

JUNE 15, 2009

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON JUNE 15, 2009, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, FEE WAIVER, AND TRUST ACCOUNTING BUSINESS MATTERS AS INDICATED AND WHICH BECAME EFFECTIVE AT 6:00 P.M. ON JUNE 15, 2009.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 7; SURFACE ACTIONS AS LISTED ON PAGES 8 TO 15; ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 15; AND TRUST ACCOUNTING ACTIONS AS LISTED ON PAGE 15.

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 29, 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. 440 SAND AND GRAVEL (APPROVAL)

APPLICANT:

James Keogh
1383 South Spanish Valley Drive
P.O. Box 1476
Moab, UT 84532

AFFECTED LANDS:

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

Section 32: Beginning at the Northwest corner of said Section 32, thence East 150 feet, thence South 290 feet, thence West 150 feet, thence North 290 feet to the point of beginning.

COUNTY: Grand

ACRES: 1.0±

FUND: SCH

PROPOSED ACTION:

Applicant proposes to mine common sand and gravel on the subject lands in support of construction projects in the area.

RELATIVE FACTUAL BACKGROUND:

The subject lands have been impacted by historic sand and gravel operations. Applicant previously held Materials Permit No. 306 on the subject lands. A cultural resource survey (U-04-UP-0654s) was conducted on subject lands with no historic properties (I.E. Cleared). The public notice process was completed. No responses were received from adjoining landowners during this process. Applicant has agreed to pay annual rental of \$10 per acre per year. A royalty rate of \$0.55 per cubic yard for material produced from this permit area was set. Applicant has agreed to mine, and pay in advance, for a minimum of 1000 cubic yards of material for each year of the permit term. Applicant requested a term of five (5) years.

EVALUATION OF FACTS:

R850-23-200 states that the Trust Lands Administration may issue materials permits or convey profits a prendre or similar interests on trust lands where the Trust Lands Administration deems it consistent with land use plans and Trust responsibilities. Mining of sand and gravel is a historic use of the subject lands and an appropriate use of the lands pursuant to R850-23-200. The royalty rates set for commodities from this site are consistent with royalty rates for other material permit sites on trust lands in Southeastern Utah. These rates reflect fair market value for the materials and meet the requirements of R850-23-300. The term of the permit is five (5) years which is consistent with the requirements of R850-23-600.

This action qualifies for an exception to the Administrative Policy of Records of Decision. This action is not considered substantive and does not warrant the time and expense to complete a full narrative record of decision, nor is there any evidence that any interested party might be denied access to an appeal process. This summary shall constitute the record of decision.

Upon recommendation of Mr. Randy Harden, the Director approved the issuance of Materials Permit No. 440 for a term of five (5) years.

MATERIALS PERMIT NO. 394 SAND AND GRAVEL (CORRECTION)

The Director's Minutes dated June 22, 2007, and the agreement for Materials Permit No. 394 incorrectly described the legal description. The correct legal description is as follows:

Township 21 South, Range 14 East, SLB&M.

Section 2: W $\frac{1}{2}$ of Lot 9 (20.00), W $\frac{1}{2}$ of Lot 16 (20.00), All of Lot 10 (40.00), All but the SW $\frac{1}{4}$ of Lot 15 (30.00), N $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ (20.00), SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ (10.00 acres)

COUNTY: Emery

ACRES: 140.0 \pm

FUND: SCH

Upon recommendation of Mr. Harden, the Director approved the above-listed correction for Materials Permit No. 394.

MATERIALS PERMIT NO. 406 SAND AND GRAVEL (CORRECTION)

The Director's Minutes dated June 1, 2009, listed the legal description incorrectly. 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 $\frac{1}{4}$:

Beg at a point that is N 88°52'16" E 7714.67 ft, th N 9°48'52" E 572.21 ft from the SW cor of Sec. 31, T20S, R24E, SLB&M., to POB; th running N 69°32'43" W 17.36 ft; th N 53°45'0" W 25.46 ft; th N 56°19'52" W 24.67 ft; th N 44°57'4" W 27.12 ft; th N 39°6'24" W 28.24 ft; th N 30°5'39" W 30.033 ft; th N 9°51'30" W 32.001 ft; th N 6°36'6" E 25.398 ft; th N 25°46'38" E 37.345 ft; th N 24°50'56" E 19.596 ft; th N 27°37'35" E 32.475 ft; th N 2°3'34" E 38.345 ft; th N 38°15'36" W 35.975 ft; th N 60°44'48" W 29.406 ft; th N 48°0'29" W 29.62 ft; th N 30°18'22" W 29.907 ft; th N 12°3'33" W 29.523 ft; th N 6°19'9" E 29.807 ft; th N 9°43'46" W 28.926 ft; th N 23°18'18" W 30.186 ft; th N 12°22'29" W 29.088 ft; th N 14°15'0" E 29.856 ft; th N 35°54'4" E 30.66 ft; th N 51°41'15" E 31.276 ft; th N 65°44'22" E 28.825 ft; th S 78°19'55" E 26.767 ft; th S 59°8'32" E 30.384 ft; th S 60°39'58" E 30.069 ft; th S 47°38'53" E 29.123 ft; th S 34°9'22" E 30.211 ft; th S 23°31'16" E 29.842 ft; th S 14°50'14" E 29.596 ft; th S 13°52'55" E 29.537 ft; th S 19°8'32" E 29.415 ft; th S 24°24'7" E 29.542 ft; th S 26°32'12" E 29.594 ft; th S 27°18'12" E 29.611 ft; th S 24°15'14" E 29.471 ft; th S 14°24'24" E 29.538 ft; th S 7°30'26" E 29.882 ft; th S 2°5'18" E 29.711 ft; th S 9°11'57" W 29.347 ft; th S 17°41'38" W 29.685 ft; th S 21°15'2" W 29.781 ft; th S 25°38'53" W 29.334 ft; th S 29°58'8" W 29.161 ft; th S 33°35'8" W 29.892 ft; th S 39°28'40" W 31.581 ft; th S 47°48'51" W 30.242 ft, m/l, to pob for a total of approximately 2.38 acres.

COUNTY: Grand

ACRES: 2.38 \pm

FUND: SCH

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

APPROVAL OF MINERAL MATERIALS PERMIT APPLICATION (SCH)

The following application was received for a Mineral Materials Permit to harvest Sandstone Surface Boulders. The lands have been checked by the Minerals Group and are found to be open and available for issuance of the permit. The applicant has submitted payment of \$900, including a \$100 filing fee and \$800 for the first year annual rental. The permit will be issued using the Agency's standard Mineral Materials Permit form, within the parameters as described below. Rental overpayment of \$70 is noted with the application.

ML 51624-MP

Abelecio J. Jiron

83 Turnbuckle Rd.

Saratoga Springs, UT 84045

T6S, R1W, SLB&M.

SEC. 16: LOTS 6(36.33), 7(36.39)

Utah

72.72 acres

Commodity: Sandstone Surface Boulders.
 Term of Permit: Three years.
 Royalty Rate: 10% gross value, f.o.b. quarry, but not less than \$15.00 per ton.

RENTAL CREDIT: \$70

Upon recommendation of Mr. Blake, the Director approved the application as described above.

METALLIFEROUS MINERAL 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:

ML 51623

Zachary J. Powell &

Clark R. Powell

P.O. Box 36

Cleveland, UT 84518

T22S, R16E, SLB&M.

SEC. 27: LOT 11(9.47)

SEC. 34: LOTS 2(10.90), 3(38.66), NW¼NE¼

Emery

99.03 Acres

Annual Rental: \$500

FUND: SCH

APPROVAL OF OIL, GAS, AND ASSOCIATED HYDROCARBONS LEASES – ML 51621-OBA, AND ML 51622-OBA

The Board, at its meeting on June 4, 2009, approved the above-listed lease applications as follows:

<p><u>Mineral Lease No. 51621-OBA</u> Wolverine Gas and Oil Corporation One Riverfront Plaza 55 Camapu, N.W. Grand Rapids, MI 45903-2616</p> <p>FUND: SCH</p>	<p><u>T19S, R1E, SLB&M.</u> SEC. 8: SW¼, N½SE¼ SEC. 17: NW¼NW¼ SEC. 18: NE¼, E½NW¼, N½SE¼ SEC. 19: BEG AT THE NE COR OF THE NE¼; TH RUNNING S 21.60 CHS; TH N 89°30' W 12 CHS; TH S 30' W 8.50 CHS; TH W 8.15 CHS; TH N 30.05 CHS; TH E 20.20 CHS TO THE POB, CONTAINING 50.46 ACRES, M/L.</p>	<p>Sanpete 650.46 acres</p>
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<p><u>Mineral Lease No. 51622-OBA</u> Wolverine Gas and Oil Corporation One Riverfront Plaza 55 Campau, N.W. Grand Rapids, MI 45903-2616</p> <p>FUND: SCH: 314.02 USU: 121.44</p>	<p><u>T19S, R1W, SLB&M.</u> SEC. 24: BEG AT 0.50 OF A CH S FROM THE NW COR OF SEC.; TH RUNNING S 42.50 CHS; TH S 46°55' E 3.29 CHS; TH S 41°11' E 18.84 CHS; TH S 13°45' W 6.67 CHS; TH S 56°27' E 6.53 CHS; TH N 48°48' E 1.09 CHS; TH S 31° E 2.50 CHS; TH S 47°5' E 3.18 CHS; TH S 56°15' E 5.44 CHS; TH S 70°55' E 3.77 CHS; TH S 85°15' E 5.61 CHS; TH S 51°55' E 3.10 CHS; TH E 0.80 OF A CH; TH N 77.60 CHS; TH W 13.63 CHS; TH N 1.90 CHS; TH W 26.37 CHS TO POB, CONTAINING 260.83 ACRES, M/L. ALSO, BEG 2.40 CHS S FROM THE NW COR OF THE NE¼ OF SEC; TH S 17.60 CHS; TH E 40 CHS; TH N 19.50 CHS; TH W 1.15 CHS; TH S 1°40' E 7.81 CHS; TH S 88°50' W 19.85 CHS; TH N 85°7' W 11 CHS; TH N 5.84 CHS; TH W 8.28 CHS TO POB, CONTAINING 53.19 ACRES, M/L. SEC. 26: TRACTS 40(40.36), 41(40.36), 68(40.72)</p>	<p>Sanpete 435.46 acres</p>
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These leases are issued with the following terms:

1. Paragraph 2.1. Primary Term. Where the words "five (5) years" appears in this paragraph, they are herewith replaced with the words "twenty (20) months, beginning June 1, 2009, and expiring at midnight, January 31, 2011".
2. As an additional condition of this lease, Wolverine agrees to commence, or cause to be commenced, actual drilling operations at a location of its selection on or before midnight, July 31, 2010, on lands within the red outlined area shown on Exhibit "A" map attached to letter agreement between School and Institutional Trust Lands Administration ("TLA") and Wolverine Gas and Oil Corporation ("Wolvgas") dated May 13, 2009. The well may or may not be located on TLA lands. If, by that date, actual drilling operations have not commenced within the red outlined area pursuant to the letter agreement, Wolvgas must pay a penalty of \$100,000 payable on August 1, 2010.

APPROVAL OF OIL, GAS, AND ASSOCIATED HYDROCARBONS LEASES – ML 51621-OBA, AND ML 51622-OBA (CONTINUED)

3. If actual drilling operations are not commenced on lands covered by this lease or lands pooled or unitized therewith on or before midnight, January 31, 2011, that would otherwise extend the lease under Paragraph 2, the lease will expire by its own terms.

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

TRUST DEED, MORTGAGE, ASSIGNMENT, SECURITY AGREEMENT, FIXTURE FILING, AND FINANCING STATEMENT FROM GASCO PRODUCTION COMPANY TO MICHAEL R. CARLSTON, TRUSTEE, AND JP MORGAN CHASE BANK, N.A., AS ADMINISTRATION AGENT – ML 13215-A, ML 26968, ML 45171, ML 45172, ML 46301, ML 47056, ML 47067, ML 48266, ML 48928, ML 49308, AND ML 49945 (ALL SCH) – OIL, GAS, AND HYDROCARBON

This office is in receipt of a Trust Deed, Mortgage, Assignment, Security Agreement, Fixture Filing, and Financing Statement from Gasco Production Company to Michael R. Carlston, Trustee, and JP Morgan Chase Bank, N.A., as Administration Agent, c/o Christine B. Miramontes, Fulbright & Jaworski L.L.P., 2200 Ross Avenue, Suite 2800, Dallas, TX 75201-2784, dated May 22, 2009, covering the above-numbered leases.

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

RELEASE OF OIL, GAS, AND HYDROCARBON LEASES – ML 49421-OBA, ML 49422-OBA, ML 49423-OBA, AND ML 49424-OBA

The above-numbered leases are being released per letter agreement dated May 13, 2009, between lessee, Wolverine Gas and Oil Corporation, and Trust Lands Administration.

<u>LEASE NUMBER</u>	<u>DESCRIPTION</u>	<u>COUNTY/ACRES</u>
<u>ML 49421-OBA</u> (SCH)	<u>T19S, R1E, SLB&M.</u> SEC. 2: LOTS 1(40.31), 2(40.53), 3(40.75), S½NE¼, S½SW¼, E½SE¼, SW¼SE¼ SEC. 3: LOTS 1(40.98), 2(40.75), 3(40.53), 4(40.31), S½N½, S½ [ALL] SEC. 4: LOTS 1(40.22), 2(40.27), 3(40.32), 4(40.37), S½N½, S½ [ALL] SEC. 5: LOTS 1(40.30), 2(40.10), 3(39.90), 4(39.70), S½N½, N½SW¼, SW¼SW¼, SE¼	Sanpete 2285.34 acres
<u>ML 49422-OBA</u> (SCH)	<u>T19S, R1E, SLB&M.</u> SEC. 6: LOTS 1(39.65), 2(39.75), 3(39.85), 5(40.43), 7(40.48), S½NE¼, SE¼SW¼, E½SE¼, SW¼SE¼ SEC. 7: LOTS 1(40.60), 2(40.81), 3(41.03), 4(41.25), E½, E½W½ [ALL] SEC. 8: NE¼NE¼, W½NE¼, E½SE¼NE¼, N½NW¼SE¼NE¼ SW¼NW¼SE¼NE¼, W½W½SW¼SE¼NE¼, W½, N½SE¼ SEC. 9: N½ SEC. 10: N½, N½S½, SE¼SE¼	Sanpete 2473.85 acres

RELEASE OF OIL, GAS, AND HYDROCARBON LEASES – ML 49421-OBA, ML 49422-OBA, ML 49423-OBA, AND ML 49424-OBA (CONTINUED)

ML 49423-OBA

SCH: 1938.46

USU: 5.47

T19S, R1W, SLB&M.

SEC. 11: NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$

SEC. 14: NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$

SEC. 15: NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$

SEC. 17: NW $\frac{1}{4}$ NW $\frac{1}{4}$

SEC. 18: NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$

SEC. 19: BEG AT THE NE COR OF THE NE $\frac{1}{4}$ OF SEC., TH RUNNING S 21.60 CHS; TH N 89°30' W 12 CHS; TH S 00°30' W 8.50 CHS; TH W 8.15 CHS; TH N 30.05 CHS; TH E 20.20 CHS TO POB, CONTAINING 50.46 ACRES, M/L.

SEC. 22: N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$

SEC. 23: W $\frac{1}{2}$ NW $\frac{1}{4}$

SEC. 24: BEG AT THE NE COR OF THE SW $\frac{1}{4}$ SW $\frac{1}{4}$ OF SEC. AND RUNNING TH E 20 CHS; TH N 20 CHS; TH E 20 CHS; TH N 40 CHS; TH W 15 CHS; TH IN A SW'LY DIRECTION ALONG WHAT IS KNOWN AS THE GLEDHILL DITCH A DISTANCE OF 13 CHS; TH DUE W 3.33 CHS; TH IN A SW'LY DIRECTION ALONG THE SAID GLEDHILL DITCH A DISTANCE OF 18.5 CHS; TH S 43.33 CHS TO POB, AND CONTAINING 168 ACRES, M/L.

SEC. 30: BEG AT A POINT WHICH IS W 4 CHS; N 2.88 CHS; N 89°30' W 10.4 CHS; N 1°15' E 1.13 CHS FROM THE SE COR OF SEC; TH N 89°45' W 6 CHS; N 10°15' E 9.12 CHS; TH S 89°30' E 5 CHS M/L TO A POINT WHICH IS N 1°15' E 9.12 CHS FROM POB; TH S 1°15' W 9.12 CHS, TO POB, CONTAINING 5.47 ACRES, M/L.

Sanpete

1943.93 acres

ML 49424-OBA

SCH: 747.38

USU: 778.33

T19S, R1W, SLB&M.

SEC. 24: BEG AT 0.50 OF A CH S FROM THE NW COR OF SEC; TH RUNNING S 42.50 CHS; TH S 46°55' E 3.29 CHS; TH S 41°11' E 18.84 CHS; TH S 13°45' W 6.67 CHS; TH S 56°27' E 6.53 CHS; TH N 48°48' E 1.09 CHS; TH S 31° E 2.50 CHS; TH S 47°5' E 3.18 CHS; TH S 56°15' E 5.44 CHS; TH S 70°55' E 3.77 CHS; TH S 85°15' E 5.61 CHS; TH S 51°55' E 3.10 CHS; TH E 0.80 OF A CH; TH N 77.60 CHS; TH W 13.63 CHS; TH N 1.90 CHS; TH W 26.37 CHS TO POB, CONTAINING 260.83 ACRES, M/L.

ALSO, BEG 2.40 CHS S FROM THE NW COR OF THE NE $\frac{1}{4}$ OF SEC; TH S 17.60 CHS; TH E 40 CHS; TH N 19.50 CHS; TH W 1.15 CHS; TH S 1°40' E 7.81 CHS; TH S 88°50' W 19.85 CHS; TH N 85°7' W 11 CHS; TH N 5.84 CHS; TH W 8.28 CHS TO POB, CONTAINING 53.19 ACRES, M/L. CONTAINING IN ALL 314.02 ACRES, M/L.

Sanpete

1525.71 acres

RELEASE OF OIL, GAS, AND HYDROCARBON LEASES – ML 49421-OBA, ML 49422-OBA, ML 49423-OBA, AND ML 49424-OBA (CONTINUED)

ML 49424-OBA (cont.)

T19S, R1W, SLB&M. (cont.)

- SEC. 26: LOTS 7(21.25), 8(22.08), TRACTS 39(37.00), 40(40.36), 41(40.36), 68(40.72)
- SEC. 27: LOT 1(6.06), PART OF TRACT 45(16.83), PART OF TRACT 46(33.24)
- SEC. 34: TRACT 43(70.37), PART OF TRACT 45(22.49), PART OF TRACT 46(33.22), PART OF SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ (2.37), PART OF SW $\frac{1}{4}$ NE $\frac{1}{4}$ (16.14), PART OF NE $\frac{1}{4}$ NW $\frac{1}{4}$ (39.31), SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, PART OF NW $\frac{1}{4}$ SE $\frac{1}{4}$ (26.98), PART OF SW $\frac{1}{4}$ SE $\frac{1}{4}$ (39.20), PART OF SE $\frac{1}{4}$ SE $\frac{1}{4}$ (15.00)
- SEC. 35: N $\frac{1}{2}$ NE $\frac{1}{4}$, PART OF TRACT 25(12.82), TRACTS 28(40.24), 34(40.67), 70(40.78), 71(40.84)
- SEC. 36: TRACTS 79(40.83), 80(40.83)

T19S, R1E, SLB&M.

- SEC. 31: METES AND BOUNDS AS FOLLOWS:
AND

T19S, R1W, SLB&M.

- SEC. 36: BEG AT A POINT S 00°18' E 20.13 CHS AND S 89°29' W 26 CHS FROM THE NE COR OF THE SE $\frac{1}{4}$ OF SEC, TH N 22°36' E 21.81 CHS; TH N 00°16' E 20.13 CHS; TH S 89°31' W TO THE SEVIER RIVER, TH FOLLOWING THE MEANDER LINE OF SAID SEVIER RIVER IN A S'LY DIRECTION TO A POINT S 89°29' W FROM POB, TH N 89°29' E TO POB, CONTAINING 50.00 ACRES, M/L.
- ALSO, BEG AT THE NE COR OF THE SE $\frac{1}{4}$ OF SEC., TH S 18' E 20.13 CHS; TH S 89°29' W 26 CHS; TH N 22°36' E 21.81 CHS; TH N 00°16' E 20.13 CHS; TH N 89°31' E 17.30 CHS; TH N 00°18' W 20.13 CHS; TH N 89°26' E 26.07 CHS; TH S 00°28' W 20.13 CHS; TH S 00°50' E 11.58 CHS; TH S 28°16' W 9.72 CHS; TH S 89°26' W 21.25 CHS TO POB, CONTAINING 182.53 ACRES, M/L.

Upon recommendation of Ms. Garrison, the Director approved the above release of leases.

SURFACE ACTIONS

GRAZING PERMITS

GRAZING PERMIT NO. 20513 (ASSIGNMENT)

Linda Muth, the authorized representative of the Estate of Evan Muth (deceased), 3580 N. Hwy. 155, Elmo, UT 84521, has requested the Agency's permission to assign 100% interest in the above referenced grazing permit to Lost Homestead Grazing Alliance, LLC, P.O. Box 1057, Castle Dale, UT 84513. A copy of the Certificate of Death has been submitted for the files. The assignment fee in the amount of \$123.77 has been submitted. Emery County. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the assignment of GP 20513.

GRAZING PERMIT NO. 21111 (PARTIAL NON-USE AND CREDIT OF FEES)

Little Livestock LLC, 635 S. 175 E., Kanab, UT 84741, has requested 52% non-use (1,095.35 AUMs), due to lack of forage, on GP 21111 for the 2008-2009 grazing season. This grazing permit is located on the Big Water Block of the Bunting Well Allotment. Agency staff has verified this lack of forage. The permittee would like a credit of \$6,681.64 (\$6.10/AUM X 1,095.35 AUMs) on his 2009-2010 grazing season's bill. The \$20.00 non-use fee has been paid. Kane County. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the partial non-use and credit of fees for GP 21111.

RANGE IMPROVEMENT PROJECTS

RANGE IMPROVEMENT PROJECT NO. 279 (WITHIN GP 22733 AND GP 22714) (APPROVAL)

NAME AND ADDRESS OF APPLICANT:

Yale Johnson
 P.O. Box 145
 Laketown, UT 84038

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:

T14N, R6E, SLB&M
 Section 4: SE¹/₄SE¹/₄
 Section 10: SE¹/₄, N¹/₂
 Section 11: SW¹/₄
 Section 14: S¹/₂NW¹/₄, SW¹/₄SW¹/₄NE¹/₄
 Section 15: SE¹/₄NE¹/₄, N¹/₂SE¹/₄, E¹/₂NW¹/₄, SW¹/₄NW¹/₄, W¹/₂SW¹/₄, NE¹/₄SW¹/₄
 Section 22: W¹/₂NW¹/₄, NW¹/₄SW¹/₄

COUNTY: Rich

FUND: School

RANGE IMPROVEMENT PROJECT NO. 279 (WITHIN GP 22733 AND GP 22714) (APPROVAL)
(CONTINUED)

REQUESTED/PROPOSED ACTION:

The applicant has requested permission to construct approximately 2 miles of barbwire fence. Also, the applicant has requested permission to develop an unnamed spring and install 4 livestock water troughs and a 10,000 gallon water storage tank. It will take 3.25 miles of pipe to connect the troughs and spring development. The intent of the project is to draw more of the livestock out of North and South Eden Canyon's drainage bottoms.

RELEVANT FACTUAL BACKGROUND:

On November 28, 2006, the applicant submitted a proposal for this range improvement project. The proposal was submitted to the Resource Development Coordinating Committee ("RDCC") for review. No comments were received.

Cultural clearance was completed by the Natural Resources Conservation Service ("NRCS"), with a finding of "no adverse effect." The Agency's cultural staff agreed with the finding.

A search of Agency records was made to determine the status of the area involved. The grazing permit of record on the affected area is GP 22733-99, issued to the applicant, and GP 22714, in the name of Dan C. Peart. Mr. Peart gave written permission for the project to take place within his permit. There is one mineral lease (ML 48925) and one right of entry (ROE 5204) in the area, neither of which will be affected by the project.

The Agency does not currently have a water right on this spring but a change application has been filed to include this spring as a point of diversion for Water Right No. 23-2754.

The 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. This project is being cost shared by the NRCS; only the portion of the project that is paid for by the permittee is eligible for amortization. If the permittee sells or allows the permit to expire or to be canceled, then the amortization schedule will be canceled.

Project	Project Cost	Project Life	Yearly Amortized Deduction	Year Fully Amortized
Fence	\$11,375	30 years	\$379.17	2039
Storage Tank	\$ 1,250	10 years	\$125.00	2019
Pipeline	\$22,500	20 years	\$1,125.00	2029
Troughs	\$ 4,500	10 years	\$450.00	2019

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 project enhances the value of the range for domestic livestock.

Based on the above information and upon recommendation of Mr. Scott Chamberlain, the Director approved Range Improvement Project No. 279. This summary will constitute the Record of Decision.

RIGHTS OF ENTRY**RIGHT OF ENTRY NO. 5337**

On May 27, 2009, Mr. Gary Bagley, Resource Specialist, pursuant to R850-41-200 and in accordance with direction and delegation of authority, approved the request of the Firebirds Motorcycle Club, c/o Travis Ryan, 546 East 550 South, Santaquin, UT 84655, to occupy the following described trust lands in Juab County for the purpose of conducting an organized motorcycle race:

Township 11 South, Range 4 West, SLB&M
Section 32: W½W½ (within)

Township 11 South, Range 5 West, SLB&M
Section 26: E½SE¼ (within)
Section 32: NE¼ (within)

Township 11 South, Range 6 West, SLB&M
Section 36: NE¼ (within)

Containing 3.15 acres, more or less

The race will take place on June 6, 2009, on a pre-determined course on existing roads and trails as reviewed and administered by the Bureau of Land Management ("BLM"). The majority of the route is on federal lands, with only a very small portion on trust lands. The camping and staging areas are all on adjoining federal lands and shall not be included in this permit. The BLM reviewed the entire race course and is approving its temporary permit, subject to approval of the permit on trust lands. ROE 5337 was conditionally issued with a provision that the permittee shall have permission from the BLM, the lead agency for this project, for use of federal lands; otherwise this permit is not valid.

The fee for this permit is \$200.00 plus a \$50.00 application fee and a \$50.00 processing charge, totaling \$300.00. The term of this permit is one day, June 6, 2009. Juab County. School Fund.

This item was submitted by Mr. Gary Bagley for record-keeping purposes.

RIGHT OF ENTRY NO. 5343

On June 2, 2009, Ms. Jeanine Kleinke, Trust Lands Technician, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of Grand Slam West, 1380 Redwood Drive, Windsor, CO 80550, to occupy the following described trust land located within Grand and San Juan Counties to conduct a recreational activity:

T21S, R16E, SLB&M
Sec. 36: Within

T22S, R16E, SLB&M
Sec. 2: Within

T22S, R17E, SLB&M
Sec. 32: Within

RIGHT OF ENTRY NO. 5343 (CONTINUED)

T22S, R19E, SLB&M

Sec's 15, 22, 23, 24: Within

T22S, R20E, SLB&M

Sec. 36: Within

T22S, R21E, SLB&M

Sec. 32: Within

T22S, R22E, SLB&M

Sec. 2: Within

T23S, R17E, SLB&M

Sec. 2: Within

T23S, R20E, SLB&M

Sec's 33, 34: Within

T23S, R22E, SLB&M

Sec. 36: Within

T23S, R23E, SLB&M

Sec's 16, 32: Within

T23S, R24E, SLB&M

Sec. 36: Within

T24S, R18E, SLB&M

Sec's 32, 36: Within

T24S, R19E, SLB&M

Sec's 16, 32: Within

T24S, R20E, SLB&M

Sec's 2, 13, 14, 27: Within

T24S, R24E, SLB&M

Sec. 2: Within

T24S, R25E, SLB&M

Sec. 16: Within

T25S, R18E, SLB&M

Sec's 16, 36: Within

T25S, R19E, SLB&M

Sec's 32, 36: Within

RIGHT OF ENTRY NO. 5343 (CONTINUED)

T25S, R20E, SLB&M

Sec's 2, 16, 32, 36: Within

T25S, R22E, SLB&M

Sec's 32, 36: Within

T25S, R23E, SLB&M

Sec. 32: Within

T26S, R18E, SLB&M

Sec. 2: Within

T26S, R19E, SLB&M

Sec. 2: Within

T26S, R21E, SLB&M

Sec's 16, 33: Within

T26S, R23E, SLB&M

Sec. 32: Within

T27S, R22E, SLB&M

Sec's 1, 2, 16, 35: Within

T27S, R23E, SLB&M

Sec's 7, 8: Within

T39S, R11E, SLB&M

Sec. 36: Within

T40S, R11E, SLB&M

Sec. 2: Within

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, or \$4.00/vehicle, whichever is greater, within 30 days of the permit expiration date. Grand & San Juan Counties. School & USU Funds.

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

RIGHT OF ENTRY NO. 5344

On June 4, 2009, Ms. Jeanine Kleinke, Trust Lands Technician, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of Grassroots Events, LLC, P.O. Box 1425, Moab, UT 84532, to occupy the following described trust land located within Grand County to conduct the Alpine to Slickrock 50-K:

T25S, R19E, SLB&M

Sec. 36: Within

T25S, R20E, SLB&M

Sec. 32: Within

T26S, R19E, SLB&M

Sec. 2: Within

T26S, R20E, SLB&M

Sec. 16: Within

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, or \$4.00/participant, whichever is greater, within 30 days of permit expiration date. Expiration date: September 19, 2009. Grand County. School Fund.

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

RIGHT OF ENTRY NO. 5345 (APPROVAL)

On June 8, 2009, the School and Institutional Trust Lands Administration received an application from Gateway Canyons Resort, P.O. Box 339, Gateway, CO 81522, 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. Beginning date: June 1, 2009. Expiration date: May 31, 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. 5345 for a one-year term.

SPECIAL USE LEASE AGREEMENTS**SPECIAL USE LEASE AGREEMENT NO. 1167 (ADMENDMENT #4)**

Special Use Lease Agreement No. 1167 ("SULA 1167") is leased to Offshore Marina Inc., HCR 60, Box 330330, Lake Powell, Utah 84533, for the purposes of a boat storage and repair facility, service station, convenience store, and related facilities. The lease site is located in Garfield County. School Fund.

Pursuant to Paragraph 3 of SULA 1167, the lessee presently pays a 3% royalty rate on gross receipts as defined in the contract for all sales generated on the property, which percentage is also applied to fuel sales. Due to recent trends in gas prices and the small profit margin on fuel sales, the parties desire to remove sales of all sold fuel from the applicable royalty provision, assigning instead a fixed four cents (\$.04) per gallon on all fuel sold on the property. This change should make things more fair and equitable regarding the profits being distributed respectively when gasoline is sold.

Upon recommendation of Mr. Bryan Torgerson, the Director approved the amendment of SULA 1167.

SPECIAL USE LEASE AGREEMENT NO. 051 (AMENDMENT NO. 1 TO AMENDED SPECIAL USE LEASE NO. 051)

SULA 051 is issued to Mark J. and Christine D. Davis, Gary L. Knecht, and Therese Napoleone, P.O. Box 1349, Moab, Utah 84532, for the purpose of a general store with ancillary dining, gasoline, and camping facilities, and for any other lawful purpose connected with providing tourist services and facilities to the Needles District of Canyonlands National Park and adjacent areas. The lease site is located in San Juan County. School Fund.

SULA 051 authorizes the Agency to adjust the lessee's rent every three years and, on January 5, 2009, the Director approved the three-year review for SULA 051 to increase the rent from \$5,300.00 per year to \$19,200.00 per year.

On January 9, 2009, the lessee appealed the Director's decision to increase the rent and, on March 19, 2009, the Agency and the lessee reached an agreement resolving the dispute over the increased rental. As a result of the agreement, Amendment No. 1 to Amended Special Use Lease Agreement No. 051 was executed by the Director on April 14, 2009. The amendment provides for the following incremental adjustment in the base rent:

The base rent for SULA 051 for year 2009 shall be Five Thousand Three Hundred Dollars (\$5,300.00). The base rent for year 2010 shall be Six Thousand Three Hundred Dollars (\$6,300.00). The base rent for year 2011 shall be Eight Thousand Three Hundred Dollars (\$8,300.00). The base rent for year 2012 shall be Nineteen Thousand Two Hundred Dollars (\$19,200.00).

The lease was also updated and restated to include more current Agency lease language and is on the Agency's most current contract form.

This item was submitted by Mr. Bryan Torgerson for record-keeping purposes.

SPECIAL USE LEASE AGREEMENT NO. 1579 (RECLAMATION BOND)

Pursuant to Paragraph 15 of the lease agreement, WiBlue, Inc., 456 Clarkson Street, Denver, CO 80128, has submitted Surety Bond No. 017027538. The bonding company is Liberty Mutual Insurance Company, 10045 Red Run Boulevard, Ste 370, Owings Mills, MD 21117. The reclamation bond is for \$10,000.00 and will remain in full force and effect until released by the Trust Lands Administration. Sanpete County. School Fund.

Upon recommendation of Mr. Gary Bagley, the Director accepted the bond submitted for SULA 1579.

SPECIAL USE LEASE AGREEMENT NO. 1546 (RECLAMATION BOND)

Pursuant to Paragraph 21 of the lease agreement, Genesis Petroleum USA, Inc., P.O. Box 18148, Reno, NV 89511, has submitted a cash reclamation bond in the amount of \$5,000.00, which will remain in full force and effect until released by the Trust Lands Administration. Emery County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director accepted the bond submitted for SULA 1546.

ACTIONS CONTAINING FEE WAIVERS

NONE

TRUST ACCOUNTING ACTIONS

CANCELED MINERAL LEASE

The following mineral lease was not paid on or before the cancellation date of 5/9/2009. Certified notice was mailed.

<u>LEASE #</u>	<u>LESSEE NAME</u>	<u>BENE</u>	<u>COUNTY</u>	<u>TYPE</u>
ML 47962	Crownquest Operating LLC	SCH	SANJ	OGH

Upon recommendation of Mr. Gritzmacher, Budget Manager, the Director approved the cancellation of the above-listed mineral lease for non-payment.

INTEREST RATES

Following are the current and past year prime rates:

CURRENT YEAR:	3.25%
ONE YEAR AGO:	5.00%