


SEPTEMBER 27, 2010

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON SEPTEMBER 27, 2010, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, DEVELOPMENT, FEE WAIVER, AND TRUST ACCOUNTING BUSINESS MATTERS AS INDICATED AND WHICH BECOME EFFECTIVE AT 6:00 P.M. ON SEPTEMBER 27, 2010.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 11; SURFACE ACTIONS AS LISTED ON PAGES 11 TO 22; DEVELOPMENT ACTIONS AS LISTED ON PAGES 23 TO 25; ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 25; AND TRUST ACCOUNTING ACTIONS AS LISTED ON PAGES 25 TO 26.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS AND MAY BE 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, OCTOBER 11, 2010. APPEALS NOT FILED BY THAT TIME WILL NOT BE ACCEPTED AND THE MATTERS WILL BE CONSIDERED UNAPPEALABLE.



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



LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

MINERAL ACTIONS

SETTLEMENT AGREEMENT DESIGNATED AS MATERIALS PERMIT NO. 478

PARTIES:

NILE CHAPMAN CONSTRUCTION, INC. (“Chapman”)
P.O. BOX 98
ROOSEVELT, UT 84066

STATE OF UTAH
SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION (“SITLA”)

AFFECTED LANDS:

Township 3 South, Range 2 East, USB&M.
Section 25: NW¼SW¼

COUNTY: UINTAH

ACRES: 40.0±

FUND: SM

The lease administrator has had this legal description reviewed by the GIS Group.

PROPOSED ACTION:

The proposed action calls for a Settlement Agreement between Chapman and SITLA for payment of royalties which should have been paid for the mining and removal of material in the form of ordinary sand and gravel from trust lands.

RELEVANT FACTUAL BACKGROUND:

Chapman engaged in the mining and removal of material from the affected lands without a permit and did not pay royalties to SITLA for the material removed. Chapman was under the mistaken belief that it had obtained a lease from the surface owner for the material. SITLA had conveyed the surface rights while retaining all mineral rights, including gravel, under Contract of Sale (S-589) dated September 16, 1948.

EVALUATION OF FACTS:

Chapman and SITLA have reached a settlement agreement as to the amount of material removed and the royalty which should have been paid to SITLA had Chapman obtained a permit for the mining and removal of the material. This settlement agreement has been given the designation of Materials Permit No. 478.

Chapman and SITLA wish to settle and resolve all claims and controversies between them arising from Chapman’s past removal of the material. The settlement provides for the payment of a liquidated sum by Chapman to SITLA in the amount of \$76,291.58 payable in four equal installments beginning September 30, 2010, with the subsequent payments due on December 31, 2010, March 30, 2011, with the final installment due July 31, 2011.

SETTLEMENT AGREEMENT DESIGNATED AS MATERIALS PERMIT NO. 478 (CONTINUED)

The settlement amount represents royalty payment to SITLA at a unit rate of \$0.85 per cubic yard of material for 89,754.80 cubic yards being removed from the affected lands. This unit rate represents fair market value for this material inasmuch as the rate is identical to the unit rate that was inadvertently paid to the owner of the surface estate by Chapman. The negotiated settlement is in the best interest of the Beneficiaries.

FINAL AGENCY ACTION:

Upon recommendation of Mr. Randy Harden, the Director approved and executed the Settlement Agreement between Chapman and SITLA which shall be accounted for under MP No. 478.

APPROVAL OF MINERAL MATERIALS PERMIT (SCH)

The following application has been received for a Mineral Materials Permit to harvest East Desert Building Stone. The land has been checked by the Minerals Group and is found open and available for issuance of the permit. The applicant will gather boulders lying upon the surface and will not otherwise disturb the lands. The applicant will perform such cultural resources survey as may be determined necessary by the Trust Lands Administration prior to gathering any stone from the lands. The applicant submitted the required \$100 fee with the application, plus the first year annual rental at \$10 per acre. The permit should be approved with terms and conditions as described below. The contract administrator has had the lands checked by the GIS Group.

ML 51873-MP

Abelicio Jiron
P.O. Box 98 (Myton)
10155 South 9250 West
Bridgeland, UT 84021

T13S, R20E, SLB&M.

SEC. 16: W½

Uintah
320.00 acres

Mineral Commodity: East Desert Building Stone
Term: Three (3) Years
Royalty Rate: 10% Gross Value f.o.b. mine or \$25/short ton, whichever amount is greater.

Upon recommendation of Mr. Blake, the Director approved the application.

APPROVAL OF ML 51870-OBA (HUMIC SHALE) AND RELINQUISHMENT OF ML 45716 (SCH)

The Board of Trustees of the School and Institutional Trust Lands Administration approved the following Other Business Arrangement on its consent calendar of September 9, 2010.

1. United Minerals, LLC will submit a letter of total relinquishment of ML 45716-Clay.
2. United Minerals, LLC will receive a new Mineral Lease ML 51870-OBA for Humic Shale. The \$30 lease application fee is waived. The new lease will be issued on a generic Trust Lands Mineral Lease form, but will also contain the following specific terms and conditions.
 - A) A primary term of ten years commencing September 1, 2010; the possibility of continuation after the primary term by the demonstration of diligent operations or commercial production and the payment of an annual minimum royalty; all lease terms and conditions are subject to readjustment by the Director at the end of each ten year period of the lease.

**APPROVAL OF ML 51870-OBA (HUMIC SHALE) AND RELINQUISHMENT OF ML 45716 (SCH)
(CONTINUED)**

- B) An annual rental payment requirement of \$9,600. Annual rentals may be credited against actual production royalties accruing in the year for which the rentals are paid.
- C) Production royalty rate of 10% of the gross value of the leased substances f.o.b. the mine or \$10 per short ton, whichever amount is greater.
- D) A Special Stipulation worded as follows and referenced in the lease granting clause. (The purpose of the special stipulation is to adequately protect long term coal and oil and gas values in the subject lands. The lands presently have a Management Consideration alert or designation for coal resources.)

ML 51870-OBA SPECIAL STIPULATION

It is expressly understood by the parties to this agreement that the leased lands are primarily of importance to the School and Institutional Trust Lands Administration for coal leasing and development and for oil and gas leasing and development. Humic Shale leasing and development is of secondary importance and operations by the Lessee under this Humic Shale lease are not permitted to conflict with leasing and development of any coal or oil and gas resources in the subject lands.

If any of the acreage within this lease is hereafter leased to a third party by the School and Institutional Trust Lands Administration for coal development or oil and gas development, the Humic Shale Lessee shall have a right to continue operating on the leasehold estate, so long as the Humic Shale Lease is in effect, provided that the Humic Shale Lessee confines such operations to acreage not immediately needed or utilized for coal mining operations or oil and gas drilling or gathering lines operations. In the event the Humic Shale Lessee is at any time operating on lands that are immediately needed for coal mining operations or oil and gas drilling or gathering lines operations, the Humic Shale Lessee shall, upon receiving 60 days written notice from the School and Institutional Trust Lands Administration, immediately consult with the Lessor and relocate such Humic Shale operations to other acreage within the leasehold estate that is not immediately needed or being utilized for coal mining operations or oil and gas drilling or gathering lines operations. Such relocation of Humic Shale operations shall be at the sole expense of the Humic Shale Lessee and the Humic Shale Lessee shall hold the Lessor and all other Lessees in the subject lands harmless from any damages suffered by the Humic Shale Lessee.

United Minerals, LLC has accordingly submitted a written relinquishment of ML 45716, contingent upon the issuance of ML 51870-OBA (Humic Shale). The relinquishment should be approved and ML 51870-OBA should be issued with the terms and conditions described above. The affected lands are described below. The contract administrator has had these lands checked by the GIS Group.

RELINQUISHMENT APPROVED:

<u>ML 45716 (Clay) (SCH)</u>	<u>T22S, R7E, SLB&M.</u>	Emery
United Minerals, LLC	SEC. 16: ALL	800.00 acres
400 South 100 East	SEC. 32: NW¼	
Emery, UT 84522		

HUMIC SHALE LEASE APPROVED:

<u>ML 51870-OBA (SCH)</u>	<u>T23S, R6E, SLB&M.</u>	Emery
United Minerals, LLC	SEC. 31: LOTS 1(45.67), 2(45.45), 3(45.62),	662.84 acres
400 South 100 East	4(46.10), E½W½, E½ [ALL]	
Emery, UT 84522		

APPROVAL OF ML 51870-OBA (HUMIC SHALE) AND RELINQUISHMENT OF ML 45716 (SCH) (CONTINUED)

Annual rentals and minimum royalty totaling \$9,600.00 paid by United Minerals, LLC for ML 45716 (SCH) on August 23, 2010, should be transferred to ML 51870-OBA (SCH) as the first year annual rental payment on the new lease.

Upon recommendation of Mr. Blake, the Director approved the above actions.

CORRECTIONS OF DIRECTOR'S MINUTES OF SEPTEMBER 13, 2010 - WITHDRAWAL 68 – LANDS WITHDRAWN FROM METALLIFEROUS MINERALS LEASING

The following are corrections to land descriptions included in Withdrawal 68 which was approved by the Director on the September 13, 2010, Director's Minutes. Acreage on the original approval of Withdrawal 68 is correct.

<u>T27S, R13W, SLB&M.</u>	Beaver
SEC. 2: LOTS 1(14.60), 2(14.60), 3(14.60), 4(8.57), 5(5.92), 6(24.09), 7(38.69), 8(25.87), 9(11.82), 10(7.21), 11(0.14), 12(4.01), SE¹/₄SW¹/₄	210.12 Acres

The SE¹/₄SW¹/₄ should be SE¹/₄NE¹/₄

<u>T30S, R14W, SLB&M.</u>	Beaver
SEC. 2: LOTS 1(48.17), 2(48.01), 3(48.87) , 4(47.71), S ¹ / ₂ N ¹ / ₂ , S ¹ / ₂ [ALL]	671.76 Acres

LOT 3 should be 47.87 Acres

<u>T30S, R19W, SLB&M.</u>	Beaver
SEC. 2: LOTS 1(40.51), 2(40.40), 3(40.30), 4(40.30) , S ¹ / ₂ N ¹ / ₂ , S ¹ / ₂ [ALL]	641.40 Acres

LOT 4 should be 40.19 Acres

Upon recommendation of Mr. Stokes, the Director approved the corrections to Withdrawal 68.

TOTAL ASSIGNMENTS – METALLIFEROUS MINERALS LEASES

Upon recommendation of Mr. Stokes, the Director approved the assignment of the lease listed below to Roy Hockin, 4305 Harrison Blvd., Suite 6222, Ogden, UT 84403, by Clark Egbert. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

**CLARK EGBERT – 50%,
ROY HOCKIN – 50%**

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

ROY HOCKIN – 100%

...ML 50959 (SCH)....

TOTAL ASSIGNMENTS – METALLIFEROUS MINERALS LEASES (CONTINUED)

Upon recommendation of Mr. Stokes, the Director approved the assignment of the lease listed below to Clark Egbert, 2668 Grant Avenue, Apt. 10, Ogden, UT 84401, by Roy Hockin. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

***ROY HOCKIN – 50%,
CLARK EGBERT – 50%***

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

CLARK EGBERT – 100%

...ML 50960 (SCH)....

REPLACEMENT BOND OF LESSEE – OIL, GAS & HYDROCARBON LEASE - ML 43698 (SCH)

On June 4, 2004, the Director accepted a State of Utah Bond of Lessee from Elm Ridge Resources, Inc., in the amount of \$20,000, Bond No. 5007932 to cover their oil and gas exploration and development operations under State of Utah Oil, Gas, and Hydrocarbon Lease ML 43698. Elm Ridge Exploration Company, LLC, Suite 950, 12225 Greenville Avenue, Dallas, TX 75243-9362, has submitted a replacement bond, Bond No. OKC603847 in the amount of \$5,000 to cover their oil and gas exploration and development operations under State of Utah Oil, Gas, and Hydrocarbon Lease ML 43698 with American Safety Casualty Insurance Company, Suite 700, 100 Galleria Pkwy, Atlanta, GA 30339.

Upon recommendation of Mr. Bonner, the Director released Bond No. 5007932 and accepted Bond No. OKC603847 as replacement.

EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES

The Oil, Gas, and Hydrocarbon leases listed below have reached the end of their term and expired on the dates listed. *This item is submitted by Edward W. Bonner for record-keeping purposes only.*

<u>Lease No.</u>	<u>Description</u>	<u>County/Acres Expiration Date</u>
<u>ML 48487</u> (NS) Robert Eckels Family Trust	<u>T2N, R10E, SLB&M.</u> SEC. 26: SE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$	Summit 160.00 acres June 30, 2010
<u>ML 48492</u> (SCH) Kerr-McGee Oil & Gas Onshore LP	<u>T6S, R24E, SLB&M.</u> SEC. 32: ALL	Uintah 640.00 acres June 30, 2010
<u>ML 48498</u> (SCH) Marion Energy Inc.	<u>T11S, R12E, SLB&M.</u> SEC. 36: LOTS 1(39.82), 2(39.44), 3(39.08), 4(38.70), N $\frac{1}{2}$ S $\frac{1}{2}$ N $\frac{1}{2}$ [ALL]	Duchesne 637.04 acres June 30, 2010
<u>ML 48499</u> (SCH) Marion Energy Inc.	<u>T11S, R13E, SLB&M.</u> SEC. 32: E $\frac{1}{2}$	Duchesne 320.00 acres June 30, 2010

EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

<u>Lease No.</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
<u>ML 48500</u> (SCH) Kerr-McGee Oil & Gas Onshore LP	<u>T11S, R19E, SLB&M.</u> SEC. 36: ALL	Uintah 640.00 acres June 30, 2010
<u>ML 48501</u> (SCH: 906.24; MH: 82.75) Marion Energy Inc.	<u>T12S, R12E, SLB&M.</u> SEC. 1: LOTS 6(41.36), 7(41.39) SEC. 2: LOTS 1(46.59), 2(46.57), 3(46.55), 4(46.53), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [ALL] SEC. 11: SW $\frac{1}{4}$ SW $\frac{1}{4}$ SEC. 13: S $\frac{1}{2}$ NW $\frac{1}{4}$ SEC. 14: S $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$	Carbon 988.99 acres June 30, 2010
<u>ML 48502</u> (SCH) Vantage Energy Uinta LLC	<u>T12S, R13E, SLB&M.</u> SEC. 2: LOTS 1(18.72), 2(18.69), 3(18.65), 4(18.62), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [ALL]	Carbon 554.68 acres June 30, 2010
<u>ML 48503</u> (SCH) QEP Energy Company	<u>T12S, R13E, SLB&M.</u> SEC. 36: LOTS 1(39.54), 2(37.40), 3(37.30), 4(36.26), 5(36.62), N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ [ALL]	Carbon 627.12 acres June 30, 2010
<u>ML 48504</u> (SCH) Vantage Energy Uinta, LC	<u>T13S, R15E, SLB&M.</u> SEC. 32: LOTS 1(41.72), 2(42.93), 3(43.73), 4(44.09), N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$ [ALL]	Carbon 652.47 acres June 30, 2010
<u>ML 48505</u> (SCH) Marion Energy Inc.	<u>T14S, R14E, SLB&M.</u> SEC. 16: ALL	Carbon 640.00 acres June 30, 2010
<u>ML 48509</u> (SCH: 40.00; MH: 60.00) Jas. O. Breene, Jr.	<u>T2S, R2W, USB&M.</u> SEC. 23: SE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$	Duchesne 100.00 acres June 30, 2010
<u>ML 48510</u> (UNIV) Jas. O. Breene, Jr.	<u>T3S, R2W, USB&M.</u> SEC. 11: S $\frac{1}{2}$ N $\frac{1}{2}$	Duchesne 160.00 acres June 30, 2010
<u>ML 45811</u> (SCH) El Paso E&P Company LP	<u>T3S, R5W, USB&M.</u> SEC. 26: NE $\frac{1}{4}$	Duchesne 160.00 acres June 30, 2010

EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

<u>Lease No.</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
<u>ML 48512</u> (SCH) Petro-Hunt, LLC et al	<u>T15S, R2E, SLB&M.</u> SEC. 25: Beg 10 rods N of the SE cor of the NE $\frac{1}{4}$ SE $\frac{1}{4}$; th W 160 rods; th N 20 rods; th E 160 rods; th S 20 rods to pob. SEC. 36: NW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$	Sanpete 310.00 acres June 30, 2010
	<u>T15S, R3E, SLB&M.</u> SEC. 30: LOT 12, BLOCK 31, PLAT "A" of The Wales Townsite Entry	
<u>ML 48513</u> (SCH: 62.87; DEAF: 80.00; SYDC: 133.00; USU: 119.00) Petro-Hunt, LLC et al	<u>T15S, R2E, SLB&M.</u> SEC. 9: Beg at a point 1 ch N; th N 89°50' W 6.70 chs from the SE cor of the NW $\frac{1}{4}$ of Sec.; th running N 89°50' W 8.81 chs; th S 2.67 chs; th W 20 chs; th N 1.62 chs; th W 0.68 of a ch; th N 67°15' E 11.15 chs; th S 88°15' E 15.38 chs; th S 53°30' E along the E line of the S.P.V.R.R. 4.78 chs to the pob, and containing 10.70 acres, m/l. SEC. 21: Beg at the SE cor of the W $\frac{1}{2}$ NE $\frac{1}{4}$ of Sec.; th running W 12.05 chs; th N 25.31 chs; th E 8.25 chs; th S 9° E 21.62 chs; th S 4.05 chs to beg, containing 26.30 acres, m/l. Beg at a point 15.18 chs S from the NW cor of the NE $\frac{1}{4}$ of Sec., th S 5.06 chs; th W 2.53 chs; th S 20.25 chs; th E 10.72 chs; th N 25.31 chs; th W 8.20 chs to the pob, containing 25.87 acres, m/l Containing a total of 52.17 acres, m/l. SEC. 28: Beg at the center of Sec.; th W 10.00 chs; th S 40.00 chs; th W 10.00 chs; th N 69.69 chs; th E 20.00 chs; th S 9.69 chs; th E 11.20 chs; th S 20.00 chs, m/l, to the 1/4 section line and to a point 13.75 chs E of the pob; th W 13.75 chs to the pob. Containing 133.00 acres, m/l. SEC. 29: N $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$	Sanpete 395.87 acres June 30, 2010
<u>ML 48517</u> (MULTI) ConocoPhillips Company et al	<u>T16S, R9E, SLB&M.</u> SEC. 30: NE $\frac{1}{4}$ NW $\frac{1}{4}$	Emery 40.00 acres June 30, 2010

EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

<u>Lease No.</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
<u>ML 48518</u> (SCH: 40.00; USU: 80.00) SWEPI LP	<u>T17S, R10E, SLB&M.</u> SEC. 7: LOT 2(40.00) SEC. 18: S½NE¼	Emery 120.00 acres June 30, 2010
<u>ML 48537</u> (SCH) Jas. O. Breene, Jr.	<u>T21S, R6E, SLB&M.</u> SEC. 22: S½SE¼ SEC. 26: SW¼NW¼ SEC. 27: E½NE¼, NW¼SE¼	Emery 240.00 acres June 30, 2010
<u>ML 48543</u> (SCH) Trachyte Oil Company	<u>T23S, R18E, SLB&M.</u> SEC. 32: ALL	Grand 640.00 acres June 30, 2010
<u>ML 48544</u> (SCH) Delta Petroleum Corporation	<u>T24S, R19E, SLB&M.</u> SEC. 2: LOTS 1(40.20), 2(40.13), 3(40.05), 4(39.98), S½N½, S½ [ALL]	Grand 640.36 acres June 30, 2010
<u>ML 48550</u> (SCH) Patara Oil & Gas LLC	<u>T29S, R21E, SLB&M.</u> SEC. 36: ALL	San Juan 640.00 acres June 30, 2010
<u>ML 48551</u> (SCH) Patara Oil & Gas LLC	<u>T29½S, R22E, SLB&M.</u> SEC. 32: LOTS 1(40.39), 2(40.28), 3(40.16), 4(40.20), S½N½, S½ [ALL]	San Juan 641.03 acres June 30, 2010
<u>ML 48552</u> (SCH) Patara Oil & Gas LLC	<u>T30S, R26E, SLB&M.</u> SEC. 16: ALL	San Juan 640.00 acres June 30, 2010
<u>ML 48553</u> (SCH) Patara Oil & Gas LLC	<u>T30S, R26E, SLB&M.</u> SEC. 32: ALL	San Juan 640.00 acres June 30, 2010
<u>ML 48554</u> (SCH) Patara Oil & Gas LLC	<u>T31S, R26E, SLB&M.</u> SEC. 32: ALL	San Juan 640.00 acres June 30, 2010
<u>ML 48555</u> (SCH) Crownquest Operating LLC et al	<u>T32S, R24E, SLB&M.</u> SEC. 2: LOTS 1(42.04), 2(41.99), 3(41.95), 4(41.90), 5(40.00), 6(40.00), 7(40.00), 8(40.00), 9(40.00), 10(40.00), 11(40.00), 12(40.00), 13(40.00), 14(40.00), 15(40.00), 16(40.00), S½ [ALL]	San Juan 967.88 acres June 30, 2010

EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

<u>Lease No.</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
<u>ML 48556</u> (SCH) Patara Oil & Gas LLC	<u>T32S, R25E, SLB&M.</u> SEC. 13: S $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ SEC. 14: E $\frac{1}{2}$ SE $\frac{1}{4}$ SEC. 23: E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$	San Juan 320.00 acres June 30, 2010
<u>ML 48557</u> (SCH) Patara Oil & Gas LLC	<u>T32S, R25E, SLB&M.</u> SEC. 16: ALL	San Juan 640.00 acres June 30, 2010
<u>ML 48558</u> (SCH) Patara Oil & Gas LLC	<u>T32S, R25E, SLB&M.</u> SEC. 36: ALL	San Juan 640.00 acres June 30, 2010
<u>ML 48559</u> (SCH) Patara Oil & Gas LLC	<u>T32S, R26E, SLB&M.</u> SEC. 16: ALL	San Juan 640.00 acres June 30, 2010
<u>ML 48560</u> (SCH) Patara Oil & Gas LLC	<u>T32S, R26E, SLB&M.</u> SEC. 32: ALL	San Juan 640.00 acres June 30, 2010
<u>ML 48561</u> (SCH) Crownquest Operating LLC et al	<u>T34S, R25E, SLB&M.</u> SEC. 25: E $\frac{1}{2}$ SEC. 36: ALL	San Juan 960.00 acres June 30, 2010
<u>ML 48564</u> (SCH) Yates Petroleum Corporation	<u>T35S, R23E, SLB&M.</u> SEC. 36: E $\frac{1}{2}$, SW $\frac{1}{4}$	San Juan 480.00 acres June 30, 2010
<u>ML 48565</u> (SCH) Yates Petroleum Corporation	<u>T36S, R24E, SLB&M.</u> SEC. 16: ALL	San Juan 640.00 acres June 30, 2010
<u>ML 48566</u> (SCH) Yates Petroleum Corporation	<u>T36S, R24E, SLB&M.</u> SEC. 36: ALL	San Juan 640.00 acres June 30, 2010
<u>ML 48567</u> (SCH) Yates Petroleum Corporation	<u>T36S, R26E, SLB&M.</u> SEC. 32: NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$	San Juan 280.00 acres June 30, 2010
<u>ML 48568</u> (SCH) Yates Petroleum Corporation	<u>T37S, R24E, SLB&M.</u> SEC. 2: LOTS 1(38.47), 2(38.39), 3(38.33), 4(38.25), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [ALL]	San Juan 633.44 acres June 30, 2010

EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

<u>Lease No.</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
<u>ML 48574</u> (SCH) Newfield RMI LLC	<u>T31S, R22E, SLB&M.</u> SEC. 1: LOTS 10(40.00), 11(40.00), 16(40.00) SEC. 2: LOTS 1(44.18), 2(44.22), 3(44.26), 4(44.30), 5(40.00), 6(40.00), 7(40.00), 8(40.00), 9(40.00), 10(40.00), 11(40.00), 12(40.00), 13(40.00), 14(40.00), 15(40.00), 16(40.00), S½ [ALL] SEC. 16: ALL SEC. 31: SW¼SE¼ SEC. 32: ALL	San Juan 2416.96 acres July 31, 2010
<u>ML 48575</u> (SCH) Newfield RMI LLC	<u>T31S, R21E, SLB&M.</u> SEC. 2: LOTS 1(43.73), 2(43.58), 3(43.42), 4(43.27), 5(40.00), 6(40.00), 7(40.00), 8(40.00), 9(40.00), 10(40.00), 11(40.00), 12(40.00), 13(40.00), 14(40.00), 15(40.00), 16(40.00), S½ [ALL] SEC. 3: LOTS 5(40.00), 11(40.00), 12(40.00), 13(40.00), 14(40.00), SW¼, SW¼SE¼ SEC. 4: LOTS 1(42.79), 2(42.83), 7(40.00), 8(40.00), 9(40.00), 10(40.00), 15(40.00), 16(40.00), E½SE¼ SEC. 10: E½NE, NW¼NE¼, NE¼NW¼ SEC. 11: S½NW¼, NW¼NW¼ SEC. 14: NE¼SE¼, SE¼NE¼	San Juan 2139.62 acres July 31, 2010
<u>ML 48576</u> (SCH) Newfield RMI LLC	<u>T32S, R22E, SLB&M.</u> SEC. 6: SE¼NE¼, NE¼SE¼ SEC. 16: ALL SEC. 21: NW¼SW¼, SW¼NW¼	San Juan 800.00 acres July 31, 2010
<u>ML 48577</u> (SCH) Newfield RMI LLC	<u>T32S, R21E, SLB&M.</u> SEC. 2: LOTS 1(40.30), 2(40.24), 3(40.20), 4(40.14), S½N½, S½ [ALL] SEC. 16: ALL SEC. 32: N½, E½SE¼, SW¼	San Juan 1840.88 acres July 31, 2010

EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

<u>Lease No.</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
<u>ML 48578</u> (SCH) Newfield RMI LLC	<u>T31S, R21E, SLB&M.</u> SEC. 24: NW ¹ / ₄ NW ¹ / ₄ SEC. 26: SE ¹ / ₄ NE ¹ / ₄ , NW ¹ / ₄ SE ¹ / ₄ , N ¹ / ₂ SW ¹ / ₄ , SW ¹ / ₄ SW ¹ / ₄ SEC. 32: ALL SEC. 35: NE ¹ / ₄ NW ¹ / ₄ , NE ¹ / ₄ SW ¹ / ₄ SEC. 36: ALL	San Juan 1600.00 acres July 31, 2010
<u>ML 49957</u> (SCH) Stonegate Resources, LLC	<u>T7S, R22E, SLB&M.</u> SEC. 32: SW ¹ / ₄ NW ¹ / ₄ , W ¹ / ₂ SW ¹ / ₄	Uintah 120.00 acres August 31, 2010
<u>ML 49958</u> (SCH) Newfield Production Company	<u>T9S, R18E, SLB&M.</u> SEC. 32: S ¹ / ₂ NE ¹ / ₄ , NE ¹ / ₄ NW ¹ / ₄ , NW ¹ / ₄ SW ¹ / ₄	Uintah 160.00 acres August 31, 2010
<u>ML 49960</u> (SCH) Rosetta Resources Rockies LLC	<u>T10S, R24E, SLB&M.</u> SEC. 1: LOTS 1(40.62), 2(40.61), 3(40.61), 4(40.60), 5(38.86), S ¹ / ₂ NE ¹ / ₄ , SE ¹ / ₄ NW ¹ / ₄ , N ¹ / ₂ SW ¹ / ₄ , N ¹ / ₂ S ¹ / ₂ SW ¹ / ₄ , SW ¹ / ₄ SW ¹ / ₄ SW ¹ / ₄ , W ¹ / ₂ SE ¹ / ₄ SW ¹ / ₄ SW ¹ / ₄ , SE ¹ / ₄ SE ¹ / ₄ SW ¹ / ₄ , SE ¹ / ₄	Uintah 626.30 acres August 31, 2010
<u>ML 49972</u> (SCH) Foundation Energy Fund III-B Holding, LLC	BELOW A TRUE VERTICAL DEPTH OF 500 FEET BELOW THE SURFACE ONLY <u>T15S, R23E, SLB&M.</u> SEC. 16: NE ¹ / ₄ , NE ¹ / ₄ NW, S ¹ / ₂ NW ¹ / ₄ , S ¹ / ₂	Uintah 600.00 acres August 31, 2010

SURFACE ACTIONS

GRAZING PERMITS

GRAZING PERMIT NO. 20426-A10 (CORRECTION OF MINUTES DATED SEPTEMBER 20, 2010)

The Director's Minutes of September 20, 2010, incorrectly listed the above grazing permit as *GP 20624-A10*. The corrected number (**GP 20426-A10**) should be noted on all records. Millard County. School Fund.

Upon recommendation of Ms. Paula Lane, the Director approved the Correction of Minutes dated September 20, 2010.

RANGE IMPROVEMENT PROJECTS**RANGE IMPROVEMENT PROJECT NO. 391 (APPROVAL) AND GRAZING PERMIT NO. 23210-C09 (TWO YEAR EXTENSION)**

APPLICANT'S NAME AND ADDRESS:

Ray E. Lyman
5176 N. 2000 W.
Delta, UT 84624

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:

T15S, R6W, SLB&M

Section 26: All

Section 35: All

The permit administrator has had this legal description reviewed by the GIS Group.

COUNTY: Millard

FUND: School

REQUESTED/PROPOSED ACTION:

The proposed action is to construct a well six inches in diameter and approximately 300 feet deep for livestock water. A water trough will be placed at the well site along with a 1.5 mile pipeline that will be installed into the next pasture south with an additional water trough. A water right (Water Right #68-1790) has been issued by the Utah Division of Water Rights in SITLA's name for this project.

RELEVANT FACTUAL BACKGROUND:

On May 19, 2010, the applicant submitted a proposal for this range improvement project. A search of the Agency's records was made to determine the status of the area involved. The grazing permit of record on the affected area is GP 23210-C09, the applicant. Another grazing permittee, Robert C. Lewis (GP 23272) will also benefit from this project. The other record for these parcels is Easement 715 for a fiber optics line. This line will need to be blue-staked and bypassed during installation of the water pipeline.

This project was submitted to the Resource Development Coordinating Committee ("RDCC") on July 1, 2010. RDCC submitted a comment from the Utah Division of Air Quality stating ("*The proposed project will be subject to R307-205-5: Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that may be generated during soil disturbance for the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm.*")

This comment will be submitted to the permittee for implementation during construction.

A cultural resource survey was completed by Trust Lands Administration's Archaeology staff. No cultural resources were found.

Funding of this project will be provided by the applicant (\$4,000.00) and the Utah Department of Agriculture & Food Grazing Improvement Program (\$15,970.00). The \$4,000.00 will be amortized as shown below. Following is a flat rate amortization schedule (NRCS Schedule) for the project costs if the Trust Lands Administration cancels the grazing permit before the project is fully amortized. If the permittee sells or allows the permit to expire or to be canceled due to his failure, then the amortization schedule will be canceled.

RANGE IMPROVEMENT PROJECT NO. 391 (APPROVAL) AND GRAZING PERMIT NO. 23210-C09 (TWO YEAR EXTENSION) (CONTINUED)

Project	Project Cost	Project Life	Year Completed	Yearly Amortized Deduction	Year Fully Amortized
Well & Pipeline	\$3,000.00	20	2010	\$150.00/year	2030
2 Troughs	\$1,000.00	10	2010	\$100.00/year	2020

EVALUATION OF THE FACTS:

The proposed range improvement is not located on land affected by (a) or (b) of R850-50-1100(5). The proposed water development fills a critical need for livestock management and will enhance the value of the range. Pursuant to Rule R850-50-600, the expiration term for GP 23210-C09 will be extended two years to June 30, 2026.

Based on the above information and upon recommendation of Mr. Ron Torgerson, the Director approved the construction of Range Improvement Project No. 391. This summary will constitute the Record of Decision.

RANGE IMPROVEMENT PROJECT NO. 408 (APPROVAL)

APPLICANT'S NAME AND ADDRESS:

Trust Lands Administration
130 N. Main
Richfield, UT 84701

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:

T26S, R25E, SLB&M

Sections 23, 26, 27, 34, 35: Within

The permit administrator has had this legal description reviewed by the GIS Group.

COUNTY: Grand & San Juan

FUND: USU

REQUESTED/PROPOSED ACTION:

The proposed action is to complete an aspen regeneration project beginning the fall of 2010 and finishing the fall of 2011. The Agency is coordinating with the Utah Division of Wildlife Resources ("UDWR"), who will complete the work and pay for this project. The proposal includes using a brush rake (purchased by the Agency) mounted on a dozer, skid-steer, or other mechanical method to remove competing snowberry and disturb the aspen's rhizomatous root system to promote aspen suckering within a 231 acre aspen timber sale area on the La Sal Mountains North Block. Only small areas (10-20 acres in size) within the timber sale area will receive this treatment. The goal is to increase the amount of aspen trees for future timber sales and to improve wildlife habitat.

RELEVANT FACTUAL BACKGROUND:

On August 23, 2010, the applicant submitted a proposal for this range improvement project. A search of the Agency's records was made to determine the status of the area involved. The grazing permit of record on the affected area is GP 21505 in the name of Taylor Livestock Corp. The grazing permittee has been informed about this project and is supportive. The other records for these parcels are mineral leases, ML 48884 and ML 48885, for oil and gas. This project will not conflict with the mineral leases. The mineral leases are outside of the actual project area.

RANGE IMPROVEMENT PROJECT NO. 408 (APPROVAL) (CONTINUED)

This project was submitted to the Resource Development Coordinating Committee ("RDCC") on August 23, 2010. No comments were received regarding this project.

A cultural resource survey was completed by Trust Lands Administration's Archaeology staff for the timber sale and will not be required for this project.

Funding of this project will be provided by the UDWR (\$10,000.00). There will be no amortization schedule for this project.

EVALUATION OF THE FACTS:

The proposed range improvement is not located on land affected by (a) or (b) of R850-50-1100(5). The proposed vegetation treatment fills a critical need for aspen regeneration and will enhance the value of the forest resource.

Based on the above information and upon recommendation of Mr. Ron Torgerson, the Director approved the construction of Range Improvement Project No. 408. This summary will constitute the Record of Decision.

RANGE IMPROVEMENT PROJECT NO. 409 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

Utah Division of Wildlife Resources ("UDWR")
1470 North Airport Road
Cedar City, UT 84721

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:

T30S, R6W, SLB&M
Section 16: All (Within)

The permit administrator has had this legal description reviewed by the GIS Group.

COUNTY: Beaver FUND: School

REQUESTED/PROPOSED ACTION:

The proposed action is to chain approximately 400 acres of pinyon and juniper trees followed by aerial seeding and back chaining to plant the seed. The Utah Division of Wildlife Resources ("UDWR") will complete the work and pay for this project through the Utah Watershed Restoration Initiative. The goal is to increase the amount of forage available for livestock and wildlife and to improve watershed conditions.

RELEVANT FACTUAL BACKGROUND:

On September 7, 2010, the applicant submitted a proposal for this range improvement project. A search of the Agency's records was made to determine the status of the area involved. The grazing permit of record on the affected area is GP 22030-02 (Calvin Yardley). The grazing permittee has been informed about this project and is supportive. The other record for this parcel is mineral lease ML 50256 for oil and gas. This project will not conflict with the mineral lease.

This project was submitted to the Resource Development Coordinating Committee ("RDCC") by the UDWR on June 1, 2010. The UDWR received no comments regarding this project.

RANGE IMPROVEMENT PROJECT NO. 409 (APPROVAL) (CONTINUED)

A cultural resource survey was completed by UDWR Archaeology staff. No cultural resources will be affected.

Funding of this project will be provided by the UDWR (\$80,000.00). Because the applicant is not the grazing permittee, there will be no amortization schedule for this project.

EVALUATION OF THE FACTS:

The proposed range improvement is not located on land affected by (a) or (b) of R850-50-1100(5). The proposed vegetation treatment fills a critical need to increase forage availability for livestock and wildlife, improve watershed conditions, and will enhance the value of the range resource.

Based on the above information and upon recommendation of Mr. Ron Torgerson, the Director approved the construction of Range Improvement Project No. 409. This summary will constitute the Record of Decision.

RIGHTS OF ENTRY**RIGHT OF ENTRY NO. 5525 (APPROVAL)**

On September 9, 2010, the School and Institutional Trust Lands Administration received an application from Naropa University, Wilderness Therapy, 2130 Arapahoe Avenue, Boulder, CO 80302, to occupy the following described trust land located within San Juan County to conduct wilderness therapy activities for a one-year term:

T36S, R17E, SLB&M

Sec. 32: Within

The purpose of this right of entry is to conduct wilderness therapy through backpacking and primitive camping. All support vehicles will stay on existing roads and trails.

The rental assessment for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. This right of entry replaces ROE 5353 which expired August 31, 2010. Beginning date: September 1, 2010. Expiration date: August 31, 2011. San Juan County. School Fund.

Upon recommendation of Mr. Bryan Torgerson, the Director approved Right of Entry No. 5525 for a one-year term.

RIGHT OF ENTRY NO. 5513

On September 15, 2010, Mr. Bryan Torgerson, Trust Lands Resource Specialist, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of Jeep Jamboree USA, 2776 Sourdough Flat, P.O. Box 1601, Georgetown, CA 95634, to occupy the following described trust land located within Grand and San Juan Counties to conduct a two-day recreational event using existing jeep trails:

T21S, R16E, SLB&M

Sec. 36: Within

T22S, R16E, SLB&M

Sec. 2: Within

RIGHT OF ENTRY NO. 5513 (CONTINUED)

T22S, R17E, SLB&M

Sec. 32: Within

T22S, R19E, SLB&M

Sec.'s 15, 22, 23, 24: Within

T22S, R20E, SLB&M

Sec. 36: Within

T22S, R21E, SLB&M

Sec. 32: Within

T22S, R22E, SLB&M

Sec. 2: Within

T23S, R17E, SLB&M

Sec. 2: Within

T23S, R20E, SLB&M

Sec.'s 33, 34: Within

T23S, R22E, SLB&M

Sec. 36: Within

T23S, R23E, SLB&M

Sec.'s 16, 32: Within

T23S, R24E, SLB&M

Sec. 36: Within

T24S, R18E, SLB&M

Sec.'s 32, 36: Within

T24S, R19E, SLB&M

Sec.'s 16, 32: Within

T24S, R20E, SLB&M

Sec.'s 2, 13, 14, 27: Within

T24S, R24E, SLB&M

Sec. 2: Within

T24S, R25E, SLB&M

Sec. 16: Within

T25S, R18E, SLB&M

Sec.'s 16, 36: Within

RIGHT OF ENTRY NO. 5513 (CONTINUED)

T25S, R19E, SLB&M

Sec.'s 32, 36: Within

T25S, R20E, SLB&M

Sec.'s 2, 16, 32, 36: Within

T25S, R22E, SLB&M

Sec.'s 32, 36: Within

T25S, R23E, SLB&M

Sec. 32: Within

T26S, R18E, SLB&M

Sec. 2: Within

T26S, R19E, SLB&M

Sec. 2: Within

T26S, R21E, SLB&M

Sec.'s 16, 33: Within

T26S, R23E, SLB&M

Sec. 32: Within

T27S, R23E, SLB&M

Sec.'s 7, 8: Within

T27S, R22E, SLB&M

Sec.'s 1, 2, 16, 35: Within

T39S, R11E, SLB&M

Sec. 36: Within

T40S, R11E, SLB&M

Sec. 2: Within

The rental assessment for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. The permittee shall also pay to the Trust Lands Administration the sum of 3% of gross receipts, based on number of clients, number of client days, and percentage of time spent on trust land, or \$4.00/vehicle, whichever is greater, within 30 days of permit expiration date. Beginning date: October 22, 2010. Expiration date: October 23, 2010. Grand and San Juan Counties. School and USU Funds.

This item was submitted by Mr. Bryan Torgerson for record-keeping purposes.

RIGHT OF ENTRY NO. 5514

On September 15, 2010, Mr. Bryan Torgerson, Trust Lands Resource Specialist, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of the Youth Garden Project, 530 South 400 East, Moab, UT 84532, to conduct a pumpkin tossing event on the following described trust land located within San Juan County:

T27S, R22E, SLB&M

Sec. 1: Within

All vehicles and venues will stay on the old airport runway. The Youth Garden Project will clean the site after the event takes place. The rental assessment for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. San Juan County. School Fund. Beginning date: October 18, 2010. Expiration date: November 15, 2010.

This item was submitted by Mr. Bryan Torgerson for record-keeping purposes.

RIGHT OF ENTRY NO. 5523

On September 16, 2010, Mr. Gary Bagley, Resource Specialist, pursuant to R850-41-200 and in accordance with the direction and delegation of authority, approved the request of Rockwell Relay, Inc., 360 East 500 South, Farmington, UT 84025, to occupy trust lands in Cache County for the purpose of a one-day cross country mountain bicycle ride using existing roads. The permit allows up to 25 riders. The trust land parcels involved in the permit include the following:

Township 8 North, Range 3 East, SLB&M

Section 4: E $\frac{1}{2}$ (within)

Section 5: N $\frac{1}{2}$ NW $\frac{1}{4}$ (within)

Section 6: NE $\frac{1}{4}$ (within)

Township 9 North, Range 2 East, SLB&M

Section 25: E $\frac{1}{2}$ SE $\frac{1}{4}$ (within)

Section 36: NE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ (within)

Township 9 North, Range 3 East, SLB&M

Section 31: NW $\frac{1}{4}$ & within E $\frac{1}{2}$ E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ (within)

Section 32: S $\frac{1}{2}$ S $\frac{1}{2}$ (within)

Section 33: S $\frac{1}{2}$ SW $\frac{1}{4}$ (within)

Containing 5.58 acres, more or less.

The estimated distance on trust lands is 5.5 miles. The route follows existing surface roads and no surface disturbance shall occur.

The permit allows the applicant up to 25 riders on non-motorized mountain bikes to follow a pre-determined course across a portion of the Cinnamon Creek Land Block. The planned activity is also on adjoining U. S. Forest Service Lands and private lands. This permit is for the portion on trust lands only. Forest Service was the lead agency on the review of the activity and has issued a separate permit for the forest lands.

RIGHT OF ENTRY NO. 5523 (CONTINUED)

The rental assessment for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. The term of this permit is one day, September 18, 2010. Cache County. SCH, RES, and UNIV Funds.

This item was submitted by Mr. Gary Bagley for record-keeping purposes.

RIGHT OF ENTRY NO. 5529

On September 20, 2010, Mr. Lou Brown, Trust Lands Resource Specialist, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of Missy Reno, Nordstrom Marketing, 1700 7th Ave., Suite 400, Seattle, WA 98101, to occupy the following described trust land located within Kane County for commercial filming:

T43S, R2E, SLB&M

Sec. 1: Within

The rental assessment for this right of entry is \$600.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$700.00. Beginning date: September 27, 2010. Expiration date: September 30, 2010. Kane County. School Fund.

This item was submitted by Mr. Lou Brown for record-keeping purposes.

EASEMENTS**EASEMENT NO. 1573 (APPROVAL)****APPLICANT'S NAME AND ADDRESS:**

Petro-Hunt, LLC
1601 Elm Street, Suite 3400
Dallas, TX 75201

LEGAL DESCRIPTION OF THE EASEMENT LANDS:

Township 16 South, Range 1 West, SLB&M
Section 21: NE $\frac{1}{4}$ SE $\frac{1}{4}$ (within)

A 30 foot wide easement, being 15 feet on each side of the following described centerline:

Beginning at a point located South 44.13 feet and West 1061.23 feet from the West Quarter Corner of Section 22, T16S, R1W, SLB&M, said point of beginning being located at the centerline of an existing asphalt road; thence along the centerline of said asphalt road the following courses: S 05°01'58" W 135.68 feet around a 500.00 foot radius curve to the left, 22.74 feet (chord bears S 03°43'47" W 22.74 feet), S 02°25'36" W 107.27 feet, around a 500.00 foot radius curve to the left, 98.59 feet (chord bears S 03°13'19" E 98.43 feet), S 08°52'13" E 17.70 feet, and around a 200.00 foot radius curve to the right, 26.12 feet (chord bears S 05°07'44" E 26.10 feet) to the intersection of said asphalt road centerline and an existing dirt road centerline; thence along said dirt road centerline the following courses: S 72°23'17" E 23.52 feet; thence around a 125.00 foot radius curve to the left, 72.26 feet (chord bears S 88°56'54" E 71.26 feet); thence N 74°29'29" E 164.84 feet; thence around a 500.00 foot radius curve to the left, 32.77 feet (chord bears N 72°36'50" E 32.76 feet); thence N 70°44'11" E 442.64 feet; thence around a 150.00 foot radius curve to the right, 160.84 feet (chord bears S 78°32'43" E 153.25 feet); thence

EASEMENT NO. 1573 (APPROVAL) (CONTINUED)

S 47°49'37" E 108.62 feet; thence around a 400.00 foot radius curve to the left, 173.53 feet (chord bears S 60°15'18" E 172.17 feet) to the West line of said Section 22 and the point of termination, said point of termination being located S 01°41'29" E along the West line of said Section 22, 448.41 feet from the West Quarter Corner of said Section 22. Total length of road is 1587.12 feet (0.30 miles). Containing 1.09 acres, more or less.

The easement administrator has had this legal description reviewed by the GIS group.

COUNTY: Juab

ACRES: 1.09

FUND: School

PROPOSED ACTION:

The applicant has requested a non-exclusive easement to operate, repair, and maintain an existing access road located within T16S, R1W, Section 21, in Juab County. The access road will be used to access the proposed Skinner Peaks Federal 22 #1 Well. It is anticipated that this road corridor will also facilitate additional exploration in the area. The easement corridor is a total of 1,587.12 feet long and 30 feet wide. The corridor contains approximately 1.09 acres. The term of the easement will be 20 years.

RELEVANT FACTUAL BACKGROUND:

The subject easement application was received on June 24, 2010. It was submitted for Agency review on June 29, 2010, and was accepted by the Director on June 14, 2010.

The proposed easement is exempt from being sent to the Resource Development Coordinating Committee ("RDCC") because it is an existing road.

The project area has been surveyed for paleontology by Robert G. Young.

The project area has been surveyed for cultural resources by Bighorn Archeological Consultants (#U-10-HO-0314b,p,s.).

EVALUATION OF FACTS:

The Agency's staff has reviewed the paleontological report. Although maps indicate nearby outcrops of possible fossil-bearing rocks, no outcrops were present along the proposed access road, nor were any fossils found. Because of the absence of any fossil material in the alluvium and colluvium along the proposed access road, it is concluded that no valuable fossils will be damaged or destroyed by the proposed road upgrade.

The Agency's Archaeology staff has reviewed the cultural resource survey. Because this pipeline is an existing line with no new ground disturbance, no new cultural survey was required, and the project has been cleared for cultural resources with a finding of "No Historic Properties Affected."

Upon recommendation of Mr. Andy Bedingfield, the Director approved the applicant's request for a non-exclusive easement. The term of the easement will be for 20 years beginning October 1, 2010, and expiring September 30, 2030. The application fee of \$750.00 and the easement rental assessment of \$480.95 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, 2013.

SPECIAL USE LEASE AGREEMENTS**SPECIAL USE LEASE AGREEMENT NO. 1281 (FIVE-YEAR REVIEW)**

SULA 1281 is a telecommunications lease, issued to PacifiCorp, dba Rocky Mountain Power, Attn. Right of Way Services, 1407 North West Temple, Suite 110, Salt Lake City, UT 84116. The lease site is located on Lake Mountain in Utah County. School Fund.

1. ANNUAL BASE RENTAL:

The five-year review date for this lease is November 1, 2010. The authorized use of the subject parcel is for a communication site lease, with primary use being a microwave and mobile radio for internal communication purposes.

The lease agreement provides for periodic increases in the annual base rental amount. To determine an updated fair market value, an evaluation of comparable leases of the same purpose and type was conducted. Pursuant to provisions of the lease agreement, it is recommended that the annual base rental be increased from \$6,200.00 to \$7,130.00, effective November 1, 2010. A certified notice was sent to inform the lessee of this action. No response has been received to date.

Subleasing and co-located tenants: Any subleasing revenue assessed is in addition to the annual base rental amounts discussed above. There is no known subleasing on the site.

After a preliminary analysis pursuant to Board policy, the raw land value of the subject property was estimated to currently be approximately \$2,000.00 per acre with a total estimated value of \$500.00. The existing communication lease site is considered the highest and best use of a small parcel of this type of land.

Annual Base Rental: \$7,130.00

Acres in lease: 0.23

2. DUE DILIGENCE:

The development allowed by the lease has occurred. It is recommended that the lease be kept in force.

3. PROPER USE:

The leased premises are being used in accordance with the lease agreement.

4. ADEQUATE INSURANCE AND BOND COVERAGE:

The insurance coverage and bond are active and in place and adequate for the purpose of the lease.

5. WATER RIGHTS AND WELLS:

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

6. ENVIRONMENTAL COMPLIANCE:

This lease was inspected and reviewed for environmental compliance in September, 2010, and has been rated as low risk. There is no evidence of underground or above-ground petroleum storage tanks, stained soil, 55-gallon drums/containers of any size, unauthorized uses, or solid waste on the premises. The site appears clean and orderly and hazardous materials, if any, are kept in an enclosed area with secondary containment. An Environmental Site Inspection Form will be put in the file.

SPECIAL USE LEASE AGREEMENT NO. 1281 (FIVE-YEAR REVIEW) (CONTINUED)

7. GIS REVIEW:

The lease administrator had the legal description reviewed by the GIS Group. The description is accurate and an updated map is being attached to the business system.

8. NEXT ASSESSMENT DATE:

The next assessment date will be November 1, 2015.

Upon recommendation of Mr. Gary Bagley, the Director approved the five-year review for SULA 1281.

SPECIAL USE LEASE AGREEMENT NO. 1269 (EXPIRATION)

SULA 1269 was leased to Lloyd J. Mecham, 580 West Hale Ave., Moab, UT 84532. The lease was issued on May 1, 2000, and expired April 30, 2010. The lease was approved for a residential cabin on the La Sal Mountains in San Juan County. The residential unit is an old rustic cabin that was forfeited to the Agency by a previous user.

An environmental lease close-out site inspection was done by Sonja Wallace on September 8, 2010. There were some minor cleanup issues noted, but no major issues that need to be addressed. Agency staff has opted to clean up the site because it doesn't warrant the time or expense necessary to make the lessee do it. County: San Juan. Fund: UNIV.

This item was submitted by Mr. Bryan Torgerson for record-keeping purposes.

SPECIAL USE LEASE AGREEMENT NO. 1313 (RECLAMATION BOND)

Pursuant to Paragraph 14 of the lease agreement, Moab Communications, LLC, 3606 South 500 West, Salt Lake City, UT 84115, has submitted a reclamation bond for the above-referenced lease. The bond is in the form of a \$5,000 cash bond and will remain in full force and effect until released by the Trust Lands Administration. San Juan County. School Fund.

Upon recommendation of Mr. Gary Bagley, the Director accepted the cash bond submitted for SULA 1313.

DEVELOPMENT ACTIONS

DEVELOPMENT SUBDIVISION SALE

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

SUBD 15.0 Estates at Hidden Valley Phase 2

This transaction has been executed pursuant to Development Lease DEVL 754.

LEGAL DESCRIPTION: (SUBDIVISION)

Section 18, Township 43.0 S, Range 15.0 W, SLBM

PURCHASER:

IVORY SOUTHERN, LLC
3143 SOUTH 840 EAST
SAINT GEORGE, UT 84790

LOT SALE DESCRIPTION:

Desc /	Certificate #	Cert/Sale Dt	Patent #	Patent Dt	Lot Price	Fee	Acreage	Fund	Section
Lot 93	26441-15-93	09/10/10	20034-15-93	01/11/08	\$24,150.00	\$0.00	0.17	SCH	18

The legal description has been reviewed by the GIS Group.

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.

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.

CORRECTION - ROADWAY DEDICATION - 840 EAST AND BRIGHAM ROAD (DEVL 840)

IN THE DIRECTOR'S MINUTES OF FEBRUARY 8, 2008, PAGES 41-42, THE LOCATION AND ACREAGE OF THE DEDICATED ROAD WERE REPORTED INCORRECTLY. THIS IS NOW CORRECTED AS SHOWN BELOW IN BOLD.

PROJECT:	Hidden Valley Commercial
PROJECT MANAGER:	Rodger Mitchell
PROJECT CODE:	HIDVL 001 01
FUND:	School
DATE OF RECORDING:	August 10, 2007
PLAT DEDICATION NO.:	000126

CONVEYANCE TO:
 ST. GEORGE CITY
 175 East 200 North
 St. George UT 84770

LEGAL DESCRIPTION OF ROADWAY:
Township 43 South, Range 15 West, SLB&M
 Section: 8

A PORTION (APPROXIMATELY THE WEST 30 FT OF THE PARCEL (840 EAST), AS WELL AS AN APPROXIMATELY 8 FT WIDE STRIP ON THE EAST SIDE OF THE PARCEL (BRIGHAM ROAD) DESCRIBED IN THE HIDDEN VALLEY COMMERCIAL MINOR SUBDIVISION PLAT ENTRY NUMBER 20070040597 IN THE RECORDS OF WASHINGTON COUNTY BEING DESCRIBED MORE PARTICULARLY AS FOLLOWS:

BEGINNING AT A POINT LOCATED S88°46'42"E ALONG THE SECTION LINE 147.72 FEET AND NORTH 0.72 FEET FROM THE SOUTHWEST CORNER OF SECTION 8, TOWNSHIP 43 SOUTH, RANGE 15 WEST, SALT LAKE BASE AND MERIDIAN, SAID POINT ALSO BEING ON THE CENTER LINE OF 840 EAST STREET AS SHOWN ON THE ROADWAY DEDICATION PLAT OF HIDDEN VALLEY DRIVE AND 840 EAST AND BRIGHAM ROAD, RECORDED AS ENTRY NUMBER 895713 IN THE RECORDS OF WASHINGTON COUNTY, AND RUNNING THENCE ALONG SAID CENTERLINE THE FOLLOWING TWO (2) COURSES: N1°13'44"E 206.21 FEET TO THE POINT OF A 1111.51 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 38°35'25" A DISTANCE OF 748.63 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF BRIGHAM ROAD, A 100.00 FOOT RIGHT OF WAY, SAID POINT ALSO BEING ON A 1510.48 FOOT RADIUS, NON-TANGENT CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS S39°42'04"W; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE AND SAID RIGHT OF WAY LINE THROUGH A CENTRAL ANGLE OF 18°42'03" A DISTANCE OF 493.01 FEET; THENCE CONTINUING ALONG SAID RIGHT OF WAY LINE THE FOLLOWING TWO (2) COURSES: S31°35'53"E 415.60 FEET TO THE POINT OF A 590.00 FOOT RADIUS CURVE TO THE LEFT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 9°22'40" A DISTANCE OF 96.57 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF DESERT HILLS DRIVE, ACCORDING TO THE DEED OF DEDICATION THEREOF, RECORDED AS ENTRY NUMBER 747487 IN THE RECORDS OF WASHINGTON COUNTY, SAID POINT ALSO BEING ON A 25.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT, THE CENTER OF WHICH BEARS N76°45'19"W; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE AND SAID RIGHT OF WAY LINE THROUGH A CENTRAL ANGLE OF 39°52'33" A DISTANCE OF 17.40 FEET; THENCE CONTINUING ALONG SAID RIGHT OF WAY LINE THE FOLLOWING FIVE (5) COURSES: S53°07'14"W 68.82 FEET TO THE POINT OF A 367.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 38°07'22" A DISTANCE OF 244.19 FEET; THENCE

CORRECTION - ROADWAY DEDICATION - 840 EAST AND BRIGHAM ROAD (DEVL 840) (CONTINUED)

N88°45'24"W 511.56 FEET TO THE POINT OF A 25.00 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00" A DISTANCE OF 39.27 FEET; THENCE N88°45'24"W 30.00 FEET TO THE POINT OF BEGINNING.

This legal description has been reviewed by the GIS Group at the request of the project manager.

NUMBER OF ACRES BY COUNTY: **0.80 acres** - Washington County

NUMBER OF ACRES BY FUND: **0.80 acres** - School

MINERAL RESERVATIONS:

Excepting and reserving to the State all coal, oil and gas, and other mineral deposits.

SURFACE RESERVATIONS:

None

This item was submitted by Alexa Wilson for record-keeping purposes.

ACTIONS CONTAINING FEE WAIVERS

NONE

TRUST ACCOUNTING ACTIONS

CANCELED GRAZING PERMITS

The following grazing permit was not paid on or before the cancellation date of 8/13/2010. A certified notice was mailed.

<u>PERMIT #</u>	<u>PERMITTEE NAME</u>	<u>BENE</u>	<u>COUNTY</u>	<u>TYPE</u>
GP 23128	Blanthorn, Sam	SCH	BOX	GRAZ

Upon recommendation of Mr. Gritzmacher, Budget Manager, the Director approved the cancellation of the above-listed grazing permit for non-payment.

CANCELED MINERAL LEASE - CORRECTION

On the minutes from September 13, 2010, the following mineral lease was canceled for non-payment:

<u>LEASE #</u>	<u>LESSEE NAME</u>	<u>BENE</u>	<u>COUNTY</u>	<u>TYPE</u>
<i>ML 48173</i>	MORGAN LIMITED PARTNERSHIP	SCH	UINT	OS

This lease number is incorrect. **The correct lease number should be ML 48713.**

Upon recommendation of Mr. Gritzmacher, Budget Manager, the Director approved the above-listed correction.

PAID CERTIFICATES OF SALE

<u>CERT#</u>	<u>NAME</u>	<u>BENE</u>	<u>COUNTY</u>	<u>DATE PAID</u>
C 24473	Joe Valle	SCH	IRON	9/20/2010

INTEREST RATES

Following are the current and past year prime rates:

CURRENT YEAR:	3.25%
ONE YEAR AGO:	3.25%