

January 26, 2010

**OVER THE COUNTER LEASE OFFERING
FOR OIL, GAS AND ASSOCIATED HYDROCARBONS**

STATE OF UTAH
SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION
675 EAST 500 SOUTH, SUITE 500
SALT LAKE CITY, UT 84102-2818
(801) 538-5100

OIL, GAS AND ASSOCIATED HYDROCARBONS LEASING UNITS

The following parcels were not leased during the January 2010 Competitive Lease Offering and are available for over the counter leasing thru April 22, 2010, in accordance with R850-21-300 Lease Application Process under Rules Governing the Management and Use of Trust Lands in Utah. All unit parcels are a **5 year lease term at a 16-2/3% royalty rate**. The offering of these lands for leasing of oil, gas and associated hydrocarbons does not guarantee that there are deposits of oil, gas and associated hydrocarbons on these lands. Each application should include only one leasing unit per application and must be on Form B-4 (rev. 04-07), Over the Counter Oil, Gas and Associated Hydrocarbons Application. All parcels of lands are offered at a **\$2.00 per net acre or fractional part thereof** with an additional \$30.00 to cover the application fee. All acreage within the leasing unit will be leased in its entirety. **INTERACTIVE OIL, GAS & ASSOCIATED HYDROCARBONS OVER THE COUNTER APPLICATION FORM B-4 (rev. 4-07) IS NOW AVAILABLE ON OUR WEB SITE <http://trustlands.utah.gov/>. CLICK ON THE FORMS & APPLICATIONS LINK AND SCROLL DOWN TO THE OIL & GAS FORMS SECTION.**

<u>LEASING UNIT NO.</u>	<u>DESCRIPTION</u>	<u>COUNTY/ACRES</u>
1	<u>T4S, R22E, SLB&M</u> Sec. 36: SW ¹ / ₄ NE ¹ / ₄ , W ¹ / ₂ , SE ¹ / ₄	Uintah 520.00 Acres
2	<u>T12S, R8E, SLB&M</u> Sec. 16: All	Carbon 640.00 Acres
3	<u>T12S, R8E, SLB&M</u> Sec. 17: NE ¹ / ₄ SE ¹ / ₄ Sec. 19: S ¹ / ₂ NE ¹ / ₄ , W ¹ / ₂ SE ¹ / ₄ Sec. 20: NW ¹ / ₄ NE ¹ / ₄ , W ¹ / ₂ SW ¹ / ₄ , E ¹ / ₂ SE ¹ / ₄	Carbon 400.00 Acres

OVER THE COUNTER LEASING

January 26, 2010

Page Two

Oil, Gas & Associated Hydrocarbons

<u>LEASING UNIT NO.</u>	<u>DESCRIPTION</u>	<u>COUNTY/ACRES</u>
4	<u>T12S, R8E, SLB&M</u> Sec. 21: NE ¹ / ₄ NE ¹ / ₄ , NW ¹ / ₄ NW ¹ / ₄ , W ¹ / ₂ SE ¹ / ₄ Sec. 28: N ¹ / ₂ NE ¹ / ₄ , NE ¹ / ₄ SW ¹ / ₄ , SW ¹ / ₄ SW ¹ / ₄ , S ¹ / ₂ SE ¹ / ₄ Sec. 29: SE ¹ / ₄ NE ¹ / ₄	Carbon 440.00 Acres
5	<u>T12S, R8E, SLB&M</u> Sec. 30: Lots 1(36.28), 2(36.22), 3(36.18), 4(36.12), NE ¹ / ₄ SW ¹ / ₄ , SE ¹ / ₄ SE ¹ / ₄ [Lots aka W ¹ / ₂ W ¹ / ₂] Sec. 31: Lots 1(36.18), 2(36.33), 7(42.94), SW ¹ / ₄ NE ¹ / ₄ , SE ¹ / ₄ NW ¹ / ₄ , N ¹ / ₂ SE ¹ / ₄ [Lots aka W ¹ / ₂ NW ¹ / ₄ , SE ¹ / ₄ SE ¹ / ₄]	Carbon 500.25 Acres
6	<u>T12S, R8E, SLB&M</u> Sec. 32: Lots 1(42.32), 2(42.49), 3(42.65), 4(42.82), N ¹ / ₂ , N ¹ / ₂ S ¹ / ₂ (All)	Carbon 650.28 Acres
7	<u>T12S, R8E, SLB&M</u> Sec. 33: Lots 1(40.92), 2(42.10), 3(42.42), 4(42.23), N ¹ / ₂ NE ¹ / ₄ , SW ¹ / ₄ NE ¹ / ₄ , NW ¹ / ₄ NW ¹ / ₄ , S ¹ / ₂ NW ¹ / ₄ , N ¹ / ₂ SW ¹ / ₄ , NW ¹ / ₄ SE ¹ / ₄ [Lots aka S ¹ / ₂ S ¹ / ₂]	Carbon 527.67 Acres
8	<u>T13S, R7E, SLB&M</u> Sec. 1: Lots 3(37.32), 4(37.38), 5(37.42), 6(37.48), S ¹ / ₂ N ¹ / ₂ , S ¹ / ₂ (All)	Carbon 629.60 Acres
9	<u>T13S, R7E, SLB&M</u> Sec. 2: Lots 1(37.57), 2(37.71), 3(37.85), 4(36.99), 5(39.20), 6(39.46), 7(39.73), S ¹ / ₂ NE ¹ / ₄ , SE ¹ / ₄ NW ¹ / ₄ , E ¹ / ₂ SW ¹ / ₄ , SE ¹ / ₄ (All)	Carbon 628.51 Acres
10	<u>T13S, R7E, SLB&M</u> Sec. 3: Lots 1(40.91), 2(39.57), 5(40.83), 9(39.29), SW ¹ / ₄ NE ¹ / ₄ , NE ¹ / ₄ SW ¹ / ₄ [Lots aka N ¹ / ₂ NE ¹ / ₄ , SE ¹ / ₄ NE ¹ / ₄ , SE ¹ / ₄ SW ¹ / ₄] Sec. 10: E ¹ / ₂ W ¹ / ₂ , NE ¹ / ₄ SE ¹ / ₄ Sec. 11: W ¹ / ₂ NW ¹ / ₄ , NW ¹ / ₄ SW ¹ / ₄	Carbon 560.60 Acres
11	<u>T13S, R7E, SLB&M</u> Sec. 6: Lot 1 [aka NE ¹ / ₄ NE ¹ / ₄]	Carbon 38.61 Acres

OVER THE COUNTER LEASING

January 26, 2010

Page Three

Oil, Gas & Associated Hydrocarbons

<u>LEASING UNIT NO.</u>	<u>DESCRIPTION</u>	<u>COUNTY/ACRES</u>
12	<u>T13S, R7E, SLB&M</u> Sec. 12: S $\frac{1}{2}$ N $\frac{1}{2}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ S $\frac{1}{2}$ Sec. 13: N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 24: S $\frac{1}{2}$ SE $\frac{1}{4}$	Carbon 600.00 Acres
13	<u>T13S, R7E, SLB&M</u> Sec. 14: N $\frac{1}{2}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 22: NE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 23: SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$	Carbon 600.00 Acres
14	<u>T13S, R7E, SLB&M</u> Sec. 15: N $\frac{1}{2}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 16: E $\frac{1}{2}$ E $\frac{1}{2}$	Carbon 680.00 Acres
15	<u>T13S, R8E, SLB&M</u> Sec. 1: NW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$	Carbon 160.00 Acres
16	<u>T13S, R8E, SLB&M</u> Sec. 8: SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 17: SW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 18: E $\frac{1}{2}$ NE $\frac{1}{4}$ Sec. 19: SE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 20: NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 30: Lot 4(43.19) [aka SW $\frac{1}{4}$ SW $\frac{1}{4}$]	Carbon 403.19 Acres
17	<u>T13S, R8E, SLB&M</u> Sec. 9: SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 10: E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$	Carbon 400.00 Acres
21	<u>T2N, R8E, SLB&M</u> Sec. 6: Lots 1(33.05), 3(32.45), 4(31.93), SE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ [Lots aka NE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$]	Summit 337.43 Acres
22	<u>T3N, R8E, SLB&M</u> Sec. 30: Lots 2(39.95), 4(40.15), SE $\frac{1}{4}$ NW $\frac{1}{4}$ [Lots aka SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$]	Summit 120.10 Acres
23	<u>T6N, R6E, SLB&M</u> Sec. 34: SW $\frac{1}{4}$ NE $\frac{1}{4}$	Morgan 40.00 Acres

SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION
OVER THE COUNTER
OIL, GAS & ASSOCIATED HYDROCARBONS APPLICATION

Applicant Name: _____

Address: _____

City State Zip Code

Telephone No. _____

Applicant hereby applies for a oil, gas and associated hydrocarbons lease on the following described tract of land situated in _____ County, State of Utah.

OFFICE USE ONLY	
APPLICATION NO.	_____
SCH	_____
MH	_____
NS	_____
SM	_____
UNIV	_____
D&D	_____
IB	_____
USH	_____
SYDC	_____
RES	_____
PB	_____
USU	_____
OTHER	_____
TOTAL	_____
Checked by	_____

Subdivision	Section	Twn	Rng	Meridian	Acres

Total Acres _____

REQUIREMENTS AND CONDITIONS: 1) One lease is limited to no more than 2,560 acres; 2) The Applicant offers a minimum rental of \$40.00 or \$2.00 per acre, (fractional acres are rounded up to one full acre) whichever is greater; 3) Applicant does hereby deposit with this application a sum of \$ _____ as advance first year rental and a separate check for the \$30.00 application fee to secure a lease for the above described oil, gas and associated hydrocarbons. 4) If the applicant is a firm, association or corporation, the entity must be qualified to do business in the State of Utah.

Upon approval the applicant must accept an oil, gas and associated hydrocarbons lease in the form currently offered by the School and Institutional Trust Lands Administration subject to the requirements of the laws of the State of Utah, including the rules of the Division of Oil, Gas and Mining and the rules governing the management of the School and Institutional Trust Lands Administration both now in effect and as may hereinafter be adopted. Failure of funds or failure to execute a lease within 30 days of receipt shall constitute a forfeiture of the first year rental and termination of the lease agreement.

Applicant's Signature

By: _____
**(Attorney-in-fact) Signature

** Application filed by an attorney-in-fact in behalf of the applicant shall not be accepted unless there is sufficient evidence on file with the Trust Lands Administration that the applicant authorized the attorney-in-fact to apply for and execute the lease in his behalf.

This form cannot be used for any competitive bid sale. (See SITLA Rule R850-3-300.) For questions or information call (801) 538-5100. This form cannot be used for any Metaliferous Mineral or Surface applications.