


JUNE 1, 2009

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON JUNE 1, 2009, 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 JUNE 1, 2009.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 5; SURFACE ACTIONS AS LISTED ON PAGES 6 TO 13; DEVELOPMENT ACTIONS AS LISTED ON PAGES 13 TO 16; AND ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 16.

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, JUNE 15, 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

MINERAL ACTIONS

MATERIALS PERMIT NO. 312 SAND AND GRAVEL (CORRECTION)

The Director's Minutes dated September 17, 2004, and the agreement for Materials Permit No. 312, incorrectly described the legal description as follows:

Affected Lands:

Township 25 South, Range 24 East, SLB&M.

Section 32: (Within the NW¹/₄) Beginning at a point along the North section line of Section 32, T25S, R24E, SLB&M., 150 feet E of the Northwest corner, thence along the section line E 180 feet, thence S 00°03' E 792 feet, thence W 330 feet to the west section line, thence N 00°03' W **290** feet along the section line, thence E 150 feet, thence N 00°03' W 290 feet to the point of beginning.

COUNTY: Grand

ACRES: 5.0±

FUND: SCH

The corrected legal description is as follows:

Affected Lands:

Township 25 South, Range 24 East, SLB&M.

Section 32: (Within the NW¹/₄) Beginning at a point along the North section line of Section 32, T25S, R24E, SLB&M., 150 feet E of the northwest corner, thence along the section line E 180 feet, thence S 00°03' E 792 feet, thence W 330 feet to the west section line, thence N 00°03' W **502** feet along the section line, thence E 150 feet, thence N 00°03' W 290 feet to the point of beginning.

COUNTY: Grand

ACRES: 5.0±

FUND: SCH

Upon recommendation of Mr. Randy Harden, the Director approved the above-listed correction for Materials Permit No. 312.

MATERIALS PERMIT NO. 443 SAND AND GRAVEL (APPROVAL)

APPLICANT:

MESA Rock LLC
710 South 15th Street
Grand Junction, CO 81501

AFFECTED LANDS:

Township 21 South, Range 26 East, SLB&M.

Section 32: SW¹/₄NW¹/₄SW¹/₄

COUNTY: Grand

ACRES: 10.0±

FUND: SCH

MATERIALS PERMIT NO. 443 SAND AND GRAVEL (APPROVAL) (CONTINUED)

Pursuant to R850-23-1400, the subject lands have been designated (PRED 602) for sand and gravel sales. Royalty rate for this pit is set at \$0.50 per cubic yard. The term of the permit is one (1) year.

Upon recommendation of Mr. Randy Harden, the Director approved the issuance of Materials Permit No. 443 for a term of one (1) year.

MATERIALS PERMIT NO. 406 SAND AND GRAVEL (CORRECTION)

The Director's Minutes dated December 21, 2007, and the agreement for Materials Permit No. 406 incorrectly described the legal description. The correct legal description is as follows:

Township 20 South, Range 24 East, SLB&M.
Section 32: Metes and Bounds within SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$

COUNTY: Grand

ACRES: 2.38 ±

FUND: SCH

Upon recommendation of Mr. Randy Harden, the Director approved the above-listed correction for Materials Permit No. 406.

APPROVAL OF MINERAL LEASE APPLICATION FOR HUMIC SHALE (SCH)

The following-described application was received for mineral lease of Humic Shale. The lands were checked by the Minerals Group and found to be open and available for issuance of the lease. The lands are currently used for Grazing, Oil, Gas, and Hydrocarbon, and for Metalliferous Minerals leasing. The Metalliferous Minerals lessee is the applicant, so there is no conflict with the present application for Humic Shale. The applicant has paid the required \$30 filing fee and offers \$3 per acre annual rental payment. The applicant also agrees to an annual minimum royalty of \$6,000 each year, payable in advance along with the annual rental. The first year rentals and minimum royalties were submitted with the application. The production royalty rate will be 10% Gross Value of the leased substances extracted from the lands, but not less than \$6 per ton. The lease will have a primary term of ten (10) years. The applicant is registered and is in good standing with the Utah Department of Commerce. The terms and conditions of the Humic Shale Mineral Lease will require the lessee to comply with all valid rules of the Division of Oil, Gas & Mining and the rules of other state agencies having jurisdiction over any activities proposed or conducted on the leasehold.

ML 51620
Great Eastern Metals, LLC
6551 Grant Ave.
Cleveland, OH 44105

T18S, R9E, SLB&M.
SEC. 32: ALL

Emery
640.00 acres

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

PHOSPHATE LEASE READJUSTMENT AND EXTENSION – ML 30662, AND ML 30663 (SCH)

Phosphate Leases ML 30662 and ML 30663 will reach the end of their current five (5) year term on June 30, 2009. Under Article II of each lease, it is expressly agreed that at the end of each period of five (5) years following the effective date of the lease, the State of Utah, as Lessor, shall have the right to readjust the terms and conditions of the lease as may be determined to be in the best interest of the State of Utah as trustee owner of the mineral estate. The lessee, Ashley Creek Properties, has satisfied the diligent development requirement to allow for lease continuance for an additional five (5) year lease extension. The leases are readjusted and extended under the following terms:

- The leases are readjusted to conform to the terms and conditions provided for under the Trust Lands Administration's most current Generic Mineral Lease Form, adopted for use April 2008 and adapted for lease of phosphate.
- The leases require an annual rental of \$1 per acre as provided for under Utah Code 53C-2-405(2)(a).
- Phosphate Lease **ML 30662** is readjusted to require an annual advanced minimum royalty payment of \$15,939 (equivalent to \$9 per acre), in addition to the \$1 per acre annual rental.
- Phosphate Lease **ML 30663** is readjusted to require an annual advanced minimum royalty payment of \$9,738 (equivalent to \$9 per acre), in addition to the \$1 per acre annual rental.
- The leases require a production royalty at the higher of either: a) 5% of the market price of the first marketable product; or, b) on the basis of the royalty calculation required by federal leases for the same type of lease substance within the same Western Phosphate Field (within Idaho, Utah and Wyoming).
- The leases will continue for an additional five (5) year term as long as the diligent development requirement is satisfied or the lessee has achieved commercial production of the leased substance from the leased premises. The additional five (5) year term will **expire on June 30, 2014**.

The Lessee has agreed to accept the readjusted terms of Phosphate Leases ML 30662 and ML 30663 and will execute the readjusted lease agreements upon approval of the Director of the School and Institutional Trust Lands Administration.

<u>ML 30662</u> Ashley Creek Properties, LLC 1477 Ken Rey Street Salt Lake City, UT 84108	<u>T3S, R21E, SLB&M.</u> SEC. 4: LOTS 6(46.13), 7(46.09) SEC. 5: LOTS 2(31.83), 3(31.85), S½NE¼, SE¼NW¼ SEC. 6: LOTS 6(44.00), 7(43.73), E½SW¼, SE¼ SEC. 7: LOTS 1(43.63), 2(43.67), NE¼, E½NW¼, NE¼SW¼, N½SE¼ SEC. 8: N½NE¼, SW¼NE¼, NW¼, N½SW¼, SE¼SW¼	Uintah 1770.93 Acres
<u>ML 30663</u> Ashley Creek Properties, LLC 1477 Ken Rey Street Salt Lake City, UT 84108	<u>T3S, R20E, SLB&M.</u> SEC. 2: LOTS 1(40.34), 2(40.30), 3(40.26) 4(40.22), S½N½, S½ [ALL] SEC. 11: N½ SEC. 12: W½NW¼, SE¼NW¼	Uintah 1081.12 Acres

Upon recommendation of Mr. Stokes, the Director approved the readjustment and term extension of Phosphate Leases ML 30662 and ML 30663.

METALLIFEROUS MINERALS LEASE APPROVAL

Upon recommendation of Mr. Stokes, the Director approved the Metalliferous Minerals lease application 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 application has been checked for completeness and found to be in proper order. The business system and plat books have been updated to show the lease application as an existing contract on the lands described below:

<u>ML 51619</u>	<u>T18S, R9E, SLB&M.</u>	Emery
Great Eastern Metals, LLC	SEC. 32: ALL	640.00 Acres
6551 Grant Avenue		
Cleveland, OH 44105		

Annual Rental: \$640

FUND: SCH

MERGER OF THE HOUSTON EXPLORATION COMPANY WITH AND INTO FOREST OIL CORPORATION – ROW 2415, ML 11124, ML22348-A, ML 45556, ML 45557 (SCH: 706.42; RES: 58.85), ML 45558, ML 45559, ML 45560, ML 46526, ML 46527, ML 46570, ML 46696, ML 46697, ML 46698, ML 46907, ML 46911, ML 47044, ML 47061, ML 47063, ML 47065, ML 47075, ML 47076, ML 47077, ML 47078, ML 47079, ML 47080, ML 47084, ML 47085, ML 47086, ML 47087, ML 47089, ML 47140, ML 47210, ML 47548, ML 47777, ML 47782, ML 47783, ML 47969, ML 47970, ML 48267, ML 48926, ML 48927, ML 48957, ML 49051, ML 49115, ML 49144, ML 49145, ML 49146, ML 49151, ML 49152, ML 49203, ML 49316, ML 49317, ML 49390, ML 49754, ML 49762, ML 49767, ML 49768, ML 49769, ML 49770, ML 49956, ML 49959, ML 50085, ML 50088, ML 50188, ML 50189, ML 50190, ML 50191, ML 50192, AND ML 50562 (SCH EXCEPT ML 45557 AS NOTED) – OIL, GAS, AND HYDROCARBON

This office is in receipt of evidence that effective June 6, 2007, The Houston Exploration Company merged with and into Forest Oil Corporation, 707 Seventeenth Street, Suite 3600, Denver, CO 80202, covering the above-numbered leases.

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

CORRECTION OF DIRECTOR'S MINUTES OF APRIL 4, 2008 – ML 49820, ML 49821, ML 49928, ML 49929, AND ML 49930 – OIL, GAS, AND HYDROCARBON

The Director, on April 4, 2008, approved assignment of 50% interest to ConocoPhillips Company by Bill Barrett Corporation. No override, *but subject to 4% overriding royalty previously reserved*. It has come to our attention that these assignments should have been approved as noted with the exception that there was *no previous override reserved*.

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

AMENDMENT OF OIL, GAS, AND HYDROCARBON LEASE - ML 49572-OBA (SCH)

The Director's Minutes of March 2, 2009, approved the release and contraction of the leased lands in Sec. 31, T15.5S, R24E, SLB&M., 352.65 acres, as a result of Moose Mountain Land Company not meeting their continuous drilling obligations for the third year of the term of the lease. The lease is amended, effective December 1, 2008, as indicated below:

ORIGINAL LEASE DESCRIPTION:

T15.5S, R24E, SLB&M.

SEC. 31: LOTS 1(33.32), 2(33.25), 3(33.18), 4(27.12), 5(32.85), 6(32.93), NE $\frac{1}{4}$ SW $\frac{1}{4}$,
N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$

SEC. 32: LOTS 1(33.41), 2(33.40), 3(33.38), 4(33.37), 5(18.86), 6(17.01), SW $\frac{1}{4}$ [ALL]

T16S, R24E, SLB&M.

SEC. 4: LOTS 3(39.67), 4(38.86), 5(39.45), 6(39.62), 7(39.87), SE $\frac{1}{4}$ NW $\frac{1}{4}$,
NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ [W $\frac{1}{2}$]

LEASE COVERS ONLY THOSE DEPTHS FROM 500' BELOW SURFACE TO CENTER OF EARTH

containing 999.55 acres, more or less

AMENDED LEGAL DESCRIPTION:

T15.5S, R24E, SLB&M.

SEC. 32: LOTS 1(33.41), 2(33.40), 3(33.38), 4(33.37), 5(18.86), 6(17.01), SW $\frac{1}{4}$ [ALL]

T16S, R24E, SLB&M.

SEC. 4: LOTS 3(39.67), 4(38.86), 5(39.45), 6(39.62), 7(39.87), SE $\frac{1}{4}$ NW $\frac{1}{4}$,
NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ [W $\frac{1}{2}$]

LEASE COVERS ONLY THOSE DEPTHS FROM 500' BELOW SURFACE TO CENTER OF EARTH

AMENDED ACREAGE: 646.90 acres

The parties have agreed that there will be no retroactive refunds or charges to lessee for incorrect descriptions resulting in overpayment or underpayment of rentals. However, any changes to delay rental amounts will be effective immediately and corrected amounts will be due commencing on the next ensuing anniversary date of the lease following the effective date of this amendment and will continue at that rate so long as the lease remains valid and in full force and effect unless the Record Title Lessee is notified otherwise by TLA.

The lease and all other of its terms and conditions remain in full force and effect and are ratified hereby. To the extent necessary to effectuate the intent of the parties stated herein, this amendment shall be deemed to contain present words of grant.

This amendment has been agreed to and executed by the current lessee of record, Moose Mountain Land Company A., LLC; Uton Divide LLC, 935 E. South Union Avenue, Suite D-202, Midvale, UT 84047; and Moose Mountain Divide #1, LLC; Moose Mountain Divide #2, LLC, 4571 South Holladay Blvd., P.O. Box 17397, Salt Lake City, UT 84117.

Upon recommendation of Ms. Garrison, the Director approved the above amendment as listed.

SURFACE ACTIONS

GRAZING PERMITS

GRAZING PERMIT NO. 22868-07 (AMENDMENT - ADDITION OF AUMS)

Marty Palmer, 803 North 500 West, Nephi, UT 84648, has requested the addition of 4 AUMs to the above referenced grazing permit. The Agency's grazing staff has visited the site and recommends the added AUMs be granted. GP 22868-07 will now contain 24 AUMs. The \$50.00 amendment fee and \$15.44 in grazing rental and \$0.40 weed fee, totaling \$65.84, have been paid. Juab County. School Fund.

Upon recommendation of Mr. Scott Chamberlain, the Director approved the addition of AUMs for GP 22868-07.

GRAZING PERMIT NO. 22635 (NON-USE)

Due to wildfire restoration efforts by the BLM within the permit area, Adelbert D. Smith, 240 East 400 North, American Fork, UT 84003-1721, has requested 100% non-use, for the billing year of 2009. The \$20.00 non-use fee has been received. The weed fee in the amount of \$10.80 will be added to the next billing cycle. Utah County. School Fund.

Upon recommendation of Mr. Scott Chamberlain, the Director approved non-use for GP 22635.

GRAZING PERMIT NO. 23077 (PARTIAL NON-USE)

Moon Ranch, LLC, P.O. Box 154, Duchesne, UT 84021, has requested permission to take 32% (133.07 AUMs) non-use for the 2009 grazing season due to drought conditions. The Vernal BLM staff has verified the justification for non-use. The non-use fee of \$20.00 has been paid. The permittee should be billed for 280.93 AUMs in the 2009 grazing season. Duchesne and Uintah Counties. School Fund.

Upon recommendation of Mr. Scott Chamberlain, the Director approved the partial non-use for GP 23077.

RIGHTS OF ENTRY

RIGHT OF ENTRY NO. 5292 (APPROVAL)

The Agency has received a right of entry application from Remote Possibilities RC Club, c/o Darrel Jensen, 70 W. Clover Lane, Washington, UT 84780, to occupy the following described trust land located within St. George City as a runway extension for flying model remote controlled aircraft:

Township 43 South, Range 16 West, SLB&M
Sec 16: Within

St. George City has authorized the applicant to utilize adjoining property owned by the City to place the majority of the runway and other facilities. The Agency's development group has reviewed this proposal and does not have any concerns with this as a temporary use.

RIGHT OF ENTRY NO. 5292 (APPROVAL) (CONTINUED)

The permit will allow for construction and maintenance of a small portion of the runway on trust lands. The area will be fenced to keep livestock out. The permittee has agreed that any improvement costs they have on the property are not reimbursable by the Agency upon cancellation or termination of this permit.

The fee for this right of entry is \$300.00 plus a \$50.00 application and a \$50.00 processing fee, totaling \$400.00. School Fund. Washington County. Beginning Date: March 18, 2009. Expiration Date: March 17, 2010.

Upon recommendation of Mr. Lou Brown, the Director approved Right of Entry No. 5292 for a term of one year.

EASEMENTS**EASEMENT NO. 1484 (APPROVAL)****APPLICANT'S NAME AND ADDRESS:**

Ute Energy, LLC
P.O. Box 789
7074 East 900 South
Fort Duchesne, Utah 84026

LEGAL DESCRIPTION:**Township 9 South, Range 18 East, SLB&M**

Section 16: NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

A 30 foot wide pipeline easement, being 15 feet on either side of its centerline, along with an additional 30 foot wide temporary construction easement, being 15 feet on either side of the 30 foot wide pipeline easement, the centerline of said pipeline easement being more particularly described as follows:

Beginning at a point in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 16, T9S, R18E, SLB&M, which bears N 29°00'50" E 1007.27 feet from the west $\frac{1}{4}$ corner of said Section 16; thence S 89°51'34" E 474.89 feet; thence N 48°13'42" E 1851.56 feet; thence N 70°11'30" E 1233.45 feet to a point in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 16 which bears S 83°03'06" E 850.23 feet from the north $\frac{1}{4}$ corner of said Section 16. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a GPS observation. Contains 2.45 acres, more or less.

Also, beginning at a point on the west line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 16, T9S, R18E, SLB&M, which bears S 00°03'25" W 289.40 feet from the west $\frac{1}{4}$ corner of said Section 16; thence N 34°26'44" E 77.08 feet; thence N 00°26'43" E 856.55 feet to a point in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 16 which bears N 04°31'47" E 632.66 feet from the west $\frac{1}{4}$ corner of said Section 16. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a GPS observation. Contains 0.64 acre, more or less.

Township 10 South, Range 18 East, SLB&M

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

A 30 foot wide pipeline easement, being 15 feet on either side of its centerline, along with an additional 30 foot wide temporary construction easement, being 15 feet on either side of the 30 foot wide pipeline easement, the centerline of said pipeline easement being more particularly described as follows:

EASEMENT NO. 1484 (APPROVAL) (CONTINUED)

Beginning at a point on the south line of the SE¼SW¼ of Section 2, T10S, R18E, SLB&M, which bears N 89°41'40" W 25.26 feet from the south ¼ corner of said Section 2; thence N 35°34'33" E 264.67 feet; thence N 20°29'13" E 110.97 feet; thence N 47°38'26" E 154.75 feet; thence N 26°16'43" E 218.64 feet; thence N 35°08'47" E 412.29 feet; thence N 10°14'59" E 168.34 feet; thence N 13°45'15" W 140.53 feet; thence N 48°47'46" W 507.02 feet; thence N 47°36'13" W 441.84 feet; thence N 33°36'30" W 193.55 feet; thence N 53°29'37" W 910.53 feet; thence N 06°35'02" W 141.76 feet; thence N 52°17'36" W 221.15 feet; thence N 08°20'19" W 137.50 feet; thence N 23°55'15" E 287.97 feet; thence N 30°43'07" W 183.22 feet; thence N 30°28'44" W 1595.65 feet; thence N 08°16'29" W 418.04 feet; thence N 89°20'15" W 566.39 feet; thence S 88°40'41" W 54.82 feet to a point on the west line of Lot 4 of said Section 2 which bears S 00°17'21" W 75.45 feet from the northwest corner of said Section 2. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a GPS observation. Contains 4.91 acres more or less.

COUNTY: Uintah

ACRES: 8.00, m/l

FUND: School

PROPOSED ACTION:

The applicant has requested a non-exclusive easement to construct, operate, repair, and maintain a buried 12-inch diameter natural gas pipeline located within Uintah County. This pipeline, known as the Three Rivers Phase III Pipeline, will be used to transport existing production from offset federal, state, and Ute Indian Tribe lease holdings to more favorable markets in Utah and Colorado. The proposed easement corridor is 11,623.16 feet long and 30 feet wide, containing 8.00 acres. The applicant has also requested an additional 30 foot wide temporary easement for use during the construction phase of the project. The requested term of the easement is 20 years.

RELEVANT FACTUAL BACKGROUND:

The subject "Application to Purchase an Easement" was received on February 12, 2009. It was submitted for Agency review on February 19, 2009, and was accepted by the Director on March 5, 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 February 19, 2009. The following comments were received from the RDCC:

Department of Environmental Quality/Division of Air Quality:

"The proposed construction and operation of a twelve-inch buried natural gas pipeline in Uintah County, known as the Three Rivers Phase III Pipeline, 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 online 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 a 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. 1484 (APPROVAL) (CONTINUED)

Utah Geological Survey:

"There are known significant vertebrate fossil localities recorded in our files in or near this project area, and the Eocene Uinta Formation that is exposed here has the potential for yielding additional significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends a paleontological survey be conducted for this project by a paleontologist with a valid permit."

The following comment was received from the Uintah County Commission:

"Thank you for the opportunity to comment on the construction, operation, repair, and maintenance by Ute Energy, LLC of a 12-inch buried natural gas pipeline located in T9S, R18E, Sec. 16: NW¹/₄NE¹/₄, S¹/₂NW¹/₄, NE¹/₄NW¹/₄ (within), and T10S, R18E, Sec. 2: Lot 4, S¹/₂NW¹/₄, E¹/₂SW¹/₄, W¹/₂SE¹/₄ (within) in Uintah County. The pipeline, known as the Three Rivers Phase III Pipeline, would transport existing production from the offset federal, state, and Ute Indian Tribe lease holdings to more favorable markets in Utah and Colorado. The proposed easement corridor is 11,510 feet long and 30 feet wide, containing 11.45 acres. An additional 30 foot wide temporary easement [has been requested] by the [applicant] for use during the construction phase of the project.

"It is our understanding that the proposed buried pipeline will be placed outside of Uintah County's road rights-of-way.

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

"We ask that Ute Energy, LLC 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 comment at this time but reserve the right to comment at a later date, if warranted."

Several cultural resource inventories have been conducted within the proposed easement corridor (U-04-MQ-0109s, U-06-MQ-0657s, U-06-GB-0369s and U-00-AF-0576b,s). One eligible site is located within the project area. The site (42Un2292) is a petroglyph panel on a large boulder. The site will be monitored and avoided by all construction activities.

It will be necessary to seed the project area. Specifications for the seed mix will be provided by the Agency.

EVALUATION OF FACTS:

The comments submitted through the RDCC have been evaluated and the Agency's response was as follows:

Utah Division of Air Quality:

"The applicant has been informed of the comments submitted by the Utah Division of Air Quality. Furthermore, our easement agreement requires that the Grantee comply with the provisions of all Federal, State, County and Municipal laws, ordinances, and regulations which are applicable to the subject tract and operations covered by the easement."

EASEMENT NO. 1484 (APPROVAL) (CONTINUED)

Utah Geological Survey:

"A paleontological survey of the proposed easement corridor has been conducted by Intermountain Paleo-Consulting (Report No. 09-38). No vertebrate fossils were discovered during the survey and it was recommended that no paleontological restrictions be placed upon the development of the project. However, the applicant has been informed that if any fossil materials are discovered during construction a qualified paleontologist should be contacted immediately to evaluate the discovery."

The applicant has been notified of the comments received from the RDCC and Uintah County as well as the Agency's response.

The Agency's archaeology staff has reviewed the cultural resource documents submitted in support of the proposed easement and has granted cultural resource clearance for the project with a finding of "No Historic Properties Affected," provided that the eligible site is monitored and avoided by all construction activities.

A performance bond will not be required at this time. However, the easement agreement will contain a provision requiring the applicant to post a bond at any time during the term of the easement should it be deemed necessary by the Agency.

Upon recommendation of Mr. Chris Fausett, the Director approved the applicant's request for a non-exclusive easement. The term of the easement will be for 20 years beginning June 1, 2009, and expiring May 31, 2029. The application fee of \$750.00 and the easement rental assessment of \$13,384.24 have been submitted. Pursuant to R850-40-1800, an administrative fee will be assessed every three years throughout the term of the easement, with the first payment being due January 1, 2012.

EASEMENT NO. 1462 (CORRECTION OF DIRECTOR'S MINUTES DATED MAY 18, 2009)

On the Director's Minutes of May 18, 2009, the Director approved Easement No. 1462, issued to Beaver County, 105 East Center Street, P.O. Box 789, Beaver, Utah, 84713. The easement was issued for the purpose of the operation, repair, and maintenance of a number of access roads throughout Beaver County. The easement was issued for a perpetual term.

It has been discovered that in the legal description for County Road Number B-258 (Blawn Basin Road), the lands in Section 14 were incorrectly listed as:

Township 29 South, Range 15 West, SLB&M

Section 14: SE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

The correct description should read:

Township 29 South, Range 15 West, SLB&M

Section 14: SE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$ (within)

It has also been discovered that in the legal description for County Road Number B-50 (Dryland Farm Road), the lands in Section 32 were incorrectly listed as:

Township 28 South, Range 7 West, SLB&M

Section 32: SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

EASEMENT NO. 1462 (CORRECTION OF DIRECTOR'S MINUTES DATED MAY 18, 2009) (CONTINUED)

The correct description should read:

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

Beaver County

School and Reservoirs Funds

Upon recommendation of Mr. Chris Fausett, the Director approved the correction to the Director's Minutes dated May 18, 2009.

SPECIAL USE LEASE AGREEMENTS**SPECIAL USE LEASE AGREEMENT NO. 819 (RECLAMATION BOND)**

Pursuant to Paragraph 12 of the lease agreement, Commnet Cellular, Inc., dba Verizon Wireless, 180 Washington Valley Road, Bedminster, NJ 07921, has submitted Surety Bond No. 8216-06-15. The bonding company is Chubb Group of Insurance Companies, Surety Department, 15 Mountain View Road, P.O. Box 1615, Warren, NJ 07061-1615. The reclamation bond is for \$5,000.00 and will remain in full force and effect until released by the Trust Lands Administration. Iron County. School Fund.

Upon recommendation of Mr. Gary Bagley, the Director accepted the bond submitted for SULA 819.

SPECIAL USE LEASE AGREEMENT NO. 1081 (ANNUAL REVIEW)

SULA 1081 is leased to Division of Wildlife Resources, P.O. Box 146301, Salt Lake City, UT 84114-6301. This is a government lease for an administrative cabin site in Grand County. School Fund.

1. **ANNUAL RENTAL:**

The annual review date for this lease is August 1, 2009. The subject property is used for an administrative cabin site on the LaSal Mountains. Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. The CPI adjusted rental is greater than the preliminary market value rental estimate. Therefore, it is recommended that the CPI index be used. This index indicated that no adjustment in rental is necessary. The current rental of \$1,460.00 per year will remain in effect for the next year, effective August 1, 2009. A certified notice was sent to inform the lessee of the date of this action and the right to oppose and/or appeal the action. No response was received.

Current lease fee: \$1,460.00

Acres in lease: 1.00

Rental per acre: \$1,460.00

2. **DUE DILIGENCE:**

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

3. **PROPER USE:**

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

SPECIAL USE LEASE AGREEMENT NO. 1081 (ANNUAL REVIEW) (CONTINUED)

4. **ADEQUATE INSURANCE AND BOND COVERAGE:**
Insurance coverage is not presently required by the lease agreement. The lessee is insured under the State of Utah Risk Management, which covers liability on this lease. The lease allows for a bond to be required any time during the lease at the discretion of the Agency. It has been determined that a bond is not required at this time.
5. **ESTABLISHMENT OF WATER RIGHTS:**
A portion of Water Right No. 05-3094 is associated with this lease. This water right is in the name of the Trust Lands Administration.
6. **POLLUTION AND SANITATION REGULATIONS:**
The Agency is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.
7. **NEXT ASSESSMENT DATE:**
The next assessment date will be August 1, 2010

Upon recommendation of Mr. Lou Brown, the Director approved the annual review for SULA 1081.

SPECIAL USE LEASE AGREEMENT NO. 1115 (THREE-YEAR REVIEW)

SULA 1115 is leased to Johnny & Launa Olearain, 3415 Price Hills, St. George, UT 84790. This is a residential lease for a residential home site in San Juan County. School Fund.

1. **ANNUAL RENTAL:**
The three-year review date for this lease is August 1, 2009. The subject property is used for a residential home site. Based on an analysis of the lease rental pursuant to Board policy, it has been determined that an appraisal is not warranted. The CPI adjusted rental is greater than the preliminary market value rental estimate. Therefore, it is recommended that the CPI index be used to adjust the annual rental from \$1,460.00 per year to \$1,550.00 per year, effective August 1, 2009. A certified notice was sent to inform the lessee of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$1,550.00
Acres in lease: 6.55
Rental per acre: \$236.64
2. **DUE DILIGENCE:**
The development allowed by the lease has occurred. It is recommended that the lease be kept in force.
3. **PROPER USE:**
The leased premises are being used in accordance with the lease agreement.
4. **ADEQUATE INSURANCE AND BOND COVERAGE:**
The lessee has provided proof of insurance as required by the lease. The lease allows for a bond to be required any time during the lease at the discretion of the Agency. It has been determined that a bond is not required at this time.
5. **ESTABLISHMENT OF WATER RIGHTS:**
Water Right No. 05-1839, in the name of the Trust Lands Administration, is for .015 CFS for stock watering, irrigation, and domestic use from a spring.

SPECIAL USE LEASE AGREEMENT NO. 1115 (THREE-YEAR REVIEW) (CONTINUED)

- 6. POLLUTION AND SANITATION REGULATIONS:
The Agency is unaware of any violations of valid sanitation and pollution regulations as prescribed by any governmental agency having jurisdiction. There is no evidence of underground storage tanks on the premises.
- 7. NEXT ASSESSMENT DATE:
The next assessment date will be August 1, 2012

Upon recommendation of Mr. Lou Brown, the Director approved the three-year review for SULA 1115.

DEVELOPMENT ACTIONS

DEVELOPMENT SUBDIVISION SALE

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

SUBD 13.0 Villas at Hidden Valley Second Amended and Extended.

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

LEGAL DESCRIPTION: (SUBDIVISION)

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

PURCHASER:

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

LOT SALE DESCRIPTION:

Desc /	Certificate #	Cert/Sale Dt	Patent #	Patent Dt	Lot Price	Fee	Acreage	Fund	Section
Lot 8	26418-13-8	05/18/09	19991-13-8	09/23/08	\$48,400.00	\$100.00	0.07	SCH	18

LIST MINERAL RESERVATIONS:

Subject to a reservation to the State of all coal and other mineral deposits along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits.

LIST SURFACE RESERVATIONS:

Subject to an easement across the property for utilities as shown on the recorded plat map; also,

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

Subject to the Covenants, Conditions, and Restrictions that have been recorded for the subdivision.

This item was submitted for record-keeping purposes by Andrea L. James.

DEVELOPMENT SUBDIVISION SALE

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

SUBD 10.0 Highland Park Phase 1 Subdivision

This transaction has 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 141	26377-10-141	05/14/09	19928-10-141	07/07/06	\$8,155.20	\$20.00	0.19	SCH	7
Lot 264	26377-10-264	05/21/09	19928-10-264	07/07/06	\$7,797.07	\$20.00	0.11	SCH	7

LIST MINERAL RESERVATIONS:

Subject to a reservation to the State of all coal and other mineral deposits along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits.

LIST SURFACE RESERVATIONS:

Subject to an easement across the property for utilities as shown on the recorded plat map; also,

Subject to any valid, existing rights of way of any kind and any right, interest, reservation or exception appearing of record, and subject also to all rights of way for ditches, tunnels, and telephone and transmission lines that have been or may be constructed by the United States as provided by statute.

Subject to the Covenants, Conditions, and Restrictions that have been recorded for the subdivision.

This item was submitted for record-keeping purposes by Andrea James.

**NOTICE OF RELOCATION OF DRAINAGE CHANNEL UNDER AMENDED LICENSE AGREEMENT
(EASEMENT NO. 943)**

Also see Director's Minutes dated August 12, 2005, and November 12, 2004.

PROJECT: Cedar City Industrial
 PROJECT MANAGER: Rodger Mitchell
 PROJECT CODE: CDIND 000 00
 FUND: 72.57% School
 16.88% Normal School
 10.55% School of Mines
 DATE OF NOTICE: May 26, 2009
 TERM: Perpetual
 LICENSEE: Cedar City Corporation,
 10 North Main
 Cedar City, UT 84721
 DEVELOPER: Devon Childs
 1268 South 860 West
 Cedar City, UT 84720

LEGAL DESCRIPTION:

Township 36 South, Range 12 West, SLB&M
 Section 1:

A 30 FOOT WIDE DRAINAGE EASEMENT, THE CENTERLINE OF WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT N 00°04'43" W ALONG THE SECTION LINE 52.15 FEET AND N 90°00'00" E, 46.81 FEET FROM THE WEST 1/4 CORNER OF SECTION 1, T36S, R12W, SLB&M; THENCE S 78°50'31" E, 516.41 FEET TO A POINT OF CURVATURE TO THE LEFT, HAVING A RADIUS OF 368.00 FEET AND A CENTRAL ANGLE OF 12°22'05"; THENCE ALONG THE ARC OF SAID CURVE 79.44 FEET; THENCE N 88°47'25" E, 1600.01 FEET TO A POINT OF CURVATURE TO THE LEFT, HAVING A RADIUS OF 583.00 FEET AND A CENTRAL ANGLE OF 31°20'31"; THENCE ALONG THE ARC OF SAID CURVE 318.91 FEET TO A POINT OF REVERSE CURVATURE TO THE RIGHT, HAVING A RADIUS OF 20.00 FEET AND A CENTRAL ANGLE OF 31°20'27"; THENCE ALONG THE ARC OF SAID CURVE 10.94 FEET; THENCE N 88°47'07" E, 1332.20 FEET TO A POINT OF CURVATURE TO THE LEFT, HAVING A RADIUS OF 50.00 FEET AND A CENTRAL ANGLE OF 88°58'41"; THENCE ALONG THE ARC OF SAID CURVE 77.65 FEET; THENCE N 00°11'34" W, 263.30 FEET; THENCE N 89°10'47" E, 55.00 FEET TO THE POINT OF ENDING.

Containing 2.92 acres, more or less.

NUMBER OF ACRES BY COUNTY: 2.92 acres - Iron County
 NUMBER OF ACRES BY FUND: 2.12 acres - School = 72.57%
 0.49 acres - Normal School = 16.88%
 0.31 acres - School of Mines = 10.55%

NOTICE OF RELOCATION OF DRAINAGE CHANNEL UNDER AMENDED LICENSE AGREEMENT (EASEMENT NO. 943) (CONTINUED)

DESCRIPTION OF TRANSACTION:

License Agreement (ESMT 943) covers a drainage channel around portions of our Cedar City Industrial property, and Amendment No. 1 modifies ESMT 943 regarding the actual location of the constructed drainage channel. As noted in Section 2 of the License Agreement, the Licensor is permitted to move the Drainage Channel and replace it in an alternate location to accommodate construction issues that arise during development of the lands owned by the Licensor. Therefore, the Trust Lands Administration (the "Licensor") has approved the removal of the current drainage channel and the relocation of the drainage channel to the lands described above.

MINERAL LEASES CANCELED: None

SURFACE LEASES CANCELED: None

Upon recommendation of Andrea L. James, the Director approved the above item.

ACTIONS CONTAINING FEE WAIVERS

GRAZING PERMIT NO. 22540 (NON-USE, FEE WAIVER)

Part of this permit lies within the Mohrland Allotment which has had large portions of seeding done. Therefore, the above grazing permit, in the name of Hatch Livestock, c/o Ira Hatch, P.O. Box 118, Huntington, UT 84528, is being required to take 100% (110 AUMs) non-use, for the billing years of 2009 and 2010. The permittee will pay the \$11.00 weed fee. The \$20.00 non-use fee has been waived because this is an Agency mandatory non-use. Emery County. School Fund.

Upon recommendation of Mr. Scott Chamberlain, the Director approved the non-use and fee waiver for GP 22540 for the billing years of 2009 and 2010.