


MARCH 22, 2010

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON MARCH 22, 2010, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, DEVELOPMENT, FEE WAIVER, AND TRUST ACCOUNTING BUSINESS MATTERS AS INDICATED AND WHICH BECAME EFFECTIVE AT 6:00 P.M. ON MARCH 22, 2010.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 3; SURFACE ACTIONS AS LISTED ON PAGES 3 TO 7; DEVELOPMENT ACTIONS AS LISTED ON PAGE 8; ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 9; AND TRUST ACCOUNTING ACTIONS AS LISTED ON PAGE 9.

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, APRIL 5, 2010. APPEALS NOT FILED BY THAT TIME WILL NOT BE ACCEPTED AND THE MATTERS WILL BE CONSIDERED UNAPPEALABLE.

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

  
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LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

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**MINERAL ACTIONS**

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**READJUSTMENT AND DELETION OF ACREAGE - ML 44800 - CLAY (SCH)**

The above-numbered Mineral Lease for Clay contains an active mining operation and is subject to readjustment at the end of the current term ending March 31, 2010. The Minerals Group has negotiated readjustment terms and conditions with the Lessee in the best interest of the Trust, as follows: 1) lease is restated using the Agency's current Generic Mineral Lease Form for Clay Minerals; 2) the annual rental will be the greater amount of \$3 per acre or a minimum of \$500. Commencing April 1, 2010, lessee will commence paying an advance annual minimum royalty of \$25 per acre; 3) the annual production royalty is increased to the greater amount of 10% Gross Value f.o.b. mine or \$1 per ton; and, 4) the acreage within the lease is reduced from 80 acres to 40 acres by deleting the parcel described as T6S, R1W, SLB&M, Section 2, SW $\frac{1}{4}$ NW $\frac{1}{4}$ . The surface of the deleted parcel is not trust land and it contains no clay reserves. The surface owner of the deleted parcel has entered an agreement with the DOGM Permittee of the site to assume all reclamation responsibilities for the deleted 40 acre parcel. The resulting legal description of the readjusted mineral lease is as follows: (This readjustment should take effect April 1, 2010.)

<u>ML 44800</u>	<u>T6S, R1W, SLB&amp;M</u>	Utah
Pacific Coast Building Products, LLC	SEC. 3: NE $\frac{1}{4}$ SE $\frac{1}{4}$	40.00 acres
dba Interstate Brick Co.		
9780 So. 5200 W.		
West Jordan, UT 84088		

Upon recommendation of Mr. Blake, the Director approved the lease readjustment as listed above.

**METALLIFEROUS MINERALS LEASE READJUSTMENT AND EXTENSION – ML 48369 (SCH)**

Metalliferous Minerals Lease ML 48369 will reach the end of its ten (10) year primary term on April 30, 2010. Under Article II of the lease, it is expressly agreed that at the end of each period of ten (10) years following the effective date of the lease, the State of Utah, as Lessor, shall have the right to readjust the terms and conditions of the lease as may be determined to be in the best interest of the State of Utah as trustee owner of the mineral estate. The lessee, Robert Steele, has satisfied the diligent development requirement to allow for lease continuance for an additional ten (10) year lease extension. The lease is readjusted and extended under the following terms:

- The lease is readjusted to conform to the terms and conditions provided for under the Trust Lands Administration's most current Metalliferous Minerals Lease Form, adopted for use August 2008.
- As per Article VI, Fourth Paragraph of the lease agreement, the lease readjustment requires an annual advanced minimum royalty payment of \$240 (three (3) times the annual rent), in addition to the \$1 per acre annual rental in order to maintain the lease beyond the primary term of ten (10) years. The current Metalliferous Minerals Lease Form requires a minimum rental of \$500 or \$1 per acre, whichever is greater, therefore the annual rental shall be \$500 for lease continuance beyond the ten (10) year primary term.
- The lease requires a production royalty of eight (8%) for fissionable metalliferous minerals and four (4%) for non-fissionable metalliferous minerals. The royalty shall be based on the gross value of the ores produced from the leased lands.

**METALLIFEROUS MINERALS LEASE READJUSTMENT AND EXTENSION – ML 48369 (SCH)  
(CONTINUED)**

- The lease will continue for an additional ten (10) year term as long as the diligent development requirement is satisfied or the lessee has achieved commercial production of the leased substance from the leased premises. The additional ten (10) year term will **expire on April 30, 2020.**

The Lessee has agreed to accept the readjusted terms of Metalliferous Minerals Lease ML 48369 and will execute the readjusted lease agreements upon approval of the Director of the School and Institutional Trust Lands Administration.

<u>ML 48369</u>	<u>T21S, R16W, SLB&amp;M.</u>	Millard
Robert Steele	SEC. 16: NW¼NE¼, NE¼NW¼	80.00 Acres
1055 North 400 East		
Nephi, UT 84648		

Upon recommendation of Mr. Stokes, the Director approved the readjustment and term extension of Metalliferous Minerals Lease ML 48369.

**CORRECTION OF DIRECTOR'S MINUTES OF MARCH 8, 2010 – ML 61438 – OIL, GAS, AND HYDROCARBON (SCH)**

The Director, on March 8, 2010, approved the assignment of 10% interest to Harvest (US) Holdings, Inc. by Branta Exploration & Production, LLC. No override.

It has come to our attention that the lease number, ML 61438, was listed in error. The correct lease number should have been listed as ML 51438.

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

**TERMINATION OF ML 11124 – OIL, GAS & HYDROCARBON (SCH)**

With the plugging and abandonment of the Forest Oil Corporation Conoco State 32-2 (API 43 047 30100) Well on November 12, 2009, ML 11124 should be terminated effective November 12, 2009.

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

**RELEASE OF STATEWIDE BOND OF LESSEE (ALL)**

On February 14, 2001, the Director accepted an \$80,000 State of Utah Statewide Bond of Lessee, Bond No. RLB0002714 from Pendragon Energy Partners, Inc., with RLI Insurance Company, 4687 West 18<sup>th</sup> Street, Greeley, CO, 80634. Subsequently, on May 13, 2005, in accordance with new bonding requirements, Pendragon Energy Partners, Inc. submitted a rider decreasing Bond No. RLB0002714 from \$80,000 to \$15,000.

Pendragon Energy Partners, Inc., Attn: Alan B. Nicol, 468 South Reed Street, Lakewood, CO 80226, has requested release of Bond No. RLB0002714 as they assigned all operations and lease rights to Questar Exploration & Production Company in December 2009 and have no current operations or pending activities on trust lands. The Auditing Section has reviewed this request and concurs with release of Bond No. RLB0002714 as requested.

Upon recommendation of Mr. Bonner, the Director released Bond No. RLB0002714.

**RELEASE OF \$80,000 CERTIFICATE OF DEPOSIT -- STATEWIDE LESSEE SURETY (ALL)**

On September 3, 1991, the Director accepted a Certificate of Deposit, Account No. 000743005 with United Bank of Denver N.A. in the amount of \$80,000 as surety from Bonneville Fuels Corporation to cover their statewide oil and gas exploration and development operations. Subsequently, Bonneville Fuels Corporation changed their name to Carbon Energy Corporation and in 2004 merged with Evergreen Resources. In 2005, Evergreen Resources changed their name to Pioneer Natural Resources.

Pioneer Natural Resources, Attn: Keith H. Pickett, Director-Treasury, 5205 North O'Conner, Suite 200, Irving, TX 75039-3746, has requested release of Certificate of Deposit Account No. 000743005 (now Account No. 110-174-3005 with Wells Fargo). Oil & gas operations of Pioneer Natural Resources are currently covered under a \$15,000 State of Utah Statewide Bond of Lessee. The Auditing Section has reviewed this request and concurs with release of Certificate of Deposit, Account No. 000743005 (Account No. 110-174-3005) as requested.

Upon recommendation of Mr. Bonner, the Director released Certificate of Deposit, Account No. 000743005 (Account No. 110-174-3005).

**EXPIRATION OF OIL, GAS, AND HYDROCARBON LEASE**

The Oil, Gas, and Hydrocarbon lease listed below has reached the end of its term and expired on the date listed. *This item is submitted by Edward W. Bonner for record-keeping purposes only.*

<u>Lease No.</u>	<u>Description</u>	<u>County/Acres</u> <u>Expiration Date</u>
<u>ML 47050 (SCH)</u> EOG Resources Inc. etal	<u>T10S, R15E, SLB&amp;M.</u> SEC. 32: LOTS 1(37.27), 2(36.90), 3(36.52), 4(36.15), N½, N½S½ [ALL]	Garfield 626.84 acres July 1, 2009

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**S U R F A C E   A C T I O N S**

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**GRAZING PERMITS**

**GRAZING PERMIT NO. 22448-K (PARTIAL NON-USE AND CREDIT OF FEES)**

Andrew G. Taft, P.O. Box 12, Bicknell, UT 84715, has requested 73% non-use (330 AUMs) due to too much winter snow on the Cedar Grove Allotment during the 2009-2010 winter grazing season. This grazing permit is located on Parker Mountain with few BLM lands involved. The Agency's staff has verified these snowy conditions. Mr. Taft would like a credit for the 330 AUMs on his next year's bill (330 AUMs X \$6.50/AUM = \$2,145.00, less the \$20.00 non-use fee = **\$2,125.00** credit for next year). The \$20.00 non-use fee will be deducted from the credit. Piute and Wayne Counties. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the partial non-use and credit of fees for GP 22448 K.

**MODIFIED GRAZING PERMITS****MODIFIED GRAZING PERMIT NO. 24 (THREE-YEAR REVIEW)**

MGP 24 is permitted to Calvin and Eleanor Johnson, 1625 West 2260 South, Monroe, UT 84754. This is a permit for the purpose of irrigating five acres of improved pasture, grazing the pasture and adjacent rangeland with livestock, and livestock feeding. Sevier County. School Fund.

1. ANNUAL RENTAL:

The three-year review date for this lease is July 1, 2010. The adjusted rental is based on the CPI adjusted rental for agricultural uses. Therefore, the new annual rental will increase from \$400.00 per year to \$440.00 per year, effective July 1, 2010. This permit may be terminated upon 60 days' written notice in order to facilitate a higher and better use; therefore, an appraisal is not warranted. A certified notice was sent to inform the lessee of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$440.00

Acres in lease: 80.00

Rental per acre: \$5.50

2. GIS REVIEW:

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

3. NEXT ASSESSMENT DATE:

The next assessment date will be on July 1, 2013.

Upon recommendation of Mr. Ron Torgerson, the Director approved the three-year review for MGP 24.

**MODIFIED GRAZING PERMIT NO. 25 (THREE-YEAR REVIEW)**

MGP 25 is permitted to Monroe Brothers, 200 South 65 West, Scipio, UT 84656. This is a permit for the purpose of grazing livestock, installing a portable corral, and livestock feeding during calving season. Juab County. School Fund.

1. ANNUAL RENTAL:

The three-year review date for this lease is July 1, 2010. The adjusted rental is based on the CPI adjusted rental for agricultural uses. Therefore, the new annual rental will increase from \$100.00 per year to \$110.00 per year, effective July 1, 2010. This permit may be terminated upon 60 days' written notice in order to facilitate a higher and better use; therefore, an appraisal is not warranted. A certified notice was sent to inform the lessee of the date of this action and the right to oppose and/or appeal the action. No response was received.

New lease fee: \$110.00

Acres in lease: 40.00

Rental per acre: \$2.75

2. GIS REVIEW:

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

3. NEXT ASSESSMENT DATE:

The next assessment date will be on July 1, 2013.

Upon recommendation of Mr. Ron Torgerson, the Director approved the three-year review for MGP 25.

**RIGHTS OF ENTRY**

**RIGHT OF ENTRY NO. 5437 (APPROVAL)**

On March 10, 2010, the School and Institutional Trust Lands Administration received an application from Magpie Cycling Adventures, P.O. Box 1496, Moab, UT 84532, to occupy all trust land located within the State of Utah, except for those lands subject to existing leases or permits which grant access control, and those lands that have been withdrawn or may be withdrawn by order of the Director, to conduct commercial bicycle tours for a one-year term.

The fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. Beginning date: April 1, 2010. Expiration date: March 31, 2011. Funding: School = 96.68%, USU = 0.83%, Deaf = 0.16%, USH = < 0.01%, Blind = 0.01%, MH = 0.18%, NS = 0.16%, PB = < 0.01%, SYDC = < 0.01%, RES = 1.26%, SM = 0.21%, UNIV = 0.51%.

Upon recommendation of Ms. Jeanine Kleinke, the Director approved Right of Entry No. 5437 for a one-year term.

**SALES**

**APPROVAL OF LAND AUCTION AND ASSOCIATED INTEREST RATE**

It is proposed that a land auction be conducted on Thursday, May 20, 2010. Pursuant to Rule R850-80-600(8), the interest rate for the first year on financed purchases will be the published prime rate (3.25%) plus 2.5%, equaling 5.75%. Interest for subsequent years will be the prime rate as published on the last Monday of March each year, plus 2.5%. Information about the properties to be offered at this auction will be submitted on future Director's Minutes.

Upon recommendation of Ms. Diane Durrant, the Director approved the May 20, 2010, land auction.

**PRE SALE NO. 8363 (BLUFF PARCEL B)**

Negotiated Pre Sale No. 8363  
 Certificate of Sale No. 26509  
 Date of Sale: March 15, 2010

Total Price: \$47,693.11  
 Terms: Cash sale

TO WHOM SOLD AND ADDRESS:  
 Southwest Heritage Foundation, Inc.  
 51 E. Black Locust Ave.  
 P.O. Box 46  
 Bluff, UT 84512

Down payment:	\$47,693.11
Advertising cost:	66.95
Appraisal cost:	2,612.50
Sale processing charge:	400.00
Application fee:	100.00
Land survey:	1,570.00
Cult. resource survey:	<u>0.00</u>
TOTAL:	\$52,442.56

**LEGAL DESCRIPTION:**

A tract of land contained in the S½ of Lot 4 of Section 19, T40S, R22E, SLM, San Juan County, Utah, and the SE¼ of Section 24, T40S, R21E, SLM, San Juan County, Utah, more particularly described as follows:

**PRE SALE NO. 8363 (BLUFF PARCEL B) (CONTINUED)**

Beginning at the intersection of an existing fence line and the South line of said S $\frac{1}{2}$  of Lot 4, from which point the SW Corner of said Section 19 bears N 89°41'18" W a distance of 136.65 feet; thence, N 09°14'26" E a distance of 668.65 feet along said fence line and the projection thereof to a point on the North line of said S $\frac{1}{2}$  of Lot 4; thence, N 89°44'39" W a distance of 244.01 feet along said North line to the NW Corner of said S $\frac{1}{2}$  of Lot 4, also a point on the East line of said SE $\frac{1}{4}$  of said Section 24; thence, N 00°00'04" E a distance of 330.16 feet along the East line of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 24 to the NE Corner of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ ; thence, N 89°41'13" W a distance of 495.59 feet along the North line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$  and the North line of the E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 24 to the NW Corner of said E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ ; thence, S 00°00'01" W a distance of 989.75 feet along the West line of said E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$  and the West line of the E $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 24 to the SW Corner of said E $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ ; thence, S 89°36'09" E a distance of 495.58 feet along the South line of said E $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$  and the South line of the E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 24 to the SE Corner of said Section 24; thence, S 89°41'18" E a distance of 136.65 feet along the South line of said S $\frac{1}{2}$  of Lot 4 of said Section 19 back to the point of beginning. SUBJECT TO all easements of record or prescriptive.

Containing 14.15 acres more or less.

NUMBER OF ACRES BY COUNTY: 14.15 – San Juan

NUMBER OF ACRES BY FUND: 14.15 – School

MINERAL LEASES GIVEN UP: None

SURFACE LEASES GIVEN UP: Portion of GP 22651 & GP 23231

**LIST MINERAL RESERVATIONS:**

Reserving to the State of Utah, School and Institutional Trust Lands Administration for the benefit of the Trust Lands Administration and its successors in interest, assigns, permittees, licensees and lessees from time to time, all coal and other mineral deposits, including all oil, gas and other hydrocarbons, along with the right for the Trust Lands Administration or such other authorized persons or entities to occupy and use as much of the surface as is reasonably necessary to prospect for, mine, and remove such deposits.

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.

**LIST SURFACE RESERVATIONS:**

There is reserved to the Trust Lands Administration and its successors in interest, lessees and permittees, an access and utility easement across the parcel to remaining state-owned lands.

Subject to any valid, existing rights-of-way of any kind and any right, interest, reservation or exception appearing of record. 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.

**PRE SALE NO. 8363 (BLUFF PARCEL B) (CONTINUED)**

Archaeological Site; Existing Improvements; Future Undertakings. Buyer acknowledges that the Subject Property is being purchased for the expressed sole purpose of *in situ* preservation and continued non-destructive public visitation of the "Bluff Site," an extremely significant Pueblo I period Ancestral Puebloan archaeological site permanently numbered 42Sa8308. Buyer, as a condition of sale, covenants and binds itself to Seller to maintain the existing improvements to the Subject Property in the same manner and to the same extent as exists now. Further, Buyer covenants to not undertake any surface disturbing activities within the boundaries of the Subject Property without providing the State Historic Preservation Officer with a reasonable opportunity to comment with regard to the proposed undertaking and its effects on 42Sa8308. Finally, Buyer acknowledges that this covenant shall run with the land and be applicable to all future owners of the Subject Property.

RESPONSIBLE STAFF MEMBER: Bryan Torgerson and Kenny Wintch

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

**WATER RIGHTS****WATER RIGHT NO. 99-120 (APPROVED APPLICATION)**

This application was filed on December 16, 2009, to appropriate 4.73 acre-feet of water from a well located at the following point: South 2,641 feet and East 2,000 feet from the NW Corner of Section 2, T37S, R16E, SLB&M. The water will be used for the indoor domestic requirements of four equivalent domestic units from January 1 to December 31 and the uses associated with employee housing from January 1 to December 31. Proof must be filed on or before March 31, 2015. This water right was approved by the State Engineer in a Memorandum Decision dated March 11, 2010.

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

**WATER RIGHT NO. 05-3478 (APPROVED APPLICATION)**

This application was filed on December 10, 2009, to appropriate 4.73 acre-feet of water from a spring located North 1900 feet and West 1800 feet from the SE Corner of Section 36, T28S, R23W, SLB&M. The water is to be used for the irrigation of 1.00 acre from April 1 to October 21, the indoor domestic requirements of one equivalent domestic unit from January 1 to December 31, and the stockwatering requirements of 10 head of livestock from January 1 to December 31. This water right was approved by the State Engineer in a Memorandum Decision dated March 10, 2010.

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

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**DEVELOPMENT ACTIONS**

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**RIGHT OF ENTRY 5430 – REMOTE POSSIBILITIES R/C CLUB - REMOTE CONTROL AIRPLANE RUNWAY**

THE FOLLOWING RIGHT OF ENTRY HAS BEEN EXECUTED:

RIGHT OF ENTRY NO.:	5430
PROJECT:	Tonaquint
PROJECT CODE:	TNQTS 000 00
PROJECT MANAGER:	Kyle Pasley
COUNTY:	Washington
FUND:	School
TERM:	Twelve (12) months
ADMINISTRATION FEE:	\$400.00

PERMITTEE:

REMOTE POSSIBILITIES R/C CLUB  
 C/O Darrel Jensen  
 70 W. Clover Lane  
 Washington, UT 84780

DESCRIPTION OF TRANSACTION:

The Trust Lands Administration has issued a right of entry authorizing the above-noted Permittee to continue the use of a land parcel owned by the State of Utah Trust Lands Administration (the "Trust") as a remote control airplane runway, of which such use includes flying and landing remote control airplanes. As the Permittee desires to work with the Trust to facilitate a more permanent solution during the term of this agreement, the Trust has granted the right of entry for a term of twelve (12) months. Cultural clearance has been concluded for the permitted property.

LEGAL DESCRIPTION:

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

The NE ¼ of the NE ¼ of the SW ¼ of the SE ¼

Containing a total of 2.5 acres, more or less.

This legal description has been reviewed by the GIS Group.

NUMBER OF ACRES BY COUNTY: 2.5 acres - Washington County

NUMBER OF ACRES BY FUND: 2.5 acres - School

Upon the recommendation of Andrea L. James, the Director approved this right of entry.

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**ACTIONS CONTAINING FEE WAIVERS**

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**NONE**

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**TRUST ACCOUNTING ACTIONS**

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**CANCELED CERTIFICATE OF SALE**

The following certificate of sale was not paid on or before the cancellation date of 5/9/2008. This certificate of sale was not canceled previously because the owner of the certificate of sale filed bankruptcy. We have received notification from the Bankruptcy Court that this bankruptcy has been released. The amount still owing on this certificate of sale at the time of cancellation is \$3,086,003.95. A certified notice was mailed.

<u>CERT #</u>	<u>LESSEE NAME</u>	<u>BENE</u>	<u>COUNTY</u>	<u>TYPE</u>
C 26406	IDR Investment Plan LLC	SCH	WASH	DEVL

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

**REFUND REQUESTED – ML 46311**

On July 7, 2009, we received a payment in the amount of \$828.96 which was credited toward the above-mentioned lease. This amount was paid by Gordon Creek. At the same time, the lessee of record (Conoco Phillips) also submitted a payment. Gordon Creek has requested a refund of this overpayment. It should be sent to Thunderbird Energy Corp. – ATTN: Curtis White – 847 Hamilton Street – Vancouver, BC V6B 2R7. FUND: SCH

Upon recommendation of Mr. Gritzmacher, Budget Manager, the Director approved the above-mentioned refund.

**INTEREST RATES**

Following are the current and past year prime rates:

CURRENT YEAR:	3.25%
ONE YEAR AGO:	3.25%