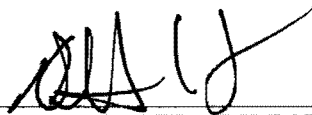


DECEMBER 27, 2010

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON DECEMBER 27, 2010, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, DEVELOPMENT, AND FEE WAIVER BUSINESS MATTERS AS INDICATED AND WHICH BECAME EFFECTIVE AT 6:00 P.M. ON DECEMBER 27, 2010.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 4; SURFACE ACTIONS AS LISTED ON PAGES 4 TO 13; DEVELOPMENT ACTIONS AS LISTED ON PAGES 14 TO 20; AND ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 20.

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 6:00 P.M. ON MONDAY, JANUARY 10, 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

ARCHIVES APPROVAL NO. 7990209

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**MINERAL ACTIONS**

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**APPROVAL OF MINERAL MATERIALS PERMIT IN WASHINGTON COUNTY (SCH)**

The following described application has been received for a Mineral Materials Permit to gather sandstone surface boulders from trust lands in the Bloomington area of Washington County. The lands are flagged with an alert by the Development Group for multiple-use. The Development Group was contacted by telephone on December 21, 2010, concerning the application. Kyle Pasley commented that the application may be approved without Development conflict so long as the contract precludes stone gathering within Montezuma Wash, which runs through the western part of the parcel. The applicant was next contacted and said that he is agreeable to the stipulation. The area approved for gathering by the Development Group also has a Cultural Resources clearance from the Archaeology Section. No Division of Oil, Gas and Mining ("DOGMA") permit is required for surface stone gathering. The applicant has submitted the required fee and annual rentals with the application. The application should be approved with the Special Stipulation as listed below.

<u>ML 51890-MP</u>	<u>T43S, R16W, SLB&amp;M.</u>	Washington
Chamberlain Stone, Inc.	SEC. 11: NW $\frac{1}{4}$ NW $\frac{1}{4}$	40.00 acres
942 So. 960 East		
St. George, UT 84790		

Permit Term:	One year
Mineral Material:	Sandstone surface boulders
Annual Rental:	\$10 per acre
Royalty Rate:	The greater amount of 10% Gross Value, or \$20/short ton

**SPECIAL STIPULATION:** The permittee may not gather stone from the large wash running along the western side of the parcel and will contact the Trust Lands Administration, St. George office, and obtain a field delimitation of the allowable stone gathering area within the parcel prior to the commencement of any stone gathering activity under the permit.

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

**ADJUSTMENT OF ML 48729-OBA (SCH)**

Special Warranty Royalty Deed, ML 48729-OBA was entered into between Graymont Western US, Inc. ("Grantor") and the State of Utah School and Institutional Trust Lands Administration ("Grantee") on March 8, 2001, to provide for production royalty payments to Grantee on certain properties situated in Millard County, Utah, and more particularly described as follows, to wit:

T21S, R9W, SLB&M.  
 SEC. 19: LOTS 3(43.41), 4(43.52), E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$   
 SEC. 30: LOTS 1(43.57), 2(43.54), 3(43.52), 4(43.49), NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$

T21S, R10W, SLM  
 SEC. 24: E $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$   
 SEC. 25: N $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$   
 SEC. 35: LOTS 1(3.48), 2(0.42), 3(37.79), W $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$

Containing 1802.74 acres, m/l.

**ADJUSTMENT OF ML 48729-OBA (SCH) (CONTINUED)**

Paragraph No. 4 of ML 48729-OBA provides that as of January 1, 2011, and every ten years thereafter, the Grantee may elect to adjust the royalty amount payable under the agreement, based on increases in the market value of mined, crushed, but otherwise unprocessed limestone at the quarry. ML 48729-OBA originally provided for an imputed commodity value of \$4 per ton and a royalty rate of 2% or eight cents (\$0.08) per ton for a period of five years from and after February 1, 2001; and at all times thereafter, twenty cents \$0.20 per ton (i.e. 5%), subject to adjustment as provided by Paragraph 4. The contract further provided in Paragraph No. 3, that the royalty amount shall be adjusted annually on January 1, commencing January 1, 2002, in accordance with percentage changes in the U.S. Producer Price Index for Total Finished Goods ("PPI") as reported by the U.S. Bureau of Labor Statistics. Cumulative application of the PPI index to the royalty rate of \$0.20 per ton each year for the period January 1, 2002, thru December 2010 raises the royalty rate to approximately \$0.25 per ton.

Increases in the market value of limestone during the last ten-year period as evidenced by the USGS Mineral Industry Surveys, December 2010, however, justifies further adjustment to the royalty rate. In the Survey report, the line for "Utah" in Table 2, Page 3, *Crushed Stone Sold or Used by Producers in the United States, By State*, (which includes crushed limestone), for the year 2009, lists a total production of 4,830,000 metric tons with a total value of \$39,400,000, or \$8.1573/Mt. This equates to \$7.4003 per short ton, in contrast with the \$4 per short ton imputed value that was in effect when the contract was originally entered in 2001. The 2009 imputed value of crushed limestone may be brought current to 2010 by indexing it to the BLS Producer Price Index for Total Finished Goods ("PPI"). The most recent PPI release, dated December 14, 2010, reports a 3.5% increase in prices for the 12 month period ended November 2010. Application of the 12-month PPI index to the 2009 imputed value of crushed limestone yields a current market value of \$7.6593/st. Five percent (5%) royalty applied to such value is \$0.3829/st.

It is recommended that effective January 1, 2011, ML 48729-OBA be adjusted, based upon an imputed value of \$7.6593/st for crushed limestone and that the royalty rate be 5% of such value, or \$0.3829/st. The adjusted royalty amount shall be subject to indexing by the PPI on January 1 each year hereafter, and ML 48729-OBA shall again be subject to adjustment with respect to the market value of crushed limestone at the end of the next ten-year period, or January 1, 2021. Paragraph No. 5 of ML 48729 provides that if the Grantor disagrees with the Grantee's determination at any ten-year adjustment of the current market value, the Grantor may initiate arbitration to determine value within thirty (30) days of the Grantee's determination. Said thirty (30) day period commences as of the date of Final Agency Action, December 27, 2010.

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

**TOTAL ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES**

Upon recommendation of Ms. Garrison, the Director approved the assignment of the leases listed below to Coastal Plains Energy, Inc., 420 Throckmorton, Suite 630, Fort Worth, TX 76102, by Merrion Oil & Gas Corporation, who reserves 7.50% overriding royalty. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

**RECORD TITLE:**

***MERRION OIL & GAS CORPORATION – 100%***

OWNERSHIP AFTER ASSIGNMENT:

**RECORD TITLE:**

***COASTAL PLAINS ENERGY, INC. - 100%***

...ML 49209 (SCH)...ML 49406 (SCH)....

**ACCEPTANCE OF \$5,000 INDIVIDUAL WELL SURETY BOND OF LESSEE ML 49049 (SCH)**

Sue-Ann Operating, LC, P.O. Box 3910, Victoria, TX, 77903, has submitted a State of Utah Individual Well Surety Bond of Lessee in the amount of \$5,000, Bond No. RLB0013484. This bond is to cover their oil and gas exploration and development operations under State of Utah Oil, Gas and Hydrocarbon Lease ML 49049. The surety is RLI Insurance Company, Suite 400, 8 Greenway Plaza, Houston, TX 77046.

Upon recommendation of Mr. Bonner, the Director accepted the \$5,000 Individual Well Surety Bond, Bond No. RLB0013484, from RLI Insurance Company.

**ACCEPTANCE OF SURETY – OIL, GAS & HYDROCARBON LEASE – ML 49049 (SCH)**

Sue-Ann Operating, LC, P.O. Box 3910, Victoria, TX 77903, has submitted a Corporate Surety Bond in the amount of \$8,800, Bond No. RLB0013485. This bond is submitted as surety to cover surface operations associated with State of Utah, Oil, Gas and Hydrocarbon Lease ML 49049. The surety is RLI Insurance Company, Suite 400, 8 Greenway Plaza, Houston, TX 77046. The Trust Lands Administration is holding this bond for the benefit of K Ranch, LLC, Attn: Richard Roach, surface owner of lands covered under this lease to ensure surface reclamation of the access route and well pad for the Ginger #2 Well (API 43 047 51325).

Upon recommendation of Mr. Bonner, the Director accepted the \$8,800 Corporate Surety Bond, No. RLB0013485, as surety for Sue-Ann Operating, LC.

**ACCEPTANCE OF STATEWIDE SURETY BOND OF LESSEE (ALL)**

Patara Oil & Gas LLC, Suite 3960, 333 Clay Street, Houston, TX 77002, has submitted a State of Utah Statewide Surety Bond of Lessee, in the amount of \$15,000, Bond No. B006104. This statewide bond is to cover their oil and gas exploration and development operations on trust lands. The surety is US Specialty Insurance Company, 13403 Northwest Freeway, Houston, TX 77040.

Upon recommendation of Mr. Bonner, the Director accepted the \$15,000 Statewide Surety Bond of Lessee, Bond No. B006104, from US Specialty Insurance Company.

**RELEASE OF STATE OF UTAH BOND OF LESSEE - ML 29282 (SCH)**

On January 6, 1975, the Director accepted a \$5,000 Bond of Lessee from Burton W. Hancock, Attn: Mark Tokarski, Burton W. Hancock, 19854 Canyon View Drive, Morrison, CO 80465, Bond No. CT 7107844, with Hartford Fire Insurance Company-American Employers Insurance Company, Attn: Don Bradshaw as surety, to cover their oil and gas exploration and development operations under State of Utah Oil, Gas, and Hydrocarbon Lease ML 29282. Burton W. Hancock has requested release of Bond No. CT 7107844 as the Hancock #33 (API 43 019 30427) Well has been plugged and abandoned. The Trust Lands' Auditing Section has reviewed this request for release and has no outstanding audit issues.

Upon recommendation of Mr. Bonner, the Director released Bond No. CT 7107844.

**TERMINATION OF ML 42673 – OIL, GAS & HYDROCARBON (SCH)**

With the plugging and abandonment of the EnCana Oil & Gas (USA) Inc. HH #9100 (API 43 047 31870) Well on September 10, 2008, ML 42673 should be terminated effective September 10, 2008.

Upon recommendation of Mr. Bonner, the Director approved the above-listed termination.

**APPROVAL OF ML 51892-OBA, AND ML 51893-OBA – OIL, GAS, AND ASSOCIATED HYDROCARBONS LEASES (SCH)**

The Board, at its meeting on November 18, 2010, approved the above-listed leases as follows:

<u>Mineral Lease No. 51892-OBA</u>	<u>T13S, R8E, SLB&amp;M.</u>	Carbon
Thunderbird Energy, Inc.	SEC. 27: SE <sup>1</sup> / <sub>4</sub> NE <sup>1</sup> / <sub>4</sub>	760.00 acres
847 Hamilton Street	SEC. 35: N <sup>1</sup> / <sub>2</sub> NE <sup>1</sup> / <sub>4</sub>	
Vancouver, BC, Canada V6B 2R7	SEC. 36: ALL	

<u>Mineral Lease No. 51893-OBA</u>	<u>T14S, R8E, SLB&amp;M.</u>	Carbon
Thunderbird Energy, Inc.	SEC. 2: LOTS 1(46.02), 2(45.98), 3(45.94),	1528.01 acres
847 Hamilton Street	4(52.73), 5(45.86), 6(45.78), 7(45.70),	
Vancouver, BC, Canada V6B 2R7	S <sup>1</sup> / <sub>2</sub> NE <sup>1</sup> / <sub>4</sub> , SE <sup>1</sup> / <sub>4</sub> NW <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> [ALL	
	SEC. 6: SE <sup>1</sup> / <sub>4</sub>	
	SEC. 10: NW <sup>1</sup> / <sub>4</sub> NW <sup>1</sup> / <sub>4</sub>	
	SEC. 15: S <sup>1</sup> / <sub>2</sub> NW <sup>1</sup> / <sub>4</sub>	
	SEC. 16: N <sup>1</sup> / <sub>2</sub> , SW <sup>1</sup> / <sub>4</sub> , W <sup>1</sup> / <sub>2</sub> SE <sup>1</sup> / <sub>4</sub>	

These leases will be issued on the 16-2/3% royalty lease form for a term of five (5) years beginning December 1, 2010.

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

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

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**SURFACE ACTIONS**

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**GRAZING PERMITS**

**GRAZING PERMIT GP 21994-02 (ASSIGNMENT)**

A. Lee Jeffs, P.O. Box 875, Castle Dale, UT 84513, has requested Trust Lands Administration's permission to assign 100% interest in the above referenced grazing permit to Archie Lee Jeffs Family Trust, dated April 9, 1988, P.O. Box 875, Castle Dale, UT 84513. The assignment fee in the amount of \$47.00 has been submitted. Emery County. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the assignment of GP 21994-02.

**EASEMENTS****RIGHT OF WAY NO. 783 (ASSIGNMENT AND AMENDMENT NO. 1)**

EnCana Oil & Gas (USA) Inc., 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202, has requested permission to assign 100% of its interest in Right of Way No. 783 to Patara Midstream LLC, Three Allen Center, 333 Clay Street, Suite 3960, Houston, Texas, 77002.

When this right of way was issued in 1962, a rental assessment of \$903.00 was paid. The rental assessment at today's rates would be \$17,157.58. Rule R850-40-1600(1)(c) directs that in order for an assignment to be approved, the difference between what was originally charged for the right of way and the amount that would be charged for the same easement at today's rates be paid. The difference in the amount of \$16,254.58 has been paid to the Trust Lands Administration.

Pursuant to R850-40-1600(1)(b), the right of way will be amended from a perpetual term to a term of 15 years from the effective date of the amendment. The right of way will now have an expiration date of October 31, 2025.

The required \$250.00 assignment fee has been paid. All requirements for assignment pursuant to Rule R850-40-1600(1) have been met.

San Juan County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment and amendment of Right of Way No. 783.

**RIGHT OF WAY NO. 1143 (ASSIGNMENT)**

EnCana Oil & Gas (USA) Inc., 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202, has requested permission to assign 100% of its interest in Right of Way No. 1143 to Patara Midstream LLC, Three Allen Center, 333 Clay Street, Suite 3960, Houston, Texas, 77002.

When this right of way was issued in 1968, and subsequently amended in 2004, a total rental assessment of \$2,530.00 was paid. The rental assessment at today's rates would be \$3,990.00. Rule R850-40-1600(1)(c) directs that in order for an assignment to be approved, the difference between what was originally charged for the right of way and the amount that would be charged for the same easement at today's rates be paid. The difference in the amount of \$1,460.00 has been paid to the Trust Lands Administration. This right of way was amended in 2004 to change the term from a perpetual term to a term of 15 years. The right of way has an expiration date of January 1, 2019. All requirements for assignment pursuant to Rule R850-40-1600(1) have been met.

The required \$250.00 assignment fee has been paid.

San Juan County. Utah State University Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment of Right of Way No. 1143.

**RIGHT OF WAY NO. 3411 (ASSIGNMENT AND AMENDMENT NO. 1)**

EnCana Oil & Gas (USA) Inc., 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202, has requested permission to assign 100% of its interest in Right of Way No. 3411 to Patara Midstream LLC, Three Allen Center, 333 Clay Street, Suite 3960, Houston, Texas, 77002.

When this right of way was issued in 1989, a rental assessment of \$1,711.86 was paid. The rental assessment at today's rates would be \$5,407.94. Rule R850-40-1600(1)(c) directs that in order for an assignment to be approved, the difference between what was originally charged for the right of way and the amount that would be charged for the same easement at today's rates be paid. The difference in the amount of \$3,696.08 has been paid to the Trust Lands Administration.

Pursuant to R850-40-1600(1)(b), the right of way will be amended from a perpetual term to a term of 15 years from the effective date of the amendment. The right of way will now have an expiration date of October 31, 2025.

The required \$250.00 assignment fee has been paid. All requirements for assignment pursuant to Rule R850-40-1600(1) have been met.

San Juan County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment and amendment of Right of Way No. 3411.

**EASEMENT NO. 636 (ASSIGNMENT)**

EnCana Oil & Gas (USA) Inc., 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado, 80202, has requested permission to assign 100% of its interest in Easement No. 636 to Patara Midstream LLC, Three Allen Center, 333 Clay Street, Suite 3960, Houston, Texas, 77002.

When this easement was issued in 2000, an easement rental assessment of \$6,267.84 was paid. The easement rental assessment at today's rates would be \$8,296.36. Rule R850-40-1600(1)(c) directs that in order for an assignment to be approved, the difference between what was originally charged for the easement and the amount that would be charged for the same easement at today's rates be paid. The difference in the amount of \$2,028.52 has been paid to the Trust Lands Administration. This easement was issued for a 30-year term, and has an expiration date of November 5, 2030. All requirements for assignment pursuant to Rule R850-40-1600(1) have been met.

The required \$250.00 assignment fee has been paid.

San Juan County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment of Easement No. 636.

**EASEMENT NO. 1064 (ASSIGNMENT)**

EnCana Oil & Gas (USA) Inc., 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202, has requested permission to assign 100% of its interest in Easement No. 1064 to Patara Midstream LLC, Three Allen Center, 333 Clay Street, Suite 3960, Houston, Texas, 77002.

When this easement was issued in 2006, an easement rental assessment of \$1,560.00 was paid. The easement rental assessment at today's rates would be \$2,394.70. Rule R850-40-1600(1)(c) directs that in order for an assignment to be approved, the difference between what was originally charged for the easement and the amount that would be charged for the same easement at today's rates be paid. The difference in the amount of \$834.70 has been paid to the Trust Lands Administration. This easement was issued for a 30-year term, and has an expiration date of March 31, 2036. All requirements for assignment pursuant to Rule R850-40-1600(1) have been met.

The required \$250.00 assignment fee has been paid.

San Juan County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment of Easement No. 1064.

**EASEMENT NO. 1125 (ASSIGNMENT)**

EnCana Oil & Gas (USA) Inc., 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202, has requested permission to assign 100% of its interest in Easement No. 1125 to Patara Midstream LLC, Three Allen Center, 333 Clay Street, Suite 3960, Houston, Texas, 77002.

When this easement was issued in 2006, an easement rental assessment of \$828.00 was paid. The easement rental assessment at today's rates would be \$1,261.09. Rule R850-40-1600(1)(c) directs that in order for an assignment to be approved, the difference between what was originally charged for the easement and the amount that would be charged for the same easement at today's rates be paid. The difference in the amount of \$433.09 has been paid to the Trust Lands Administration. This easement was issued for a 30-year term, and has an expiration date of September 30, 2036. All requirements for assignment pursuant to Rule R850-40-1600(1) have been met.

The required \$250.00 assignment fee has been paid.

San Juan County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment of Easement No. 1125.

**EASEMENT NO. 1127 (ASSIGNMENT)**

EnCana Oil & Gas (USA) Inc., 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202, has requested permission to assign 100% of its interest in Easement No. 1127 to Patara Oil & Gas LLC, Three Allen Center, 333 Clay Street, Suite 3960, Houston, Texas, 77002.

When this easement was issued in 2006, an easement rental assessment of \$780.00 was paid. The easement rental assessment at today's rates would be \$1,233.77. Rule R850-40-1600(1)(c) directs that in order for an assignment to be approved, the difference between what was originally charged for the easement and the amount that would be charged for the same easement at today's rates be paid. The difference in the amount of \$453.77 has been paid to the Trust Lands Administration. This easement was issued for a 30-year term, and has an expiration date of September 30, 2036. All requirements for assignment pursuant to Rule R850-40-1600(1) have been met.

The required \$250.00 assignment fee has been paid.

San Juan County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment of Easement No. 1127.

**EASEMENT NO. 1212 (ASSIGNMENT)**

EnCana Oil & Gas (USA) Inc., 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202, has requested permission to assign 100% of its interest in Easement No. 1212 to Patara Midstream LLC, Three Allen Center, 333 Clay Street, Suite 3960, Houston, Texas, 77002.

When this easement was issued in 2006, an easement rental assessment of \$396.00 was paid. The easement rental assessment at today's rates would be \$614.76. Rule R850-40-1600(1)(c) directs that in order for an assignment to be approved, the difference between what was originally charged for the easement and the amount that would be charged for the same easement at today's rates be paid. The difference in the amount of \$218.76 has been paid to the Trust Lands Administration. This easement was issued for a 30-year term, and has an expiration date of November 30, 2036. All requirements for assignment pursuant to Rule R850-40-1600(1) have been met.

The required \$250.00 assignment fee has been paid.

San Juan County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment of Easement No. 1212.

**EASEMENT NO. 1314 (ASSIGNMENT)**

EnCana Oil & Gas (USA) Inc., 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202, has requested permission to assign 100% of its interest in Easement No. 1314 to Patara Oil & Gas LLC, Three Allen Center, 333 Clay Street, Suite 3960, Houston, Texas, 77002.

When this easement was issued in 2008, an easement rental assessment of \$3,336.00 was paid. The easement rental assessment at today's rates would be \$5,269.70. Rule R850-40-1600(1)(c) directs that in order for an assignment to be approved, the difference between what was originally charged for the easement and the amount that would be charged for the same easement at today's rates be paid. The difference in the amount of \$1,933.70 has been paid to the Trust Lands Administration. This easement was issued for a 30-year term, and has an expiration date of December 31, 2037. All requirements for assignment pursuant to Rule R850-40-1600(1) have been met.

The required \$250.00 assignment fee has been paid.

San Juan County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment of Easement No. 1314.

**EASEMENT NO. 846, EASEMENT NO. 1316, EASEMENT NO. 1418, EASEMENT NO. 1419 (ASSIGNMENT)**

EnCana Oil & Gas (USA) Inc., 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202, has requested permission to assign 100% of its interest in the above referenced easements to Patara Oil & Gas LLC, Three Allen Center, 333 Clay Street, Suite 3960, Houston, Texas, 77002.

It has been determined that there is no difference between the rental assessment that was originally charged for the above referenced easements and the rental assessment that would be charged at today's rates. Furthermore, none of the above referenced easements have perpetual terms. Therefore, all requirements for assignment pursuant to Rule R850-40-1600(1) have been met. The required \$250.00 assignment fee has been paid for each contract.

San Juan County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment of Easement No. 846, Easement No. 1316, Easement No. 1418, and Easement No. 1419.

**EASEMENT NO. 1431, EASEMENT NO. 1432, EASEMENT NO. 1433 (ASSIGNMENT)**

EnCana Oil & Gas (USA) Inc., 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202, has requested permission to assign 100% of its interest in the above referenced easements to Patara Midstream LLC, Three Allen Center, 333 Clay Street, Suite 3960, Houston, Texas, 77002.

It has been determined that there is no difference between the rental assessment that was originally charged for the above referenced easements and the rental assessment that would be charged at today's rates. Furthermore, none of the above referenced easements have perpetual terms. Therefore, all requirements for assignment pursuant to Rule R850-40-1600(1) have been met. The required \$250.00 assignment fee has been paid for each contract.

San Juan County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment of Easement No. 1431, Easement No. 1432, and Easement No. 1433.

**SPECIAL USE LEASE AGREEMENTS****SPECIAL USE LEASE NO. 1575 (ASSIGNMENT)**

EnCana Oil & Gas (USA) Inc., 370 17<sup>th</sup> Street, Suite 1700, Denver, Colorado 80202, has requested permission to assign 100% of its interest in Special Use Lease No. 1575 to Patara Midstream LLC, Three Allen Center, 333 Clay Street, Suite 3960, Houston, Texas, 77002. This lease is an industrial lease for a natural gas compressor station. The lease was issued beginning April 1, 2008, for a 30-year term, with an expiration date of March 31, 2038.

All requirements for assignment pursuant to Rule R850-30-900 have been met. The required \$250.00 assignment fee has been paid.

San Juan County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director approved the assignment of Special Use Lease No. 1575.

**SPECIAL USE LEASE AGREEMENT NO. 1360 (5-Year Review)**

SULA 1360 is a commercial special use lease agreement issued to the Boy Scouts of America, dba Utah National Parks Council, 748 North 134 West, Orem, UT 84057. The lease site is located in Grand County. School Fund.

1. **ANNUAL BASE RENTAL:**

The 5-year lease rental review date for this commercial lease is January 1, 2011. The authorized use of the subject parcel is for a summer outdoor camping facility for youth groups.

**Appraisal Based Review**

After a preliminary analysis pursuant to Board policy, the value of the subject property is estimated to be \$2,500.00/acre, with a total value of \$104,000.00.

With the estimated appraised value of the subject parcel being \$104,000.00, it is recommended that the annual rental be increased from \$3,200.00 per year to \$3,380.00 per year, effective January 1, 2011. A certified notice was sent to the Lessee. No response was received.

Annual Base Rental: \$3,380.00

Acres in lease: 41.6

Rental per acre: \$81.25.

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 allows the lessor to require a bond at any time or to provide additional bonding as may be in the best interest of the state. A performance and reclamation bond in the amount of \$10,000.00 is currently in place and upon consultation with the Agency's Environmental Compliance Manager, it has been determined that it is adequate for the current risks associated with the current uses.

**SPECIAL USE LEASE AGREEMENT NO. 1360 (5-Year Review) (CONTINUED)**

## 5. WATER RIGHTS AND WELLS:

There is a State-owned water right associated with this lease (No. 01-1098). The water rights are up to date and in the name of the Trust Lands Administration.

## 6. ENVIRONMENTAL COMPLIANCE:

This lease was inspected and reviewed for environmental compliance on December 8, 2010, and has been rated as medium-risk. There is no evidence of underground or above-ground petroleum storage tanks, stained soil, 55-gallon drums/containers of any size, unauthorized uses, or solid waste on the premises. However, there is a small gun range on the property and a liner or periodic soil removal plan will be necessary to prevent metals building up in the soil. In May of 2007, the Agency gave approval to the lessee to install a septic system to address their gray water needs. However, It is unclear whether the system is collecting all of their gray water or if there are other wastes being disposed of in the septic system. The Agency's Environmental Compliance Manger recommends that a meeting be scheduled with the Lessee to review their plan/diagram of the septic system and to ensure that it can handle the quantities of gray water associated with the lease uses. 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 and the legal description is complete and accurate.

## 8. NEXT ASSESSMENT DATE:

The next assessment date will be January 1, 2016.

Upon recommendation of Mr. Bryan Torgerson, the Director approved the 5-year review for SULA 1360.

**SPECIAL USE LEASE AGREEMENT NO. 1453 (5-YEAR REVIEW)**

SULA 1453 is an industrial special use lease, in the name of XTO Energy, Inc., Land Department, 110 West 7<sup>th</sup> Street, Fort Worth, Texas 76102-7018. The lease site is located in Uintah County. School Fund.

## 1. ANNUAL BASE RENTAL:

The 5-year lease rental review date for this industrial lease is February 1, 2011. The authorized use of the subject parcel is for a natural gas compressor station.

**CPI Based Review**

After a preliminary analysis pursuant to Board policy, the value of the subject property has been estimated to be approximately \$500.00 per acre, with a total value of \$7,300.00.

Based on this analysis, it has been determined that an appraisal is not warranted and therefore, it is recommended that the CPI index be used to adjust the annual rental, which will be increased from \$12,500.00 per year to \$13,760.00 per year, effective February 1, 2011. A certified notice was sent informing the lessee of this action. No response was received from the lessee.

Annual Base Rental: \$13,760.00

Acres in lease: 14.653

Rental per acre: \$939.05

**SPECIAL USE LEASE AGREEMENT NO. 1453 (5-YEAR REVIEW) (CONTINUED)**

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 allows for a bond to be required or increased at any time during the term of lease at the discretion of the Agency. A performance and reclamation bond in the amount of \$10,000.00 is currently in place.
5. **WATER RIGHTS AND WELLS:**  
There are no State-owned water rights associated with this lease.
6. **ENVIRONMENTAL COMPLIANCE:**  
This lease was inspected and reviewed for environmental compliance on October 19, 2010, and has been rated as medium-risk. Consistent with the operation of the facility, there are two above-ground condensate tanks, an above-ground methanol tank and above-ground oil tanks located on the site. All tanks have appropriate secondary containment in place, and appear to be in good working order. There is no evidence of underground petroleum storage tanks, stained soil, 55-gallon drums/containers of any size, unauthorized uses, or solid waste on the premises. 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 February 1, 2016.

Upon recommendation of Mr. Chris Fausett, the Director approved the 5-year review for SULA 1453.

**SPECIAL USE LEASE AGREEMENT NO. 1690 (RECLAMATION BOND)**

Pursuant to Paragraph 10.4 of the lease agreement, Kerr-McGee Oil & Gas Onshore LP, P.O. Box 173779, Denver, CO 80217-3779, has submitted Corporate Surety Bond No. SUR0002596, effective December 10, 2010. The bonding company is Argonaut Insurance Company, 225 W. Washington, 6<sup>th</sup> Floor, Chicago, IL 60606. The reclamation bond is for \$5,000.00, and will remain in full force and effect until released by the Agency. Uintah County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director accepted the bond submitted for SULA 1690.

**SPECIAL USE LEASE AGREEMENT NO. 1692 (RECLAMATION BOND)**

Pursuant to Paragraph 10.4 of the lease agreement, Kerr-McGee Oil & Gas Onshore LP, P.O. Box 173779, Denver, CO 80217-3779, has submitted Corporate Surety Bond No. SUR0002597, effective December 10, 2010. The bonding company is Argonaut Insurance Company, 225 W. Washington, 6<sup>th</sup> Floor, Chicago, IL 60606. The reclamation bond is for \$10,000.00, and will remain in full force and effect until released by the Agency. Uintah County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director accepted the bond submitted for SULA 1692.

**SPECIAL USE LEASE AGREEMENT NO. 1694 (RECLAMATION BOND)**

Pursuant to the lease agreement, Blue Tip Castlegate Inc., 15810 Park Ten Place, Ste. 160, Houston, TX 77084, has submitted Corporate Surety Bond No. B006187, effective December 13, 2010. The bonding company is U.S. Specialty Insurance Company, 13403 Northwest Freeway, Houston, TX 77040. The reclamation bond is for \$7,500.00, and will remain in full force and effect until released by the Agency. Duchesne County. School Fund.

Upon recommendation of Mr. Chris Fausett, the Director accepted the bond submitted for SULA 1694.

**TIMBER SALES**

**TIMBER SALE NO. 817 - AMENDMENT NO. 3 (EXTENSION OF EXPIRATION DATE)**

Thompson Logging, P.O. Box 363, Kamas, Utah 84036, has requested that the expiration date of TA 817 (Phil Pico North Slope) be amended from October 31, 2010, to October 31, 2011. Greater volumes than expected and a depressed market for logs are the reason for the extension.

The \$250.00 amendment fee for the contract extension has been submitted. Daggett County. School and Miner's Hospital Funds.

Upon recommendation of Mr. Richard Wilcox, the Director approved the amendment of the contract expiration date for TA 817.

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**DEVELOPMENT ACTIONS**

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**DEVELOPMENT SALE OF CASTLE VALLEY FIRE STATION AND WATER RIGHT NO. 05-2128**

THE FOLLOWING SALE HAS BEEN EXECUTED AND A PATENT AND WATER RIGHT QUIT CLAIM DEED ISSUED:

CERTIFICATE OF SALE NO.:	26511
CERTIFICATE/DATE OF SALE:	December 2, 2010
PATENT NO.:	20191
PATENT DATE:	December 16, 2010
WATER RIGHT NO:	05-2128
WATER RIGHT QUIT CLAIM DEED NO.:	001528
WATER RIGHT QUIT CLAIM DEED DATE:	December 9, 2010
PROJECT:	Castle Valley
PROJECT MANAGER:	Bryan Torgerson
PROJECT CODE:	CASTL 000 00
FUND:	School
SALE PRICE:	\$62,500.00
FEES:	\$3,469.61
BOARD APPROVAL:	November 18, 2010
APPRAISAL DATE:	April 7, 2010

BUYER:  
 GRAND COUNTY SERVICE AREA  
 CASTLE VALLEY FIRE PROTECTION DISTRICT  
 HC 64 Box 2109  
 Castle Valley, Utah 84532-9602

TRANSACTIONAL CONTEXT:

The Trust Lands Administration (the "Trust") sold to Grand County Service Area for Castle Valley Fire Protection District ("Buyer") a parcel of land, two and one half (2.50) acres, for the fire station parcel and 100% interest in Water Right No 05-2128. The parcel was sold at fair market value for \$25,000.00 per acre plus closing costs of \$3,469.61. The closing costs included \$1,800.00 for an appraisal, \$500.00 for a cultural resource survey, \$750.00 in processing and application fees, and \$419.61 in advertising costs; thus, the total amount paid to the Trust Lands Administration was \$65,969.61.

LEGAL DESCRIPTION OF SALE PARCEL:

Township 25 South, Range 23 East, SLB&M  
Section 9: NE4NE4NW4SW4

Together with 100% interest in Water Right No. 05-2128.

Containing 2.50 acres, more or less.

The above legal description has been reviewed by the GIS Group.

**DEVELOPMENT SALE OF CASTLE VALLEY FIRE STATION AND WATER RIGHT NO. 05-2128  
(CONTINUED)**

NUMBER OF ACRES BY COUNTY: 2.50 acres - Grand County.

NUMBER OF ACRES BY FUND: 2.50 acres - School.

**MINERAL RESERVATIONS:**

Excepting and reserving 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, oil, gas and other hydrocarbons and other mineral deposits, along with the right for the Trust Lands Administration or other authorized persons or entities to prospect for, mine, and remove such deposits; also,

Excepting and reserving to the State of Utah all sub-surface void and pore spaces, whether naturally existing or created upon the removal of any coal, oil and gas and other mineral deposits, and the right to utilize the same for any purpose.

**SURFACE RESERVATIONS:**

Excepting and reserving to the State of Utah an access and utility easement across the property for the benefit of the Trust Lands Administration, its successors in interest, assigns, permittees and lessees, as may be necessary and reasonable to access lands administered by the School and Institutional Trust Lands Administration; 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; also,

Subject to Right of Way No. 1504 ("ROW 1504"). ROW 1504 was issued to Castle Valley Institute for a water collection system. Said right of way was issued in perpetuity; also,

Subject to Oil, Gas and Hydrocarbon Lease ML 49127 currently held by Patara Oil & Gas LLC, on file with the Trust Lands Administration.

MINERAL LEASES CANCELED: None

SURFACE LEASES CANCELED: None

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

**DEVELOPMENT SALE FOR SUN RIVER PHASE 31 PARCEL (PS 8470)**

THE FOLLOWING SALE HAS BEEN EXECUTED AND A PATENT ISSUED:

CERTIFICATE OF SALE NO.: 26515  
 CERTIFICATE/DATE OF SALE: December 17, 2010  
 PATENT NO.: 20179  
 PATENT DATE: August 11, 2010  
 PROJECT: South Block / Sun River  
 PROJECT MANAGER: Brent Bluth  
 PROJECT CODE: SOBLK 003 00  
 FUND: School  
 COUNTY: Washington  
 SALE PRICE: \$638,353.00

**BUYER:**

SUN RIVER ST. GEORGE DEVELOPMENT, L.C.  
 1404 West Sun River, Suite 200  
 St. George, Utah 84790

**FINANCIAL INFORMATION:**

Prior to closing, the Trust Lands Administration deposited a fully executed and acknowledged patent to the surface estate of the subject property with the Escrow Agent, which Patent was held in escrow. The below described real property was sold for the sum of Six Hundred Thirty-Eight Thousand Three Hundred Fifty-Three Dollars and Zero Cents (\$638,353.00), which amount was paid to the Trust Lands Administration in full at closing.

**LEGAL DESCRIPTION OF SALE PARCEL:**

Township 43 South, Range 16 West, SLB&M  
 Sections 23 and 26:

**Developable Land:**

Beginning at a point on the section line, said point being South 88°43'41" East 2,125.94 feet along the section line from the Southwest Corner of Section 23, Township 43 South, Range 16 West, Salt Lake Base & Meridian, and running thence South 88°43'41" East 511.24 feet along said section line to the South Quarter Corner of Section 23, Township 43 South, Range 16 West, Salt Lake Base & Meridian; thence North 01°13'52" East 638.17 feet along the center section line; thence South 64°06'53" East 159.64 feet; thence southeasterly 99.47 feet along an arc of a 256.07 foot radius curve to the right (center bears South 25°53'07" West long chord bears South 52°59'12" East 98.84 feet with a central angle of 22°15'22"); thence South 39°30'53" East 307.43 feet to and along the north line of Sun River St. George Phase 30; thence westerly the remaining courses along the north and easterly line of said Sun River St. George Phase 30; thence South 26°13'05" East 13.96 feet; thence southwesterly 231.65 feet along an arc of a 1,967.00 foot radius curve to the right (center bears North 40°56'44" West long chord bears South 52°25'42" West 231.51 feet with a central angle of 06°44'51"); thence southwesterly 263.93 feet along an arc of a 2,033.00 foot radius curve to the left (center bears South 34°11'53" East long chord bears South 52°04'58" West 263.75 feet with a central angle of 07°26'18"); thence South 48°21'49" West 314.23 feet; thence southwesterly 150.15 feet along an arc of a 767.00 foot radius curve to the right (center bears North 41°38'11" West long chord bears South 53°58'19" West 149.91 feet with a central angle of 11°13'00"); thence northwesterly 23.55 feet along an arc of a 25.00 foot radius curve to the right (center bears North 07°43'54" East long chord bears North 55°17'13" West 22.68 feet with a central angle of 53°57'45"); thence North 28°18'21" West 74.84 feet; thence northerly 30.29 feet along an arc of a 20.00 foot radius curve to the right (center bears North 61°41'39" East long chord bears North 15°04'29" East 27.47 feet with a central angle of 86°45'39"); thence North 23°46'40" West 30.29 feet; thence westerly 32.68 feet along an arc of a 20.00 foot radius curve to the right

**DEVELOPMENT SALE FOR SUN RIVER PHASE 31 PARCEL (PS 8470) (CONTINUED)**

(center bears North 31°55'20" West long chord bears North 75°06'51" West 29.16 feet with a central angle of 93°36'58"); thence North 28°18'21" West 164.45 feet; thence northerly 29.68 feet along an arc of a 20.00 foot radius curve to the right (center bears North 61°41'39" East long chord bears North 14°12'31" East 27.03 feet with a central angle of 85°01'43"); thence North 21°12'41" West 30.73 feet; thence westerly 33.48 feet along an arc of a 20.00 foot radius curve to the right (center bears North 34°13'29" West long chord bears North 76°15'55" West 29.71 feet with a central angle of 95°55'08"); thence North 28°18'21" West 5.89 feet to the Point of Beginning. Containing 277,127 square feet or 6.362 acres, more or less.

**Open Space:**

Beginning at a point on the Northeasterly Corner of Sun River St. George Phase 29, said point being South 88°43'41" East 2,637.18 feet along the section line to the South Quarter Corner of Section 23 and North 01°13'52" East 638.17 feet along the center section line from the Southwest Corner of said Section 23, Township 43 South, Range 16 West, Salt Lake Base & Meridian, and running thence North 01°13'52" East 226.24 feet along the center section line; thence South 54°24'40" East 230.50 feet; thence South 44°28'44" East 454.83 feet to the north line of Sun River St. George Phase 30; thence South 48°21'49" West 156.90 feet along said north line of said Phase 30; thence North 39°30'53" West 269.01 feet; thence northwesterly 99.47 feet along an arc of a 256.07 foot radius curve to the left (center bears South 48°08'28" West, long chord bears North 52°59'13" West 98.84 feet with a central angle of 22°15'22"); thence North 64°06'53" West 159.64 feet to the Point of Beginning. Containing 93,782 square feet or 2.153 acres, more or less.

Containing a total of 8.51 acres, more or less.

The legal description above has been reviewed by the GIS Group.

NUMBER OF ACRES BY COUNTY: 8.51 acres - Washington County

NUMBER OF ACRES BY FUND: 8.51 acres - School

**MINERAL RESERVATIONS:**

Excepting and reserving to the State of Utah all coal and other mineral deposits, along with the right for the State or other authorized persons to prospect for, mine, and remove the deposits (and subject to any prior reservation of minerals to the United States).

**SURFACE RESERVATIONS:**

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

MINERAL LEASES CANCELED: None

SURFACE LEASES CANCELED: None

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

**DEVELOPMENT EASEMENT AGREEMENT (ESMT 1607)**

THE FOLLOWING EASEMENT WAS GRANTED TO DESERT CANYONS DEVELOPMENT, INC.:

PROJECT: Arizona Border Parcel  
 PROJECT CODE: AZBDR 000 00  
 PROJECT MANAGER: Aaron Langston  
 FUND: School  
 DATE OF EASEMENT: December 16, 2010  
 TERM: Perpetual  
 EASEMENT NO.: 1607  
 FEES: \$750.00

## GRANTEE:

DESERT CANYONS DEVELOPMENT, INC.  
 113 East 200 North, #2  
 St. George, Utah 84770

## DESCRIPTION OF TRANSACTION:

This easement was granted to Desert Canyons Development, Inc., for the installation, operation, maintenance, repair, and replacement of public utilities, including a sewer line, waterline, communication lines, gas line, and other public utilities (the "Utilities"), which will service the trust lands/purchase property described below, which are being purchased by the parent company of the Grantee, Desert Canyons Holdings (the "Purchaser") via Certificate of Sale No. 26455. The Grantee shall pay for its own costs and expenses in connection with the construction, operation, repair, replacement, and maintenance of the Utilities. The Utilities will service the future development of the purchase property and are desired by the Trust Lands Administration ("TLA") and the Grantee; therefore, the easement was granted for easement application fees of Seven Hundred Fifty Dollars (\$750.00). The Purchaser is current on its payment obligations to the TLA. However, in the event the Purchaser defaults on any of its scheduled payments until the land has been fully paid for and conveyed, any improvements constructed within the easement shall automatically revert to the Trust.

## LEGAL DESCRIPTION:

Township 43 South, Range 15 West, SLB&M  
 Section 36: Lots 3 and 4, NW4 (Within)

## SEGMENT 1:

BEGINNING AT THE UTAH/ARIZONA STATELINE MILE MARKER M31, THENCE RUNNING ALONG SAID UTAH/ARIZONA STATELINE NORTH 88°44'59" WEST, 2091.48 FEET TO A POINT LOCATED ON THE WESTERLY SECTION LINE OF SECTION 36, TOWNSHIP 43 SOUTH, RANGE 15 WEST, SALT LAKE BASE & MERIDIAN, SAID POINT BEING 0.37 FEET NORTHERLY OF THE SOUTHWEST CORNER OF SAID SECTION 36; THENCE RUNNING ALONG SAID SECTION LINE NORTH 01°34'56" EAST, 25.00 FEET; THENCE LEAVING SAID SECTION LINE SOUTH 88°44'59" EAST, 2091.34 FEET; THENCE SOUTH 88°43'46" EAST, 553.65 FEET TO A POINT ON THE CENTER SECTION LINE OF SAID SECTION 36; THENCE RUNNING ALONG SAID CENTER SECTION LINE SOUTH 01°12'33" WEST, 25.00 FEET TO A POINT ON THE UTAH/ARIZONA STATELINE, SAID POINT BEING 1.10 FEET NORTHERLY OF A 5/8" REBAR & CAP, PLS 166296 ON LINE WITH CENTER SECTION LINE; THENCE RUNNING ALONG SAID UTAH/ARIZONA STATELINE NORTH 88°43'46" WEST, 553.67 FEET TO THE POINT OF BEGINNING. CONTAINS 1.518 ACRES.

**DEVELOPMENT EASEMENT AGREEMENT (ESMT 1607) (CONTINUED)**

## SEGMENT 2:

BEGINNING AT A POINT LOCATED NORTH 88°44'59" WEST, 806.94 FEET, AND NORTH 01°15'01" EAST, 25.00 FEET FROM THE UTAH/ARIZONA STATELINE MILE MARKER M31, SAID POINT BEING LOCATED IN THE SOUTH ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF SECTION 36, TOWNSHIP 43 SOUTH, RANGE 15 WEST, SALT LAKE BASE & MERIDIAN, SAID POINT BEING THE POINT OF BEGINNING, THENCE RUNNING ALONG NORTH 88°44'59" WEST, 25.00 FEET; THENCE NORTH 01°15'01" EAST, 145.39 FEET TO A POINT ON A 112.50 FOOT RADIUS CURVE TO THE LEFT, HAVING A CENTRAL BEARING NORTH 05°59'54" EAST, THENCE RUNNING 25.06 FEET ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 12°45'50"; THENCE SOUTH 01°15'01" WEST, 146.10 FEET TO THE POINT OF BEGINNING. CONTAINS 0.083 ACRE.

## SEGMENT 3:

BEGINNING AT A POINT LOCATED SOUTH 88°50'05" EAST, 489.38 FEET ALONG THE SECTION LINE FROM THE NORTHWEST CORNER OF SECTION 36, TOWNSHIP 43 SOUTH, RANGE 15 WEST, SALT LAKE BASE & MERIDIAN, SAID POINT BEING THE POINT OF BEGINNING; THENCE SOUTH 88°50'05" EAST, 39.54 FEET; THENCE SOUTH 48°38'18" EAST, 355.17 FEET TO THE POINT OF CURVE OF A 635.00 FOOT RADIUS CURVE TO THE LEFT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 422.41 FEET, THROUGH A CENTRAL ANGLE OF 38°06'50"; THENCE SOUTH 04°22'32" WEST, 135.37 FEET; TO THE POINT OF CURVE OF A 187.50 FOOT RADIUS CURVE TO THE LEFT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 109.68 FEET, THROUGH A CENTRAL ANGLE OF 33°31'00"; THENCE SOUTH 29°08'28" EAST, 1221.20 FEET TO THE POINT OF CURVE OF A 412.50 FOOT RADIUS CURVE TO THE RIGHT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 512.67 FEET THROUGH A CENTRAL ANGLE OF 71°12'32"; THENCE SOUTH 42°04'05" WEST, 106.51 FEET TO THE POINT OF CURVE OF A 187.50 FOOT RADIUS CURVE TO THE LEFT; RUNNING THENCE ALONG THE ARC OF SAID CURVE 109.34 FEET, THROUGH A CENTRAL ANGLE OF 33°24'47"; THENCE SOUTH 08°39'17" WEST, 188.12 FEET TO THE POINT OF CURVE OF A 162.50 FOOT RADIUS CURVE TO THE RIGHT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 121.59 FEET, THROUGH A CENTRAL ANGLE OF 42°52'21"; THENCE SOUTH 51°31'39" WEST, 20.05 FEET TO THE POINT OF CURVE OF A 137.50 FOOT RADIUS CURVE TO THE LEFT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 42.38 FEET, THROUGH A CENTRAL ANGLE OF 17°39'27"; THENCE SOUTH 33°52'12" WEST, 329.20 FEET TO THE POINT OF CURVE OF A 112.50 FOOT RADIUS CURVE TO THE RIGHT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 182.22 FEET, THROUGH A CENTRAL ANGLE OF 92°48'22"; THENCE NORTH 53°19'26" WEST, 474.50 FEET TO THE POINT OF CURVE OF A 287.50 FOOT RADIUS CURVE TO THE LEFT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 102.41 FEET, THROUGH A CENTRAL ANGLE OF 20°24'36"; THENCE NORTH 73°44'02" WEST, 584.03 FEET TO THE POINT OF CURVE OF A 587.50 FOOT RADIUS CURVE TO THE LEFT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 153.98 FEET, THROUGH A CENTRAL ANGLE OF 15°01'02"; THENCE NORTH 88°45'04" WEST, 5.66 FEET TO A POINT ON THE WEST SECTION LINE OF SECTION 36; THENCE RUNNING ALONG SAID SECTION LINE NORTH 01°10'49" EAST, 25.00 FEET; THENCE LEAVING SAID SECTION LINE SOUTH 88°45'04" EAST, 5.69 FEET TO THE POINT OF CURVE OF A 612.50 FOOT RADIUS CURVE TO THE RIGHT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 160.54 FEET, THROUGH A CENTRAL ANGLE OF 15°01'02"; THENCE SOUTH 73°44'02" EAST, 584.03 FEET TO THE POINT OF CURVE OF A 312.50 FOOT RADIUS CURVE TO THE RIGHT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 111.32 FEET, THROUGH A CENTRAL ANGLE OF 20°24'36"; THENCE SOUTH 53°19'26" EAST, 474.50 FEET TO THE POINT OF CURVE OF A 87.50 FOOT RADIUS CURVE TO THE LEFT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 141.73 FEET, THROUGH A CENTRAL ANGLE OF 92°48'22"; THENCE NORTH 33°52'12" EAST, 329.20 FEET TO THE POINT OF CURVE OF A 162.50 FOOT RADIUS CURVE TO THE RIGHT, RUNNING THENCE

**DEVELOPMENT EASEMENT AGREEMENT (ESMT 1607) (CONTINUED)**

ALONG THE ARC OF SAID CURVE 50.08 FEET, THROUGH A CENTRAL ANGLE OF 7°39'27"; THENCE NORTH 51°32'39" EAST, 20.05 FEET TO THE POINT OF CURVE OF A 137.50 FOOT RADIUS CURVE TO THE LEFT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 102.89 FEET, THROUGH A CENTRAL ANGLE OF 42°52'21"; THENCE NORTH 08°39'17" EAST, 188.12 FEET TO THE POINT OF CURVE OF A 212.50 FOOT RADIUS CURVE TO THE RIGHT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 123.92 FEET, THROUGH A CENTRAL ANGLE OF 33°24'47"; THENCE NORTH 42°04'05" EAST, 106.51 FEET TO THE POINT OF CURVE OF A 387.50 FOOT RADIUS CURVE TO THE LEFT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 481.60 FEET, THROUGH A CENTRAL ANGLE OF 71°12'32"; THENCE NORTH 29°08'28" WEST, 1221.20 FEET; TO THE POINT OF CURVE OF A 212.50 FOOT RADIUS CURVE TO THE RIGHT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 124.31 FEET, THROUGH A CENTRAL ANGLE OF 33°31'00"; THENCE NORTH 04°22'32" EAST, 110.37 FEET TO A POINT OF CURVE OF A 660.00 FOOT RADIUS CURVE TO THE RIGHT, HAVING A RADIAL BEARING NORTH 05°27'39" EAST, THENCE RUNNING ALONG THE ARC OF SAID CURVE 413.55 FEET, THROUGH A CENTRAL ANGLE OF 35°54'03"; THENCE NORTH 48°38'18" WEST, 360.08 FEET TO THE POINT OF CURVE OF A 618.00 FOOT RADIUS CURVE TO THE LEFT, RUNNING THENCE ALONG THE ARC OF SAID CURVE 25.30 FEET, THROUGH A CENTRAL ANGLE OF 02°20'43" TO THE POINT OF BEGINNING. CONTAINS: 2.959 ACRES.

TOTAL ACREAGE OF THREE SEGMENTS CONTAINS 4.56 ACRES, MORE OR LESS.

The legal description above has been reviewed by the GIS Group.

NUMBER OF ACRES BY COUNTY: 4.56 acres – Washington County

NUMBER OF ACRES BY FUND: 4.56 acres – School

Upon recommendation of Ms. Andrea James, the Director accepted and granted Easement No. 1607.

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**ACTIONS CONTAINING FEE WAIVERS**

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**NONE**