

MAY 4, 2009

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON MAY 4, 2009, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, AND FEE WAIVER BUSINESS MATTERS AS INDICATED AND WHICH BECAME EFFECTIVE AT 6:00 P.M. ON MAY 4, 2009.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 6; SURFACE ACTIONS AS LISTED ON PAGES 7 TO 13; AND ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 13.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS AND ARE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY'S RULES. ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 6:00 P.M. ON MONDAY, MAY 18, 2009. APPEALS NOT FILED BY THAT TIME WILL BE CONSIDERED UNACCEPTABLE AND THE MATTERS WILL BE UNAPPEALABLE.



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



LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

EXPIRATION OF MINERAL MATERIALS PERMIT AND RECOMMENDATION FOR REMEDY OF RECLAMATION VIOLATION - ML 51303-MP (SCH)

The following Mineral Materials Permit for Cretaceous Limestone was granted effective May 1, 2008, for a term of one year to enable the Permittee to complete mined land reclamation required under the Rules of the Division of Oil, Gas & Mining for an open pit stone quarry. The Permittee failed to complete the required reclamation work as of the April 30, 2009, expiration date of the permit, but has advised staff that the work may be completed within two or three more weeks. The Division of Oil, Gas & Mining holds certain cash deposits submitted by the Permittee toward a reclamation bond. The Permittee should be allowed thirty (30) days from the expiration date of the permit to enter on the lands and remedy the reclamation violation at Permittee's sole liability for personal injury or property damage. If the required reclamation is not completed within said thirty day period to the satisfaction of the Trust Lands Administration and the Division of Oil, Gas & Mining, then the Agency should move to forfeit the reclamation bond held by the Division of Oil, Gas & Mining.

ML 51303-MP

Bryce Haas

P.O. Box 289

Gunnison, UT 84634

T18S, R1E, SLB&M.

SEC. 32: S $\frac{1}{2}$ SW $\frac{1}{4}$

Sanpete

80.00 acres

Upon recommendation of Mr. Blake, the Director noted the expiration of the permit and approved the suggested remedy for reclamation violations.

EXPIRATION OF MINERAL MATERIALS PERMIT – ML 51306-MP (SCH)

The following Mineral Materials Permit to harvest Quartzite/Limestone Rubble Rock from the surface of the permitted lands reached the end of its one-year term on April 30, 2009, and is expired. The Permittee no longer has any rights relevant to the permit.

ML 51306-MP

Cheyenne Stone Supply

4932 W. Morning Laurel Lane

West Jordan, UT 84088

T6S, R1W, SLB&M.

Section 32: S $\frac{1}{2}$ SW $\frac{1}{4}$

Utah

80.00 acres

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

READJUSTMENT OF COAL LEASE ML 48258, AND SUBLEASE (PL 105 MULT)

Coal Lease ML 48258 was issued effective April 1, 1999, to Pacificorp, C/O Interwest Mining Co., 1407 West North Temple, Suite 310, Salt Lake City, UT 84116, on lands comprising the Mill Fork Coal Estate which was acquired by the Trust through the School and Federal Land Exchange, PL 105-335, in 1998. On May 21, 2004, the Director approved a sublease of 40 acres to Andalex Resources, Inc. (50%) and IPA (50%), C/O Genwal Resources, Inc., P.O. Box 910, East Carbon, UT 84520. The Mill Fork Coal Estate reverts to federal ownership after 22.3 million tons of coal is produced under the lease. As of the end of March 2009, about 15.1 million tons of coal was produced. The lease provides that Lessor may readjust the terms and conditions at the end of each ten-year period. The ten-year period ended March 31, 2009.

The U.S.D.I. Bureau of Land Management requested that a new provision governing resource recovery and protection plans and maximum economic recovery of the coal reserves be added to make the lease conform with other newly issued federal coal leases upon reversion of the coal estate to federal ownership. Such lease provision was drafted and presented severally to the Lessee and Sublessee in the form of Special Stipulation #22, as the "First Readjustment and Amendment of Utah State Lease and Sublease for Coal, ML 48258." The exact phrasing of Stipulation #22 may be found within said lease amendment instrument. The Lessee and Sublessee have accepted the readjustment of ML 48258 as attested by their signature and return of the lease amendment instruments. The readjustment and amendment of ML 48258 is effective retroactively to April 1, 2009, although Special Stipulation #22 does not become active within the lease until the coal estate reverts to federal ownership. All other terms and conditions of the lease remain unchanged.

Upon recommendation of Mr. Blake, the Director approved the readjustment and amendment of ML 48258.

METALLIFEROUS MINERAL LEASE APPROVAL

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

<u>ML 51585</u>	<u>T28S, R11W, SLB&M.</u>	Beaver
Ronald W. Driscoll	SEC. 32: LOTS 1(41.43), 2(41.56), 3(41.70), 4(41.83),	646.52 Acres
734 East Pine Knoll Drive	N½, N½S½ [ALL]	
Prescott, AZ 86303		

Annual Rental: \$647

FUND: SCH

<u>ML 51586</u>	<u>T28S, R12W, SLB&M.</u>	Beaver
Ronald W. Driscoll	SEC. 36: LOTS 5(11.89), 6(19.62), 8(31.53), 9(38.71),	176.31 Acres
734 East Pine Knoll Drive	10(34.61), 11(39.95)	
Prescott, Arizona 86303		

Annual Rental: \$500

FUND: SCH

AMENDMENT – MILLENIUM SYNFUELS, LLC AMENDED TO AMBRE ENERGY NORTH AMERICAN, INC. – ESMT 1284, SULA 1359, ML 48592, ML 48801, ML 48802, ML 48803, ML 48805, ML 48806, ML 48809, ML 48810, ML 48811, ML 49230, ML 49231, ML 49232, ML 49233, ML 49234, ML 49235, ML 49236, AND ML 49237-OIL SHALE (ALL SCH)

This office is in receipt of evidence that effective March 26, 2009, Millenium Synfuels, LLC amended their name changing it to Ambre Energy North American, Inc., 170 S. Main Street, Suite 700, Salt Lake City, UT 84101, covering the above-numbered leases.

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

TOTAL ASSIGNMENT – METALLIFEROUS MINERALS LEASE

Upon recommendation of Mr. Stokes, the Director approved the assignment of the lease listed below to Rodney Keith Smith, 225 Windsong Ct., Las Vegas, NV 89145-5152, by GRE, Inc. No override.

OWNERSHIP BEFORE ASSIGNMENT:

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

RECORD TITLE:

GRE, INC. – 100%

RODNEY KEITH SMITH – 100%

...ML 51570 (SCH)....

TOTAL ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of the leases listed below to Headington Oil Company LLC, 7557 Rambler Road, Suite 1100, Dallas, TX 75231, by Miller, Dyer & Co., LLC. No override.

OWNERSHIP BEFORE ASSIGNMENT:

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

RECORD TITLE:

MILLER, DYER & CO., LLC – 100%

HEADINGTON OIL COMPANY LLC – 100%

...ML 49671 (SCH)....ML 49672 (SCH)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of the leases listed below to Questar Exploration and Production Company, 1050-17th Street, Suite 500, Denver, CO 80265, by Land Professionals, Inc. No override.

OWNERSHIP BEFORE ASSIGNMENT:

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

RECORD TITLE:

LAND PROFESSIONALS, INC. –100%

*QUESTAR EXPLORATION AND PRODUCTION
COMPANY –100%*

...ML 50971 (SCH)....ML 50973 (SCH)....ML 50976 (SCH)....

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 23.1625% interest in and to the lease listed below to Headington Oil Company LLC, 7557 Rambler Road, Suite 1100, Dallas, TX 75231, by Chicago Energy Associates, LLC. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

TOM BROWN, INC. – 57.50%,
CHICAGO ENERGY ASSOCIATES, LLC–23.1625%,
HALLIBURTON ENERGY SERVICES INC.–10.625%,
EQUITY OIL COMPANY-5.3125%,
RAMSHORN INVESTMENTS, INC.-3.40%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

TOM BROWN, INC. – 57.50%,
HEADINGTON OIL COMPANY LLC–23.1625%,
HALLIBURTON ENERGY SERVICES, INC.–10.625%,
EQUITY OIL COMPANY-5.3125%,
RAMSHORN INVESTMENTS, INC.-3.40%

...ML 27941 (SCH)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 21.6165% interest in and to the leases listed below to Headington Oil Company LLC, 7557 Rambler Road, Suite 1100, Dallas, TX 75231, by Chicago Energy Associates, LLC. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

EQUITY OIL COMPANY-47.5525%,
CHICAGO ENERGY ASSOCIATES, LLC–21.6165%,
HALLIBURTON ENERGY SERVICES INC.–16.6675%,
MILLER, DYER & CO., LLC-8.33%,
RAMSHORN INVESTMENTS, INC.-5.8335%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

EQUITY OIL COMPANY-47.5525%,
HEADINGTON OIL COMPANY LLC–21.6165%,
HALLIBURTON ENERGY SERVICES, INC.–16.6675%,
MILLER, DYER & CO., LLC-8.33%,
RAMSHORN INVESTMENTS, INC.-5.8336%

...ML 48430 (SCH)....ML 48603 (SCH)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 8.33% interest in and to the leases listed below to Headington Oil Company LLC, 7557 Rambler Road, Suite 1100, Dallas, TX 75231, by Miller, Dyer & Co., LLC. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

EQUITY OIL COMPANY-47.5525%,
HEADINGTON OIL COMPANY LLC–21.6165%,
HALLIBURTON ENERGY SERVICES INC.–16.6675%,
MILLER, DYER & CO., LLC-8.33%,
RAMSHORN INVESTMENTS, INC.-5.8335%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

EQUITY OIL COMPANY-47.5525%,
HEADINGTON OIL COMPANY LLC–29.9465%,
HALLIBURTON ENERGY SERVICES, INC.–16.6675%,
RAMSHORN INVESTMENTS, INC.-5.8336%

...ML 48430 (SCH)....ML 48603 (SCH)....

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

Upon recommendation of Ms. Garrison, the Director approved the assignment of 13.625% interest in and to the lease listed below to Headington Oil Company LLC, 7557 Rambler Road, Suite 1100, Dallas, TX 75231, by Miller, Dyer & Co., LLC. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

EQUITY OIL COMPANY-53.375%,
HALLIBURTON ENERGY SERVICES INC.–25%,
MILLER, DYER & CO., LLC-13.625%,
RAMSHORN INVESTMENTS, INC.-8%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

EQUITY OIL COMPANY-53.375%,
HALLIBURTON ENERGY SERVICES, INC.–25%,
HEADINGTON OIL COMPANY LLC-13.625%,
RAMSHORN INVESTMENTS, INC.-8%

...ML 49414 (SCH)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 19.32% interest in and to the leases listed below to Headington Oil Company LLC, 7557 Rambler Road, Suite 1100, Dallas, TX 75231, by Chicago Energy Associates, LLC. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

WHITING OIL AND GAS CORPORATION–53.375%,
CHICAGO ENERGY ASSOCIATES, LLC–19.32%,
HALLIBURTON ENERGY SERVICES INC.–14.7%,
RAMSHORN INVESTMENTS, INC.-7.58%,
PAMCO INVESTMENTS CORP.-2.5%,
EVERTSON ENERGY PARTNERS, LLC-2.5%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

WHITING OIL AND GAS CORPORATION-53.375%,
HEADINGTON OIL COMPANY LLC–19.32%,
HALLIBURTON ENERGY SERVICES, INC.–14.7%,
RAMSHORN INVESTMENTS, INC.-7.58%,
PAMCO INVESTMENTS CORP.-2.5%,
EVERTSON ENERGY PARTNERS, LLC-2.5%

...ML 50978 (SCH)....ML 50979 (SCH)....ML 51128(SCH)....ML 51129(SCH)....ML 51132(SCH)....

CORRECTION OF DIRECTOR'S MINUTES OF JUNE 24, 2005 – ML 47075 – OIL, GAS, AND HYDROCARBON (SCH)

The Director on June 14, 2005, approved the interest assignment of 80% interest to Enduring Resources LLC by Robert L. Bayless, Jr. covering the above-numbered lease. It has come to our attention that this assignment covered 80% interest in operating rights in all depths only and not record title. Therefore, the interest after the assignment should have been as follows:

RECORD TITLE: ROBERT L. BAYLESS, JR. – 100%

OPERATING RIGHTS-ALL DEPTHS: ENDURING RESOURCES LLC – 80%,
ROBERT L. BAYLESS, JR. – 20%

Upon recommendation of Ms. Garrison, the Director approved the above-listed correction.

SURFACE ACTIONS

RIGHTS OF ENTRY

RIGHT OF ENTRY NO. 5327 (APPROVAL)

On March 23, 2009, the School and Institutional Trust Lands Administration received an application from 4-Wheeling America, LLC, P.O. Box 430, Fruita, CO 81521, to occupy all trust land located within the State of Utah, except for those lands subject to existing leases or permits that grant access control, and those lands that have been withdrawn or may be withdrawn by order of the Director, to conduct commercial tours for a one-year term.

The fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. 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, within 30 days of permit expiration date. Beginning date: May 1, 2009. Expiration date: April 30, 2010. Funding: School = 96.66%, USU = 0.83%, Deaf = 0.16%, Blind = 0.01%, MH = 0.18%, NS = 0.16%, PB = < 0.01%, SYDC = < 0.01%, RES = 1.26%, SM = 0.21%, UNIV = 0.51%.

Upon recommendation of Ms. Jeanine Kleinke, the Director approved Right of Entry No. 5327 for a one-year term.

RIGHT OF ENTRY NO. 5326 (APPROVAL)

On March 23, 2009, the School and Institutional Trust Lands Administration received an application from Kevin Carroll, 11850 S. Highway 191, Suite A-10, Moab, UT 84532, to occupy the following described trust land located within San Juan County for the agricultural use of previously farmed trust land while Special Use Lease Application No. 1635 is being processed:

T26S, R22E, SLB&M
Sec. 35: Within

The fee for this right of entry is \$600.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$700.00. School Fund. Expiration date: April 30, 2010, or until SULA 1635 is approved, whichever is earlier.

Upon recommendation of Ms. Jeanine Kleinke, the Director approved Right of Entry No. 5326 for a one-year term or until SULA 1635 is approved, whichever is earlier.

SPECIAL USE LEASE AGREEMENTS

SPECIAL USE LEASE AGREEMENT NO. 1639 (APPROVAL)

APPLICANT'S NAME AND ADDRESS:

Summit Operating, LLC
1441 Ute Blvd., Suite 280
Park City, UT 84098

APPLICATION TYPE: INDUSTRIAL

TERMS: 10 years

BEGINNING DATE: May 1, 2009

ENDING DATE: April 30, 2019

NEXT REVIEW DATE: May 1, 2012

FIRST YEAR RENTAL: \$ 600.00

APPLICATION FEE: \$ 250.00

PROCESSING FEE: \$ 700.00

TOTAL SUBMITTED: \$1,550.00

LEGAL DESCRIPTION:

Township 13 South, Range 22 East, SLB&M
Section 32: SE¼NE¼ (within)

Beginning at a point North 00°01'17" West 3656.0 feet along section line and West 273.28 ft. from the Southeast Corner of Section 32, Township 13 South, Range 22 East, SLB&M, and running thence South 350.00 ft.; thence West 350.00 ft.; thence North 350.00 ft.; thence East 350.00 ft. to the point of beginning.

Contains 2.8122 acres, more or less.

COUNTY: Uintah

ACRES: 2.8122

FUND: School

PROPOSED ACTION:

The applicant proposes to construct, operate, and maintain a non-commercial water disposal pond facility ("facility"). The facility will be located on an existing well pad, State 8-32-13-22, and will consist of one disposal pond (.022 acres). The current mineral lessee is the applicant. The facility will be constructed under the applicant's mineral lease, ML 47794. They will dispose of off-lease and off-unit water. The term of the special use lease agreement will be 10 years.

RELEVANT FACTUAL BACKGROUND:

The applicant has requested approval to construct the facility on the existing well pad, described above. The applicant shall not dispose of any product other than produced water, as defined in Utah Administrative Code R649-1-1 (2006). The applicant shall not dispose of any produced water from wells operated by parties other than the applicant and its affiliates, it being the intention of the parties that the subject property be utilized solely for non-commercial disposal of produced water from the applicant's oil and gas operations. In addition, the applicant shall not dispose of any produced water from wells operated by the applicant and its affiliates that are located outside the boundaries of the State of Utah.

In addition to the base rent, the applicant shall pay a water disposal fee in the amount of \$0.15 per barrel for non-compliant water disposed of in the water disposal facility. For purposes of the lease, non-compliant water is defined as all water disposed of from operations in connection with any development activities other than those under ML 47794, or other leases pooled or unitized therewith. This amount shall apply for the first three-year period of the lease. Thereafter, the water disposal fee may be adjusted pursuant to Paragraph 4(b) of the lease agreement. The water disposal fee payment shall be paid quarterly during the term of the lease, such quarterly periods defined as follows: Quarter One, January to March; Quarter Two, April to June; Quarter Three, July to September; Quarter Four, October to December. The quarterly payment shall be made on or before the 15th of the month following the end of the quarter during the term of the lease, based on water disposal reported on quarterly Utah Division of Oil, Gas & Mining ("UDOGM") well reports, accompanied by a "Surface Revenue Report" provided by applicant.

SPECIAL USE LEASE AGREEMENT NO. 1639 (APPROVAL) (CONTINUED)

As the site was previously developed under the existing mineral lease, it was determined that this application is exempt from review by the Resource Development Coordinating Committee ("RDCC").

The application was exempt from competitive leasing pursuant to R850-30-500 (2)(a).

The site of the facility was previously surveyed for cultural resources under Project No. U85-WK-0570s. As this is an existing well pad and there will be no ground disturbance outside the well pad area, no further survey is required.

EVALUATION OF FACTS:

No competing applications were solicited pursuant to R850-30-500(2), as the applicant has requested an exemption due to the facility being constructed under ML 47794. The lease will contain a clause providing for escalation of the annual rental fee at the end of each three-year period, utilizing the approved index.

This action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Kurt Higgins, the Director approved the issuance of SULA 1639, with a beginning base rental of \$600.00 and a water disposal fee in the amount of \$0.15 per barrel for non-compliant water disposed of at the water disposal facility. The term of the lease will be 10 years, with a three-year rental review pursuant to R850-30-400.

SPECIAL USE LEASE AGREEMENT NO. 1640 (APPROVAL)

APPLICANT'S NAME AND ADDRESS:

Summit Operating, LLC
1441 Ute Blvd., Suite 280
Park City, UT 84098

APPLICATION TYPE: INDUSTRIAL
TERMS: 10 years
BEGINNING DATE: May 1, 2009
ENDING DATE: April 30, 2019
NEXT REVIEW DATE: May 1, 2012

FIRST YEAR RENTAL:	\$ 600.00
APPLICATION FEE:	\$ 250.00
PROCESSING FEE:	<u>\$ 700.00</u>
TOTAL SUBMITTED:	\$1,550.00

LEGAL DESCRIPTION:

Township 7 South, Range 21 East, SLB&M
Section 16: SW¹/₄SW¹/₄ (within)

Beginning at a point North 00°21'00" West 541.95 ft. along the section line and East 465.57 ft. from the Southwest Corner of Section 16, Township 7 South, Range 21 East, SLB&M, and running thence North 35°00'00" East 237.00 ft.; thence East 200.00 ft.; thence South 110.00 ft.; thence South 35°00'00" West 237.00 ft.; thence West 200.00 ft.; thence North 110.00 ft. to the point of beginning.

Contains 1.7397 acres, more or less.

COUNTY: Uintah

ACRES: 1.7397

FUND: School

SPECIAL USE LEASE AGREEMENT NO. 1640 (APPROVAL) (CONTINUED)**PROPOSED ACTION:**

The applicant proposes to construct, operate, and maintain a non-commercial water disposal pond facility ("facility"). The facility will be located on an existing well pad, described as Summit Operating 14-16 Well Site, and will consist of one disposal pond (0.31 acres). The current mineral lessee is the applicant. The facility will be constructed under the applicant's mineral lease, ML 40904. They will dispose of off-lease and off-unit water. The term of the special use lease agreement will be 10 years.

RELEVANT FACTUAL BACKGROUND:

The applicant has requested approval to construct the facility on the existing well pad, described above. The applicant shall not dispose of any product other than produced water, as defined in Utah Administrative Code R649-1-1 (2006). The applicant shall not dispose of any produced water from wells operated by parties other than the applicant and its affiliates, it being the intention of the parties that the subject property be utilized solely for non-commercial disposal of produced water from the applicant's oil and gas operations. In addition, the applicant shall not dispose of any produced water from wells operated by the applicant and its affiliates that are located outside the boundaries of the State of Utah. Since off-lease and off-unit water is being disposed of, a surface lease is required for this site.

In addition to the base rent, the applicant shall pay a water disposal fee in the amount of \$0.15 per barrel for non-compliant water disposed of in the water disposal facility. For purposes of the lease, non-compliant water is defined as all water disposed of from operations in connection with any development activities other than those under ML 47794, or other leases pooled or unitized therewith. This amount shall apply for the first three-year period of the lease. Thereafter, the water disposal fee may be adjusted pursuant to Paragraph 4(b) of the lease agreement. The water disposal fee payment shall be paid quarterly during the term of the lease, such quarterly periods defined as follows: Quarter One, January to March; Quarter Two, April to June; Quarter Three, July to September; Quarter Four, October to December. The quarterly payment shall be made on or before the 15th of the month following the end of the quarter during the term of the lease, based on water disposal reported on quarterly Utah Division of Oil, Gas & Mining ("UDOGM") well reports, accompanied by a "Surface Revenue Report" provided by applicant.

As the site was previously developed under the existing mineral lease, it was determined that this application is exempt from review by the Resource Development Coordinating Committee ("RDCC").

The application was exempt from competitive leasing pursuant to R850-30-500 (2)(a).

The site of the facility was previously surveyed. As this is an existing well pad, there will be no ground disturbance outside the well pad area, and no further survey will be required.

EVALUATION OF FACTS:

No competing applications were solicited pursuant to R850-30-500(2), as the applicant has requested an exemption due to the facility being constructed under ML 40904. The lease will contain a clause providing for escalation of the annual rental fee at the end of each three-year period, utilizing the approved index.

This action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Kurt Higgins, the Director approved the issuance of SULA 1640, with a beginning base rental of \$600.00 and a water disposal fee in the amount of \$0.15 per barrel for non-compliant water disposed of at the water disposal facility. The term of the lease will be 10 years, with a three-year rental review pursuant to R850-30-400.

SALES**CERTIFICATE OF SALE NO. 26400; PRE SALE NO. 8218-A (FORFEITURE)**

The following property was purchased by Joseph Adams and Mika Adams on October 13, 2006, under Certificate of Sale No. 26400 (Pre Sale No. 8218-A):

Township 28 South, Range 7 West, SLB&M
Section 32: SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$

Beaver County
School Fund

Containing 80.00 acres, more or less

The purchasers failed to make the annual payment due on November 1, 2008, and were 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 December 13, 2008. Payment was not received; therefore, the certificate of sale was canceled for non-payment effective December 13, 2008 (see the Director's Minutes of January 5, 2009), and the Trust Lands Administration declared the property forfeited. The principle balance remaining at the time of forfeiture was \$53,025.80.

Notice of Forfeiture was filed with Beaver County on April 15, 2009, as Entry No. 239534 in Book 434, Pages 14-15. A Quit Claim Deed from Joseph Adams and Mika Adams was also filed as Entry No. 239535 in Book 434, Pages 16-17. Copies of these documents have been sent to the purchasers.

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

CERTIFICATE OF SALE NO. 26401; PRE SALE NO. 8218-B (FORFEITURE)

The following property was purchased by Joseph Adams and Mika Adams on October 13, 2006, under Certificate of Sale No. 26401 (Pre Sale No. 8218-B):

Township 28 South, Range 7 West, SLB&M
Section 32: SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$

Beaver County
School Fund

Containing 80.00 acres, more or less

The purchasers failed to make the annual payment due on November 1, 2008, and were 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 December 13, 2008. Payment was not received; therefore, the certificate of sale was canceled for non-payment effective December 13, 2008 (see the Director's Minutes of January 5, 2009), and the Trust Lands Administration declared the property forfeited. The principle balance remaining at the time of forfeiture was \$50,374.50.

Notice of Forfeiture was filed with Beaver County on April 15, 2009, as Entry No. 239532 in Book 434, Pages 10-11. A Quit Claim Deed from Joseph Adams and Mika Adams was also filed as Entry No. 239533 in Book 434, Pages 12-13. Copies of these documents have been sent to the purchasers.

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

CERTIFICATE OF SALE NO. 26402; PRE SALE NO. 8218-C (FORFEITURE)

The following property was purchased by Joseph Adams and Mika Adams on October 13, 2006, under Certificate of Sale No. 26402 (Pre Sale No. 8218-C):

Township 28 South, Range 7 West, SLB&M
Section 32: SE $\frac{1}{4}$ SW $\frac{1}{4}$

Beaver County
School Fund

Containing 40.00 acres, more or less

The purchasers failed to make the annual payment due on November 1, 2008, and were 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 December 13, 2008. Payment was not received; therefore, the certificate of sale was canceled for non-payment effective December 13, 2008 (see the Director's Minutes of January 5, 2009), and the Trust Lands Administration declared the property forfeited. The principle balance remaining at the time of forfeiture was \$30,931.72.

Notice of Forfeiture was filed with Beaver County on April 15, 2009, as Entry No. 239530 in Book 434, Pages 6-7. A Quit Claim Deed from Joseph Adams and Mika Adams was also filed as Entry No. 239531 in Book 434, Pages 8-9. Copies of these documents have been sent to the purchasers.

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

CERTIFICATE OF SALE NO. 26454; PRE SALE NO. 8394 (FORFEITURE)

The following property was purchased by Global Wealth Partners, LLC on October 12, 2007, under Certificate of Sale No. 26454 (Pre Sale No. 8394):

Township 10 North, Range 8 West, SLB&M
Section 2: Lots 1-8, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (All)

Box Elder County
School Fund

Containing 714.38 acres, more or less

The purchaser failed to make the annual payment due on November 1, 2008, 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 December 13, 2008. Payment was not received; therefore, the certificate of sale was canceled for non-payment effective December 13, 2008 (see the Director's Minutes of January 5, 2009), and the Trust Lands Administration declared the property forfeited. The principle balance remaining at the time of forfeiture was \$136,125.00.

Notice of Forfeiture was filed with Box Elder County on April 10, 2009, as Entry No. 276729 in Book 1087, Pages 941-942. A Quit Claim Deed from Global Wealth Partners, LLC was also filed as Entry No. 276730 in Book 1087, Pages 943-944. Copies of these documents have been sent to the purchaser.

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

ISSUANCE OF PATENTS

A patent has been issued for the following paid certificate of sale. Records should be noted.

PRE SALE NO.: 8165
CERTIFICATE OF SALE NO.: 26183
SALE DATE: October 1, 2004
PATENT NO.: 20140
PATENT DATE: March 25, 2009

ISSUED TO:
John A. Difley and Rose L. Difley
2275 Creek Road
Cottonwood Heights, Utah 84093

LEGAL DESCRIPTION:
Township 18 South, Range 8 East, SLB&M
Section 27: NW $\frac{1}{4}$ NE $\frac{1}{4}$

ACRES: 40.00, m/1 COUNTY: Emery FUND: School of Mines

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

ACTIONS CONTAINING FEE WAIVERS

NONE