Renewable Power, LLC, for lease of Section 36. Intermountain Renewable Power is the lessee of record for both leases. The Trust Lands Administration's Accounting Department has determined that the lessee paid double rentals for Section 36 in two (2) consecutive lease years rather than just one lease year. Intermountain Renewable Power, LLC is, therefore, **entitled to an additional refund of \$640** for the second lease year of double rental payment.

Upon recommendation of Mr. Stokes, the Director approved an **addition rental refund of \$640 for double payment** of annual rentals in two consecutive lease years for lease of Section 36, T20S, R9W, SLB&M.

TRANSFER OF INTEREST – ML 21839 – OIL, GAS, AND HYDROCARBON (SCH)

This office is in receipt of a Spousal Property Order dated May 18, 1998, wherein James Fischgrund, lessee in the above-numbered lease was deceased on December 11, 1997, and his property was passed on to the surviving spouse, Beverly Fischgrund. Subsequently, Beverly Fischgrund remarried, as evidenced by Certificate of Marriage, August 13, 2000, to Murray Sommer. By the above-mentioned actions, all interest held by James and Beverly Fischgrund in the above-numbered lease will now be listed as being owned by ***Beverly Sommer***.

This item was submitted by Ms. Garrison for record-keeping purposes only.

ASSIGNMENT AND BILL OF SALE – ML 22060 – OIL, GAS, AND HYDROCARBON (SCH)

This office is in receipt of Assignment and Bill of Sale dated, August 14, 1987, wherein Class 10 Liquidating Trust assigns and conveys all interest held in the above-numbered lease to Lomax Exploration Company.

Subsequently and previously approved by the Director as follows:

- *Lomax Exploration Company changed their name to Inland Production Company – Approved by the Director on July 26, 1995.*
- *Inland Production Company changed their name to Newfield Production Company – Approved by the Director on October 22, 2004.*

All interest previously held by Class 10 Liquidating Trust will now be held by Newfield Production Company as a result of the above-listed items. The required filing fees have been paid.

Upon recommendation of Ms. Garrison, the Director approved the above-listed Assignment and Bill of Sale.

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 20% interest in and to the leases listed below to Augustus Energy Partners, LLC, 2016 Grand Ave., Suite A, Billings, MT 59102, by Foothills Resources, LLC, dba Badger Foothills Resources, LLC. No override, but subject to previous overrides as reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

AUGUSTUS ENERGY PARTNERS, LLC – 80%,
FOOTHILLS RESOURCES, LLC, DBA
BADGER FOOTHILLS RESOURCES, LLC. – 20%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

AUGUSTUS ENERGY PARTNERS, LLC – 100%

....ML 4113 (SCH)....ML 22208 (SCH)....ML 25151 (SCH)....

INTEREST AND OPERATING RIGHTS ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 50% interest in record title and operating rights in and to the leases listed below to Harvest (US) Holdings, Inc., 1177 Enclave Parkway, Suite 300, Houston, TX 77077, by Branta Exploration & Production LLC. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE AND OPERATING RIGHTS:

BRANTA EXPLORATION &
PRODUCTION LLC – 100%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE AND OPERATING RIGHTS:

HARVEST (US) HOLDINGS, INC. – 50%,
BRANTA EXPLORATION & PRODUCTION
LLC-50%

....ML 50716 (SCH)....ML 50717 (SCH)....ML 51431 (IB)....ML 51434 (USH)....ML 41535 (USH)....

....ML 51436 (SCH)....ML 51437 (SCH)....ML 51438 (SCH)....

OPERATING RIGHTS ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 38% interest in operating rights in part of lands: SE¼ Sec. 16, T15S, R19E, SLB&M., 160.00 acres, in and to the lease listed below to True Oil, LLC, P.O. Drawer 2360, Casper, WY 82602, by Questar Exploration and Production Company. No override, but subject to 8.75% overriding royalty previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

T15S, R19E, SLB&M. 160.00 ACRES

SEC. 16: NW¼

QUESTAR EXPLORATION AND
PRODUCTION COMPANY – 100%

T15S, R19E, SLB&M. 1760.00 ACRES

SEC. 16: NE¼, S½

SEC. 32: ALL

SEC. 36: ALL

QUESTAR EXPLORATION AND
PRODUCTION COMPANY – 76%,
UTE ENERGY UPSTREAM HOLDINGS-24%

OPERATING RIGHTS:

T15S, R19E, SLB&M. 1760.00 ACRES

SEC. 16: NW¼, NE¼, SW¼

SEC. 32: ALL

SEC. 36: ALL

QUESTAR EXPLORATION AND
PRODUCTION COMPANY – 76%,
UTE ENERGY UPSTREAM HOLDINGS, LLC – 24%

T15S, R19E, SLB&M. 160.00 ACRES

SEC. 16: SE¼

QUESTAR EXPLORATION AND
PRODUCTION COMPANY – 100%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

T15S, R19E, SLB&M. 160.00 ACRES

SEC. 16: NW¼

QUESTAR EXPLORATION AND
PRODUCTION COMPANY – 100%

T15S, R19E, SLB&M. 1760.00 ACRES

SEC. 16: NE¼, S½

SEC. 32: ALL

SEC. 36: ALL

QUESTAR EXPLORATION AND
PRODUCTION COMPANY – 76%,
UTE ENERGY UPSTREAM HOLDINGS-24%

OPERATING RIGHTS:

T15S, R19E, SLB&M. 1760.00 ACRES

SEC. 16: NW¼, NE¼, SW¼

SEC. 32: ALL

SEC. 36: ALL

QUESTAR EXPLORATION AND
PRODUCTION COMPANY – 76%,
UTE ENERGY UPSTREAM HOLDINGS, LLC – 24%

T15S, R19E, SLB&M. 160.00 ACRES

SEC. 16: SE¼

QUESTAR EXPLORATION AND
PRODUCTION COMPANY – 62%,
TRUE OIL, LLC – 38%

....ML 47974 (SCH)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 28.88% interest in operating rights in part of lands: N½, SW¼ Sec. 16; All Sec. 32; All Sec. 36, T15S, R19E, SLB&M., 1760.00 acres, in and to the lease listed below to True Oil, LLC, P.O. Drawer 2360, Casper, WY 82602, by Questar Exploration and Production Company. No override, but subject to 8.75% overriding royalty previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

T15S, R19E, SLB&M. 160.00 ACRES

SEC. 16: NW¼

QUESTAR EXPLORATION AND
PRODUCTION COMPANY – 100%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

T15S, R19E, SLB&M. 160.00 ACRES

SEC. 16: NW¼

QUESTAR EXPLORATION AND
PRODUCTION COMPANY – 100%

OPERATING RIGHTS ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

T15S, R19E, SLB&M. 1760.00 ACRES
 SEC. 16: NE $\frac{1}{4}$, S $\frac{1}{2}$
 SEC. 32: ALL
 SEC. 36: ALL
 QUESTAR EXPLORATION AND
 PRODUCTION COMPANY – 76%,
 UTE ENERGY UPSTREAM HOLDINGS-24%

OPERATING RIGHTS:

T15S, R19E, SLB&M. 1760.00 ACRES
 SEC. 16: NW $\frac{1}{4}$, NE $\frac{1}{4}$, SW $\frac{1}{4}$
 SEC. 32: ALL
 SEC. 36: ALL
 QUESTAR EXPLORATION AND
 PRODUCTION COMPANY – 76%,
 UTE ENERGY UPSTREAM HOLDINGS, LLC – 24%

T15S, R19E, SLB&M. 160.00 ACRES

SEC. 16: SE $\frac{1}{4}$
 QUESTAR EXPLORATION AND
 PRODUCTION COMPANY – 62%,
 TRUE OIL, LLC – 38%

T15S, R19E, SLB&M. 1760.00 ACRES
 SEC. 16: NE $\frac{1}{4}$, S $\frac{1}{2}$
 SEC. 32: ALL
 SEC. 36: ALL
 QUESTAR EXPLORATION AND
 PRODUCTION COMPANY – 76%,
 UTE ENERGY UPSTREAM HOLDINGS-24%

OPERATING RIGHTS:

T15S, R19E, SLB&M. 1760.00 ACRES
 SEC. 16: NW $\frac{1}{4}$, NE $\frac{1}{4}$, SW $\frac{1}{4}$
 SEC. 32: ALL
 SEC. 36: ALL
 QUESTAR EXPLORATION AND
 PRODUCTION COMPANY – 47.12%,
 TRUE OIL, LLC – 28.88%,
 UTE ENERGY UPSTREAM HOLDINGS, LLC – 24%

T15S, R19E, SLB&M. 160.00 ACRES

SEC. 16: SE $\frac{1}{4}$
 QUESTAR EXPLORATION AND
 PRODUCTION COMPANY – 62%,
 TRUE OIL, LLC – 38%

....ML 47974 (SCH)....

AMENDMENT OF OIL, GAS, AND HYDROCARBON LEASE - ML 51328-OBA (SCH)

As per the lease agreement covering the above-numbered lease, this lease is amended as follows:

ORIGINAL LEGAL DESCRIPTION: 478.24 ACRES

T16S, R12E, SLB&M.
 SEC. 2: LOTS 3(39.11), 4(39.13), S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$

CORRECTED LEGAL DESCRIPTION:

T16S, R12E, SLB&M. 478.24 ACRES
 SEC. 2: LOTS 3(39.11), 4(39.13), S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$

SURFACE TO 100 FEET BELOW THE DEEPEST DEPTH PRODUCING IN THE STATE 2-43X WELL LOCATED IN NE $\frac{1}{4}$ SE $\frac{1}{4}$ SEC. 2, T16S, R12E, SLB&M., BEING A DEPTH OF 4262 FEET.

The parties have agreed that there will be no retroactive refunds or charges to lessee for incorrect descriptions resulting in overpayment or underpayment of rentals. However, any changes to delay rental amounts will be effective immediately and corrected amounts will be due commencing on the next ensuing anniversary date of the lease following the effective date of this amendment and will continue at that rate so long as the lease remains valid and in full force and effect unless the Record Title Lessee is notified otherwise by TLA.

AMENDMENT OF OIL, GAS, AND HYDROCARBON LEASE - ML 51328-OBA (SCH) (CONTINUED)

The lease and all other of its terms and conditions remain in full force and effect and are ratified hereby. To the extent necessary to effectuate the intent of the parties stated herein, this amendment shall be deemed to contain present words of grant.

This amendment has been agreed to and executed by the current lessee of record, Genesis Petroleum US Inc., 3550 Barron Way, Suite 13A, Reno, NV 89511.

Upon recommendation of Ms. Garrison, the Director approved the above amendment as listed.

CONVERSION TO NEW 2005 LEASE FORM – ML 48045 (SCH) – OIL, GAS, AND HYDROCARBON

National Fuel Corporation, 8400 East Prentice Avenue, Suite 1100, Greenwood Village, CO 80111-2926, has elected to convert the above-numbered lease from the Division of State Lands & Forestry (“DSL&F”) form to the 2005 Form B-2.1(rev 5/09).

Upon recommendation of Ms. Garrison, the Director approved the above lease conversions

WITHDRAWAL OF LEASE APPLICATIONS – ML 51589, ML 51590, AND ML 51591 – OIL, GAS, AND ASSOCIATED HYDROCARBON LEASES (SCH)

This office has received a verbal request by the applicant of the above-numbered applications, Stonegate Resources, LLC, P.O. Box 680667, Park City, UT 84068, to have these applications withdrawn. These applications were originally offered on the April 2, 2009, Competitive Lease Offering. The applications were approved on May 11, 2009, with the notation that they had been protested. **The applicant wishes to have these applications withdrawn and the rentals and filing fees refunded to them as follows: *ML 51589* - \$1,851.21 bid; \$30 filing fee; *ML 51590* - \$3,237.29 bid; \$30 filing fee; and *ML 51591* - \$4,135.58 rental ; \$30 filing fee; for a total refund of \$9,314.08.**

Upon recommendation of Ms. Garrison, the Director approved the above-listed withdrawal and refund of bid and filing fees.

SURFACE ACTIONS

GRAZING PERMITS

GRAZING PERMIT NO. 45-A (ASSIGNMENT WITH SUBSEQUENT CANCELLATION), GRAZING PERMIT NO. 23240-A (APPROVAL)

Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter Day Saints, a Utah Corporation 50 East North Temple, 12th Floor, Salt Lake City, UT 84150, has requested the Agency's permission to assign 100% interest in the above referenced grazing permit to Terry Farms L.L.C., P.O. Box 12, Holden, UT 84636. GP 45-A was received from the Bureau of Land Management pursuant to the State-Federal Utah West Desert Land Exchange Act of 2000. Now that this grazing permit has been assigned, it will be given the state grazing permit number GP 23240-A, will be administered under state terms and conditions, and will billed at the state grazing and weed fee rates and billing cycle. GP 23240-A will contain the same legal description, acres, and AUM's as GP 45-A. GP 23240-A will be given a 15 year term that will expire June 30, 2024. The assignment fee in the amount of \$52.00 has been submitted. Millard County. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the assignment of GP 45-A, with the permit being given the new number GP 23240-A, and GP 45-A being canceled.

GRAZING PERMIT NO. 23240-A (COLLATERAL ASSIGNMENT)

Terry Farms L.L.C., P.O. Box 12, Holden, UT 84636, has requested the Agency's permission to collaterally assign the above referenced grazing permit to Western AgCredit, FLCA, P.O. Box 95850, South Jordan, UT 84095-0850. The collateral assignment fee in the amount of \$50.00 has been submitted. Millard County. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the collateral assignment of GP 23240-A.

GRAZING PERMIT NO. 23253 (ASSIGNMENT)

Allred Sheep Company, P.O. Box 96, Fountain Green, UT 84632, has requested the Agency's permission to assign 100% interest in the above referenced grazing permit to Phillip E. Allred and/or Susan S. Allred, P.O. Box 96, Fountain Green, UT 84632. The assignment fee in the amount of \$158.00 has been submitted. Juab County. School Fund.

Upon recommendation of Mr. Scott Chamberlain, the Director approved the assignment of GP 23253.

GRAZING PERMIT NO. 20969 (NON-USE AND CREDIT OF FEES)

Joseph L. Pentz, 4000 N. Lost Creek Rd., Croydon, UT 84018, has requested 40% non-use (45 AUMs), due to drought, on GP 20969 for the 2008-2009 grazing season. David Whitaker of the BLM has verified this lack of forage. The excess grazing fees paid for the 2008-2009 grazing season (\$171.00) should be credited toward the 2009-2010 grazing fees. The \$20.00 non-use fee has been paid. Millard County. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the non-use and credit of fees for GP 20969.

GRAZING PERMIT NO. 21095 (PARTIAL NON-USE AND CREDIT OF FEES)

Betty Smith and Dean King, P.O. Box 326, Green River, UT 84525, have requested 29% non-use (344.52 AUMs), due to lack of forage, on GP 21095 for the 2008-2009 grazing season. Ray Jensen of the BLM verified this non-use request. The excess grazing fees paid for the 2008-2009 grazing season (\$1,309.18) should be credited toward the 2009-2010 grazing fees. The \$20.00 non-use fee has been paid. Emery County. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the partial non-use and credit of fees for GP 21095.

GRAZING PERMIT NO. 22426-08 (NON-USE AND CREDIT OF FEES)

Joseph L. Pentz, 4000 N. Lost Creek Rd., Croydon, UT 84018, has requested 40% non-use (71.20 AUMs), due to drought, on GP 22426-08 for the 2008-2009 grazing season. David Whitaker of the BLM has verified the need for non-use due to the lack of forage. The excess grazing fees paid for the 2008-2009 grazing season (\$270.56) should be credited toward the 2009-2010 grazing fees. The \$20.00 non-use fee has been paid. Millard County. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the non-use and credit of fees for GP 22426-08.

GRAZING PERMIT NO. 23030 (NON-USE)

Adams Brothers, 3169 N. Bulldog Road, Cedar City, UT 84720, has requested 100% non-use, due to drought, on GP 23030 for the 2009-2010 grazing season. John Reese of the Kanab BLM has verified the need for non-use due to the lack of forage. The 2009-2010 billing should be canceled. The \$20.00 non-use fee has been paid. Garfield and Iron Counties. School and Miners Hospital Funds.

Upon recommendation of Mr. Ron Torgerson, the Director approved the non-use for GP 23030.

RANGE IMPROVEMENT PROJECTS**RANGE IMPROVEMENT PROJECT NO. RIP 360****APPLICANT'S NAME AND ADDRESS:**

Division of Wildlife Resources
1594 W. North Temple
Salt Lake City, UT 84116

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:

Township 17 South, Range 21 East, SLB&M
Section 24: SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ (Within)
Section 25: E $\frac{1}{2}$ (Within)

COUNTY: Grand

FUND: School

REQUESTED/PROPOSED ACTION:

The applicant proposes to remove an old fence that burned in the Diamond Fire of 2001. A new fence using metal rods for posts and top rails is to be built in the place of the old fence. The total distance of fence to be rebuilt is 1.3 miles.

RANGE IMPROVEMENT PROJECT NO. RIP 360 (CONTINUED)**RELEVANT FACTUAL BACKGROUND:**

The applicant submitted a proposal for this range improvement project on June 15, 2009. Because of the costs involved and the project being a totally new construction, a new Range Improvement Project number is warranted.

This proposal is exempt from the Resource Development Coordinating Committee ("RDCC") process because it replaces a previously existing fence. The Agency's archaeology staff determined no cultural clearance is needed.

A search of Agency records was made to determine the status of the area involved. The applicant is the grazing permittee of GP 22541-07. There is one mineral lease (ML 27404) within the project area; however, due to the nature of the project, the lease will not be affected.

The project cost on trust lands is valued at \$27,000.00. The Agency is contributing \$2,000.00 from the Range 10% monies. Following is a flat rate amortization schedule (NRCS Schedule) for the balance of the value of this project if the Agency cancels the grazing permit before the project is fully amortized. If permittee sells or allows the permit to expire or to be canceled due to its own failure, then the amortization schedule will be canceled. Note: The life of the project (the benefit) is 30 years.

Project	Project Cost	Project Life	Year Completed	Yearly Amortized Deduction	Year Fully Amortized
Fence Construction	\$25,000.00	30 years	2009	\$833.33/year	2039

EVALUATION OF THE FACTS:

This range improvement is in compliance with R850-50-1100(5)(a) and (b). The project does enhance the value of the resources pursuant to R850-50-1100(5)(c).

Upon recommendation of Mr. Scott Chamberlain, the Director approved Range Improvement Project No. 360. This summary will constitute the Record of Decision.

RIGHTS OF ENTRY**RIGHT OF ENTRY NO. 5348 (APPROVAL)**

On June 15, 2009, the School and Institutional Trust Lands Administration received an application from Western River Expeditions, aka Moab Adventure Center, 7258 Racquet Club Drive, Salt Lake City, UT 84121, to occupy all trust land located within the State of Utah, except for those lands subject to existing leases or permits that grant access control, and those lands that have been withdrawn or may be withdrawn by order of the Director, to conduct commercial vehicle and bicycle tours for a one-year term.

The fee for this right of entry is \$400.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$500.00. Beginning date: July 1, 2009. Expiration date: June 30, 2010. Funding: School = 96.66%, USU = 0.83%, Deaf = 0.16%, Blind = 0.01%, MH = 0.18%, NS = 0.16%, PB = < 0.01%, SYDC = < 0.01%, RES = 1.26%, SM = 0.21%, UNIV = 0.51%.

Upon recommendation of Ms. Jeanine Kleinke, the Director approved Right of Entry No. 5348 for a one-year term.

RIGHT OF ENTRY NO. 5350 (APPROVAL)

On June 17, 2009, the School and Institutional Trust Lands Administration received an application from Moab Desert Adventures, Inc., 801 Oak Street, Moab, UT 84532, to occupy all trust land located within the State of Utah, except for those lands subject to existing leases or permits that grant access control, and those lands that have been withdrawn and may be withdrawn by order of the Director, to conduct commercial tours for a one-year term.

The fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. Beginning date: April 1, 2009. Expiration date: March 31, 2010. Funding: School = 96.66%, USU = 0.83%, Deaf = 0.16%, Blind = 0.01%, MH = 0.18%, NS = 0.16%, PB = < 0.01%, SYDC = < 0.01%, RES = 1.26%, SM = 0.21%, UNIV = 0.51%.

Upon recommendation of Ms. Jeanine Kleinke, the Director approved Right of Entry No. 5350 for a one-year term.

RIGHT OF ENTRY NO. 5351 (APPROVAL)

On June 22, 2009, the School and Institutional Trust Lands Administration received an application from Outward Bound, Inc., 2400 South Highway 191, Moab, UT 84532, to occupy all trust land located within the State of Utah, except for those lands subject to existing leases or permits that grant access control, and those lands that have been withdrawn or may be withdrawn by order of the Director, for commercial guiding activities for a one-year term.

The fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. Beginning date: April 1, 2009. Expiration date: March 31, 2010. Funding: School = 96.66%, USU = 0.83%, Deaf = 0.16%, Blind = 0.01%, MH = 0.18%, NS = 0.16%, PB = < 0.01%, SYDC = < 0.01%, RES = 1.26%, SM = 0.21%, UNIV = 0.51%.

Upon recommendation of Ms. Jeanine Kleinke, the Director approved Right of Entry No. 5351 for a one-year term.

EASEMENTS**EASEMENT NO. 1492 (APPROVAL)****APPLICANT'S NAME AND ADDRESS:**

Interlinx Communications, LLC
Tonaquint Business Park, Bldg. B
912 West 1600 South, Suite 201
St. George, Utah 84770

LEGAL DESCRIPTION:

Township 36 South, Range 11 West, SLB&M
Section 15: NE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

An overhead and underground communication line easement 10 feet in width, being 5 feet on each side of the following described centerline:

Beginning at a point which is situated S 04°54'05" W 182.20 feet from the northeast corner of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 15, T36S, R11W, SLB&M; thence N 86°03'42" W 10.53 feet; thence N 86°44'30" W 39.65 feet; thence N 85°23'41" W 170.61 feet; thence N 85°43'52" W 135.19 feet; thence S 51°48'49" W 12.47 feet; thence S 33°12'51" W 23.86 feet. Length of centerline is 392.31 feet. Contains 0.09 acres, more or less.

EASEMENT NO. 1492 (APPROVAL) (CONTINUED)

COUNTY: Iron

ACRES: 0.09

FUND: School

PROPOSED ACTION:

The applicant has requested a non-exclusive easement to construct, operate, repair, and maintain a fiber optics communications line located on the Leigh Hill parcel (T36S, R11W, Sec. 15) in Iron County. The proposed communications line will provide fiber optics service to a communications site operated by Commnet Cellular and will be located entirely within an existing power line corridor which also serves the communications site. Since the proposed fiber optics line will be located entirely within this previously disturbed corridor, there will be no new ground disturbance associated with this easement. The proposed easement corridor is 392.31 feet long and 10 feet wide, containing 0.09 acres. The term of the easement will be 30 years.

RELEVANT FACTUAL BACKGROUND:

The subject "Application to Purchase an Easement" was received on March 31, 2009. It was submitted for Agency review on April 16, 2009, and accepted by the Director on May 4, 2009.

The proposed easement is exempt from review by the Resource Development Coordinating Committee ("RDCC") since it does not involve any new ground disturbance.

The project area has been previously surveyed for cultural resources by the Trust Lands Administration (U-93-UM-0069s). No significant sites were found within the project area.

EVALUATION OF FACTS:

The Agency's archaeology staff has reviewed the cultural resource survey that was previously conducted within the proposed easement corridor and has granted cultural resource clearance for the project with a finding of "No Historic Properties Affected."

A performance bond will not be required at this time. However, the easement agreement will contain a provision requiring the applicant to post a bond at any time during the term of the easement should it be deemed necessary by the Agency.

Upon recommendation of Mr. Chris Fausett, the Director approved the applicant's request for a non-exclusive easement. The term of the easement will be 30 years, beginning June 1, 2009, and expiring May 31, 2039. The application fee of \$750.00 and the easement rental assessment of \$3,600.00 have been submitted. Pursuant to R850-40-1800, an administrative fee will be assessed every three years throughout the term of the easement, with the first payment being due January 1, 2012.

EASEMENT NO. 1280 (COLLATERAL ASSIGNMENT AND TRANSFER OF LEASE FEES)

Milford Wind Corridor, LLC has requested the Agency's permission to collaterally assign Easement No. 1280 to The Royal Bank of Scotland plc, as Agent, Attn: Robert McClorey, 101 Park Avenue, New York, NY 10178. The \$250.00 collateral assignment fee was collected and receipted under SULA 1599, and should be transferred from SULA 1599 to ESMT 1280. Millard and Beaver Counties. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the collateral assignment of Easement No. 1280.

SPECIAL USE LEASE AGREEMENTS**SPECIAL USE LEASE AGREEMENT NO. 1579 (AMENDMENT #1)**

Special Use Lease Agreement No. 1579 is a telecommunications lease issued to WIBLUE, 456 Clarkston, Denver, CO, 80128. The lease was issued for a 25 year term, commencing July 1, 2008, and is for one communication tower facility. The lease is located in Sanpete County. School Fund.

REQUESTED ACTION:

The following amendments to SULA 1579 are proposed:

1. Amend SULA 1579 to decrease the amount of the annual rental payment for the lease year of July 1, 2009, through June 30, 2010, from \$10,200.00 to \$5,700.00. This revised amount is considered a minimal holding rate, the same that was charged during the first year of the lease, which was considered the initial construction phase.
2. Amend the route and description of a portion of the legal description, specifically the power line spur and accompanying pole-attached communication line that will both provide power and communication lines to serve the tower site. The legal description of the utility easement will be replaced with the following description:

A strip of land 10.00 feet in width situate in the Southwest Quarter of Section 8 and the Southeast Quarter of Section 7, all in Township 19 South, Range 1 East, Salt Lake Base and Meridian, Sanpete County, Utah. Said easement being 5 feet perpendicularly distant each side of the following described centerline, to wit:

Beginning at a point which is 2311.46 feet East, more or less, along the section line from the Southwest Corner of said Section 8 and running thence N 27°40'40" W 80.95 feet; thence N 76°06'08" W 105.24 feet; thence N 00°18'12" E 722.60 feet; thence S 89°50'14" W 2385.73 feet to the northeast corner of a telecommunications lease site and terminating, at which point the East Quarter Corner of said Section 7 bears N 06°27'14" E 1844.50 feet. The sidelines of said easement shall be prolonged or shortened so as to intersect the south line of said land at the point of beginning and the north and east lines of said lease site at the point of termination. LESS and excepting therefrom, that portion lying within the right-of-way of a county road. The above-described easement contains 32,235 square feet or 0.740 acre, more or less. The basis of bearings is Utah State Plane, Central Zone, Grid-NAD 1983 Datum.

Other provisions of the lease agreement will not change.

RELEVANT FACTUAL BACKGROUND:

The lessee has now completed the tower structure, but the proposed power line spur and attached communication line leading to the tower site, which are included as part of the lease, have not yet been constructed. Prior to commencement of SULA 1579, the power company indicated to the lessee that it could likely support the original proposed route, but has since recommended a new alignment of the power line spur to connect to the power source at a slightly new location because of the anticipated power requirements for the site and other users in the area. This, unfortunately, has caused an unanticipated and costly delay for the lessee.

Because of the newly proposed easement realignment, and a year delay with its contracts for cellular tenants because of their economic-related budget reductions, the telecommunications tower is not yet operational and is in an interim holding situation only. The lessee doesn't anticipate the site will be functional and ready to co-locate tenants until the summer of 2010.

SPECIAL USE LEASE AGREEMENT NO. 1579 (AMENDMENT #1) (CONTINUED)

The proposed power line realignment was submitted to the Resource Development Coordinating Committee ("RDCC") and the Six County Association of Governments in March 2009; Sanpete County and Gunnison City also received that notice. Gunnison City and other required permittees and lessees were also given notice of the proposed realignment. No responses were received from any of the notified parties.

As part of the realignment evaluation, the lessee provided SITLA with a copy of an updated cultural resource survey which was reviewed by the Agency's archaeology staff, with a finding of "no effect." The lessee also completed the specified NEPA process required by the Federal Communications Commission ("FCC") with no problems and a clearance to proceed.

The lessee contracted for a new land survey for the amended power line spur, which has been provided to SITLA and reviewed and approved by the GIS group.

R850-30-1000 provides for amendments of special use leases based on a written finding that the amendment is consistent with R850-2, and upon payment of an amendment fee. The modified route of the utility easement (power line spur and pole-attached communication line) is reasonable, because it is the route now strongly recommended by the utility company. To not use this route would cause significant delays, costs, and could jeopardize the future of the lease.

The rate of rental or rental amount may be modified under R850-30-1000(1)(c) and the acreage amendment for the power line spur, which shall be increased by only a small amount, is allowable under R850-30-1000(1)(e). This proposed reduction in rental is warranted because of the above-described special circumstances, and it is in the best interest of the Trust Beneficiaries to help keep the new site on track for long term leasing. A lease amendment fee of \$400.00 will be required prior to the execution of the amendment.

Upon recommendation of Mr. Gary Bagley, the Director approved Amendment No. 1 to Special Use Lease Agreement No. 1579, as described above.

SPECIAL USE LEASE APPLICATION NO. 1621 (CANCELLATION OF APPLICATION)

Special Use Lease Application No. 1621 was filed on November 24, 2008, by Craig S. Humes & Shane L. Otis, 61 N. Sherwood Dr., Providence, UT, 84332. It was accepted for processing and the application and advertising fees were submitted. The advertising was also completed on this application. On June 2, 2009, the applicant submitted a request to withdraw this application. Therefore, this lease application should be canceled. Pursuant to rule, the \$250.00 application fee and the \$210.00 advertising fees are forfeited to Trust Lands Administration. Garfield County. School Fund.

Upon recommendation of Mr. Lou Brown, the Director canceled SULA 1621 and ordered the forfeiture of the application fee and advertising deposit.

SPECIAL USE LEASE AGREEMENT NO. 1599-A (COLLATERAL ASSIGNMENT AND TRANSFER OF LEASE FEES)

Milford Wind Corridor Phase I, LLC has requested the Agency's permission to collaterally assign SULA 1599-A to The Royal Bank of Scotland plc, as Agent, Attn: Robert McClorey, 101 Park Avenue, New York, NY 10178. The \$250.00 collateral assignment fee was collected and receipted under SULA 1599, and should be transferred from SULA 1599 to SULA 1599-A. Beaver County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director approved the collateral assignment of Special Use Lease Agreement No. 1599-A.

SPECIAL USE LEASE AGREEMENT NOS. 1599-A AND 1599-B (MEMORANDUM OF LEASE AGREEMENT AND TRANSFER OF LEASE FEES)

In connection with the assignment and restructuring of SULA 1599 to SULA 1599-A and SULA 1599-B, Memorandums of Lease Agreement for SULA 1599-A and SULA 1599-B were issued. A \$100.00 fee for the Memorandum of Lease Agreement was assessed for each lease (\$200.00 total) and receipted to SULA 1599. These fees should be transferred to SULA 1599-A and SULA 1599-B. Beaver and Millard Counties. School Fund.

This item was submitted by Mr. Kurt Higgins for record-keeping purposes.

SPECIAL USE LEASE AGREEMENT NO. 982 (FIVE-YEAR REVIEW)

SULA 982 is an industrial lease issued to Anschutz Wasatch Gathering System, Inc., 555 Seventeenth Street, Suite 2400, Denver, CO 80202. Rich County. School Fund.

1. ANNUAL BASE RENTAL:

The five-year review date for this lease is July 1, 2009. The subject property is used by the lessee for the purpose of a pipeline heater site for its existing natural gas pipeline. Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. Therefore, it is recommended that the annual rental be increased from \$600.00 to \$800.00 per year, effective July 1, 2009. A certified notice of the rental increase was sent to the lessee on June 9, 2009.

New Annual Base Rental Amount: \$800.00

Acres in Lease: 0.31

Rental per Acre: \$2,580.65

2. DUE DILIGENCE AND PROPER USE:

The development allowed by this lease has occurred. It is recommended that the lease be kept in force. The leased premises are being used in accordance with the lease agreement.

3. ADEQUATE BOND COVERAGE:

A bond is being acquired for this lease.

4. ESTABLISHMENT OF WATER RIGHTS:

There are no Agency-owned water rights associated with this lease.

5. POLLUTION AND SANITATION REGULATIONS:

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations. There is no evidence of underground storage tanks on the leased premises.

6. NEXT FIVE-YEAR REVIEW DATE:

The next assessment will be due on July 1, 2014.

Upon recommendation of Mr. Kurt Higgins, the Director approved the five-year review for Special Use Lease Agreement No. 982.

SPECIAL USE LEASE AGREEMENT NO. 1016 (FIVE-YEAR REVIEW)

SULA 1016 is an industrial lease issued to Pacificorp, dba Rocky Mountain Power, 1407 West North Temple, Suite 110, Salt Lake City, Utah 84116. School Fund. Carbon County.

1. **ANNUAL BASE RENTAL:**

The five-year review date for this lease is July 1, 2009. The subject property is used for the purpose of an electrical power substation. Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. Therefore, it is recommended that the annual rental be increased from \$600.00 to \$800.00 per year, effective July 1, 2009. A certified notice of the rental increase was sent to the lessee on June 9, 2009.

New Annual Base Rental Amount: \$800.00

Acres in Lease: 2.07

Rental per Acre: \$386.47

2. **DUE DILIGENCE AND PROPER USE:**

The development allowed by this lease has occurred. It is recommended that the lease be kept in force. The leased premises are being used in accordance with the lease agreement.

3. **ADEQUATE BOND COVERAGE:**

A bond is being acquired for this lease.

4. **ESTABLISHMENT OF WATER RIGHTS:**

There are no Agency-owned water rights owned associated with this lease.

5. **POLLUTION AND SANITATION REGULATIONS:**

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations. There is no evidence of underground storage tanks on the leased premises.

6. **NEXT FIVE-YEAR REVIEW DATE:**

The next assessment will be due on July 1, 2014.

Upon recommendation of Mr. Kurt Higgins, the Director approved the five-year review for Special Use Lease Agreement No. 1016.

SPECIAL USE LEASE AGREEMENT NO. 1072 (FIVE-YEAR REVIEW)

SULA 1072 is an industrial lease issued to Anadarko Petroleum Corporation, P.O. Box 4995, The Woodlands, Texas 77387-4995. Carbon County. School Fund.

1. **ANNUAL BASE RENTAL:**

The five-year review date for this lease is November 1, 2009. The subject property is used for the purpose of a compressor site and a water/gas separating facility. Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. Therefore, it is recommended that the annual rental be increased from \$11,340.00 to \$13,100.00 per year, effective November 1, 2009. A certified notice of the rental increase was sent to the lessee on June 9, 2009.

New Annual Base Rental Amount: \$13,100.00

Acres in Lease: 6.34

Rental per Acre: \$2,066.25

SPECIAL USE LEASE AGREEMENT NO. 1072 (FIVE-YEAR REVIEW) (CONTINUED)

2. **DUE DILIGENCE AND PROPER USE:**
The development allowed by this lease has occurred. It is recommended that the lease be kept in force. The leased premises are being used in accordance with the lease agreement.
3. **ADEQUATE BOND COVERAGE:**
The Agency, pursuant to conditions of this lease, has required a bond to be furnished in the amount of \$5,000.00.
4. **ESTABLISHMENT OF WATER RIGHTS:**
There are no Agency-owned water rights associated with this lease.
5. **POLLUTION AND SANITATION REGULATIONS:**
The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations. There is no evidence of underground storage tanks on the leased premises.
6. **NEXT FIVE-YEAR REVIEW DATE:**
The next assessment will be due on November 1, 2014.

Upon recommendation of Mr. Kurt M. Higgins, the Director approved the five year review for Special Use Lease No. 1072.

SPECIAL USE LEASE AGREEMENT NO. 1259 (FIVE-YEAR REVIEW)

SULA 1259 is an industrial lease issued to ATK Launch Systems, Inc., Attn: Accounts Payable, P.O. Box 98, Magna, Utah 84044. Box Elder County. Reservoir Fund.

1. **ANNUAL BASE RENTAL:**
The five-year review date for this lease is September 1, 2009. The subject property is used for the purpose of surface access only. The only improvements allowed upon the leased premises are for maintenance of roads, trails and walkways, and the construction and maintenance of fences. Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. Therefore, it is recommended that the annual rental be increased from \$2,760.00 to \$3,260.00 per year, effective September 1, 2009. A certified notice of the rental increase was sent to the lessee on June 9, 2009.

New Annual Base Rental Amount: \$3,260.00
Acres in Lease: 76.36
Rental per Acre: \$42.69
2. **DUE DILIGENCE AND PROPER USE:**
The development allowed by this lease has occurred. It is recommended that the lease be kept in force. The leased premises are being used in accordance with the lease agreement.
3. **ADEQUATE BOND COVERAGE:**
Currently no bond is required for this lease.
4. **ESTABLISHMENT OF WATER RIGHTS:**
There are no Agency-owned water rights associated with this lease.

SPECIAL USE LEASE AGREEMENT NO. 1259 (FIVE-YEAR REVIEW) (CONTINUED)

5. POLLUTION AND SANITATION REGULATIONS:

The Trust Lands Administration is unaware of any violations of valid sanitation and pollution regulations. There is no evidence of underground storage tanks on the leased premises.

6. NEXT FIVE-YEAR REVIEW DATE:

The next assessment will be due on September 1, 2014.

Upon recommendation of Mr. Kurt Higgins, the Director approved the five-year review for Special Use Lease Agreement No. 1259.

SPECIAL USE LEASE AGREEMENT NO. 1260 (FIVE-YEAR REVIEW)

SULA 1260 is an industrial lease issued to American Gilsonite Company, 29950 South Bonanza Hwy., Bonanza, UT 84008. Uintah County. School Fund.

1. ANNUAL BASE RENTAL:

The five-year review date for this lease is July 1, 2009. The subject property is used for the purpose of maintaining, operating, and reclaiming an existing inactive water and tailings collection and storage pond. Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. Therefore, it is recommended that the annual rental be increased from \$600.00 to \$800.00 per year, effective July 1, 2009. A certified notice of the rental increase was sent to the lessee on June 9, 2009.

New Annual Base Rental Amount: \$800.00

Acres in Lease: 35.00

Rental per Acre: \$22.86

2. DUE DILIGENCE AND PROPER USE:

The development allowed by this lease has occurred. It is recommended that the lease be kept in force. The leased premises are being used in accordance with the lease agreement.

3. ADEQUATE BOND COVERAGE:

The Agency, pursuant to conditions of this lease, has required a bond to be furnished for this leased property in the amount of \$10,000.00.

4. ESTABLISHMENT OF WATER RIGHTS:

There are no Agency-owned water rights associated with this lease.

5. POLLUTION AND SANITATION REGULATIONS:

The Trust Lands Administration is unaware of any violations of valid sanitation, and pollution regulations. There is no evidence of underground storage tanks on the leased premises.

6. NEXT FIVE-YEAR REVIEW DATE:

The next assessment will be due on July 1, 2014.

Upon recommendation of Mr. Kurt Higgins, the Director approved the five-year review for Special Use Lease Agreement No. 1260.

SALES

The following sales occurred in FY 2007, but were never reported on the Director's Minutes. They are being submitted at this time for record-keeping purposes.

PRE SALE NO. 8301 (ESCALANTE AIRPORT)Private Pre Sale No.: 8301

Total Price: \$500.00

Certificate of Sale No.: 26391

Terms: Cash sale

Sale Date: October 31, 2006Patent No.: 19963Patent Date: December 13, 2006**TO WHOM SOLD AND ADDRESS:**

Escalante City
P.O. Box 189
Escalante, UT 84726

Down payment:	\$ 500.00
Application fee:	100.00
Advertising fee:	216.00
Sale processing charge:	400.00
Cult. resource survey:	<u>0.00</u>
TOTAL:	\$1,216.00

LEGAL DESCRIPTION:

Township 35 South, Range 3 East, SLB&M
Section 27:

Beginning at a point located South 1,904.73 ft and east 2,653 feet from NW corner of Section 27, Township 35 South, Range 3 East; thence S 40°49'36" E 90.46 ft; thence S 89°46'15" W 58.92 ft; thence N 00°10'59" W 68.68 ft to point of beginning. Containing approximately 0.046 acres.

NUMBER OF ACRES BY COUNTY: 0.05 - Garfield

NUMBER OF ACRES BY FUND: 0.05 - School

MINERAL LEASES GIVEN UP: None

SURFACE LEASES GIVEN UP: Portion of GP 23083

LIST MINERAL RESERVATIONS:

Reserving to the Trust Lands Administration all coal and other mineral deposits along with the right for the Trust Lands Administration or other authorized persons to prospect for, mine, and remove the deposits.

LIST SURFACE RESERVATIONS:

Subject to any valid, existing rights-of-way of any kind and any right, interest, reservation or exception appearing of record.

Subject to all rights-of-way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

RESPONSIBLE STAFF MEMBER: Lou Brown

COMMENT: The approval to sell this property appeared on the Director's Minutes dated September 8, 2006. Issuance of the patent was reported on the Director's Minutes dated January 12, 2007.

SALES (CONTINUED)**PRE SALE NO. 8284 (DNR – DELLE SOUTH)**Negotiated Pre Sale No.: 8284Certificate of Sale No.: 26420Sale Date: June 1, 2007Patent No.: 19992Patent Date: June 4, 2007

Total Price: \$120,000.00

Terms: Cash sale

TO WHOM SOLD AND ADDRESS:

Department of Natural Resources
1594 W. North Temple, Suite 370
Salt Lake City, UT 84114

Down payment:	\$120,000.00
Application fee:	100.00
Advertising fee:	48.00
Sale processing charge:	400.00
Appraisal:	<u>1,250.00</u>
TOTAL:	\$121,798.00

LEGAL DESCRIPTION:

Township 1 South, Range 9 West, SLB&M
Section 2: Lots 1-4 (N $\frac{1}{2}$ N $\frac{1}{2}$), SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$

NUMBER OF ACRES BY COUNTY: 285.40 - Tooele

NUMBER OF ACRES BY FUND: 285.40 - School

MINERAL LEASES GIVEN UP: None

SURFACE LEASES GIVEN UP: Portion of GP 22473

LIST MINERAL RESERVATIONS:

Reserving to the Trust Lands Administration all coal and other mineral deposits along with the right for the Trust Lands Administration or other authorized persons to prospect for, mine, and remove the deposits.

Reserving to the Trust Lands Administration ingress and egress over the property for the purpose of accessing and development of sand, gravel or mineral deposits on or under trust land sections contiguous to the land conveyed and other trust lands sections in the vicinity.

LIST SURFACE RESERVATIONS:

Subject to any valid, existing rights-of-way of any kind and any right, interest, reservation or exception appearing of record.

Subject to all rights-of-way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

RESPONSIBLE STAFF MEMBER: Gary Bagley

COMMENT: The approval to sell this property appeared on the Director's Minutes dated May 18, 2007. A correction was made to the May 18th Minutes on June 8, 2007. Issuance of the patent was reported on the Director's Minutes dated October 5, 2007.

SALES (CONTINUED)

PRE SALE NO. 8285 (DNR – DELLE NORTH)

Negotiated Pre Sale No.: 8285
Certificate of Sale No.: 26421
Sale Date: June 1, 2007
Patent No.: 19993
Patent Date: June 4, 2007

Total Price: \$64,000.00
Terms: Cash sale

TO WHOM SOLD AND ADDRESS:
Department of Natural Resources
1594 W. North Temple, Suite 370
Salt Lake City, UT 84114

Down payment:	\$64,000.00
Application fee:	100.00
Advertising fee:	48.00
Sale processing charge:	400.00
Appraisal:	<u>1,250.00</u>
TOTAL:	\$65,798.00

LEGAL DESCRIPTION:

Township 1 North, Range 9 West, SLB&M
Section 36: W½W½

NUMBER OF ACRES BY COUNTY: 160.00 - Tooele

NUMBER OF ACRES BY FUND: 160.00 - School

MINERAL LEASES GIVEN UP: None

SURFACE LEASES GIVEN UP: Portion of GP 23160

LIST MINERAL RESERVATIONS:

Reserving to the Trust Lands Administration all coal and other mineral deposits along with the right for the Trust Lands Administration or other authorized persons to prospect for, mine, and remove the deposits.

Reserving to the Trust Lands Administration ingress and egress over the property for the purpose of accessing and development of sand, gravel or mineral deposits on or under trust land sections contiguous to the land conveyed and other trust lands sections in the vicinity.

LIST SURFACE RESERVATIONS:

Subject to any valid, existing rights-of-way of any kind and any right, interest, reservation or exception appearing of record.

Subject to all rights-of-way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

Subject to Easement No. 41 for a buried water line along the southern edge of I-80, issued to Haynes Land & Livestock Company.

Subject to Easement No. 50 for a 1.5 inch buried poly water pipeline for transporting water to the north side of I-80, issued in perpetuity to the United States of America, Bureau of Land Management.

SALES (CONTINUED)

PRE SALE NO. 8285 (DNR – DELLE NORTH) (continued)

Subject to and excepting Right of Way No. 217 for the I-80 freeway corridor, issued to the Utah Department of Transportation.

Subject to and excepting Right of Way No. 978 for the I-80 freeway corridor, issued to the Utah Department of Transportation.

Subject to and excepting Right of Way No. 979 for the I-80 freeway corridor, issued to the Utah Department of Transportation.

RESPONSIBLE STAFF MEMBER: Gary Bagley

COMMENT: The approval to sell this property appeared on the Director's Minutes dated May 18, 2007. Issuance of the patent was reported on the Director's Minutes dated October 5, 2007.

DEVELOPMENT ACTIONS

DEVELOPMENT SUBDIVISION SALE

THE FOLLOWING SALE HAS BEEN EXECUTED AND A PATENT ISSUED FOR:

SUBD 10.0 Highland Park Phase 1 Subdivision

This transaction has been executed pursuant to Development Lease DEVL 610.

LEGAL DESCRIPTION: (SUBDIVISION)

Section 18, Township 42.0 S, Range 14.0 W, SLBM
Section 7, Township 42.0 S, Range 14.0 W, SLBM

PURCHASER:

GOLDEN HERITAGE HOMES, INC.
2303 N. CORAL CANYON BLVD. SUITE 200
ST. GEORGE, UT 84780

LOT SALE DESCRIPTION:

Desc /	Certificate #	Cert/Sale Dt	Patent #	Patent Dt	Lot Price	Fee	Acreage	Fund	Section
Lot 131	26377-10-131	06/16/09	19928-10-131	07/07/06	\$9,898.13	\$20.00	0.17	SCH	7

LIST MINERAL RESERVATIONS:

Subject to a reservation to the State of all coal and other mineral deposits along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits.

DEVELOPMENT SUBDIVISION SALE - HIGHLAND PARK PHASE 1 SUBDIVISION (CONTINUED)

LIST SURFACE RESERVATIONS:

Subject to an easement across the property for utilities as shown on the recorded plat map; also,

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

Subject to the Covenants, Conditions, and Restrictions that have been recorded for the subdivision.

This item was submitted for record-keeping purposes by Andrea James.

ACTIONS CONTAINING FEE WAIVERS

NONE