

OCTOBER 31, 2011

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON OCTOBER 31, 2011, 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 5:00 P.M. ON OCTOBER 31, 2011.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 5; SURFACE ACTIONS AS LISTED ON PAGES 6 TO 18; DEVELOPMENT ACTIONS AS LISTED ON PAGES 19 TO 21; AND ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 22.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS AND MAY BE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY'S RULES. ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 5:00 P.M. ON MONDAY, NOVEMBER 14, 2011. APPEALS NOT FILED BY THAT TIME WILL NOT BE ACCEPTED AND THE MATTERS WILL BE CONSIDERED UNAPPEALABLE.



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



LESLIE M. WARNER, RECORDS OFFICER

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**MINERAL ACTIONS**

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**MATERIALS PERMIT NO. 497 SAND AND GRAVEL (APPROVAL)**  
**MATERIALS PERMIT NO. 480 SAND AND GRAVEL (REJECTION)**

**SUBJECT LANDS:**

T11S, R14E, SLB&M.

SEC. 32: NW¼SW¼

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

COUNTY: Duchesne

ACRES: 40.0

FUND: SCH

**PROPOSED ACTION:**

The applicants have proposed to mine common sand and gravel to support local market needs.

**RELEVANT FACTUAL BACKGROUND:**

The subject lands are located within Argyle Canyon at the mouth of Parley's Canyon in Duchesne County. The material consists of alluvial sand and gravel deposited at the mouth of Parley's Canyon and adjacent to Argyle Creek. The public notice process was completed pursuant to R850-23-500. One competing application was received (MP 497).

The proposed materials permit was sent to the Resource Development Coordinating Committee ("RDCC"), the Uintah Basin Association of Governments, and the Duchesne County Commission for review on August 22, 2011. No comments were received.

**EVALUATION OF FACTS:**

Portions of the subject lands have been previously surveyed for archaeological resources. The agency staff archaeologist made a determination that the unsurveyed parts of the permit premise should be cleared via survey before mining commences, or those areas are to be avoided in the mining plan to be submitted by the successful applicant.

Two bids were received for the permit:

1. MP 480: Applicant is Staker Parson, dba Burdick Materials, P.O. Box 459, Roosevelt, UT 84066. The applicant offered no up-front, one-time bonus payment. No minimum amount of material was guaranteed to be removed each year of the permit term. A royalty rate of \$0.80 for each cubic yard of material mined, regardless of material type.
2. MP 497: Applicant is Z-Rock Inc., P.O. Box 711250, 2590 Brentwood Drive, Salt Lake City, UT 84121. The applicant offered an up-front, one-time bonus bid in the amount of \$4,000, a guarantee to mine a minimum of 10,000 bank cubic yards each year of the permit term and pay for that amount of material in advance at the start of each permit year, and a royalty rate of \$1.11 per bank cubic yard for each bank cubic yard of material, regardless of material mined.

Both applicants are experienced in the sand and gravel business and both have substantial experience in operating in this area of Utah. The bid from Z-Rock, Inc. (MP 497) is the best offer for the permit from an economic standpoint and the recommendation is to award the permit to Z-Rock, Inc.

**MATERIALS PERMIT NO. 497 SAND AND GRAVEL (APPROVAL)**  
**MATERIALS PERMIT NO. 480 SAND AND GRAVEL (REJECTION) (CONTINUED)**

R850-23-200(1) states that the Agency may issue permits or may convey profits a prendre or similar interests on all trust lands when the Agency deems it consistent with the Agency land use plans and Trust responsibilities. This is an appropriate use of the subject lands and consistent with the responsibilities of the Trust. The royalty rate accepted for this permit meets the requirements of R850-23-300 and in addition, an annual rental rate of \$10 per acre is included in the terms of the permit. The five (5) year term for this permit is consistent with the requirements of R850-23-400.

Upon recommendation of Mr. Andy Bedingfield, the Director approved the issuance of MP 497 for a term of five years and the rejection of MP 480.

**MATERIALS PERMIT NO. 495 SAND AND GRAVEL (APPROVAL)**

**APPLICANT:**

Nielson Construction  
P.O. Box 620  
825 N. Loop Road  
Huntington, UT 84528

**SUBJECT LANDS:**

T15S, R10E, SLB&M.  
SEC. 6: SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, S<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, E<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>  
SEC. 7: N<sup>1</sup>/<sub>2</sub>NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>

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

COUNTY: Carbon

ACRES: 110.0

FUND: SCH

**PROPOSED ACTION:**

The applicant proposes to mine common sand and gravel from the subject lands to support local market needs.

**RELEVANT FACTUAL BACKGROUND:**

The subject lands are located within West Price Ferron Block to the West of the town of Wellington in Carbon County. The public notice process was completed pursuant to R850-23-500, including publication in a newspaper with circulation in Central Utah, and notification of current lessees and permittees. No competing applications were received.

This action is exempt from the State of Utah Resource Development Coordinating Committee ("RDCC") process because it is an on-going use of the subject lands, and no additional lands will be disturbed. The royalty rate for this permit is \$0.70 per bank cubic yard of sand and gravel.

**EVALUATION OF FACTS:**

Pursuant to R850-23-200, the Trust Lands Administration may issue materials permits or convey profits a prendre or similar interests on trust lands when the Administration deems it consistent with land use plans and Trust responsibilities. Mining of sand and gravel is an appropriate and historic use of the subject lands. The royalty rate for material produced from this pit is consistent with rates for other pits on trust lands in Central Utah and meets the requirements of R850-23-300(2)(a). This action qualifies as an exclusion to the Administrative Policy on Records of

**MATERIALS PERMIT NO. 495 SAND AND GRAVEL (APPROVAL) (CONTINUED)**

Decision. This action is not considered substantive, nor does it warrant the time and expense necessary to prepare a full narrative record. Therefore, this summary will serve as the Record of Decision. The five (5) year term of the permit is consistent with the requirements of R850-23-400.

Upon recommendation of Mr. Andy Bedingfield, the Director approved the issuance of MP 495 for a term of five years.

**MATERIALS PERMIT NO. 493 SAND AND GRAVEL (APPROVAL)**

**APPLICANT:**

Fuller Construction  
Box 262  
LaSal, UT 84530

**SUBJECT LANDS:**

T28S, R24E, SLB&M.  
SEC. 32: NE $\frac{1}{4}$ NE $\frac{1}{4}$

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

COUNTY: San Juan

ACRES: 40.0

FUND: SCH

**PROPOSED ACTION:**

The applicant proposes to mine common sand and gravel from the subject lands to support local market needs.

**RELEVANT FACTUAL BACKGROUND:**

The subject lands are located north of the town of La Sal in San Juan County. The public notice process was completed pursuant to R850-23-500, including publication in a newspaper with circulation in Southeastern Utah, notification of an adjoining landowner, permittees, and lessees. No competing applications were received.

This action is exempt from the State of Utah Resource Development Coordinating Committee ("RDCC") process because it is an on-going use of the subject lands and no additional lands will be disturbed. The royalty rate for this permit is \$0.60 per bank cubic yard of sand and gravel.

**EVALUATION OF FACTS:**

Pursuant to R850-23-200, the Trust Lands Administration may issue materials permits or convey profits a prendre or similar interests on trust lands when the Administration deems it consistent with land use plans and Trust responsibilities. Mining of sand and gravel is an appropriate and historic use of the subject lands. The royalty rate for material produced from this pit is consistent with rates for other pits on trust lands in Southeastern Utah and meets the requirements of R850-23-300(2)(a). This action qualifies as an exclusion to the Administrative Policy on Records of Decision. This action is not considered substantive, nor does it warrant the time and expense necessary to prepare a full narrative record. Therefore, this summary will serve as the Record of Decision. The five (5) year term of the permit is consistent with the requirements of R850-23-400.

Upon recommendation of Mr. Andy Bedingfield, the Director approved the issuance of MP 493 for a term of five years.

**WITHDRAWAL NO. 72 – OVER-THE-COUNTER METALLIFEROUS MINERALS**

The lands listed below potentially contain developable deposits of Metalliferous Minerals. In order to serve the best interest of the Trust and to ensure that the metalliferous minerals resources are responsibly and diligently recovered, the lands are withdrawn from over-the-counter leasing under Withdrawal No. 72. These lands will only be offered for Metalliferous Minerals Lease through the sealed-bid competitive lease offering or by Board approval as provided for under Utah Code Ann. 53C-2-401(1)(d)(ii), which permits the Board of Trustees to approve “Other Business Arrangements.” The lease administrator has had this legal description reviewed by the GIS Group.

<u>WDRN 72</u> School and Institutional Trust Lands Administration 675 East 500 South, Suite 500 Salt Lake City, UT 84102  FUND: SCH	<u>T31S, R16W, SLB&amp;M.</u> SEC. 36: ALL  <u>T32S, R16W, SLB&amp;M.</u> SEC. 2: LOTS 1(44.42), 2(44.48), 3(44.52), 4(44.58), S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ [ALL] SEC. 3: SE $\frac{1}{4}$ SE $\frac{1}{4}$	Iron 1338.00 Acres
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Upon recommendation of Mr. Stokes, the Director approved the above-listed withdrawal.

**METALLIFEROUS MINERALS LEASE APPROVALS**

Upon recommendation of Mr. Stokes, the Director approved the Metalliferous Minerals Lease Applications listed below at a minimum annual rental rate of \$500 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 eight percent (8%) for fissionable minerals and four percent (4%) for non-fissionable minerals - based on the gross value of the ore. The land status has been examined utilizing both the digital 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 lease administrator has had the legal descriptions reviewed by the GIS Group. The business system and digital plat books will be updated to show these lease applications as existing contracts on the lands described below:

<u>ML 52060</u> GRE, Inc. 2091 E. Murray Holladay Road, #22E Salt Lake City, UT 84117	<u>T2S, R7W, SLB&amp;M.</u> SEC. 2: Lots 1(14.99), 2(15.14), 3(15.28), 4(15.43), 5(40.00), 6(40.00), 7(40.00), 8(40.00), 9(30.76), 10(21.53), S $\frac{1}{2}$ N $\frac{1}{2}$ , SW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$	Tooele 673.13 Acres
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Annual Rental: \$674

FUND: SCH

<u>ML 52061</u> Australus LLC P.O. Box 302 Cedar City, UT 84721	<u>T30S, R9W, SLB&amp;M.</u> SEC. 16: ALL	Beaver 640.00 Acres
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Annual Rental: \$640

FUND: SCH

**OVER-THE-COUNTER OIL, GAS, AND ASSOCIATED HYDROCARBONS LEASE APPLICATIONS – APPROVED**

Upon recommendation of Mr. Bonner, the Director approved the Over-the-Counter Oil, Gas, and Associated Hydrocarbon lease applications listed below at a rental of \$2 per acre per annum; royalty as provided in the lease form approved by the Director. These applications have been checked by the Minerals Section and found to be in order. The lease administrator has had these legal descriptions reviewed by the GIS Group. The land status has been examined and the lands found to be open and available.

<u>Mineral Lease No. 52062</u> John M. Cooper 7083 S. 1850 E. Salt Lake City, UT 84121	<u>T14S, R12E, SLB&amp;M.</u> SEC. 2: LOTS 1(41.70), 2(41.92), 3(42.12), 4(42.34), S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ [ALL]	Carbon 648.08 Acres
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FUND: SCH

<u>Mineral Lease No. 52063</u> John M. Cooper 7083 S. 1850 E. Salt Lake City, UT 84121	<u>T19S, R1E, SLB&amp;M.</u> SEC. 8: NE $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ , N $\frac{1}{2}$ 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 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.	Carbon 960.46 Acres
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FUND: SCH

<u>Mineral Lease No. 52064</u> John M. Cooper 7083 S. 1850 E. Salt Lake City, UT 84121	<u>T13S, R12E, SLB&amp;M.</u> SEC. 2: LOTS 1(13.97), 2(13.91), 3(13.85), 4(13.79), S $\frac{1}{2}$ [ALL]	Carbon 375.52 Acres
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FUND: SCH

<u>Mineral Lease No. 52065</u> John M. Cooper 7083 S. 1850 E. Salt Lake City, UT 84121	<u>T13S, R13E, SLB&amp;M.</u> SEC. 32: ALL	Carbon 640.00 Acres
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FUND: SCH

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**SURFACE ACTIONS**

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**RIGHTS OF ENTRY**

**RIGHT OF ENTRY NO. 5648**

On September 28, 2011, Mr. Gary Bagley, Resource Specialist, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of Naval Special Warfare Development Training Group, N32 Training Cadre, Attn. Denis M. Szabo, 1636 Regulus Avenue, Virginia Beach, VA 23461-2299, a United States Government Entity, to occupy the following-described trust lands in Tooele County, for the purpose of a military parachuting practice exercise landing zone on a pre-determined area. The term of this permit is for a period of one week, beginning October 3, 2011, and expiring October 9, 2011. The actual event, if weather permitted, was for only a portion of one day within the permit period. The permitted trust lands parcel involved in the proposed use includes the following:

Township 6 South, Range 9 West, SLB&M  
Section 2: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$  (All)

Containing 656.68 acres, more or less.

This practice parachuting exercise is in conjunction with the Dugway Proving Grounds, which is in the same proximity. They hope to use this open area site for future permitting as well. The applicant notified the trust land grazing permittee of the temporary planned use.

The fees and rental compensation for this temporary right of entry permit include a \$50.00 application fee, a \$50.00 processing fee, plus a usage assessment of \$300.00, totaling \$400.00, which has been submitted by the applicant. Tooele County. School Fund.

The applicant is a governmental agency and is self-insured and bonded. The term of this permit is for a period of one week, October 3, 2011, through October 9, 2011. The actual event was scheduled for only a portion of one day.

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

**RIGHT OF ENTRY NO. 5672**

On September 21, 2011, Mr. Gary Bagley, Resource Specialist, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of Bear 100 – Cache Sun and Snow Club, 1471 W. Hwy. 218, Smithfield, UT 84335, to occupy the following-described trust lands in Cache County, for the temporary purpose of conducting an endurance and running event in a pre-determined area. The route of the race is on existing roads and trails. The term of this permit is for a period of one week, beginning September 23, 2011, and expiring September 29, 2011. The actual event, if weather permitted, was for only a portion of one day within the permit period. The permitted trust lands parcel involved in the proposed use includes the following:

Township 14 North, Range 3 East, SLB&M  
Section 1: Within the W $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$ , SE $\frac{1}{4}$  (80.00 acres)  
Section 2: Within the W $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$  (20.00 acres)

**RIGHT OF ENTRY NO. 5672 (CONTINUED)**

Township 14 North, Range 4 East, SLB&M

Section 6: Within Lots 6, 7, E $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$  (315.32 acres)

Section 7: Within Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$  (All) (631.00 acres)

Consisting of 1,046.32 acres, more or less.

The majority of the race is on U. S. Forest Service lands. The Forest Service is the lead agency for the race. There is only a very small portion of the race route on trust lands. Forest Service and other groups will be monitoring the entire race route. The Forest Service issued a permit for their portion of the race area. The lessee also coordinated with and received permission from the Beaver Mountain Ski Resort. A small portion of the trail crosses a portion of the ski resort. They planned to set up a water-aid station in the big parking lot as well.

The fees and rental compensation for this temporary right of entry permit include a \$50.00 application fee, a \$50.00 processing fee, plus a usage assessment of \$200.00, totaling \$300.00, which has been submitted by the applicant. Cache County. School Fund and IB Fund (very small portion).

The applicant provided proof of insurance that included the State of Utah as a loss payee. The term of this permit is for a period of one week, September 23, 2011, through September 29, 2011. The actual event was scheduled for only a portion of one day. The other days were for set-up and removal of the course markers.

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

**RIGHT OF ENTRY NO. 5654 (RELEASE AND REFUND OF CASH BOND)**

Right of Entry No. 5654 was approved on the Director's Minutes of August 22, 2011, to LDS Motion Picture Studio – Media Services Department, 300 West 2230 North, Provo, UT 84604, for the purpose of a temporary site for a one-day motion picture shoot, to occur within a six-day permit period. Portable equipment, and setup and removal, was also allowed on the site. The area had some areas of existing disturbance, and several existing roads and trails. This permit did not allow for any further surface disturbance of the area, or the construction of any fixed motion picture sets, etc. The applicant submitted a \$300.00 bond to ensure compliance with general cleanup of the site. The permit expired August 13, 2011. Utah County. Deaf Fund.

The permittee has requested the release and refund of the \$300.00 cash bond that was submitted with the permit application to ensure general cleanup of the small area that was used. The site has been cleaned satisfactorily. The permittee also cleaned up other common garbage and debris left by other previous campers. The \$300.00 cash bond should, therefore, be released and refunded to the permittee.

Upon recommendation of Mr. Gary Bagley, the Director approved the release and refund of the \$300.00 cash bond to the permittee.

## EASEMENTS

### EASEMENT NO. 1663 (APPROVAL)

#### APPLICANT'S NAME AND ADDRESS:

Kerr-McGee Oil & Gas Onshore LP  
1099 18<sup>th</sup> Street, Suite 1800  
Denver, CO 80202

#### LEGAL DESCRIPTION:

Township 9 South, Range 21 East, SLB&M  
Section 32: N $\frac{1}{2}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$  (Within)

A 45 foot wide right of way being 22.5 feet on each side of the following described centerline:

Beginning at a point in the NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 32, Township 9 South, Range 21 East, S.L.B.&M., which bears S 57°09'12" E 1337.25 feet from the Northwest Corner of said Section 32, thence S 04°15'55" W 160.03 feet; thence S 58°40'04" E 207.89 feet; thence S 22°40'50" E 1015.03 feet to a point in the SE $\frac{1}{4}$ NW $\frac{1}{4}$  of said Section 32 which bears N 66°35'21" E 1792.51 feet from the West  $\frac{1}{4}$  Corner of said Section 32. The side lines of said described right of way being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 1.429 acres, more or less.

Township 9 South, Range 21 East, SLB&M  
Section 32: S $\frac{1}{2}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$  (Within)

A 30 foot wide right of way being 15 feet on each side of the following described centerline:

Beginning at a point in the SE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 32, Township 9 South, Range 21 East, S.L.B.&M., which bears N 66°35'21" E 1792.51 feet from the West  $\frac{1}{4}$  Corner of said Section 32, thence S 61°00'20" W 138.42 feet; thence S 68°44'52" W 150.68 feet; thence S 74°10'04" W 144.58 feet; thence S 81°59'56" W 74.92 feet; thence S 04°13'48" E 147.38 feet; thence S 01°22'00" W 300.27 feet; thence S 06°49'52" W 154.78 feet; thence S 06°17'26" W 297.16 feet; thence S 20°54'13" W 155.28 feet; thence S 44°16'31" W 215.05 feet to a point in the NW $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 32 which bears S 54°29'18" E 1126.99 feet from the West  $\frac{1}{4}$  Corner of said Section 32. The side lines of said described right of way being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 1.225 acres, more or less.

Township 9 South, Range 21 East, SLB&M  
Section 31: Lot 3, NE $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$  (Within)  
Section 32: NW $\frac{1}{4}$ SW $\frac{1}{4}$  (Within)

Township 9 South, Range 20 East, SLB&M  
Section 36: NE $\frac{1}{4}$ SE $\frac{1}{4}$  (Within)

A 30 foot wide right of way being 15 feet on each side of the following described centerline:

Beginning at a point in the NW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 32, Township 9 South, Range 21 East, S.L.B.&M., which bears S 54°29'18" E 1126.99 feet from the West  $\frac{1}{4}$  Corner of said Section 32, thence N 43°55'33" W 55.45 feet; thence N 50°10'15" W 52.52 feet; thence N 63°03'07" W 160.99 feet; thence N 67°22'33" W 180.54 feet; thence S 87°12'31" W 75.20 feet; thence S 69°11'49" W 476.10 feet to a point on the West line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$  of said Section 32 which bears S 00°46'21" E 611.46 feet from the West  $\frac{1}{4}$  Corner of said Section 32; thence S 69°51'38"

**EASEMENT NO. 1663 (APPROVAL) (CONTINUED)**

W 115.39 feet; thence S 78°39'12" W 191.82 feet; thence S 80°22'35" W 243.19 feet; thence S 89°54'04" W 419.63 feet; thence N 89°33'14" W 568.31 feet; thence N 89°34'51" W 1710.78 feet; thence S 82°54'20" W 339.58 feet; thence S 82°04'17" W 769.37 feet; thence S 89°48'00" W 1000.09 feet; thence S 89°59'05" W 322.26 feet to a point on the West line of the NW¼SW¼ of Section 31, Township 9 South, Range 21 East, S.L.B.&M. which bears S 00°20'36" E 510.34 feet from the East ¼ Corner of Section 36, Township 9 South, Range 20 East, S.L.B.&M., thence S 89°59'05" W 308.31 feet; thence S 72°18'06" W 38.32 feet; thence S 56°55'57" W 167.41 feet to a point in the NE¼SE¼ of said Section 36 which bears S 38°09'45" W 780.16 feet from the East ¼ Corner of said Section 36. The side lines of said described right of way being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 4.955 acres, more or less.

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

COUNTY: Uintah

ACRES: 7.60

FUND: School

**PROPOSED ACTION:**

The applicant has requested a non-exclusive easement to construct, operate, repair, and maintain a buried 6-inch liquid gathering line. The 6-inch pipeline will run from Willow Creek to Pipeline Pond, and will be placed in the same trench as a proposed 16-inch gas gathering line (ESMT 1662). The proposed easement corridor is comprised of two contiguous segments, the first being 1,383 feet long and 45 feet wide, the second being 8,974 feet long and 30 feet wide, containing 7.60 total acres. The requested term of the easement is 30 years.

**RELEVANT FACTUAL BACKGROUND:**

The subject "Application to Purchase an Easement" was received on August 16, 2011. It was submitted for Agency review on August 24, 2011, and was accepted by the Director on September 8, 2011.

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 August 24, 2011. Comments were received by the Utah Geological Survey and the Uintah County Commission as follows:

**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 significant vertebrate fossil localities. The office of the State Paleontologist, therefore, recommends that a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit."*

**Uintah County:**

*"Uintah County is supportive of this project, on the condition the proposed pipeline will be placed outside of the County's road right(s) of way, keeping ground disturbance, increase in traffic, equipment, dust, and noise control during construction at a minimum."*

*"We ask that Kerr-McGee Oil & Gas Onshore, LP 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 comments at this time, but reserve the right to comment at a later date, if warranted."*

**EASEMENT NO. 1663 (APPROVAL) (CONTINUED)**

The project area has been surveyed for cultural resources by Montgomery Archaeological Consultants (#U-08-MQ-0558bs & #U-07-MQ-1255s).

The project area has been surveyed for paleontological resources by Intermountain Paleo-Consulting.

**EVALUATION OF FACTS:**

The applicant has been notified of the comments submitted by the Utah Geological Survey and the Uintah County Commission.

The Agency's Archaeology staff has reviewed the cultural resource survey that was completed by Montgomery Archaeological Consultants. No eligible sites were identified near the project area; therefore, cultural resource clearance has been granted for the project, with a finding of "No Historic Properties Affected."

The Agency's staff has reviewed the paleontological survey that was completed by Intermountain Paleo-Consulting. Paleontological clearance has been granted because no significant fossils are located on the surface of the subject lands. However, if significant fossil resources are encountered during construction, the discovery must be evaluated by a qualified paleontologist.

Upon recommendation of Mr. Scott Bartlett, the Director approved the applicant's request for a non-exclusive easement. The term of the easement will be 30 years, beginning November 1, 2011, and expiring October 31, 2041. The application fee of \$750.00 and the easement rental assessment of \$11,925.92 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, 2014.

**EASEMENT NO. 1664 (APPROVAL)**

**APPLICANT'S NAME AND ADDRESS:**

Kerr-McGee Oil & Gas Onshore LP  
1099 18<sup>th</sup> Street, Suite 1800  
Denver, CO 80202

**LEGAL DESCRIPTION:**

Township 10 South Range 21 East

Section 32: SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>, NW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>, NW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> (Within)

Section 29: SE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, NW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub> (Within)

Section 28: NW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> (Within)

Section 21: SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>, NW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub> (Within)

Section 16: SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, SE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, SW<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub> (Within)

A 50 foot wide permanent easement with an additional 25 feet during construction along the following-described centerline:

Beginning at a point on the south line of the SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> of Section 32, T10S, R21E, S.L.B.&M. which bears N 89°56'02" W 267.40' from the Southeast Corner of the SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> of said Section 32, thence N 05°55'55" E 348.45'; thence N 02°26'16" W 1340.30'; thence N 18°18'19" W 483.72'; thence N 06°43'14" E 161.78'; thence N 25°22'17" E 197.14'; thence N 08°24'31" E 407.96'; thence N 15°02'18" W 260.68'; thence N 20°31'19" E 294.14';

**EASEMENT NO. 1664 (APPROVAL) (CONTINUED)**

thence N 12°43'27" E 292.01'; thence N 03°53'02" E 417.65'; thence N 32°54'41" E 431.47'; thence N 26°22'56" E 314.63'; thence N 35°32'03" E 453.76'; thence N 25°51'00" E 213.56' to a point on the north line of the NE¼NW¼ of said Section 32, which bears N 89°55'21" E 1877.54' from the Northwest Corner of said Section 32, thence N 25°51'00" E 68.85'; thence N 53°33'22" E 357.01'; thence N 25°39'51" E 515.07'; thence N 22°26'57" E 435.18'; thence N 38°28'33" E 137.16'; thence N 22°54'01" E 139.29'; thence N 68°44'36" E 84.15'; thence N 45°02'48" E 57.40'; thence N 18°26'36" E 219.71'; thence N 12°01'33" E 271.20'; thence N 09°03'04" W 289.61'; thence N 44°33'08" E 179.87'; thence N 43°51'09" E 363.16'; thence N 40°45'52" E 653.84'; thence N 57°43'55" E 826.02'; thence N 57°32'32" E 727.06'; thence N 40°56'56" E 212.97'; thence N 29°54'41" E 222.74' to a point on the east line of the NE¼NE¼ of Section 29, T10S, R21E, S.L.B.&M. which bears S 00°52'44" E 1058.63' from the Northeast Corner of said Section 29, thence N 29°54'41" E 392.91'; thence N 42°48'26" E 198.59'; thence N 39°57'21" E 552.62'; thence N 39°06'22" E 196.58' to a point on the north line of the NW¼NW¼ of Section 28, T10S, R21E, S.L.B.&M. which bears N 89°43'44" E 826.01' from the Northwest Corner of said Section 28, thence N 39°06'22" E 622.66'; thence N 43°49'54" E 285.05'; thence N 39°12'45" E 1370.09'; thence N 39°38'46" E 2154.48'; thence N 27°58'58" E 349.32'; thence N 33°51'16" E 197.08'; thence N 16°33'51" E 671.77'; thence N 15°57'15" E 736.43'; thence N 07°11'13" E 130.32' to a point on the north line of the NE¼NE¼ of Section 21, T10S, R21E, S.L.B.&M. which bears S 89°31'47" W 950.23' from the Northeast Corner of said Section 21, thence N 07°11'13" E 31.95'; thence N 03°24'58" W 543.70'; thence N 10°06'39" E 286.72'; thence N 13°40'50" E 455.48'; thence N 23°58'02" W 474.95'; thence N 05°57'17" W 187.54'; thence N 11°42'48" E 249.86'; thence N 15°00'57" E 614.59'; thence N 21°07'11" E 175.12'; thence N 81°51'12" W 616.54'; thence N 34°19'57" W 139.22'; thence N 48°47'40" W 147.52' to a point in the SW¼NE¼ of Section 16, T10S, R21E, S.L.B.&M. which bears N 70°50'26" W 1646.14' from the East ¼ Corner of said Section 16. The side lines of said described right of way being shortened or elongated to meet the grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 26.582 acres, more or less.

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

COUNTY: Uintah

ACRES: 26.58

FUND: School

**PROPOSED ACTION:**

The applicant has requested a non-exclusive easement to construct, operate, repair, and maintain a buried 6-inch liquid gathering line. The 6-inch pipeline will run from the Love Compressor to the South Compressor, and will be placed in the same trench as a proposed 16-inch gas gathering line (ESMT 1583). The proposed easement corridor is 23,158.63 feet long and 50 feet wide, containing 26.58 total acres. The requested term of the easement is 30 years.

**RELEVANT FACTUAL BACKGROUND:**

The subject "Application to Purchase an Easement" was received on August 30, 2011. It was submitted for Agency review on September 1, 2011, and was accepted by the Director on September 16, 2011.

The proposed easement coincides entirely with ESMT 1583, and, therefore, was not submitted to the Resource Development Coordinating Committee ("RDCC"). ESMT 1583 was sent to the RDCC, the Uintah Basin Association of Governments, and the Uintah County Commission for review on August 18, 2010. Comments were received by the Utah Geological Survey, the Utah Division of Air Quality, and the Uintah County Commission as follows:

**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 significant vertebrate fossil localities. The office of the State Paleontologist, therefore, recommends that a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit."*

**EASEMENT NO. 1664 (APPROVAL) (CONTINUED)**

**Utah Division of Air Quality:**

*"The proposed project is subject to R307-305-5; Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that will be generated during the excavation of the roadway for the project and possibly the pad (based on pad size). These rules apply to construction activities that disturb an area greater than ¼ acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, 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](http://www.rules.utah.gov/publicat/code/r307/r307.htm)."*

**Uintah County:**

*"Uintah County is supportive of this project, on the condition the proposed pipeline will be placed outside of the County's road right(s) of way, keeping ground disturbance, increase in traffic, equipment, dust, and noise control during excavation and construction at a minimum.*

*"We ask that (Kerr-McGee Oil & Gas Onshore, LP) 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 comments at this time but reserve the right to comment at a later date, if warranted."*

The project area has been surveyed for cultural resources by Montgomery Archaeological Consultants (#U-08-MQ-0753b,s).

The project area has been surveyed for paleontological resources by Intermountain Paleo-Consulting (IPC-06-149).

**EVALUATION OF FACTS:**

The applicant has been notified of the comments submitted by the Utah Geological Survey, the Division of Air Quality, and the Uintah County Commission.

The Agency's Archaeology staff has reviewed the cultural resource survey that was completed by Montgomery Archaeological Consultants. No eligible sites were identified near the project area; therefore, cultural resource clearance has been granted for the project, with a finding of "No Historic Properties Affected."

The Agency's staff has reviewed the paleontological survey that was completed by Intermountain Paleo-Consulting. Some vertebrate fossils were identified on the periphery of the proposed pipeline, but are far enough removed that they will not be disturbed. No paleontological restrictions are placed on the construction of the pipeline; however, if paleontological resources are encountered during construction, a qualified paleontologist must be contacted to evaluate the discovery.

Upon recommendation of Mr. Scott Bartlett, the Director approved the applicant's request for a non-exclusive easement. The term of the easement will be 30 years, beginning November 1, 2011, and expiring October 31, 2041. The application fee of \$750.00 and the easement rental assessment of \$26,667.51 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, 2014.

**EASEMENT NO. 1667 (APPROVAL)**

**APPLICANT'S NAME AND ADDRESS:**

Kerr-McGee Oil & Gas Onshore LP  
1368 South 1200 East  
Vernal, UT 84078

**LEGAL DESCRIPTION:**

Township 9 South, Range 21 East, SLB&M  
Section 26: NE $\frac{1}{4}$ NW $\frac{1}{4}$  (Within)

A 30' wide right of way located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 26, T9S, R21E, SLB&M, the centerline of which is described as follows:

Beginning at a point in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 26, T9S, R21E, SLB&M which bears S 50°01'01" W 1433.53' from the North  $\frac{1}{4}$  Corner of said Section, thence N 53°21'37" W 1.45'; thence S 37°55'57" W 62.67'; thence S 51°49'48" E 184.91'; thence N 36°42'22" E 241.92'; thence N 38°39'08" E 199.10'; thence N 45°05'15" E 73.59'; thence S 85°11'03" E 10.02' to a point in the said NE $\frac{1}{4}$ NW $\frac{1}{4}$  which bears S 44°04'29" W 951.25' from the said North  $\frac{1}{4}$  Corner. Basis of bearings is the West line of the NW $\frac{1}{4}$  of said Section, which is taken from global positioning satellite observations to bear N 00°03'25" W a measured distance of 2644.00'. Contains 0.533 acre, more or less.

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

COUNTY: Uintah

ACRES: 0.53

FUND: School

**PROPOSED ACTION:**

The applicant has requested a non-exclusive easement to operate, repair, and maintain an existing 6-inch surface gas pipeline. The existing pipeline was originally approved under APD action on March 25, 2010, and will now carry non-unit gas as Well No. NBU 921-26C is converted to a non-unit well. The proposed easement corridor is approximately 774 feet, and is 30 feet wide, containing approximately 0.53 acre. The requested term of the easement is 30 years.

**RELEVANT FACTUAL BACKGROUND:**

The subject "Application to Purchase an Easement" was received on September 30, 2011. It was submitted for Agency review on October 6, 2011, and was accepted by the Director on October 21, 2011.

The project area has been surveyed for cultural resources by Montgomery Archaeological Consultants (#U-07-MQ-1437b,s).

**EVALUATION OF FACTS:**

The proposed easement is exempt from review by the Resource Development Coordinating Committee ("RDCC") since it is existing infrastructure.



**SPECIAL USE LEASE AGREEMENT NO. 1708 (APPROVAL) (CONTINUED)**

**PROPOSED ACTION:**

The applicant proposes to construct, operate, repair, and maintain up to two mine discharge water evaporation basins. The proposed facility would be located within T17S, R8E, Sec. 5, near the Huntington Power Plant in Emery County. The applicant is the operator of the Crandall Canyon Mine, which is located approximately 9 miles to the north of the proposed lease site. The applicant is experiencing high iron content in discharge water exiting the mine portal, to the point that the discharge is currently not in compliance with Utah Pollutant Discharge Elimination System ("UPDES") iron content limits.

In order to address this problem, the applicant has proposed a two-step process. In the first step, the applicant plans to initially treat the discharge water at the mine site by precipitating the iron from the water with a flocculant and dropping it into a small settling pond. After the iron has precipitated out of the water, the water can be safely discharged into Crandall Creek. The second step of the process requires the use of the proposed evaporation basins. The precipitate material would be trucked to the lease site, placed into the evaporation basins, and allowed to dry out. The material dries into a fine-grain cake, which has been tested in the laboratory and found to contain no Resource Conservation and Recovery Act ("RCRA") constituents, and to be non-toxic, non-hazardous, and non-acid forming. Upon final reclamation of the site, the dried-out precipitate would be buried under 4' of native earth, and the site re-graded and restored per Surface Mine Control and Reclamation Act ("SMCRA") regulations.

The proposed facility would initially consist of one evaporation basin measuring 100' x 200' and 3-4' deep. The lease will allow for an additional basin to be constructed on the site if needed in the future. The site would also include space to allow for a perimeter access road to allow sufficient room for tanker delivery trucks. The lease site would contain 7.32 acres. The proposed term of the lease is 30 years.

The facility will require permitting under SMCRA by the Utah Division of Oil, Gas and Mining ("UDOGM"). Once permitted, the facility would become part of the Crandall Canyon Mine permitted area, and be included in the mine's Mining and Reclamation Plan (MRP C/015/032). Therefore, the facility will be subject to all UDOGM regulations regarding operations, inspections, reclamation and bonding for the mine. UDOGM regulations require that the site be under lease prior to the applicant submitting a permit application to UDOGM. This lease will be issued subject to UDOGM's approval of the facility. No construction will be allowed on site until all required permits have been acquired from UDOGM or other applicable entities.

**RELEVANT FACTUAL BACKGROUND:**

The subject lease application was received on March 21, 2011. It was submitted for Agency review on March 22, 2011, and was accepted by the Director on April 7, 2011.

The proposed project was submitted to the Resource Development Coordinating Committee ("RDCC"), the Southeastern Utah Association of Local Governments, and the Emery County Commission for review and comment on March 22, 2011. The following comment was submitted through the RDCC by the Utah Division of Air Quality:

*"Because fugitive dust may be generated during soil disturbance, the proposed project will be subject to Air Quality Rule R307-205-5 for fugitive dust. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, 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 can be found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm)."*

The following comment was submitted by the Southeastern Utah Association of Local Governments:

*"Favorable comment recommended."*

**SPECIAL USE LEASE AGREEMENT NO. 1708 (APPROVAL) (CONTINUED)**

The Agency's Environmental Compliance Manager has reviewed the proposed project and is supportive of moving forward with the lease. The compliance manager and lease administrator will coordinate with UDOGM during the permitting process to ensure that the Agency's interests with regard to environmental compliance are addressed.

The project area has been surveyed for cultural resources by Senco-Phenix (#U-11-SC-099s).

**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 lease agreement requires that the Lessee 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 lease."*

The applicant has been notified of the comments received from the RDCC and the Southeastern Utah Association of Local Governments.

The Agency's Archaeology staff has reviewed the cultural resource survey that was conducted for this project and has granted cultural resource clearance for the project, with a finding of "No Historic Properties."

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.

Competing applications were solicited pursuant to R850-30-500(2), and no competing applications were received. The base annual rental for this lease will be \$3,000.00 for the first three-year period of the lease. The lease will have a clause providing for escalation of the annual rental at the end of each three-year period, utilizing either the approved index or an independent third-party appraisal of the subject property.

Upon recommendation of Mr. Chris Fausett, the Director approved the issuance of Special Use Lease No. 1708 for a term of 30 years. The \$250.00 application fee, \$700.00 processing fee, \$252.00 advertising fee, and first year's rental of \$3,000.00 have been paid. Pursuant to R850-30-400(5), the lease will have a three-year rental review, with the first review date being November 1, 2014.

**SPECIAL USE LEASE AGREEMENT NO. 842 (3-YEAR REVIEW)**

SULA 842 is an industrial special use lease in the name of PacifiCorp, DBA Rocky Mountain Power, Right of Way Services, 1407 West North Temple, Suite 110, Salt Lake City, Utah, 84116. The lease site is located in San Juan County School Fund.

1. **ANNUAL BASE RENTAL:**

The 3-year lease rental review date for this industrial lease is December 1, 2011. The authorized use of the subject parcel is the construction, operation, and maintenance of an electrical power substation, known as the Abajo Substation.

**SPECIAL USE LEASE AGREEMENT NO. 842 (3-YEAR REVIEW) (CONTINUED)**

**CPI Based Review**

After a preliminary analysis pursuant to Board policy, the value of the subject property has been estimated to be approximately \$1,000.00/acre, with a total value of \$3,750.00.

The lease agreement stipulates that any increase in the annual rental be tied to the annual percentage of increase index as established by the Agency. The Agency has established the CPI-U index as an appropriate index to be used in lease reviews (Utah Administrative Code R850-30-400(5)(d)). The lease does not allow for adjustments to the annual rental based on increases in property value, and stipulates that any adjustment may not exceed 7% of the current rental.

An analysis of the CPI-U for the review period indicates an increase in the index of 7.76%. Therefore, the annual rental will be increased by 7%, which is the maximum increase allowable under the lease agreement. The annual rental will be increased from \$1,000.00 per year to \$1,070.00 per year, effective December 1, 2011. A certified notice was sent informing the lessee of this action. No response has been received from the lessee.

Annual Base Rental: \$1,070.00

Acres in lease: 3.75

Rental per acre: \$288.00

2. **DUE DILIGENCE AND PROPER USE:**

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:**

Lessee has provided proof of adequate insurance coverage. The lease requires that the lessee post a performance and reclamation bond in the amount of \$5,000.00. This bond is currently in place. There is no provision in the lease allowing for an increase of the bond amount.

5. **WATER RIGHTS AND WELLS:**

There are no Trust-owned water rights associated with this lease.

6. **ENVIRONMENTAL COMPLIANCE:**

This lease was inspected and reviewed for environmental compliance on September 6, 2011, and has been rated as medium-risk. There is no evidence of underground or above ground petroleum storage tanks, stained soil, drums/containers of any size, unauthorized uses, or solid waste on the premises. There is one 500-gallon propane tank located on the premises. All equipment and structures are mounted on concrete footings and pads. The site is fenced and secured with a locked gate. The site appears clean and orderly, and hazardous materials, if any, are kept in an enclosed area with secondary containment. The Environmental Site Inspection Form is in the file.

7. **GIS REVIEW:**

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

8. **NEXT ASSESSMENT DATE:**

The next assessment date will be December 1, 2014.

Upon recommendation of Mr. Chris Fausett, the Director approved the 3-year review for SULA 842.

**SPECIAL USE LEASE NO. 1591 (RETURN OF LETTER OF CREDIT)**

On the Director's Minutes of December 7, 2008, the Director accepted Irrevocable Standby Letter of Credit No. NZS609640 in the amount of \$5,000.00, issued by Wells Fargo Bank N.A., Trade Services Division, Northern California, One Front Street, 21<sup>st</sup> Floor, San Francisco, California 94111, in favor of Dyno Nobel, Inc., 2795 East Cottonwood Parkway, Suite 500, Salt Lake City, Utah 84121, for Special Use Lease No. 1131. The Letter of Credit was subsequently transferred from Special Use Lease No. 1131 to Special Use Lease No. 1591, as documented in the Director's Minutes of July 18, 2008.

On the Director's Minutes of January 31, 2011, Special Use Lease No. 1591 was terminated at the request of the lessee. The lessee has now requested that the letter of credit be returned. The lease administrator and the Agency's Environmental Compliance Manager have inspected the lease site and verified that the site has been reclaimed to the Agency's specifications, and that no unsatisfactory environmental conditions are present on the site. Therefore, it is recommended that the letter of credit be returned to the lessee. Utah County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the return of the \$5,000.00 letter of credit that was provided for Special Use Lease No. 1591.

**SPECIAL USE LEASE NO. 1136 (REPLACEMENT RECLAMATION BOND)**

On the Director's Minutes of January 19, 2010, the Director accepted Irrevocable Letter of Credit No. 2009-19 in the amount of \$5,000.00 submitted by Frandsen Media Company, LLC, 810 West 200 North, Logan, UT 84321. The lessee has submitted a replacement Irrevocable Letter of Credit No. 2011-22 issued by Cache Valley Bank, 101 North Main, P.O. Box 3227, Logan, UT 84321. The replacement Letter of Credit expires on October 13, 2012, but shall be automatically extended for periods of one year or such longer periods, unless Trust Lands Administration is notified 90 days prior to such date. Box Elder County. USH Fund.

Upon recommendation of Mr. Gary Bagley, the Director accepted the replacement reclamation bond for SULA 1136.

**WATER RIGHTS**

**WATER RIGHT 91-5092 (CERTIFICATE OF BENEFICIAL USE)**

Water Right 91-5092 consisting of two stock water ponds in unnamed washes, in the amount of 2.16 acre feet, is located in Carbon County on the following described trust land:

Pond #7  
Township 14 South, Range 19 East, SLB&M  
Section 36: NE $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$  NE $\frac{1}{4}$

Pond #8  
Township 14 South, Range 10 East, SLB&M  
Section 31: NW $\frac{1}{4}$ NW $\frac{1}{4}$

The State Engineer has issued a Certificate of Beneficial Use for this water right, which is the final step in completing its appropriation. The original Certificate is filed in the Title Document Drawer.

*This item submitted by Mr. Richard Wilcox for record-keeping purposes.*

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**DEVELOPMENT ACTIONS**

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**DEVELOPMENT SUBDIVISION SALE - HIGHLAND PARK AREA 4 - PHASE 1 - LOT 298**

**THE FOLLOWING SUBDIVISION SALE IS SUBMITTED FOR SALES NOTIFICATION APPROVAL:**

CERTIFICATE OF SALE NO.: 26415-11-298  
PATENT NO.: 19984-11-298  
PROJECT: Highland Park Area 4 - Phase 1 of Coral Canyon  
PROJECT MANAGER: Doug Buchi  
PROJECT CODE: SUNCR 004 02  
SUBDIVISION NO.: 11.A  
FUND: School  
SALE PRICE: \$64,840.00

BUYER:  
HENRY WALKER CONSTRUCTION SOUTH, LLC  
500 N. Market Place Dr., Suite 210  
Centerville, Utah 84014

FINANCIAL INFORMATION:  
The lot will be sold for a Base Purchase Price of \$64,840, and an additional payment [defined later] due at the closing of sale of the property to a third-party purchaser.

TRANSACTIONAL CONTEXT:  
The Buyer intends to construct a residence as a model home on the property defined below, which it intends to subsequently sell with the completed residence to a third-party purchaser. In addition to the Base Purchase Price, the Buyer further agrees to pay the Trust Lands Administration an additional True Up payment equaling \$16,210 at the closing of the sale to a third-party purchaser.

LEGAL DESCRIPTION: (SUBDIVISION LOT)  
Township 42 South, Range 14 West, SLB&M  
Section 18:

All of Lot 298 of Highland Park Area 4 - Phase 1 of Coral Canyon, according to the plat of record on December 12, 2006, as Entry No. 20060057493, records of Washington County, Utah.

Containing 0.22 acre, more or less.

The legal description has been reviewed by the GIS Group.

MINERAL RESERVATIONS:  
Subject to a reservation to the State of Utah, for the benefit of the State and its successors in interest, assigns, permittees, licensees and lessees from time to time, all coal and other mineral deposits, along with the right for the State or other authorized persons or entities to prospect for, mine, and remove such deposits, and subject to a prior reservation to the United States of all oil and gas.

**DEVELOPMENT SUBDIVISION SALE - HIGHLAND PARK AREA 4 - PHASE 1 - LOT 298 (CONTINUED)**

**SURFACE RESERVATIONS:**

Subject to the Amended and Restated Residential Declaration of Covenants, Conditions and Restrictions for Coral Canyon, as recorded on April 3, 2002, as Entry 759602, Book 1459, Pages 1213-1268, as amended; also,

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, subject to exceptions and reservations contained in federal patents and clear lists, 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.

Upon recommendation of Ms. Andrea James, the Director approved this sales agreement notification.

**CORAL CANYON LIFT STATON DEDICATION PLAT (DEVL 952)**

PROJECT: Coral Canyon  
PROJECT MANAGER: Brent Bluth  
PROJECT CODE: SUNCR 004 00  
BENEFICIARY: Miners Hospital  
RECORDING DATE: June 13, 2011  
PLAT DEDICATION NO.: 204

**CONVEYANCE TO:**

Washington City  
111 North 100 East  
Washington UT 84780

AND

Coral Canyon Master Residential Owners Association  
2303 N. Coral Canyon Blvd.  
Washington, UT 84780

**DESCRIPTION:**

This sewer lift station serves the Coral Canyon Development. The HOA parcels are on land that is designated for open space on the approved master plan. The HOA can assure long term landscaping maintenance for the parcels. This dedication is directly necessary for the Coral Canyon Development and helps in achieving optimal value from it.

**LEGAL DESCRIPTION:**

Township 42 South, Range 14 West, SLB&M  
Section 7:

Beginning at a point which is North 01°21'51" East 436.41 feet along the West section line and North 90°00'00" West 569.09 feet from the Southwest Corner of Section 8, Township 42 South, Range 14 West, Salt Lake Base and Meridian, said point also being on the Northerly Right of Way of Telegraph Road, and running thence along said Right of Way South 65°49'11" West 139.92 feet to a point on the Southwest boundary of the Highland Park Phase 1 Subdivision recorded on June 19, 2006, as Record No. 20060026420, in the office of the Washington

**CORAL CANYON LIFT STATON DEDICATION PLAT (DEVL 952) (CONTINUED)**

County Recorder, in said County, in the State of Utah; thence leaving said Right of Way and along said Southwest boundary through the following four (4) courses: North 23°14'27" West 28.22 feet; thence North 14°55'55" East 100.53 feet; thence North 53°44'24" East 57.36 feet; thence North 14°55'55" East 123.41 feet to a point on the Westerly Right of Way of Coral Canyon Boulevard, said point also being a point on the arc of a 535.00 foot radius curve to the left; thence along said Right of Way through the following two (2) courses: Southeasterly 174.14 feet along the arc of said curve through a central angle of 18°39'00" the chord of said curve bears South 13°50'48" East a distance of 173.38 feet to a point of reverse curvature of a 50.00 foot radius curve to the right; thence Southwesterly 53.55 feet along the arc of said curve through a central angle of 61°21'54" the chord of said curve bears South 07°30'39" West a distance of 51.03 feet to a point of non-tangency, said point also being the point of beginning.

Contains 0.421 acre, more or less.

The GIS Group has reviewed this legal description at the request of the project manager.

NUMBER OF ACRES BY COUNTY: 0.421 acre - Washington County

NUMBER OF ACRES BY FUND: 0.421 acre - Miners Hospital

**MINERAL RESERVATIONS:**

Excepting and reserving to the State all coal and other mineral deposits and subject to a prior reservation to the United States of all oil and gas.

**SURFACE RESERVATIONS:**

None

Upon recommendation of Brent Bluth, the Director approved the above item.

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**ACTIONS CONTAINING FEE WAIVERS**

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**SPECIAL USE LEASE AGREEMENT NO. 1611, AMENDMENT NO. 1 (APPROVAL)**

**LESSEE'S NAME AND ADDRESS:**

Kerr-McGee Oil & Gas Onshore, LP  
P.O. Box 173779  
Denver, Colorado 80217-3779

**AMENDED LEGAL DESCRIPTION:**

Township 9 South, Range 21 East, SLB&M  
Section 34: NW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> (Within)

Beginning at a point in the NW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> of Section 34, T9S, R21E, SLB&M, which bears S 86°40'58" E 387.26 ft. from the West Quarter Comer of said Section 34, thence S 64°17'09" E 70.08 ft.; thence S 44°34'01" E 46.51 ft.; thence S 27°48'22" W 198.30 ft.; thence S 36°08'36" W 72.53 ft.; thence S 38°22'25" W 58.70 ft.; thence N 53°51'40" W 179.27 ft.; thence N 35°13'12" E 314.33 ft.; thence S 64°17'09" E 43.78 ft. to the point of beginning. Basis of bearings is a G.P.S. observation.

Containing 1.315 acres, more or less.

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

COUNTY: Uintah

ACRES: 1.315

FUND: School

This Amendment No. 1 to Special Use Lease Agreement No. 1611 is being issued to correct a typographical error in the original legal description contained in the lease document. The original legal description should be deleted in its entirety and replaced with the amended legal description as listed above. The error in the original legal description was noticed by the GIS Group during a recent three-year review of the lease agreement. Additional research has shown that the legal description originally submitted by the lessee was correct; however, in preparing the original lease document, a typographical error was inadvertently incorporated into the document by the Agency. Therefore, this action is considered an agency-initiated action, and the \$400.00 amendment fee should be waived.

Upon recommendation of Mr. Chris Fausett, the Director approved Amendment No. 1 to Special Use Lease Agreement No. 1611, and waived the \$400.00 amendment fee.