

DECEMBER 14, 2009

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON DECEMBER 14, 2009, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, DEVELOPMENT, LEGAL, AND FEE WAIVER BUSINESS MATTERS AS INDICATED AND WHICH BECAME EFFECTIVE AT 6:00 P.M. ON DECEMBER 14, 2009.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 4; SURFACE ACTIONS AS LISTED ON PAGES 4 TO 11; DEVELOPMENT ACTIONS AS LISTED ON PAGES 12 TO 18; LEGAL ACTIONS AS LISTED ON PAGE 19; AND ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 19.

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, DECEMBER 28, 2009. 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

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**MINERAL ACTIONS**

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**READJUSTMENT OF CLAY MINERAL LEASES ML 17637 AND ML 17806 (SCH)**

The following-described leases reach the end of their current lease terms on December 31, 2009, and are subject to readjustment in terms and conditions, effective January 1, 2010. The lease readjustments will adopt the standard mineral lease form currently in use by the Trust Lands Administration in issuing new mineral leases, except that the two leases will retain their original date of issuance. Annual rentals for each of the readjusted leases will be \$3 per acre or \$500, whichever amount is greater. In addition to annual rentals, the lessee will commence paying annual minimum royalty of \$25 per acre January 1, 2010. The royalty rate for each of the leases is readjusted to 10% Gross Value or \$1 per short ton, whichever amount is greater. In the case of ML 17806, certain acreage is deleted from the lease because it has not been placed into production of the leased substances. The deleted acreage is noncontiguous to the producing acreage in the lease and is presently believed to have a higher and better use than mining for the benefit of the Trust. The terms and conditions of the present readjustment shall extend each lease for not less than ten (10) years, provided the Lessee maintains diligent operations, pays all rentals and royalties accruing to the leases, and complies with all other terms and conditions of the readjusted leases.

<u>ML 17637</u>	<u>T6S, R1W, SLB&amp;M.</u>	Utah
Pacific Coast Building Products, LLC.	SEC. 36: W $\frac{1}{2}$ SE $\frac{1}{4}$	80.00 acres
dba Interstate Brick Co.		
9780 So. 5200 W.		
West Jordan, UT 84088		

<u>ML 17806</u>	<b><i>RETAINED ACREAGE:</i></b>		
Pacific Coast Building Products, LLC.	<u>T6S, R1W, SLB&amp;M.</u>		Utah
dba Interstate Brick Co.	SEC. 3: LOTS 1(40.00), 2(40.00), 3(40.00),	240.00 acres	
9780 So. 5200 W.	S $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$		
West Jordan, UT 84088			

	<b><i>DELETED ACREAGE:</i></b>		
	<u>T6S, R1W, SLB&amp;M.</u>		Utah
	SEC. 11: E $\frac{1}{2}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$	320.00 acres	

Upon recommendation of Mr. Blake, the Director approved the lease readjustments with an effective date of January 1, 2010.

**CORRECTION OF DIRECTOR'S MINUTES OF NOVEMBER 16, 2009 - ML 51704-MP - MATERIALS PERMIT (SCH)**

The Director, on November 16, 2009, approved the above-numbered Materials Permit to Kent Chamberlain. It has been discovered that this lease should have been issued and approved to Chamberlain Stone, with the same address.

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

**TOTAL ASSIGNMENT – METALLIFEROUS MINERALS LEASE**

Upon recommendation of Mr. Stokes, the Director approved the assignment of the lease listed below to Mancos Resources Inc., 10 West Main Street, #103, Cortez, CO 81321, by Karen K. Hunt. No override.

OWNERSHIP BEFORE ASSIGNMENT:

**RECORD TITLE:**

***KAREN K. HUNT – 100%***

OWNERSHIP AFTER ASSIGNMENT:

**RECORD TITLE:**

***MANCOS RESOURCES INC. – 100%***

...ML 51270 (SCH).....

**TOTAL ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES**

Upon recommendation of Ms. Garrison, the Director approved the assignment of the leases listed below to Omimex Petroleum, Inc. 2001 Beach Street, Suite 810, Fort Worth, TX 76103, by Forest Oil Corporation. No override, but subject to 12.21875% 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:**

***FOREST OIL CORPORATION – 100%***

OWNERSHIP AFTER ASSIGNMENT:

**RECORD TITLE:**

***OMIMEX PETROLEUM, INC. – 100%***

...ML 27506-B (UNIV).....ML 27719-B (UNIV)....

**APPROVAL OF THE GREATER MONUMENT BUTTE (GREEN RIVER) UNIT (SCH)**

Newfield Production Company, Operator of the Greater Monument Butte (Green River) Unit, has furnished the State of Utah School and Institutional Trust Lands Administration office with evidence that the unit was approved by the Bureau of Land Management on November 19, 2009, with the an effective date of December 1, 2009.

The following leases should be noted as being committed to the Greater Monument Butte (Green River) Unit with all formations unitized:

<b><u>LEASE #</u></b>	<b><u>LESSEE</u></b>	<b><u>PREVIOUS UNITIZATION</u></b>
ML 3453-B	Newfield Production Company	Lone Tree (GR) Unit/Beluga (GR) Unit
ML 16532	El Paso E&P Company LP	HBP
ML 21835	Ocean Energy, Inc.	HBP
ML 21836	Ocean Energy, Inc.	Wells Draw (GR) Unit
ML 21839	Newfield Production Company	Monument Butte (GR "D") Unit/ South Monument Butte (GR) Unit
ML 22057	Wildrose Resources Corporation	HBP
ML 22058	Newfield Production Company	Sundance (GR) Unit
ML 22060	Newfield Production Company	HBP
ML 22061	Newfield Production Company	Monument Butte (GR "D") Unit (Partial)
ML 43538	Newfield Production Company	Ashley Unit

**APPROVAL OF THE GREATER MONUMENT BUTTE (GREEN RIVER) UNIT (SCH) (CONTINUED)**

<b><u>LEASE #</u></b>	<b><u>LESSEE</u></b>	<b><u>PREVIOUS UNITIZATION</u></b>
ML 44305	Newfield Production Company	HBP
ML 45431	Newfield Production Company	Beluga (GR) Unit
ML 45554	Newfield Production Company	Greater Boundary II Unit
ML 45555	Newfield Production Company	HBP
ML 46694	Newfield Production Company	Beluga (GR) Unit
ML 48377	Newfield Production Company	Primary Term
ML 48378	Newfield Production Company	Sundance (GR) Unit
ML 49245	Newfield RMI LLC	Primary Term

The following existing Federal units will automatically terminate effective December 1, 2009, the date at which the Greater Monument Butte (GR) Unit Agreement becomes effective:

<b><u>UNIT NAME</u></b>	<b><u>BLM DESIGNATED NO.</u></b>
Ashley Unit	UTU-73520X
Beluga Unit	UTU-75023X
Blackjack Unit	UTU-78560X
Canvasback Unit	UTU-77376X
East Pariette Unit	UTU-80207X
Fenceline Unit	UTU-84715X
Greater Boundary II Unit	UTU-77098X
Hawkeye Unit	UTU-76331X
Humpback Unit	UTU-76189X
Jonah Unit	UTU-72086A
Lone Tree Unit	UTU-77236X
Monument Butte Unit	UTU-63098A
Pariette Unit	UTU-75526X
Pleasant Valley Unit	UTU-74477X
Sand Wash Unit	UTU-76788X
South Monument Butte Unit	UTU-79485X
South Wells Draw Unit	UTU-79641X
Sundance Unit	UTU-82472X
Travis Unit	UTU-68528A
Wells Draw Unit	UTU-72613A
West Point Unit	UTU-77107X

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

**REQUEST FOR APPROVAL OF THE THREEMILE UNIT EXTENSION**

A letter received from Whiting Oil and Gas Corporation dated November 20, 2009, requested a six-month extension to drill the next "test well" within the Threemile Unit to avoid the automatic termination of the Unit Agreement. The Bureau of Land Management granted the extension date to midnight August 15, 2010. The following State of Utah School & Institutional Trust Lands Administration leases will continue to be held by the Threemile Unit as long as the drilling obligations are met as stated in Section 9 of the unit agreement:

<b><u>LEASE #</u></b>	<b><u>LESSEE</u></b>
ML 49414	Headington Oil Company LLC
ML 51129	Whiting Oil and Gas Corporation
ML 51130	Samson Resources Company
ML 51405	Whiting Oil and Gas Corporation

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

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**SURFACE ACTIONS**

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**GRAZING PERMITS**

**GRAZING PERMIT NO. 23318 (APPROVAL)**

Bryan E. Allred and Susan R. Allred, Trustees U/A  
P.O. Box 116  
Fountain Green, UT 84632

2,558.80 Acres      219 AUMs      School Fund      Millard County

First Year's Rental: \$845.34  
Application Fee: \$50.00

**T16S, R17W, SLB&M**

Section 2: Lots 1-4, S½N½, S½ (All)	638.80 acres
Section 16: All	640.00 acres
Section 32: All	640.00 acres

**T16S, R18W, SLB&M**

Section 36: All      640.00 acres

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

The term of this permit begins July 1, 2009, and expires June 30, 2024. The season of use is November 1 to April 30. The type of livestock is sheep. The allotment is Cowboy Pass.

Upon recommendation of Mr. Scott Chamberlain, the Director approved Grazing Permit No. 23318.

**GRAZING PERMIT NO. 23319 (APPROVAL)**

Earl & Sheila Gordon Trust  
 P.O. Box 311  
 Huntington, UT 84528

1,599.72 Acres      80 AUMs      School Fund      Emery County

First Year's Rental: \$308.80  
 Weed Fee: \$8.00  
 Application Fee: \$50.00

**Township 21 South, Range 9 East, SLB&M**

Sec 32: All      640.00 acres

**Township 22 South, Range 9 East, SLB&M**

Sec. 2: All      639.72 acres  
 Sec. 16: E½      320.00 acres

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

The term of this permit begins July 1, 2009, and expires June 30, 2024. The season of use is March 1 through June 15. The type of livestock is cattle. These sections are part of the Wood Hollow Allotment.

Upon recommendation of Mr. Ron Torgerson, the Director approved Grazing Permit No. 23319.

**GRAZING PERMIT NO. 23320 (APPROVAL)**

Leon and Stacy McElprang  
 P.O. Box 653  
 Huntington, UT 84528

640.00 Acres      32 AUMs      School Fund      Emery County

First Year's Rental: \$123.52  
 Weed Fee: \$3.20  
 Application Fee: \$50.00

**Township 21 South, Range 8 East, SLB&M**

Sec. 32: All      640.00 acres

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

The term of this permit begins July 1, 2009, and expires June 30, 2024. The season of use is March 1 through June 1. The type of livestock is cattle. This section is part of the North Ferron Allotment.

Upon recommendation of Mr. Ron Torgerson, the Director approved Grazing Permit No. 23320.

**GRAZING PERMIT NO. 22838-01 (ASSIGNMENT)**

Canyonlands Grazing Corporation, HC 64 Box 1801, Moab, UT 84532, has requested the Trust Lands Administration's permission to assign 100% interest in the above referenced grazing permit to North Rim Ranch, LLC, c/o Grand Canyon Trust, 2601 North Fort Valley Road, Flagstaff, AZ 86001. The assignment fee for this permit is \$47.00. The permittee has submitted \$30.00. The \$17.00 assignment fee shortfall will be billed during the 2010 billing cycle. Washington and Kane Counties. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the assignment of GP 22838-01.

**GRAZING PERMIT NO. 23140 (ASSIGNMENT)**

Canyonlands Grazing Corporation, HC 64 Box 1801, Moab, UT 84532, has requested the Trust Lands Administration's permission to assign 100% interest in the above referenced grazing permit to North Rim Ranch, LLC, c/o Grand Canyon Trust, 2601 North Fort Valley Road, Flagstaff, AZ 86001. The assignment fee in the amount of \$143.00 has been submitted. Wayne County. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the assignment of GP 23140.

**RANGE IMPROVEMENT PROJECTS****RANGE IMPROVEMENT PROJECT NO. 294 AND FOUR YEAR EXTENSION OF TERM FOR GP 21260-99 (APPROVAL)****APPLICANT'S NAME AND ADDRESS:**

David M. Burton  
P.O. Box 930  
Parowan, UT 84761

**LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:**

T31S, R11W, SLB&M  
Section 32: W½ (Within)

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

COUNTY: Iron

FUND: School

**REQUESTED/PROPOSED ACTION:**

The applicant proposes to drill a well for livestock, install one trough at the well site, and extend approximately 5,000 feet of pipeline through the trust land section and onto lands administered by the BLM where another trough will be installed. A BLM water right (#71-2214) has been transferred to the proposed well site to cover water use on BLM lands and to drill the well. A water right is planned for purchase to use on trust lands pending successful completion of the well.

**RELEVANT FACTUAL BACKGROUND:**

On June 30, 2007, 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 21260-99, the applicant. The other records for this parcel include a mineral lease (ML 50699 - oil & gas), and two rights-of-ways (ROW 45 - power line and ROW 3104 - Kern River natural gas line). This project will have no impact on these other land uses. The livestock pipeline will not cross the Kern River natural gas line.

**RANGE IMPROVEMENT PROJECT NO. 294 AND FOUR YEAR EXTENSION OF TERM FOR GP 21260-99 (APPROVAL) (CONTINUED)**

This project was submitted to the Resource Development Coordinating Committee ("RDCC") on August 18, 2007. The RDCC submitted a statement stating that "the State Planning Coordinator's Office has reviewed these proposals and has not received any comments from State agencies to date." The Five County Association of Governments recommended approval. Iron County submitted a letter stating that "the County has no objections to the project as planned provided the roads are left open for travel to adjoining public lands."

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 (\$8,000.00) and the Utah Department of Agriculture & Food Grazing Improvement Program (\$15,000.00). The \$8,000.00 will be amortized as shown below. Following is a flat rate amortization schedule (NRCS Schedule) for these projects if the Trust Lands Administration cancels the grazing permit before these projects are 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.

<b>Project</b>	<b>Project Cost</b>	<b>Project Life</b>	<b>Year Completed</b>	<b>Yearly Amortized Deduction</b>	<b>Year Fully Amortized</b>
Well/Pipeline	\$7,000	20	2010	\$140.00/year	2030
Trough	\$1,000	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 term for GP 21260-99 will be extended four years, with a new expiration date of June 30, 2018.

Based on the above information and upon recommendation by Mr. Ron Torgerson, the Director approved the construction of Range Improvement Project No. 294. This summary will constitute the Record of Decision.

**RANGE IMPROVEMENT PROJECT NO. 373 (APPROVAL)****APPLICANT'S NAME AND ADDRESS:**

Ingham Springs, LLC  
 c/o John Maxfield  
 8029 South 3410 West  
 West Jordan, UT 84088

**LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:**

Township 9 North, Range 17 West, SLB&M  
 Section 2: Lot 1, E $\frac{1}{2}$ E $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ E $\frac{1}{2}$

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

COUNTY: Box Elder                      FUND: School

**REQUESTED/PROPOSED ACTION:**

The applicant proposes to construct a new fence along the east side of the section. The fence will be a metal T-post and 4 strand barbed wire design. Total distance of fence to be rebuilt is one mile.

**RELEVANT FACTUAL BACKGROUND:**

The applicant submitted a proposal for this range improvement project on October 26, 2009.

The proposed action is exempt from review by the Resource Development Coordinating Committee ("RDCC"). Pursuant to the Agency's MOU with RDCC, a notification was sent to the Northern Region UDWR office. No reply was received.

The Natural Resource Conservation Service completed a survey of the area. The Trust Lands Administration's staff cultural resource specialist gave clearance for the project to proceed.

A search of the Agency's records was made to determine the status of the area involved. The grazing Permittee of GP 21426-00 (Ingham Springs, LLC) is the applicant. There are no other leases within the project area.

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 Permittee sells or allows the permit to expire or to be canceled due to their failure, then the amortization schedule will be canceled. Project cost on trust lands is valued at \$4,224.00. Note: The life of the project (the benefit) is 20 years.

<b>Project</b>	<b>Project Cost</b>	<b>Project Life</b>	<b>Year Completed</b>	<b>Yearly Amortized Deduction</b>	<b>Year Fully Amortized</b>
Fence construction	\$4,224.00	20 years	2009	\$211.20/year	2029

**EVALUATION OF THE FACTS:**

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

Upon recommendation of Mr. Scott Chamberlain, the Director approved Range Improvement Project No. 373. This summary will constitute the Record of Decision.

**RANGE IMPROVEMENT PROJECT NO. 375 (APPROVAL)**

**APPLICANT'S NAME AND ADDRESS:**

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

**LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:**

T10S, R15E, SLB&M

Section 36: All (Within)

T11S, R15E, SLB&M

Section 2: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$  (Within)

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

COUNTY: Duchesne                      FUND: School

**REQUESTED/PROPOSED ACTION:**

The applicant proposes to lop and scatter approximately 398 acres of juniper which has encroached into various sagebrush openings. Cutting and scattering will all be done by hand. No vehicles will be used. No ground disturbance is anticipated. Slash will be lopped to less than 3 feet in height.

**RELEVANT FACTUAL BACKGROUND:**

The applicant submitted a proposal for this range improvement project on October 20, 2009.

The proposed improvement was submitted to the Resource Development Coordinating Committee ("RDCC") for review. RDCC responded with a notice from Duchesne County stating that the County was in favor of the project.

Agency staff over cultural compliance has authorized this project to proceed.

A search of the Agency's records was made to determine the status of the area involved. The grazing permit of record is GP 21214, Kenneth A. Moon. A letter was mailed explaining the proposed improvement; we have not yet received any response from Mr. Moon. There are three mineral leases, one easement, and one right-of-way within the project area; however, due to the nature of the project, these will not be affected.

Project cost on trust lands is valued at \$11,940.00 (\$30.00/ acre). Because the applicant is not the Permittee of record, the project will not be eligible for amortization. Note: The life of the project (the benefit) is 15 years.

**EVALUATION OF THE FACTS:**

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

Upon recommendation of Mr. Scott Chamberlain, the Director approved Range Improvement Project No. 375. This summary will constitute the Record of Decision.

**RIGHTS OF ENTRY****RIGHT OF ENTRY NO. 5387 (APPROVAL)**

The School and Institutional Trust Lands Administration has received a right of entry application from Barsoom Pictures, Marsha Reed for "John Carter of Mars", 2600 10<sup>th</sup> Street, Berkley, CA 94710, to occupy the following described trust lands located within Kane County for commercial filming for a one-year period:

**Township 43 South, Range 2 East**

Section 1: Lot 3 (NE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>), Lot 4 (NW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>), S<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub> - within

Section 2: Lot 1, Lot 2, S<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub> - within

Section 12: W<sup>1</sup>/<sub>2</sub> - within

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

This project has been reviewed by the Resource Development Coordinating Committee ("RDCC") and no comments were received. A cultural resource survey has been completed on the project area and no sites were found in the area. The survey has been reviewed by State Historic Preservation Office ("SHPO") and the Agency's staff archaeologists who concur with the findings. A paleontological survey was also completed, which recommended a paleontologist be present when the road is graded into the filming site. The applicant will follow this recommendation.

The fee for this right of entry is \$28,000.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$28,100.00. Beginning Date: December 14, 2009. Expiration Date: December 13, 2010. School Fund. Kane County.

Upon recommendation of Mr. Lou Brown, the Director approved Right of Entry No. 5387.

**RIGHT OF ENTRY NO. 5387 (RECLAMATION BOND)**

Pursuant to the Right of Entry permit agreement, Barsoom Pictures, Marsha Reed for "John Carter of Mars", 2600 10<sup>th</sup> Street, Berkley, CA 94710, has submitted a cash bond in the amount of \$20,000.00. This reclamation bond will remain in full force and effect until released by the Trust Lands Administration. Kane County. School Fund.

Upon recommendation of Mr. Lou Brown, the Director accepted the cash bond submitted for ROE 5387.

**SPECIAL USE LEASE AGREEMENTS****SPECIAL USE LEASE AGREEMENT NO. 1630 (AMENDED DA)**

Special Use Lease No. 1630 was approved on the Director's Agenda of September 28, 2009, for Summit Operating, LLC, 1441 Ute Blvd, Suite 280, Park City, UT 84098. The agenda item indicated that no competing applications were received. A competing application was received from San Arroyo Livestock, LLC, Kirk & Kris Shiner & Mark & Polly Hill, JT, 561 South Road, Mack, CO 81525. However, the competing applicant has asked that the application be withdrawn.

The Agenda item for SULA 1630 will be changed to read that one competing application was received from San Arroyo Livestock, LLC, but was later withdrawn. Grand County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director approved the amended agenda item to read that one competing application was received for SULA 1630, but was later withdrawn.

**SPECIAL USE LEASE AGREEMENT NO. 1670 (WITHDRAWAL OF APPLICATION)**

Special Use Lease No. 1670 in the name of San Arroyo Livestock, LLC, Kirk & Kris Shiner & Mark & Polly Hill, JT., 561 South Road, Mack, CO 81525 was submitted on November 18, 2009. On December 9, 2009, Trust Lands Administration received written notification that they wished to withdraw this application. Grand County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director approved the withdrawal of SULA 1670.

**SPECIAL USE LEASE AGREEMENT NO. 1662 (RECLAMATION BOND)**

Pursuant to Paragraph 10.4 of the lease agreement, ETC Canyon Pipeline, LLC, 1600 Broadway, Ste. 1900, Denver, CO 80202, has submitted a cash bond in the amount of \$5,000.00. This reclamation bond will remain in full force and effect until released by the Trust Lands Administration. Grand County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director accepted the bond submitted for SULA 1662.

**SPECIAL USE LEASE AGREEMENT NO. 763 (ASSIGNMENT)**

Pursuant to R850-30-900, the Estate of Ernest Virgil Anderson requests permission to assign 100% of his interest in the above-referenced special use lease to Dinah Anne Rogers, P.O. Box 1088, Parowan, UT 84761. The lease is up to date with the current lease form and the assignee is acceptable to the Agency; therefore, the conditions outlined in R850-30-900(6) have been met. The \$250.00 assignment fee has been submitted. Washington County. School Fund.

Upon recommendation of Mr. Lou Brown, the Director approved the assignment of SULA 763.

**TIMBER SALES**

**TIMBER SALE NO. 800 (CLOSEOUT AND BOND RELEASE)**

TA 800 (Timberlane Timber Sale), in the name of High Country Forest Products LLC, C/O Jim Matson, 135 W. Kanab Creek Dr., Kanab, Utah 84741, has been inspected and the operator has been determined to have satisfactorily completed all contract requirements. All payments and ticket books have been submitted. Duchesne County. School Fund.

Upon recommendation of Mr. Adam Robison, the Director closed out TA 800 (Timberlane Timber Sale) and ordered all bonds associated with this sale be released.

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**DEVELOPMENT ACTIONS**

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**DEVELOPMENT SUBDIVISION SALE**

THE FOLLOWING SALES HAVE BEEN EXECUTED AND PATENTS ISSUED FOR:

SUBD 10.0 Highland Park Phase 1 Subdivision

These transactions have been executed pursuant to Development Lease DEVL 610.

**LEGAL DESCRIPTION: (SUBDIVISION)**

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

**PURCHASER:**

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

**LOT SALE DESCRIPTION:**

Desc /	Certificate #	Cert/Sale Dt	Patent #	Patent Dt	Lot Price	Fee	Acreage	Fund	Section
Lot 138	26377-10-138	11/30/09	19928-10-138	07/07/06	\$9,360.00	\$20.00	0.11	SCH	7
Lot 143	26377-10-143	11/24/09	19928-10-143	07/07/06	\$8,155.20	\$20.00	0.12	SCH	7

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; also,

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.*

**DECISION NOT TO EXERCISE RIGHT OF FIRST REFUSAL; CONSENT TO ASSIGNMENT OF CORAL CANYON GOLF LEASE (DEVL 631); FIRST AMENDMENT TO GOLF PARCEL LEASE; PAYMENT AND PERFORMANCE GUARANTY**

PROJECT: Coral Canyon Golf Course  
PROJECT MANAGER: Douglas O. Buchi  
PROJECT CODE: SUNCR 003 00  
BENEFICIARY: Miners Hospital

**ASSIGNEE:**

Coral Canyon Golf Course Acquisition, L.C.  
3300 W. Clubhouse Drive  
Lehi, Utah 84043

**DESCRIPTION:**

On April 27, 2001, SITLA and Suncor Development Company ("Suncor") entered into a Golf Parcel Lease for the Coral Canyon Golf Course. The Golf Parcel Lease was entered pursuant to Section 5.10 of the master development lease between SITLA and Suncor dated June 30, 1999 (DEVL 610). Pursuant to the Golf Parcel Lease, Suncor ground leases the Golf Parcel (described therein) for a three per cent percentage rental on Gross Golf Course Revenues (defined therein). The term of the Golf Parcel Lease expires on December 31, 2074, at which point the Golf Course will revert to SITLA.

Suncor is in the process of selling the Coral Canyon Development. It has received a bid for the Coral Canyon Golf Course of \$3.5 million from Vanguard Golf Management Group, L.C. ("Vanguard"), a Lehi-based golf management company that also manages or owns golf courses at Thanksgiving Point, the Ranches, Sand Hollow, and Sky Mountain. Pursuant to Paragraph 6.2 of the Golf Parcel Lease, SITLA has a right of first refusal to purchase the golf course at the time that Suncor elects to sell the golf course to a third party. Agency staff, in consultation with the Board's real estate committee, has determined that ownership and operation of a golf course is beyond the Agency's current management and risk profile. Accordingly, the Agency has declined to exercise the right of first refusal contained in Paragraph 6.2 of the Golf Parcel Lease.

Article 14 of the Golf Parcel Lease gives SITLA the right to consent to any assignment of the Golf Parcel Lease. Vanguard has asked that the lease be assigned to an affiliate, Coral Canyon Golf Course Acquisition, L.C. SITLA has conducted inquiries in the community concerning Vanguard's capabilities. Responses to the inquiries were favorable. The Agency has requested, as a condition of assignment, that Vanguard provide a performance and payment guaranty for the obligations of the lessee, and that the lease be amended to provide additional financial security to SITLA. Vanguard has agreed to the proposed lease amendment.

The basic terms of the lease amendment are: (1) Vanguard will provide a Payment and Performance Guaranty to SITLA; (2) the existing covenants to operate and market in the Golf Parcel Lease will be strengthened; (3) the lessee will prepay a base rent of \$75,000 during each lease year beginning on February 15, 2010; (4) the base rent will be adjusted every three years to be no less than 85% of the trailing average of the three past years' percentage rent; and (4) the insurance provisions of the lease will be strengthened.

The Board's real estate committee has been informed of the proposed assignment and amendment, and concurred.

**DECISION NOT TO EXERCISE RIGHT OF FIRST REFUSAL; CONSENT TO ASSIGNMENT OF CORAL CANYON GOLF LEASE (DEVL 631); FIRST AMENDMENT TO GOLF PARCEL LEASE; PAYMENT AND PERFORMANCE GUARANTY (CONTINUED)**

Based on the above discussion, the Director hereby approves the First Amendment to Golf Parcel Lease and the assignment of DEVL 631 to:

Coral Canyon Golf Course Acquisition, L.C.  
Attn.: Mark Whetzel  
3300 W. Clubhouse Drive  
Lehi, Utah 84043

Upon recommendation of Mr. Andrews, on behalf of the Development Group, the Director approved the above item.

**BLACK MOUNTAIN DRIVE ROAD DEDICATION (DEVL 917)**

THIS DEDICATION WAS PREVIOUSLY REPORTED IN THE DIRECTOR'S MINUTES OF NOVEMBER 2, 2009, PAGES 17 – 18. THIS ENTRY ADDS THE DATE OF RECORDING TO THE AVAILABE INFORMATION.

PROJECT:	South Block
PROJECT MANAGER:	Brent Bluth
PROJECT CODE:	SOBLK 000 00
BENEFICIARY:	School
PLAT DEDICATION NO.:	191
RECORDING DATE:	October 28, 2009

CONVEYANCE TO:  
St. George City  
175 East 200 North  
St. George UT 84770

DESCRIPTION:

The dedication of this road is directly necessary for the development of the surrounding area, according to the approved Master Plan for the Milepost 2 Interchange area. It helps realize the optimal value for the surrounding lands as it provides access to the surrounding graded parcels. This dedication is in line with what is customarily expected of developers of large tracts of land. The first transaction that will benefit from the new access is expected to take place this fiscal year in the context of the assembled land exchange with UDOT (EXCH 323). The exchange value will include the added value of the improvements and access.

LEGAL DESCRIPTION:

Township 43 South, Range 16 West, SLB&M

Sections 25 and 26:

Beginning at a point which is North 89°02'56" West 2306.30 feet along the South Section line and South 00°00'00" West 192.08 feet from the South Quarter Corner of Section 24, Township 43 South, Range 16 West, Salt Lake Base and Meridian, as per the City of St. George HCN Survey control dated August 3, 1998, said point also being on the Westerly Right-of-Way of Astragalus Drive; running thence along said Astragalus Drive Right-of-Way South 04°13'5" West 66.00 feet; thence North 85°46'01" West 915.89 feet to the point of curvature of a 467.00 foot radius curve concave to the left; thence Southwesterly 535.30 feet along the arc of said curve through a central angle of 65°40'31" to the point of tangency; thence South 28°33'27" West 27.36 feet; thence North

**BLACK MOUNTAIN DRIVE ROAD DEDICATION (DEVL 917) (CONTINUED)**

61°26'00" West 65.74 feet to the Easterly Right-of-Way of Interstate 15; thence along said easterly Right-of-Way North 28°34'00" East 44.26 feet to the point of non-tangent curvature of a 533.00 foot radius curve concave to the right, the radius point which bears South 59°37'29" East; thence Northeasterly 594.04 feet along the arc of said curve through a central angle of 63°51'28" to the point of tangency; thence South 85°46'01" East 915.89 feet to the said Westerly Right-of-Way of Astragalus Drive, said point also being the point of beginning.

Containing: 2.30 acres, more or less.

The project manager has had this legal description reviewed by the GIS Group.

NUMBER OF ACRES BY COUNTY: 2.30 acres - Washington County

NUMBER OF ACRES BY FUND: 2.30 acres - School

**MINERAL RESERVATIONS:**

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

**SURFACE RESERVATIONS:**

None

Upon recommendation of Alexa Wilson, the Director approved the above item.

**ARROWHEAD CANYON DRIVE ROAD DEDICATION (DEVL 920)**

PROJECT:	South Block / Sun River
PROJECT MANAGER:	Brent Bluth
PROJECT CODE:	SOBLK 003 00
BENEFICIARY:	School
PLAT DEDICATION NO.:	192
RECORDING DATE:	October 29, 2009

**CONVEYANCE TO:**

St. George City  
175 East 200 North  
St. George UT 84770

**DESCRIPTION:**

This dedication is executed pursuant to Par. 8.2 (d) of Development Lease Number 721 between the Trust and Sun River St. George Development L.C. dated December 5, 2005. This road is essential for the Sun River development to the west, as well as directly necessary for the development of trust lands to the east of Arrowhead Canyon Drive, according to the approved Master Plan for the Milepost 2 Interchange area. It helps realize the optimal value for these lands as it provides access to the surrounding graded parcels. This dedication is in line with what is customarily expected of developers of large tracts of land.

**ARROWHEAD CANYON DRIVE ROAD DEDICATION (DEVL 920) (CONTINUED)**

## LEGAL DESCRIPTION:

Township 43 South, Range 16 West, SLB&M

Section 23:

The Eastern 33 feet of the following parcel containing 0.39 acres:

Beginning at a point being on the Southerly Line of Sun River St. George Phase 11 said point also being North 01°13'39" East 3065.66 feet along the Section Line and East 3,479.06 feet from the Southwest Corner of Section 23, Township 43 South, Range 16 West, Salt Lake Base & Meridian, and running thence South 69°00'55" East 66.07 feet along the Southerly line of Sun River St. George Phase 11; thence South 23°33'05" West 260.02 feet; thence southerly 130.17 feet along an arc of a 967.00 foot radius curve to the left (center bears South 66°26'55" East long chord bears South 19°41'43" West 130.07 feet with a central angle of 07°42'45"); thence South 15°50'20" West 59.32 feet; thence southeasterly 73.17 feet along an arc of a 50.00 foot radius curve to the left (center bears South 74°09'39" East long chord bears South 26°04'56" East 66.81 feet with a central angle of 83°50'33") to the Northerly line of Sun River St. George Phase 1A; thence westerly 156.00 feet along an arc of a 800.00 foot radius curve to the left (center bears South 21°24'30" West long chord bears North 74°10'41" West 155.75 feet with a central angle of 11°10'22") along the Northerly line of Sun River St. George Phase 1A; thence northeasterly 73.65 feet along an arc of a 50.00 foot radius curve to the left (center bears North 10°14'12" East long chord bears North 58°02'14" East 67.17 feet with a central angle of 84°23'56"); thence North 15°50'20" East 59.31 feet; thence northerly 139.05 feet along an arc of a 1,033.00 foot radius curve to the right (center bears South 74°09'40" East long chord bears North 19°41'43" East 138.95 feet with a central angle of 07°42'45"); thence North 23°33'05" East 257.06 feet to the Point of Beginning.

The project manager has had this legal description reviewed by the GIS Group.

NUMBER OF ACRES BY COUNTY: 0.39 acres - Washington County

NUMBER OF ACRES BY FUND: 0.39 acres - School

## MINERAL RESERVATIONS:

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

## SURFACE RESERVATIONS:

None

Upon recommendation of Alexa Wilson, the Director approved the above item.

**CORRECTION OF FORFEITURE OF CERTIFICATE OF SALE NO. 25937; PRE SALE NO. 8120**

IN THE DIRECTOR'S MINUTES OF DECEMBER 7, 2009, PAGE 27, **QUIT CLAIM DEED NO. 001461** WAS REPORTED INCORRECTLY AND HAS BEEN REMOVED FROM THIS REPORT. FURTHERMORE, ADDITIONAL INFORMATION CLARIFYING THE PRECISE **ACREAGE OF MCKINLEY PARCEL 1B** AND CLAIRFICATION OF THE **TOTAL ACREAGE OF PARCELS 1A AND 1B** HAS BEEN ADDED AS SHOWN IN BOLD BELOW:

PRE SALE NO.: 8120  
CERTIFICATE OF SALE NO.: 25937  
CERTIFICATE DATE: September 1, 2006  
PROJECT MANAGER: Rodger Mitchell  
PROJECT: Lower Deer Valley Parcel  
PROJECT CODE: DEERV 002 00  
FUND: School  
COUNTY: Summit  
SALE PRICE: \$1,145,000.00

**BUYER(S):**

PFC I, LLC  
6409 N. Business Park Loop Rd.  
Park City, Utah 84098-6206

**DESCRIPTION OF TRANSACTION:**

The purchaser, PFC I, LLC ("PFC"), failed to make the semiannual payment due the School and Institutional Trust Lands Administration (the "Trust") on March 1, 2009, and was notified by certified mail that the certificate was in default. The certified mailing provided opportunity for the default to be cured within the timeframe allowed by statute, which timeframe expired on April 30, 2009. PFC did not cure the default. Thereafter, the Trust and PFC agreed to meet to discuss the terms of the certificate and PFC's intent to fulfill its obligations under the certificate. The certificate and agreement between the Trust and PFC remained unaltered, and PFC was required to submit its final payment to the Trust on September 1, 2009. PFC did not submit the final payment of all outstanding principal and interest by or on September 1, 2009. The Trust notified PFC of its second default by certified letter dated September 3, 2009, which stated that PFC was required to cure its default within 30 days of the Second Default Notice. Payment was not received within 30 days; therefore, the certificate of sale was canceled for non-payment effective October 3, 2009, and the Trust declared the property forfeited including total payments made to the Trust while under contract.

The total sales price for the parcel was \$1,145,000.00, which was financed as a three year installment loan (see Director's Minutes of November 13, 2006, Pages 30 through 32 for details). Total payments made to the Trust included an initial down payment of \$100,000.00, and upon execution of the sale, a payment of \$243,500.00 was made leaving a remaining balance of \$801,500 to be paid by semi-annual payments of principal and interest commencing on March 1, 2007, and was to be amortized over a twenty (20) year period commencing as of September 1, 2006. Additional certificate payments were received from March 1, 2007, to September 1, 2009, of which a total of \$39,955.84 was paid toward the principal loan amount. The remaining principal balance at the time of forfeiture was \$761,544.16.

Notice of Forfeiture, dated November 4, 2009, was filed with Summit County on November 10, 2009, as Entry No. 00886103.

**CORRECTION OF FORFEITURE OF CERTIFICATE OF SALE NO. 25937; PRE SALE NO. 8120**  
**(CONTINUED)**

LEGAL DESCRIPTION:

Township 2 South, Range 4 East, SLB&M

Section 15: within, more particularly described as follows:

**McKinley Parcel 1A**

Beginning at a point on the North line of the McKinley Mining Claim (MS 6645); said point being N 85°42'00" W 1210.6 feet from the northeast corner of said Mining Claim. Said point also being N 36°13'02" W 2248.75 feet more or less from the southeast corner of Section 15, Township 2 South, Range 4 East, SLB&M; and running thence along the North line of the McKinley Mining Claim S 85°42'00" E 290.37 feet; thence S 30°25'32" W 568.34 feet; thence N 0°11'40" W 511.85 feet to the point of beginning.

Containing 1.70 acres, more or less.

Township 2 South, Range 4 East, SLB&M

Section 15: within, more particularly described as follows:

**McKinley Parcel 1B**

Beginning at a point on the North line of the McKinley Mining Claim (MS 6645); said point being N 85°42'00" W 920.24 feet from the northeast corner of said claim and N 30°06'04" W 2071.89 feet more or less from the southeast corner of Section 15, Township 2 South, Range 4 East, SLB&M; and running thence along the North line of the McKinley Mining Claim S 85°42'00" E 520.00 feet; thence along the Wasatch-Summit County line S 17°33'57" W 75.94 feet; thence along the Summit-Wasatch County line S 08°43'41" W 527.66 feet; thence along the South line of the McKinley Mining Claim N 85°42'00" W 705.05 feet; thence N 00°11'40" W 90.00 feet; thence N 30°25'32" E 568.34 feet to the point of beginning.

**Containing 8.67 acres, more or less.**

The project manager has had this legal description reviewed by the GIS Group.

**TOTAL ACREAGE OF PARCELS 1A AND 1B CONTAINS 10.37 ACRES, MORE OR LESS.**

NUMBER OF ACRES BY COUNTY: 10.37 acres - Summit County

NUMBER OF ACRES BY FUND: 10.37 acres - School

Upon recommendation of Ms. Andrea James, the Director approved the above correction.

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**LEGAL ACTIONS**

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**RETURN OF FUNDS - BOWDEN L. HARDING**

This Agency is in receipt of the sum of \$3,900.00 cash brought into the offices of the Agency during an investigation into stone theft from trust lands in Utah County. Mr. Bo Harding, who had assisted Mr. Blake Osborne in removal of the stone, was interviewed by Mr. Ron Barton concerning the theft. The cash was left with the Trust and represented to be funds received by Mr. Harding from Mr. Blake Osborne. Mr. Osborne was, at this time, under investigation for theft of Trust stone resources. Since that time, the investigation of Mr. Osborne has been successfully resolved and he has been convicted of theft. A Restitution Order has been entered and it is expected that \$25,000 will be paid to the Trust in restitution. It has been demonstrated to the satisfaction of Ron Barton, Criminal Investigator for the Attorney General's Office assigned to this Agency, that the \$3,900 are funds which were obtained lawfully by Mr. Harding and are not the product of the matter under investigation which resulted in the conviction of Mr. Osborne. **The cash in the amount of \$3,900.00 does not constitute funds to which the Trust is entitled and will be returned to Mr. Harding by means of State check at the following address:**

Bowden L. Harding  
c/o Bugden & Isaacson  
Attn: Walter F. Bugden  
445 East 200 South, Suite 150  
Salt Lake City, UT 84111

Upon recommendation of Ronald Barton, the Director approved the return of these funds to Mr. Harding.

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**ACTIONS CONTAINING FEE WAIVERS**

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**NONE**