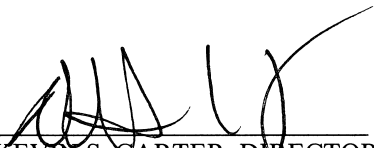


AUGUST 1, 2011

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON AUGUST 1, 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 6:00 P.M. ON AUGUST 1, 2011.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 3; SURFACE ACTIONS AS LISTED ON PAGES 3 TO 11; DEVELOPMENT ACTIONS AS LISTED ON PAGES 12 TO 15; AND ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 15.

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, AUGUST 15, 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

MINERAL ACTIONS

MATERIALS PERMIT (COMMON SAND AND GRAVEL) NO. 481 APPROVAL
MATERIALS PERMIT (COMMON SAND AND GRAVEL) NO. 487 REJECTION

SUBJECT LANDS:

Township 40 South, Range 21 East, SLB&M.

SEC. 24: NE¹/₄NE¹/₄, SE¹/₄NE¹/₄, SW¹/₄NE¹/₄, E¹/₂SE¹/₄NW¹/₄, N¹/₂NW¹/₄SE¹/₄

Township 40 South, Range 22 East, SLB&M.

SEC. 19: SW¹/₄ LOT 1, NW¹/₄ LOT 2

COUNTY: San Juan

ACRES: 179.82±

FUND: SCH

PROPOSED ACTION:

Applicants propose to mine common sand and gravel to support local market needs.

RELEVANT FACTUAL BACKGROUND:

The subject lands are located on a bluff north of the town of Bluff, Utah. Lands adjacent to the permit premises for these applications have historically been exploited for sand and gravel during the past decade. The public notice process was completed, including publication in a newspaper with circulation in Southeastern Utah, and one competing application was received (MP 487). Most of the permit premises have been surveyed for cultural resources. The Agency staff archeologist made the 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. The lease administrator has had this legal description reviewed by the GIS Group. San Juan County responded in support of the action.

Two bids were received for the Permit.

1. MP 481: Applicant is Holliday Construction, P.O. Box 502, Blanding, UT 84511. Applicant offered an up-front, one-time bonus bid in the amount of \$10,000, a guarantee to mine a minimum of 10,000 cubic yards of material each year of the permit term and pay for this amount of material in advance at the start of each permit year, and a royalty rate of \$1.25 for each cubic yard of material mined, regardless of type of material.
2. MP 487: Applicant is Monument Resources, P.O. Box 335, Bluff, UT 84512. Applicant offered an up-front, one-time bonus bid in the amount of \$5,000, a guarantee to mine a minimum of 5000 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 per cubic yard for each yard of material, regardless of type of material mined.

Both applicants are experienced in the sand and gravel business and both have substantial experience in operating in this specific area of Utah. Holliday Construction's bid is the best offer for the permit from an economic standpoint and the recommendation is to award the permit to Holliday Construction.

MATERIALS PERMIT (COMMON SAND AND GRAVEL) NO. 481 APPROVAL
MATERIALS PERMIT (COMMON SAND AND GRAVEL) NO. 487 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 to 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. Tom Faddies, the Director approved the issuance of MP 481 for a term of five years and the rejection of MP 487.

TOTAL ASSIGNMENT – OIL, GAS, AND HYDROCARBON LEASE

Upon recommendation of Ms. Garrison, the Director approved the assignment of the lease listed below to Centry Properties, LLC, 1100 Shetter Ave., Unit 104, Jacksonville Beach, FL 32250, by Tarragon Energy, LLC, who reserves 3.333333% 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:

TARRAGON ENERGY, LLC - 100%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

CENTRY PROPERTIES, LLC - 100%

....ML 51754 (SCH)....

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 50% interest in and to the lease listed below to SEP-Sandridge, LLC, 1245 E. Brickyard Road, Suite 210, Salt Lake City, UT 84106, by Peak Royalty Holdings, LLC. No override, but subject to previous overriding royalties as reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

***PEAK ROYALTY HOLDINGS, LLC – 50%,
SUMMIT ENERGY PARTNERS III, LLC – 50%***

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

***SEP-SANDRIDGE, LLC - 50%,
SUMMIT ENERGY PARTNERS III, LLC – 50%***

....ML 40904 (SCH)....

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES (CONTINUED)

Upon recommendation of Ms. Garrison, the Director approved the assignment of 50% interest in and to the lease listed below to SEP-Sandridge, LLC, 1245 E. Brickyard Road, Suite 210, Salt Lake City, UT 84106, by Summit Energy Partners III, LLC. No override, but subject to previous overriding royalties as reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

RECORD TITLE:

SEP-SANDRIDGE, LLC – 50%,
SUMMIT ENERGY PARTNERS III, LLC – 50%

SEP-SANDRIDGE, LLC - 100%

....ML 40904 (SCH)....

S U R F A C E A C T I O N S

RANGE IMPROVEMENT PROJECTS

RANGE IMPROVEMENT PROJECT NO. 196 (WITHIN GP 21872-02)

APPLICANT’S NAME AND ADDRESS:

Kunzler Ranch, LLC
c/o Alan Kunzler
HC 63 – Box 0003
Park Valley, UT 84329

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:

T11N, R15W, SLB&M
Sec. 36: Along the eastern boundary line of the section

COUNTY: Box Elder

FUND: School

REQUESTED/PROPOSED ACTION:

The applicant proposes to construct a fence along the eastern line of the section. The fence will be a four-strand barbed wire fence with steel posts, constructed on the boundary line.

RELEVANT FACTUAL BACKGROUND:

The applicant submitted a proposal for this range improvement project on February 23, 2004. Applicant wanted permission in place for when their funds became available to proceed with this project. Funds are now available.

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

Through the Resource Development Coordinating Committee (“RDCC”), the State Historic Preservation Office (“SHPO”) responded that the site would require a survey. The Agency Cultural Resource Specialist has cleared the site and verified that the project can proceed.

RANGE IMPROVEMENT PROJECT NO. 196 (WITHIN GP 21872-02) (CONTINUED)

A search of Agency records was made to determine the status of the area involved. Grazing Permit No. 21872-02, the applicant, is the only record in the affected area.

Following is a flat rate amortization schedule (Natural Resources Conservation Services "NRCS" Schedule) for this project if the Agency cancels the grazing permit before these projects are fully amortized. If permittee sells or allows the permit to expire or to be canceled due to their failure, then the amortization schedule will be canceled.

| Project | Project Cost | Project Life | Year Completed | Yearly Amortized Deduction | Year Fully Amortized |
|----------------|---------------------|---------------------|-----------------------|-----------------------------------|-----------------------------|
| Fence | \$5,000 | 20 years | 2011 | \$250.00/year | 2031 |

EVALUATION OF THE FACTS:

This range improvement is in compliance with R850-50-1100(5)(a) and (b). The project does enhance the value of the resources and is needed to manage livestock in the area pursuant to R850-50-1100(5)(c).

Upon recommendation of Mr. Scott Chamberlain, the Director approved Range Improvement Project No. 196. This summary will constitute the Record of Decision.

RANGE IMPROVEMENT PROJECT NO. 364 – RECISSION OF CANCELLATION AND APPROVAL - WITHIN GP 22186-02**APPLICANT'S NAME AND ADDRESS:**

Utah Department of Agriculture & Food ("UDA&F")
350 N. Redwood Road
Salt Lake City, UT 84114

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:

T22S, R6E, SLB&M
Section 36: (Within)

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

COUNTY: Emery

FUND: School

REQUESTED/PROPOSED ACTION:

The proposed action is to study the effects and success of using a sheep's foot compactor, followed by seeding on 91 acres of trust lands. The purpose of the project is to find a way to complete successful seeding in a desert salt grass ecosystem and measure the reduction of silt and salt into the Colorado River. This project is being funded through the United States Department of Interior ("USDI") Bureau of Reclamation's Colorado River Salinity Control Program. The UDA&F plans to monitor the results of the project for several years.

RELEVANT FACTUAL BACKGROUND:

On June 23, 2009, the applicant submitted a proposal for this range improvement project. This application was canceled on April 11, 2011, as it appeared the application had been abandoned. However, UDA&F finally completed National Environmental Policy Act ("NEPA") requirements and a cultural resource survey, and asked that the application be activated and approved. A search of Agency records was made to determine the status of the area involved. The grazing permit of record on the affected area is GP 22186-02, which is in the name of L.D. Jensen. Mr. Jensen has been contacted and has not submitted any comments about the project. There are no other records on file.

RANGE IMPROVEMENT PROJECT NO. 364 – RECISSION OF CANCELLATION AND APPROVAL - WITHIN GP 22186-02 (CONTINUED)

This project was submitted to the Resource Development Coordinating Committee ("RDCC") on June 25, 2009. They have not submitted any comments to date. The Southeastern Utah Association of Local Governments submitted a "favorable" comment.

A cultural resource survey was completed by a contractor. All cultural resources will be avoided.

Funding of this project will be provided by the Bureau of Reclamation through UDA&F for up to \$30,000 to complete this project. Because they are not the grazing permittee, there will be no amortization schedule.

EVALUATION OF THE FACTS:

The proposed range improvement is not located on land affected by (a) or (b) of R850-50-1100(5). The proposed seeding fills a critical need for research in salinity control, and will enhance the value of the range.

Upon recommendation of Mr. Ron Torgerson, the Director approved the implementation of Range Improvement Project No. 364. This summary will constitute the Record of Decision.

RANGE IMPROVEMENT PROJECT NO. 428 – APPROVAL AND TWO YEAR EXTENSION OF TERM FOR GP 20420-00

APPLICANT'S NAME AND ADDRESS:

Parker Mountain Grazing Association
P.O. Box 13
Loa, UT 84747

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:

T28S, R1W, SLB&M

Section 35: N½N½ (Within)

Section 36: Lot 1, NE¼NW¼, N½NE¼ (Within)

T29S, R1W, SLB&M

Section 22: All (Within)

Section 23: All (Within)

Section 26: All (Within)

Section 27: All (Within)

Section 35: All (Within)

Section 36: All (Within)

The permit administrator has had these legal descriptions reviewed by the GIS Group.

COUNTY: Piute

FUND: School

REQUESTED/PROPOSED ACTION:

The proposed action is to aerially treat 2,000 acres of sagebrush with "SPIKE" herbicide, and replace 2.25 miles of existing fence within the Parker Mountain Allotment. The herbicide will be applied at 0.4 lbs. active ingredient per acre, and is intended to thin the sagebrush canopy by 50 percent. The fence between the Cedar Grove and Parker Mountain Allotments will be removed and replaced with new braces and wire. The project is being cost-share funded through the United States Department of Agriculture ("USDA") Natural Resources Conservation Service ("NRCS") and Utah Department of Agriculture & Food Grazing Improvement Program ("GIP").

RANGE IMPROVEMENT PROJECT NO. 428 – APPROVAL AND TWO YEAR EXTENSION OF TERM FOR GP 20420-00 (CONTINUED)

RELEVANT FACTUAL BACKGROUND:

On March 15, 2011, the applicant submitted a proposal for this range improvement project. A search of Agency records was made to determine the status of the area involved. The grazing permit of record on the affected area is GP 20420-00, the applicant. The only other record for these parcels is a right of entry (ROE 5462) for Aspen Achievement Academy, which has gone out of business.

This project was submitted to the Resource Development Coordinating Committee ("RDCC") on March 15, 2011. No comments have been received to date. This project was also discussed at a Parker Adaptive Resource Management ("PARM") Committee Meeting in June 2011, with no negative comments.

A cultural resource survey was not required, as no new ground disturbance will occur.

Funding of this project will be provided by the Natural Resources Conservation Service ("NRCS") (\$33,500.00), Grazing Improvement Program ("GIP") (\$18,000.00), and the applicant (\$5,000.00). The \$5,000.00 will be amortized as shown below. Following is a flat rate amortization schedule (NRCS Schedule) for these projects if the Agency cancels the grazing permit before these projects are fully amortized. If the permittee sells or allows the permit to expire or to be canceled due to their failure, then the amortization schedule will be canceled.

| Project | Project Cost | Project Life | Year Completed | Yearly Amortized Deduction | Year Fully Amortized |
|----------------|---------------------|---------------------|-----------------------|-----------------------------------|-----------------------------|
| Fence | \$5,000.00 | 20 | 2011 | \$250.00/year | 2031 |

EVALUATION OF THE FACTS:

The proposed range improvement is not located on land affected by (a) or (b) of R850-50-1100(5). The proposed fence and vegetation treatment fill a critical need for livestock management and will enhance the value of the range. Pursuant to Rule R850-50-600, the expiration term for GP 20420-00 will be extended two years to June 30, 2017.

Based on the above information and upon recommendation of Mr. Ron Torgerson, the Director approved the construction of Range Improvement Project No. 428. This summary will constitute the Record of Decision.

EASEMENTS

EASEMENT NO. 1649 (APPROVAL)

APPLICANT'S NAME AND ADDRESS:

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

LEGAL DESCRIPTION:

Township 10 South, Range 22 East, SLB&M
Section 12: NW¹/₄NE¹/₄ (Within)

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

EASEMENT NO. 1649 (APPROVAL) (CONTINUED)

Beginning at a point on the North Line of the NE¼ of Section 12, Township 10 South, Range 22 East, S.L.B.&M., which bears S 89°41'22" E 577.31 feet from the North Quarter Corner of said Section, thence S 32°41'55" E 11.72 feet; thence S 10°21'55" E 51.21 feet; thence S 06°30'50" W 111.11 feet; thence S 02°30'17" W 109.40 feet; thence S 15°42'39" E 204.93 feet; thence S 15°23'04" E 121.11 feet; thence S 17°15'16" E 171.71 feet; thence N 70°59'53" E 90.39 feet; thence N 76°11'29" E 68.21 feet; thence S 14°46'31" E 54.88 feet to a point in the NW¼NE¼ of said Section which bears S 48°51'47" E 1168.07 feet from the said North Quarter Corner. The side lines of said right of way being shortened or elongated to terminate at the section line. Basis of bearings is the East line of said NE¼ of Section 12 which is taken from G.P.S. observations to bear N 00°03'41" E a measured distance of 2640.93 feet. Contains 1.03 acres, more or less.

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

COUNTY: Uintah

ACRES: 1.03

FUND: School

PROPOSED ACTION:

The applicant has requested a non-exclusive easement to construct, operate, repair, and maintain a buried 16-inch gas line. The 16-inch pipeline will run from the White River Compressor Station (SULA 1509), and will run parallel to Easement No. 1611. The proposed easement corridor is 994.67 feet long and 45 feet wide, containing 1.03 acres. The requested term of the easement is 30 years.

RELEVANT FACTUAL BACKGROUND:

The subject "Application to Purchase an Easement" was received on June 13, 2011. It was submitted for Agency review on June 15, 2011, and was accepted by the Director on June 30, 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 June 14, 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 traffic, dust, and noise emissions during construction at a minimum."

"We ask that Kerr-McGee Oil & Gas Onshore 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-05-MQ-0812s & #U-06-MQ-0683s).

EASEMENT NO. 1649 (APPROVAL) (CONTINUED)

The project area has been surveyed for paleontological resources by SWCA Environmental Consultants.

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 geologist has reviewed the paleontological survey that was completed by SWCA Environmental Consultants. 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. Andy Bedingfield, the Director approved the applicant's request for a non-exclusive easement. The term of the easement will be 30 years, beginning August 1, 2011, and expiring July 31, 2041. The application fee of \$750.00 and the easement rental assessment of \$1,687.92 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.

AMENDED AND RESTATED EASEMENT NO.'S 1479 AND 1479-A (APPROVAL)

Effective October 1, 2009, the Agency granted Easement No. 1479 to Kerr-McGee Oil & Gas Onshore, LP, c/o Anadarko Petroleum Corporation, P.O. Box 173779, Denver, Colorado 80217-3779, for a term of 30 years. The easement granted Kerr-McGee Oil & Gas Onshore LP the right to construct, operate, repair, and maintain a 16-inch diameter buried natural gas pipeline, and a 6-inch diameter buried water pipeline on the following described trust lands:

Township 10 South, Range 22 East, SLB&M
Section 32: SW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ (Within)

A 50 foot wide easement being 25 feet on either side of its centerline, along with a 75 foot wide temporary construction easement, said temporary easement being 37.5 feet on either side of said centerline, said centerline being more particularly described as follows:

Beginning at a point on the South line of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, T10S, R22E, SLB&M, which bears S 89°51'16" W 1.96 feet from the South Quarter Corner of said Section 32, thence N 31°12'32" W 25.64 feet; thence N 08°37'34" W 184.79 feet; thence N 09°29'00" E 161.30 feet; thence N 16°59'41" E 326.38 feet; thence N 23°28'59" E 195.87 feet; thence N 04°10'41" E 284.73 feet; thence N 32°57'01" W 194.84 feet; thence S 51°11'53" W 131.86 feet; thence S 40°32'20" W 174.34 feet; thence S 45°12'59" W 631.24 feet; thence N 47°43'46" W 200.98 feet; thence N 62°36'21" W 531.66 feet; thence N 68°30'28" W 352.21 feet; thence N 78°44'42" W 258.35 feet to a point in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 32 which bears N 35°13'34" E 1480.24 feet from the Southwest Corner of said Section 32. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 4.194 acres, more or less.

AMENDED AND RESTATED EASEMENT NO.'S 1479 AND 1479-A (APPROVAL) (CONTINUED)

Township 10 South, Range 22 East, SLB&M
Section 36: SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ (Within)

A 50 foot wide easement being 25 feet on either side of its centerline, along with a 75 foot wide temporary construction easement, said temporary easement being 37.5 feet on either side of said centerline, said centerline being more particularly described as follows:

Beginning at a point in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 36, T10S, R22E, SLB&M, which bears N 22°54'13" E 1077.90 feet from the West Quarter Corner of said Section 36, thence S 11°45'29" E 212.75 feet; thence S 15°41'06" E 382.86 feet; thence S 00°14'51" E 163.59 feet; thence S 26°37'14" W 168.39 feet; thence S 50°18'29" W 170.27 feet; thence S 59°42'09" W 271.55 feet; thence N 73°49'31" W 131.37 feet to a point on the West line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 36 which bears S 00°01'23" W 107.25 feet from the West Quarter Corner of said Section 36. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 1.723 acres, more or less.

COUNTY: Uintah

ACRES: 5.91

FUND: School

PROPOSED ACTION:

Kerr-McGee Oil & Gas Onshore LP desires to separate the interests in the easement so that the right to construct, operate, repair, and maintain the 16-inch natural gas pipeline is separate from the right to construct, operate, repair, and maintain the 6-inch water line. This request is in anticipation of an assignment of the 16-inch gas pipeline and 6-inch water line to separate entities.

Accordingly, Kerr-McGee Oil & Gas Onshore, LP requests that the Agency execute Amended and Restated Easement No. 1479, which will limit the easement's purpose to the construction, operation, repair, and maintenance of the 6-inch water line. In addition, Kerr-McGee Oil & Gas Onshore LP requests that the Agency execute Amended and Restated Easement No. 1479-A, which will grant the right to construct, operate, repair, and maintain the 16-inch natural gas pipeline.

RELEVANT FACTUAL BACKGROUND:

This action is exempt from review by the Resource Development Coordinating Committee ("RDCC") since it involves the division of an existing easement, and will not result in any ground disturbance.

EVALUATION OF FACTS:

The term of Amended and Restated Easement No. 1479 and Amended and Restated Easement No. 1479-A will remain 30 years, with an expiration date of September 30, 2039, for each.

Upon recommendation of Mr. Andy Bedingfield, the Director approved the applicant's request for Amended and Restated Easement No. 1479 and Amended and Restated Easement No. 1479-A. The term of the easement remains 30 years, beginning October 1, 2009, and expiring September 30, 2039. The amendment fee of \$400.00 has been submitted.

EASEMENT NO. 1448 (ASSIGNMENT)

Kerr McGee Oil and Gas Onshore LP, P.O. Box 173779, Denver, Colorado, 80217-3779, has requested permission to assign 100% of its interest in Easement No. 1448 to Anadarko Uintah Midstream, LLC, 1099 18th Street, Suite 1800, Denver, Colorado, 80202. Easement No. 1448 was issued on October 1, 2010, for an 8-inch and 12-inch natural gas pipelines. The easement was issued for a 30 year term.

The conditions set forth for assignment in Rule R850-40-1600 have been met. The required \$250.00 assignment fee has been paid. Uintah County. School Fund.

Upon recommendation of Mr. Andy Bedingfield, the Director approved the assignment of Easement No. 1448.

SPECIAL USE LEASE AGREEMENTS**SPECIAL USE LEASE AGREEMENT NO. 1471 (FIVE-YEAR REVIEW)**

SULA 1471 is a special use lease agreement issued to Beehive Telephone Company, Inc., 2000 E. Sunset Road, Lakepoint, UT 84074. The lease site is located in Wayne County. School Fund.

1. ANNUAL BASE RENTAL:

The five-year lease review date for this telecommunication lease is August 1, 2011. The subject property is used for the purpose of a small point-to-point microwave radio site. The lease agreement provides for periodic increases in the annual base rental amount. Pursuant to the review, it is recommended that the annual base rental be increased from \$1,900.00 per year to \$2,120.00 per year, effective August 1, 2011. A certified notice was sent informing the lessee of this action. No response was received.

After a preliminary analysis, pursuant to Board policy, the raw land value of the subject property was estimated to be approximately \$500.00 per acre. The existing communication lease site is considered the highest and best use of a small parcel of this type of land.

Annual Base Rental: \$2,120.00
Acres in lease: 0.01

2. DUE DILIGENCE:

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

3. PROPER USE:

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

4. ADEQUATE INSURANCE AND BOND COVERAGE:

A \$5,000.00 bond is in place and adequate insurance has been provided.

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 in 2010, and has been rated as low-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. The site generally appears clean with no safety or environmental concerns. An Environmental Site Inspection Form will be put in the lease file.

SPECIAL USE LEASE AGREEMENT NO. 1471 (FIVE-YEAR REVIEW) (CONTINUED)

7. GIS REVIEW:
The lease administrator had the legal description reviewed by the GIS Group. An updated map has been attached to the business system.
8. NEXT ASSESSMENT DATE:
The next assessment date will be August 1, 2016.

Upon recommendation of Mr. Bagley, the Director approved the five-year review for SULA 1471.

SPECIAL USE LEASE AGREEMENT NO. 1684 (CORRECTION OF LEGAL DESCRIPTION ON JANUARY 10, 2011, MINUTES)

The above numbered SULA, issued to Viresco Energy, 1401 Research Park Dr., Suite 400, Riverside, CA 92507, was approved on the January 10, 2011, Minutes with the following legal description which is incorrect:

Township 44 *North*, Range 6 West, SLB&M
Section 10: SW¹/₄NW¹/₄NW¹/₄

The correct legal description is as follows:

Township 44 *South*, Range 6 West, SLB&M
Section 10: SW¹/₄NW¹/₄NW¹/₄

The acreage will remain the same.

The legal description on this lease has been reviewed by the GIS Group.

Upon recommendation of Mr. Lou Brown, the Director approved the correction of legal description.

DEVELOPMENT ACTIONS

DEVELOPMENT SUBDIVISION SALE - HIGHLAND PARK PHASE 1 - LOT 261

THE FOLLOWING SUBDIVISION SALE HAS BEEN APPROVED AND A PATENT ISSUED:

CERTIFICATE OF SALE NO.: 26517-10-261
 CERTIFICATE DATE: July 11, 2011
 PATENT NO.: 20185-10-261
 PATENT DATE: July 5, 2011
 PROJECT: Highland Park Phase 1 Subdivision
 PROJECT MANAGER: Doug Buchi
 PROJECT CODE: SUNCR 004 02
 SUBDIVISION NO.: 10.A
 FUND: School
 SALE PRICE: \$41,508.03

BUYER:

CORAL CANYON BUILDERS, LLC
 369 N. Black Canyon Avenue
 Washington, Utah 84780

FINANCIAL INFORMATION:

The lot was sold for a Base Purchase Price of \$41,940.00 less pro-rated taxes of \$431.97, plus an additional payment [defined later] due at the closing of the sale of the property to a third-party purchaser.

TRANSACTIONAL CONTEXT:

The Buyer is constructing a residence on the property defined below for the purpose of selling 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 18% of the Adjusted Gross Sales Price to the extent it exceeds \$188,400.00.

LEGAL DESCRIPTION: (SUBDIVISION LOT)

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

All of Lot 261 of Highland Park Phase 1 Subdivision at the Coral Canyon Community, according to the plat of record on June 19, 2006, as Entry No. 20060026420, records of Washington County, Utah.

Containing 0.11 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; also,

DEVELOPMENT SUBDIVISION SALE - HIGHLAND PARK PHASE 1 - LOT 261 (CONTINUED)

Subject to a reservation to the State of Utah of 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:

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.

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

DEVELOPMENT SUBDIVISION SALE - HIGHLAND PARK PHASE 1 - LOT 233

THE FOLLOWING SUBDIVISION SALE HAS BEEN APPROVED AND A PATENT ISSUED:

| | |
|--------------------------|-----------------------------------|
| CERTIFICATE OF SALE NO.: | 26517-10-233 |
| CERTIFICATE DATE: | July 11, 2011 |
| PATENT NO.: | 20185-10-233 |
| PATENT DATE: | July 5, 2011 |
| PROJECT: | Highland Park Phase 1 Subdivision |
| PROJECT MANAGER: | Doug Buchi |
| PROJECT CODE: | SUNCR 004 02 |
| SUBDIVISION NO.: | 10.A |
| FUND: | School |
| SALE PRICE: | \$43,688.95 |

BUYER:

CORAL CANYON BUILDERS, LLC
369 N. Black Canyon Avenue
Washington, Utah 84780

FINANCIAL INFORMATION:

The lot was sold for a Base Purchase Price of \$44,162.00 less pro-rated taxes of \$473.05, plus an additional payment [defined later] due at the closing of the sale of the property to a third-party purchaser.

TRANSACTIONAL CONTEXT:

The Buyer is constructing a residence on the property defined below for the purpose of selling 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 18% of the Adjusted Gross Sales Price to the extent it exceeds \$200,900.00.

DEVELOPMENT SUBDIVISION SALE - HIGHLAND PARK PHASE 1 - LOT 233 (CONTINUED)

LEGAL DESCRIPTION: (SUBDIVISION LOT)

Township 42 South, Range 14 West, SLB&M

Section 7:

All of Lot 233 of Highland Park Phase 1 Subdivision at the Coral Canyon Community, according to the plat of record on June 19, 2006, as Entry No. 20060026420, records of Washington County, Utah.

Containing 0.16 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; also,

Subject to a reservation to the State of Utah of 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:

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.

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

DEVELOPMENT DESIGNATION - DEVL 980

THE FOLLOWING FINDING IS MADE PURSUANT TO R850-140, WHICH ALLOWS THE DIRECTOR TO DESIGNATE DEVELOPMENT PROPERTIES WHEN CERTAIN CRITERIA ARE SATISFIED.

Property: Virgin River Parcel
Washington County

Location: Township 41 South, Range 11 West
Within the S¹/₂NE¹/₄, N¹/₂NW¹/₄ and SE¹/₄NW¹/₄ of Section 32
(The area generally located to the South West of the top of the cliff)

Acreage: 84 acres, more or less

Fund: School

Approved by Douglas O. Buchi on July7, 2011.

This property is suitable for designation as a development property pursuant to R850-140 for the following reasons:

1. This property is located in Washington County. It is the undevelopable portion of a parcel that is particularly suited for residential / resort development. It is, at this time, premature to designate the entire parcel since development is at least 10 years out. The current designation is for the undevelopable portion only. The boundary of the parcel will be determined by topography as related to development potential.
2. The Agency has received inquiries from a conservation buyer interested in acquiring this parcel.

This item was submitted by Ms. Alexa Wilson for record-keeping purposes.

ACTIONS CONTAINING FEE WAIVERS

NONE