


SEPTEMBER 7, 2010

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON SEPTEMBER 7, 2010, 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 BECAME EFFECTIVE AT 6:00 P.M. ON SEPTEMBER 7, 2010.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 6; SURFACE ACTIONS AS LISTED ON PAGES 6 TO 12; DEVELOPMENT ACTIONS AS LISTED ON PAGES 13 TO 15; AND ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 15.

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 TUESDAY, SEPTEMBER 21, 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

EXPIRATION OF MINERAL MATERIALS PERMITS FOR BUILDING STONE

The following-described Mineral Materials Permits to gather East Desert Building Stone from certain trust lands in Uintah County reached the end of their terms on August 31, 2010, and are expired. The permittees no longer have any rights relevant to the permits.

<u>ML 51046-MP</u> (SCH)	<u>T12S, R20E, SLB&M.</u>	Uintah
Mustang Fuel Corp.	SEC. 36: N½	320.00 acres
13439 Broadway Extension		
Oklahoma City, OK 73114		

<u>ML 51047-MP</u> (SCH)	<u>T12S, R20E, SLB&M.</u>	Uintah
Mustang Fuel Corp.	SEC. 36: SW¼	160.00 acres
13439 Broadway Extension		
Oklahoma City, OK 73114		

<u>ML 51048-MP</u> (SCH)	<u>T13S, R20E, SLB&M.</u>	Uintah
Mustang Fuel Corp.	SEC. 2: LOTS 1(40.15), 2(40.23), 3(40.29), 4(40.37),	641.04 acres
13439 Broadway Extension	S½N½, S½ [ALL]	
Oklahoma City, OK 73114		

This item is submitted by Mr. Blake for record- keeping purposes only.

METALLIFEROUS MINERALS LEASE - CANCELLATION AND FEES FORFEITED – ML 51805 (SCH)

The lands included in the referenced Metalliferous Minerals lease were offered for lease on the April 1, 2010, Competitive Bid Offering. Bids were opened April 26, 2010. On May 17, 2010, the Director approved the high bid for the first year rental at a minimum annual rental rate of \$500 per lease or \$1 per acre, whichever is greater, as provided in the lease form. The high bid received for the referenced lease was \$505 - annual rental being \$500 and the bonus amount being \$5. On May 17, 2010, duplicates of the lease agreement were sent to the applicant for signature. The accompanying cover letter required the applicant to sign and return both copies of the lease agreement within 30 days from May 17, 2010. After the applicant failed to return the signed lease agreement within the 30 day period, a second request for execution of the lease agreement was sent to the applicant by certified mail on July 28, 2010. On August 10, 2010, the certified letter was returned to the Administration as unclaimed and unable to forward.

As per Administrative Rule R850-24-900, in the event that applicant fails to sign and return a mineral lease or materials permit as instructed by the Agency, or a lease is canceled for any other reason, all fees, advanced rentals, and advanced minimum royalties are forfeited by the applicant, lessee, or permittee unless non-forfeiture or a refund is approved by the Director.

**METALLIFEROUS MINERALS LEASE - CANCELLATION AND FEES FORFEITED – ML 51805 (SCH)
(CONTINUED)**

ML 51805

David D. McMullin
848 E. La Croix Circle
Cedar City, UT 84720

T27S, R13W, SLB&M.

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),
SE¹/₄NE¹/₄ Beaver
210.12 Acres

Upon recommendation of Mr. Stokes and as stipulated by Administrative Rule 850-24-900, the Director approved the forfeiture of the \$500 advanced annual rental, \$5 bonus bid, and \$30.00 application filing fee, and approved the cancellation of Metalliferous Minerals Lease ML 51805.

**NAME CHANGE – PALLADON IRON CORPORATION TO CML METALS CORPORATION – ML 51572
(SCH), AND ML 51575-OBA (SCH) – METALLIFEROUS MINERALS**

This office is in receipt of evidence that on April 19, 2010, Palladon Iron Corporation changed their name to CML Metals Corporation, 6249 West Gilbert Industrial Court, Hurricane, UT 84737, covering the above-numbered leases.

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

TOTAL ASSIGNMENT – OIL, GAS, AND HYDROCARBON LEASE

Upon recommendation of Ms. Garrison, the Director approved the assignment of the lease listed below to ***Moose Mountain Land Co. B., LLC*** (76.27%), P.O. Box 17397, Salt Lake City, UT 84117, and ***Uton Divide LLC*** (23.73%), 1333 College Parkway, #172, Gulf Breeze, FL 42563, by Vern Jones. No override. (***REFUND:*** \$50 – Overpayment of filing fees to Moose Mountain.)

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

VERN JONES – 100%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

***MOOSE MOUNTAIN LAND CO. B, LLC – 76.27%,
UTON DIVIDE LLC – 23.73%***

....ML 51713 (SCH)....

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 1.9827635% interest limited in depth from surface to stratigraphic equivalent of 4274 feet being the total depth drilled in Hancock Federal No. 3-8 in part of lands: SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 2, T17S, R25E, SLB&M., in and to the lease listed below to TAP Energy, Inc., P.O. Box 547, Cooper Landing, AK 99572, by SARCO, Inc. No override, but subject to 3% 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:

***SURFACE TO STRAT EQUIV OF TOTAL DEPTH
DRILLED IN HANCOCK FEDERAL 3-8 WELL IN
SE $\frac{1}{4}$ NE $\frac{1}{4}$ SEC. 3, T17S, R25E, SLB&M., SAID WELL
DRILLED TO 4274 FEET***

T17S, R25E, SLB&M. 40.00 ACRES

SEC. 2: SW $\frac{1}{4}$ SW $\frac{1}{4}$

ROSEWOOD RESOURCES INC.–25.3750%,
LONE MOUNTAIN PRODUCTION CO.–19.50%,
BEST EXPLORATION INC.–10%,
BURTON W. HANCOCK–8%,
MORGAN MARATHON LIMITED LIABILITY
COMPANY-7.125%,
RB OIL COMPANY-6.874368%,
BEARTOOTH OIL & GAS-6.802505%,
SARCO, INC.-3.965527%,
GAIL LAMBRECHT-2%,
FEDCO MANAGEMENT COMPANY INC-1.9125%,
T-K PRODUCTION COMPANY-1.5%,
OAKMONT CORPORATION-1.4174%,
HAROLD B. HOLDEN-1.25%,
WALTER S. AND MARCEIL FEES, TRUSTEES
FOR WALTER S. FEES JR. INTERVIVOS
TRUST #1-1.25%,
JR OIL COMPANY-.902%,
D.J. INVESTMENT COMPANY LIMITED-.5%,
J&K PROPERTIES INC.–.5%,
DON F. AND JEAN W. BRADSHAW, AS
PARTNERS OF D.J. INVESTMENT
COMPANY LIMITED-.5%,
THOMAS M. AND KIM K. HAUPTMAN-.3866%,
HANCOCK ENTERPRISES-.2391%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

***SURFACE TO STRAT EQUIV OF TOTAL DEPTH
DRILLED IN HANCOCK FEDERAL 3-8 WELL IN
SE $\frac{1}{4}$ NE $\frac{1}{4}$ SEC. 3, T17S, R25E, SLB&M., SAID WELL
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T17S, R25E, SLB&M. 40.00 ACRES

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MORGAN MARATHON LIMITED LIABILITY
COMPANY-7.125%,
RB OIL COMPANY-6.874368%,
BEARTOOTH OIL & GAS-6.802505%,
GAIL LAMBRECHT-2%,
SARCO, INC.-1.9827635%,
TAP ENERGY, INC. – 1.9827635%,
FEDCO MANAGEMENT COMPANY INC-1.9125%,
T-K PRODUCTION COMPANY-1.5%,
OAKMONT CORPORATION-1.4174%,
HAROLD B. HOLDEN-1.25%,
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TRUST #1-1.25%,
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D.J. INVESTMENT COMPANY LIMITED-.5%,
J&K PROPERTIES INC.–.5%,
DON F. AND JEAN W. BRADSHAW, AS
PARTNERS OF D.J. INVESTMENT
COMPANY LIMITED-.5%,
THOMAS M. AND KIM K. HAUPTMAN-.3866%,
HANCOCK ENTERPRISES-.2391%

....ML 1174 (SCH)....

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

Upon recommendation of Ms. Garrison, the Director approved the assignment of 13.333% interest in and to the leases listed below to TAP Energy, Inc., P.O. Box 547, Cooper Landing, AK 99572, by SARCO, Inc. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

BEARTOOTH OIL AND GAS CO. - 44.668%,
RB OIL COMPANY – 26.666%,
SARCO, INC. – 26.666%,
GAIL A. LAMBRECHT – 2%

...ML 2116 (SCH)...ML 2117 (SCH)....

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

BEARTOOTH OIL AND GAS CO. – 44.668%,
RB OIL COMPANY – 26.666%,
TAP ENERGY, INC. – 13.333%,
SARCO, INC. – 13.333%,
GAIL A. LAMBRECHT – 2%

Upon recommendation of Ms. Garrison, the Director approved the assignment of 1.454583% interest in and to the lease listed below to TAP Energy, Inc., P.O. Box 547, Cooper Landing, AK 99572, by SARCO, Inc. No override, but subject to 3% 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:

T17S, R25E, SLB&M.

SEC. 2: LOT 4, SW¼NW¼

BURTON W. HANCOCK – 58.65672%,
RB OIL COMPANY – 7.3401229%,
BEARTOOTH OIL AND GAS CO. - 7.0240023%,
FEDCO MANAGEMENT CO., INC.-3.035655%,
SARCO, INC. – 2.909166%,
F.J. BRADSHAW-2.80408%,
HENRY GOODMAN-2.7778%,
OAKMONT CORPORATION-2.2498649%,
GAIL A. LAMBRECHT-2%,
DON F. BRADSHAW, TRUSTEE OF THE DON F.
BRADSHAW FAMILY TRUST-2%,
JAMES E. AND LORRAINE WADE-1.5%,
JR OIL COMPANY-1.4317327%,
CAROL E. HANCOCK, TRUSTEE-1.25%,
CAROL E. HANCOCK-1.25%,
THOMAS M. AND KIM K. HAUPTMAN-.6135994%,
HANCOCK ENTERPRISES-.3794568%,
ALLESANDRA INGLE-.308645%,
VICTORIA ROGERS-.308645%,
TANYA HAINSWORTH-.308645%,
PENELOPE ASHWORTH-.308645%,
PETER P. ASHWORTH-.308644%,
MICHAEL R. ASHWORTH-.308644%,
DAVID B. ASHWORTH-.308644%,

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

T17S, R25E, SLB&M.

SEC. 2: LOT 4, SW¼NW¼

BURTON W. HANCOCK – 58.65672%,
RB OIL COMPANY – 7.3401229%,
BEARTOOTH OIL AND GAS CO. – 7.0240023%,
FEDCO MANAGEMENT CO., INC.-3.035655%,
F.J. BRADSHAW-2.80408%,
HENRY GOODMAN-2.7778%,
OAKMONT CORPORATION-2.2498649%,
GAIL A. LAMBRECT-2%,
DON F. BRADSHAW, TRUSTEE OF THE DON F.
BRADSHAW FAMILY TRUST-2%,
JAMES E. AND LORRAINE WADE-1.5%,
SARCO, INC. – 1.454583%,
TAP ENERGY, INC.-1.454583%,
JR OIL COMPANY-1.4317327%,
CAROL E. HANCOCK-1.25%,
CAROL E. HANCOCK, TRUSTEE-1.25%,
THOMAS M. AND KIM K. HAUPTMAN-.6135994%,
HANCOCK ENTERPRISES-.3794568%,
ALLESANDRA INGLE-.308645%,
VICTORIA ROGERS-.308645%,
TANYA HAINSWORTH-.308645%,
PENELOPE ASHWORTH-.308645%,
PETER P. ASHWORTH-.308644%,
MICHAEL R. ASHWORTH-.308644%,

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

STEPHEN S. ASHWORTH-.308644%,
TIMOTHY A. ASHWORTH-.308644%

DAVID B. ASHWORTH-.308644%,
STEPHEN S. ASHWORTH-.308644%,
TIMOTHY A. ASHWORTH-.308644%

....ML 4189 (SCH)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 10% interest in and to the lease listed below to TAP Energy, Inc., P.O. Box 547, Cooper Landing, AK 99572, by SARCO, Inc. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

NATIONAL FUEL CORPORATION – 40%,
BEARTOOTH OIL AND GAS COMPANY – 20%,
RB OIL COMPANY – 20%,
SARCO, INC. – 20%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

NATIONAL FUEL CORPORATION – 40%,
BEARTOOTH OIL AND GAS COMPANY – 20%,
RB OIL COMPANY 20%,
SARCO, INC. – 10%,
TAP ENERGY, INC. – 10%

...ML 26972 (SCH)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 12.5% interest in and to the lease listed below to TAP Energy, Inc., P.O. Box 547, Cooper Landing, AK 99572, by SARCO, Inc. No override, but subject to 5% 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:

BEARTOOTH OIL AND GAS COMPANY – 50%,
RB OIL COMPANY – 25%,
SARCO, INC. – 25%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

BEARTOOTH OIL AND GAS COMPANY – 50%,
RB OIL COMPANY 25%,
SARCO, INC. – 12.50%,
TAP ENERGY, INC. – 12.50%

....ML 46629 (SCH)....

OPERATING RIGHTS ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 12.5037% interest in operating rights from surface to 100 feet below the stratigraphic equivalent of total depth of 10,115 feet drilled in the Ice Canyon 16-9 in the SE¹/₄NE¹/₄ Sec. 26, T16S, R21E, SLB&M., in and to the lease listed below to TAP Energy, Inc., P.O. Box 547, Cooper Landing, AK 99572, by SARCO, Inc. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

BEARTOOTH OIL AND GAS COMPANY – 100%
***OPERATING RIGHTS: SURFACE TO 100 FEET
BELOW STRAT EQUIV OF TOTAL DEPTH OF
10,115 FT DRILLED IN ICE CANYON 16-9 IN
SE¹/₄NE¹/₄ SEC. 26, T16S, R21E, SLB&M.***

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

BEARTOOTH OIL AND GAS COMPANY – 100%
***OPERATING RIGHTS: SURFACE TO 100 FEET
BELOW STRAT EQUIV OF TOTAL DEPTH OF
10,115 FT DRILLED IN ICE CANYON 16-9 IN
SE¹/₄NE¹/₄ SEC. 26, T16S, R21E, SLB&M.***

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

BEARTOOTH OIL & GAS CO.-29.9287%,
RB OIL COMPANY – 26.1033%,
SARCO, INC. – 25.0074%,
ODEGARD RESOURCES, INC.-13.125%,
OAKMONT CORPORATION-3.0137%,
GAIL A. LAMBRECHT-2%,
T-K PRODUCTION COMPANY-.8219%

BEARTOOTH OIL & GAS CO.-29.9287%,
RB OIL COMPANY 26.1033%,
ODEGARD RESOURCES, INC.-13.125%,
SARCO, INC.-12.5037%,
TAP ENERGY, INC.-12.5037%,
OAKMONT CORPORATION-3.0137%,
GAIL A. LAMBRECHT-2%,
T-K PRODUCTION COMPANY-.8219%

...ML 21220 (SCH)....

SURFACE ACTIONS

GRAZING PERMITS

RENEWAL OF GRAZING PERMITS

The following grazing permits have been renewed for a period of 15 years, beginning July 1, 2010, and expiring June 30, 2025.

<u>Permit #</u>	<u># Acres</u>	<u># AUMs</u>	<u>County</u>	<u>Fund</u>
GP 20608-A10	3,519.28	38.00	Wayne	School
GP 20608-B10	3,519.28	38.00	Wayne	School

The permit administrator has had these legal descriptions reviewed by the GIS Group.

Upon recommendation of Ms. Paula Lane, the Director approved the renewal of these permits.

RANGE IMPROVEMENT PROJECTS

RANGE IMPROVEMENT PROJECT NO. 382 AND ONE YEAR EXTENSION OF TERM FOR GP 20925 (APPROVAL)

APPLICANT'S NAME AND ADDRESS:
Utah Division of Wildlife Resources ("UDWR")
319 North Carbonville Road
Price, UT 84501

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:
T32S, R9E, SLB&M
Section 32: S½

T32S, R8E, SLB&M
Section 36: NE¼

RANGE IMPROVEMENT PROJECT NO. 382 AND ONE YEAR EXTENSION OF TERM FOR GP 20925 (APPROVAL) (CONTINUED)

T33S, R8E, SLB&M
Section 2: All

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

COUNTY: Garfield

FUND: School

REQUESTED/PROPOSED ACTION:

The proposed action is to install a new pipeline through two trust land sections (Sections 36 and 2, above) and install a water storage tank on another trust land section (Section 32, above) for watering livestock and wildlife. The new pipeline will replace an existing pipeline which is non-functional. There are existing water trough locations on trust lands and BLM administered lands. The BLM has a perpetual right-of-way (ROW 1315) for the waterline through Section 32, listed above. Funding for the project is mostly being provided by the Utah Watershed Initiative.

RELEVANT FACTUAL BACKGROUND:

On March 16, 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 permits of record on the affected area are GP 20925 (the applicant) and GP 20488-10 (Tercero Corporation). Tercero Corporation is aware of, and very supportive of, this project. The only other records on file are ESMT 1071 (Garfield County for OHV Roads) and ROW 871 (BLM for a fence).

This project was submitted to the Resource Development Coordinating Committee ("RDCC") on March 16, 2010. The Utah Division of Air Quality submitted a comment stating that *"steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks."* This comment will be passed along to the UDWR as a construction requirement. The Utah Geological Survey submitted a comment stating that *"there are known significant vertebrate fossil localities recorded in our files in or near this project area.... and recommend that a paleontological survey be conducted for this project."* The Trust Lands Administration's staff geologist reviewed this comment and stated that *"a surface examination is not warranted given the small foot-print of the project and limited exposure of potential fossil bearing bed-rock exposures."* The Five County Association of Governments submitted a favorable comment.

A cultural resource survey was completed by UDWR's Archaeology staff. All cultural resources will be avoided.

Funding of this project will be provided by the Utah Watershed Initiative (\$83,000.00) and the UDWR (\$2,550.00). The \$2,550.00 will be amortized as shown below. Following is a flat rate amortization schedule (NRCS Schedule) for this project 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 its failure, then the amortization schedule will be canceled.

Project	Project Cost	Project Life	Year Completed	Yearly Amortized Deduction	Year Fully Amortized
Storage Tank, Pipeline, Troughs	\$2,550.00	10	2010	\$255.00/year	2020

RANGE IMPROVEMENT PROJECT NO. 382 AND ONE YEAR EXTENSION OF TERM FOR GP 20925 (APPROVAL) (CONTINUED)

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, wildlife habitat improvement, and will enhance the value of the range. Pursuant to Rule R850-50-600, the term for GP 20925 will be extended one year to June 30, 2013.

Based on the above information and upon recommendation of Mr. Ron Torgerson, the Director approved the construction of Range Improvement Project No. 382. This summary will constitute the Record of Decision.

RIGHTS OF ENTRY

RIGHT OF ENTRY NO. 5511 (WITHDRAWAL OF APPLICATION)

Right of Entry Application No. 5511, in the name of Sol Foods, P.O. Box 840, Springdale, UT 84764, was filed with the Trust Lands Administration on August 12, 2010, for temporary use of trust land in Washington County. The Agency was notified that the applicant wishes to withdraw its proposal. No fees were received. School Fund.

Upon recommendation of Mr. Lou Brown, the Director approved the withdrawal of ROE 5511.

EASEMENTS

EASEMENT NO. 1478 (APPROVAL)

APPLICANT'S NAME AND ADDRESS:

Kerr-McGee Oil & Gas Onshore LP
P.O. Box 173779
Denver, CO 80217-3779

LEGAL DESCRIPTION OF THE EASEMENT LANDS:

Township 9 South, Range 21 East, SLB&M
Section 31: Lots 6 & 7, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ (within)
Section 32: NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$ (within)

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

Beginning at a point in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, T9S, R21E, SLB&M, which bears S 56°03'30" W 880.14 feet from the North $\frac{1}{4}$ Corner of said Section 32; thence S 26°18'08" E 432.99 feet; thence S 26°37'24" E 182.59 feet; thence S 25°29'58" E 139.91 feet; thence S 33°52'06" W 224.31 feet; thence S 31°25'04" W 227.64 feet; thence S 31°32'12" W 223.04 feet; thence S 47°41'06" W 210.09 feet; thence S 59°14'10" W 213.46 feet; thence S 70°34'56" W 202.17 feet; thence S 80°28'56" W 242.19 feet; thence S 86°55'54" W 207.86 feet; thence S 86°53'08" W 214.21 feet; thence S 86°55'54" W 218.99 feet; thence S 86°08'27" W 216.08 feet; thence S 85°45'06" W 230.35 feet; thence S 85°31'53" W 2.52 feet to a point on the West line of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 32 which bears N 00°46'18" W 476.90 feet from the West $\frac{1}{4}$ Corner of said Section 32.

Also, beginning at a point on the North line of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 31, T9S, R21E, SLB&M, which bears N 89°51'16" W 2590.14 feet from the East $\frac{1}{4}$ Corner of said Section 31; thence S 77°21'41" W 100.86 feet; thence S 76°53'55" W 213.07 feet; thence S 76°28'44" W 218.39 feet; thence S 76°59'19" W 196.73 feet; thence S

EASEMENT NO. 1478 (APPROVAL) (CONTINUED)

73°13'52" W 154.92 feet; thence S 79°34'20" W 117.45 feet; thence S 23°14'32" E 93.46 feet; thence S 29°15'14" E 209.10 feet; thence S 24°58'01" E 194.56 feet; thence S 25°25'36" E 183.99 feet; thence S 41°03'58" E 228.05 feet; thence S 51°49'26" E 217.31 feet; thence S 22°14'46" E 204.39 feet; thence S 07°31'57" E 224.72 feet; thence S 22°48'27" E 224.19 feet; thence S 25°48'43" E 205.21 feet; thence S 25°59'48" E 218.89 feet; thence S 26°04'38" E 196.92 feet; thence S 26°16'01" E 216.78 feet; thence S 26°16'27" E 202.52 feet; thence S 26°48'45" E 209.07 feet; thence S 29°07'47" E 105.40 feet to a point on the South line of the SW¼SE¼ of said Section 31 which bears N 89°30'13" E 477.39 feet from the South ¼ Corner of said Section 32. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation.

Contains 5.182 acres more or less.

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

COUNTY: Uintah ACRES: 5.182 FUND: School

PROPOSED ACTION:

The applicant has requested a non-exclusive easement to construct, operate, repair, and maintain 4 inch and 8 inch surface loop pipelines located in the Natural Buttes Block within Sections 31 & 32, T9S, R21E, in Uintah County. These pipelines will allow for a high/low pressure system in an area where there has been a bottle neck in the natural gas gathering system. It is anticipated that the installation of these loop pipelines will reduce overall pipeline pressures in the area and increase the capacity of the gathering system. Both pipelines will run parallel to each other within the same corridor and will follow alongside an existing access road. The easement corridor is a total of 7,524.38 feet long and 30 feet wide, containing approximately 5.18 acres. The term of the new easement will be 30 years.

RELEVANT FACTUAL BACKGROUND:

The subject "Application to Purchase an Easement" was received on January 7, 2009. It was submitted for Agency review on January 27, 2009, and was accepted by the Director on February 17, 2009.

The proposed easement was sent to the Resource Development Coordinating Committee ("RDCC"), the Uintah Basin Association of Governments, and the Uintah County Commission for review on January 26, 2009. Comments were received from the Division of Air Quality, the Utah Geologic Survey, and The Uintah County Commission as follows:

Department of Environmental Quality/ Division of Air Quality:

"The proposed construction, operation, repair, and maintenance of a four-inch natural gas surface pipeline and an eight-inch natural gas surface pipeline in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116, for review according to R307-401: Permit: Notice of intent and Approval Order, of the Utah Air Quality Rules. The guidelines for preparing a NOI are available on-line at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>.

"In addition, the project is subject to R307-205-5, Fugitive Dust, since the project could have short-term impact on air quality due to the fugitive dust that could be generated during the excavation and construction phases of the project. An Approval Order is not required solely for the control of fugitive dust, 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."

EASEMENT NO. 1478 (APPROVAL) (CONTINUED)

Utah Geologic Survey:

"Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate fossil localities. The office of the State Paleontologist, therefore, recommends that a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit."

Uintah County Commission:

"Uintah County supports this action, keeping ground disturbance, increase in traffic, dust, and noise emissions during construction, at a minimum."

"We ask that Kerr-McGee Oil & Gas Onshore, LP contact Uintah County's Planning & Zoning Department for the necessary County permits and the Uintah County Road Department for permits and regulations when crossing County roads."

"We have no further comments at this time but reserve the right to comment at a later date, if warranted."

The project area has been surveyed for paleontological resources by Intermountain Paleo-Consulting (UT08-296). It has also been surveyed for cultural resources by Montgomery (U-06-MQ-0386b,s).

EVALUATION OF FACTS:

The applicant has been notified of the comments submitted by the Division of Air Quality, the Utah Geologic Survey, and the Uintah County Commission.

The Agency's staff paleontologist has reviewed the paleontological survey that was conducted for this project. The results of the survey indicate that the project area contains little or no signs of vertebrate fossils. Therefore, no paleontological restrictions are placed on the project. Should vertebrate fossils be discovered during construction, a qualified paleontologist should be contacted to evaluate the find.

The Agency's Archaeology staff has reviewed the cultural resource survey. No sites were identified in the proposed project area; therefore, the project has been cleared for cultural resources with a finding of "Historic Properties Not Affected".

RECOMMENDATION:

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 30 years beginning September 1, 2010, and expiring August 31, 2040. The application fee of \$750.00 and the easement rental assessment of \$8,664.44 have been submitted. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00.

EASEMENT NOS. 1229, 1253, 1290, 1378, 1482 (NAME CHANGE)

This office has received notification from QEP Energy Company that the name and address for billing/invoicing purposes for the above referenced contracts should be changed from Questar Exploration and Production Company to QEP Energy Company, 1050 17th Street, Suite 500, Denver, Colorado 80265. A copy of the certificate of amendment changing the name to QEP Energy Company has been provided to the Trust Lands Administration. The \$15.00 name change fee for each instrument, totaling \$75.00, has been has been paid. Uintah County. School Fund.

This item was submitted by Mr. Andy Bedingfield for record-keeping purposes.

SPECIAL USE LEASE AGREEMENTS

SPECIAL USE LEASE AGREEMENT NO. 1048 (LEASE AMENDMENT NO. 1)

SULA 1048 is issued to N. George Jackson, HC 70 Box 100, Caineville, Utah, 84775. This lease is for a residential home site with some additional alfalfa farming. The lease property is located in Wayne County. The lessee and the Agency propose to amend the lease to correct and update the legal description for the subject lands.

The legal description for the leased land in the original lease is as follows:

Township 28 South, Range 8 East, SLB&M

Section 36: N2NE4 (within)

Beginning from the NE corner of Section 36, thence South 600 ft thence West 600 ft, **to point of beginning**, thence 1030 ft on a line running 290° NW, thence 500 ft on a line running 270° West, thence North 300 ft, thence East to P.O.B.

Contains 18.30 acres.

In conducting the previous lease assignment and three-year lease review, the Agency's GIS Group determined that this legal description contained certain typographical errors (see bold above). The amended lease will contain the following updated and corrected legal description:

Township 28 South, Range 8 East, SLB&M

Section 36: N2NE4 (within)

Beginning from the NE corner of Section 36, thence South 600 ft, thence West 600 ft, thence 1030 ft on a line running 290° NW, thence 500 ft on a line running 270° West, thence North 300 ft, thence East to P.O.B.

Acres: 18.30

County: Wayne

Fund: School

Because there was no acreage increase, this item is exempt from advertising pursuant to R850-30-1000-1(e).

Although lease amendments are not specifically exempt from the narrative Record of Decision process, it has been determined that this action does not warrant the time and expense necessary to complete a full narrative record.

Because this appeared to be an Agency typing error, the \$400.00 amendment fee is not applicable.

Upon recommendation of Mr. Bryan Torgerson, the Director approved the issuance of SULA 1048 Amendment No. 1.

SPECIAL USE LEASE AGREEMENT NO. 1199 (RECLAMATION BOND)

Pursuant to Paragraph 14 of the lease agreement, Robert Beeman, 91 Wedgewood Circle, Durango, CO 81301, has submitted Corporate Surety Bond No. UT32107. The bonding company is Merchants Bonding Company, 2100 Fleur Drive, Des Moines, Iowa 50321. The reclamation bond is for \$10,000.00 and will remain in full force and effect until released by the Trust Lands Administration. Grand County. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director accepted the bond submitted for SULA 1199.

SPECIAL USE LEASE AGREEMENT NO. 1307 (NAME CHANGE)

This office has received notification from QEP Energy Company that the name and address for billing/invoicing purposes for the above referenced contract should be changed from Questar Exploration and Production Company to QEP Energy Company, 1050 17th Street, Suite 500, Denver, Colorado 80265. A copy of the certificate of amendment changing the name to QEP Energy Company has been provided to the Trust Lands Administration. The \$15.00 name change fee has been paid. Uintah County. School Fund.

This item submitted by Mr. Andy Bedingfield for record-keeping purposes.

TA 848 (RESULTS OF REQUEST FOR PROPOSALS)

On July 29, 2010, a request for proposals on TA 848 (Big Lake) was sent to all parties on the Agency mailing list known to still be in business. The deadline for submitting proposals was on or before 5:00 P.M. on August 16, 2010. We received two proposals. The proposal with the highest bid was submitted by Fabrizio Sawmill, LLC, HC 63 Box 19 B, Hanna, Utah 84031, with a bid of \$12.00/ton for the estimated 16,800 tons in the sale. However, the time frame of five to six years offered by Fabrizio was unsatisfactory. A counter offer was then made to Fabrizio offering any of Units 1-5 which could be logged in a one-year timeframe. Fabrizio countered with bid to log Units 2-4 for \$12.00/ton and Units 6 and 8 for \$14.00/ton in a three year timeframe. This offer is for approximately 8,730 tons which equals a total value of the sale at \$118,452.00. The remaining units will be offered to the other bidder and other interested parties. Any contracts resulting from these offers will be noted in a subsequent Director's Agenda.

The expiration date of the sale will be September 30, 2013. Prior to the execution of the contract, the successful bidder will also be required to submit the application fee. There were no advertising costs.

The acreage and funding breakdown for this timber sale is as follows:

SM = 4.18 acres (1.35%); RES= 19.32 acres (6.24%); USU= 240.92 acres (77.86%); SCH= 45 acres (14.54%). Total size of the sale is now 309.42 acres. Duchesne County.

Upon recommendation of Mr. Richard Wilcox, the Director ratified the selection of the Fabrizio bid for TA 848.

DEVELOPMENT ACTIONS

CONSENT TO PARTIAL ASSIGNMENT THROUGH SALE OF STOCK OF PARENT COMPANY – DEVL 2-TICABOO DEVELOPMENT LEASE

AGREEMENT NO.: DEVL 2
PROJECT: Ticaboo
PROJECT MANAGER: Douglas O. Buchi
PROJECT CODE: TCABO 000 00
FUND: School
COUNTY: Garfield

LESSEE:
URANIUM ONE TICABOO, INC.
3801 Automation Way, Suite 100
Ft. Collins, CO 80525

DESCRIPTION OF TRANSACTION:
Uranium One Inc., the parent company of Uranium One Ticaboo Inc., is proposing a corporate transaction involving a change of control at the parent level. This transaction includes the transfer of 356 million common shares (approximately 52% of its common shares) to Russian and Dutch corporations in exchange for a conveyance of substantial mining assets into the company. Under Paragraph 9.1 and 9.2 of the lease, such a transfer constitutes an assignment, which requires the Trust Lands Administration’s approval. Uranium One will remain publicly traded on the Toronto Stock Exchange. The lessee under DEVL 2, Uranium One Ticaboo, Inc., will remain unchanged. The Planning and Development Group believes that the interests of the Trust Beneficiaries will be unaffected by the transfer, and accordingly approves the assignment/transfer.

LEGAL DESCRIPTION:
Township 16 South, Range 11 East, SLB&M
Section 16: All, except conveyed parcels (currently 583.17 acres)

TOTAL NUMBER OF ACRES BY COUNTY: 583.17 acres - Garfield County

TOTAL NUMBER OF ACRES BY FUND: 583.17 acres - School

Upon recommendation of Douglas O. Buchi, the Director approved this assignment.

DEVELOPMENT DESIGNATION - DEVL 949

THE FOLLOWING FINDING IS MADE PURSUANT TO R850-140, WHICH ALLOWS THE DIRECTOR TO DESIGNATE DEVELOPMENT PROPERTIES WHEN CERTAIN CRITERIA ARE SATISFIED.

PROPERTY: TAD Block

RDCC SUBMITTAL DATE: August 9, 2010

LEGAL DESCRIPTION:

<u>Township 5 South Range 5 West, SLB&M</u>		<u>Acres</u>
Section 18:	LOT 4, SE4SW4, S2SE4	160.10
Section 19:	ALL	640.02
Section 30:	ALL	640.16
Section 31:	ALL	640.35

<u>Township 5 South Range 5 West, SLB&M</u>		
Section 13:	S2	320.00
Section 14:	S2	320.00
Section 15:	S2	320.00
Section 16:	E2	320.00
Section 22:	N2, SE4	480.00
Section 23:	E2	320.00
Section 24:	ALL	640.00
Section 25:	N2	320.00
Section 26:	N2	320.00
Section 27:	W2	320.00
Section 28:	E2E2, NW4NE4	200.00
Section 33:	E2, E2W2, except approximately 75 acres South of Hwy 199 and West of Hwy 36	405.00
Section 34:	W2	320.00

Property description has been reviewed by GIS.

ACREAGE: Contains 6,685.63 acres, more or less.

FUND: School

COUNTY: Tooele

APPROVED BY: Douglas O. Buchi on August 23, 2010.

This property is suitable for designation as a development property pursuant to R850-140 for the following reasons:

1. This property is located in Tooele County, and is of a character particularly suited for large scale industrial development.
2. Preliminary analysis by the Agency has determined that development is appropriate and constitutes the probable highest and best use of this property. The Agency has received inquiries from private parties concerning the potential for a portion of this property.

DEVELOPMENT DESIGNATION - DEVL 949 (CONTINUED)

3. Real estate market conditions indicate that development is timely and in the best interest of the Trust.

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

DEVELOPMENT AGREEMENT NO. 950 (DEVL 950 - WATER LEASE AGREEMENT)

AGREEMENT NO.: DEVL 950
PROJECT: Spanish Valley South / Rim Village
PROJECT MANAGER: Bryan Torgerson
PROJECT CODE: SPVSO 001 00
FUND: School

LESSEE:
Moab Country Club
2705 East Bench Road
Moab, UT 84532

DESCRIPTION OF TRANSACTION:

On October 2, 2006, Gary N. Wilson and Kathleen A. Wilson, DBA Wilson Farms agreed to sell the right to use 204 acre feet of Ken’s Lake water shares to the Trust Lands Administration (“TLA”). The TLA now pays the Grand Water and Sewer Service Agency (“GWSSA”) \$27.00 per acre foot for the right to use 204 acre feet of water under the Irrigation Water Agreement entered into by the TLA and GWSSA on December 21, 2006.

Originally, Wilson Farms leased the same 204 acre feet of water they sold to the TLA from the TLA. However, Wilson Farms now only leases 100 acre feet, which leaves 104 acre feet of the original 204 acre feet available to lease to another party.

The TLA desired to lease all of the water to one large user under terms that were beneficial to the TLA. The TLA contacted the Moab Country Club and worked out an agreement.

The Moab Country Club, DBA Moab Golf Course, 2705 East Bench Road, Moab UT 84532, operates a golf course that is open for the general public near the City of Moab in Grand County.

The Moab Country Club has recently agreed to lease 100 acre feet of the said water for \$2,700.00 per year. The payment is due on or before July 1 of each year. The lease expires on June 30, 2030, but it allows the TLA to cancel all or a portion of the water being leased at any time by giving the Moab Country Club 30 days’ written notice.

There is 4 acre feet of water that is not under lease or contract that the TLA can use without amending the Wilson Farm or Moab Country Club contracts.

Upon recommendation of Mr. Bryan Torgerson, the Director approved this lease.

ACTIONS CONTAINING FEE WAIVERS

NONE