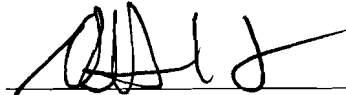


NOVEMBER 23, 2009

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON NOVEMBER 23, 2009, 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 NOVEMBER 23, 2009.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGE 1; SURFACE ACTIONS AS LISTED ON PAGES 2 TO 13; DEVELOPMENT ACTIONS AS LISTED ON PAGES 14 TO 17; AND ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 18.

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, DECEMBER 7, 2009. 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

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 55% interest in and to the leases listed below to **Jim Cone (45%)**, P.O. Box 10217, Lubbock, TX 79408, and **Lowry Lewis (10%)**, 1500 Broadway, Suite 1212, Lubbock, TX 79401, by Rod Markham. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

ROD MARKHAM – 100%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

**ROD MARKHAM – 45%,
JIM CONE – 45%,
LOWRY LEWIS – 10%**

....ML 49208 (SCH).... ML 49251 (SCH)....ML 50205 (SCH)....ML 51525 (SCH)....ML 51527 (SCH)....

TERMINATION OF THE HOGBACK RIDGE UNIT (SCH)

The State of Utah School and Institutional Trust Lands Administration Office has been furnished with evidence that the Hogback Ridge Unit was terminated by the Bureau of Land Management on October 31, 2009, with the same effective date. The unit operator met the drilling obligations, but the obligation well did not prove to be productive of unitized substances.

The following lease terminated from the unit with no additional well production; therefore, the lease will receive a two-year extension from the unit termination date of October 31, 2009:

<u>LEASE NO.</u>	<u>LESSEE</u>	<u>EXPIRATION DATE</u>
ML 48462	Energy Investments Inc.	10/31/2011

The following leases are terminated from the unit and are in their primary term with no well production. The leases will retain their original expiration dates:

<u>LEASE NO.</u>	<u>LESSEE</u>	<u>EXPIRATION DATE</u>
ML 49244	Energy Investments Inc.	02/28/2014
ML 51027	Fortuna (US) LP	08/31/2012

The following leases were within the unit boundary, but were uncommitted to the unit. Fitzsimmons LLC, the lessee, opted not to join the unit. Leases will remain under their primary term with an expiration date of August 31, 2012:

<u>LEASE #</u>	<u>LEGAL DESCRIPTION</u>
ML 51028	T13N, R7E, SLB&M., Sec. 10: SE ¹ / ₄ SE ¹ / ₄
ML 51030	T13N, R7E, SLB&M., Sec. 27: NE ¹ / ₄ SE ¹ / ₄
ML 51037	T14N, R7E, SLB&M., Sec. 31: N ¹ / ₂ SE ¹ / ₄

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

SURFACE ACTIONS

GRAZING PERMITS

GRAZING PERMIT NO. 22313-08 (ASSIGNMENT)

Two Swipe Cattle Company, 1420 N. Blue Mountain Road, Blanding, UT 84511, has requested the Trust Lands Administration's permission to assign 100% of its interest in the above referenced grazing permit to Tyler Ivins and Shawn Ivins, divided as follows:

GP 22313-08 – Tyler Ivins, 280 East Apple Lane, Blanding, UT 84511, 203 AUMs

GP 22313-08A – Shawn Ivins, 250 North 600 West, Blanding, UT 84511, 204 AUMs

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

The assignment fee in the amount of \$407.00 has been submitted. San Juan County. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the assignment of GP 22313-08.

GRAZING PERMIT NO. 22032-02 (PARTIAL NON-USE AND CREDIT OF FEES)

Jordan W. Hatch, P.O. Box 858, Huntington, UT 84528, has requested 67.5% partial non-use (339 AUMs), due to drought, on GP 22032-02. Dan Fletcher of the BLM sent a letter to verify these drought conditions. The permittee would like a credit of \$1,308.54 (339 AUMs X \$3.86/AUM) applied to his next year's grazing bill. The \$20.00 non-use fee has been paid. Beaver County. School Fund.

The permit administrator has had the legal descriptions contained in GP 22032-02 reviewed by the GIS Group.

Upon recommendation of Mr. Ron Torgerson, the Director approved the partial non-use and credit of fees for GP 22032-02.

RIGHTS OF ENTRY**RIGHT OF ENTRY NO. 3986 (FORFEITURE OF BOND)**

On January 8, 1996, Petral Exploration, LLC, P.O. Box 5083, Denver, CO 80217, was issued a right of entry permit to occupy the following described trust land located within San Juan County for a temporary access road for a one-year term:

T37S, R25E, SLB&M

Sec. 32: NE $\frac{1}{4}$ SE $\frac{1}{4}$ (Within)

At the time of application, a \$1,000.00 reclamation bond was submitted. When Right of Entry No. 3986 expired, Petral Exploration submitted Easement Application No. 442. On August 28, 2002, Petral Exploration withdrew its easement application. The reclamation of the road was never completed. Therefore, the \$1,000.00 reclamation bond should be forfeited to the Agency. San Juan County. School Fund.

Upon recommendation of Ms. Jeanine Kleinke, the Director approved the forfeiture of bond as described above.

RIGHT OF ENTRY NO. 5359 (APPROVAL)

The Trust Lands Administration received a right of entry permit application from Industrial Field Communications, LLC, P.O. Box 957, Vernal, UT 84078, for temporary authorization to use the following trust lands, located on the Blue Mountain communication site in Uintah County, for a radio communication site:

Township 5 South, Range 25 East, SLB&M

Section 30: Within the NE $\frac{1}{4}$ SW $\frac{1}{4}$, more specifically described as follows:

Beginning at a point North 47°04'39" East 2,494.636 feet from the Southwest corner of Section 30, Township 5 South, Range 25 East, SLB&M, said point also being located at UTM NAD 1983, Zone 12 datum coordinates of 657,302.097 East and 4,468,693.328 North, thence running North 74°10'08" West 92.728 feet; thence South 05°21'51" West 62.119 feet; thence South 29°57'49" East 72.523 feet; thence North 37°30'52" East 78.180 feet; thence North 16°40'01" East 39.008 feet, more or less to the point of beginning; containing approximately 0.161 acres, more or less.

This legal description was prepared by the SITLA GIS staff October 21, 2009, using GPS coordinates (UTM NAD 1983, Zone 12) collected in the field by SITLA GIS staff October 8, 2009, and November, 2006 PLSS Lines as reference data with a combined accuracy of +/- 80 feet. The coordinate and distance calls recorded within this legal description are for REFERENCE USE ONLY and are NOT to be used in place of a legal land survey. The Utah School and Institutional Trust Lands Administration ("SITLA") IT/GIS Department assumes no responsibility for errors or omissions in these materials. SITLA hereby disclaims any and all liability due to the use or misuse of this parcel description. The user assumes total responsibility for verification and use.

County: Uintah

Acres: 0.16

Fund: School

This telecommunication site was previously leased under SULA 1231, which was canceled for non-payment in 2005. The site was essentially abandoned with the towers and buildings remaining, including two small guyed towers and two usable small equipment shelters. Rather than require the previous lessee to remove the improvements from the site, the Trust Lands Administration opted to find a client(s) to whom the existing site could be leased for a radio communication

RIGHT OF ENTRY NO. 5359 (APPROVAL) (CONTINUED)

site. Through various inquiries, two interested parties emerged that both wanted the site. After meeting on-site with both, it was determined that the existing site could be split and that both parties would pursue a temporary right of entry so that the sites could be occupied while lease applications were being processed. Consequently, Industrial Field Communications, LLC, has applied for a permit on the two most westerly guyed-towers (Andy's Communications, Inc. has made application (ROE 5391) for the portion of the two most easterly located towers).

All current improvements exist and no additional disturbance is anticipated; therefore, there is no undertaking for cultural resources.

The applicant intends to apply for a longer term telecommunication special use lease.

The permit shall have a 5½ month term, with a commencement date of November 16, 2009, and an expiration date of April 30, 2010. The charges include a \$50.00 application fee, a \$50.00 processing charge, plus a \$1,800.00 usage fee (to be applied as telecommunications rental), totaling \$1,900.00. The applicant has submitted the requested fees and rentals.

The applicant also discussed with staff previous unauthorized use of the site during 2009. The applicant used the site for a period of approximately 11 months without a permit. There were a series of misunderstandings with another individual, who is since deceased, and who purportedly led them to believe that there was a valid permit on the site to cover the radio use. They also believed the site was still located on Bureau of Land Management land. After discussing the situation with them on-site and discussing resolution with management and a member of the legal staff, it is the staff's opinion and recommendation that a resolution of the matter could be completed by charging them for the past unauthorized use if they obtained a new permit and proceeded to procure a longer term lease. Staff calculated a recommended resolution amount of \$3,300.00 that includes a combination of the estimated fair market value for the minimal use that occurred, a related trespass penalty charge, and late fees. The applicant has submitted the requested \$3,300.00.

Upon recommendation of Mr. Gary Bagley, the Director approved Right of Entry Permit No. 5359 and resolution of past use as described above.

RIGHT OF ENTRY NO. 5391 (APPROVAL)

The Trust Lands Administration received a right of entry permit application from Andy's Communications, Inc., 916 E. 6000 N., P. O. Box 331, LaPoint, UT 84039, for temporary authorization to use the following trust lands, located on the Blue Mountain communication site in Uintah County, for a radio communication site:

Township 5 South, Range 25 East, SLB&M

Section 30: Within the NE¼SW¼, more specifically described as the following:

Beginning at a point North 47°04'39" East 2,494.636 feet from the Southwest corner of Section 30, Township 5 South, Range 25 East, SLB&M, said point also being located at UTM NAD 1983, Zone 12 datum coordinates of 657,302.097 East and 4,468,693.328 North, thence running North 60°35'21" East 32.807 feet; thence South 73°11'30" East 54.461 feet; thence South 13°55'44" West 46.751 feet; thence South 43°19'03" West 113.775 feet; thence North 60°29'22" West 57.683 feet; thence North 37°30'52" East 78.180 feet; thence North 16°40'01" East 39.008 feet, more or less to the point of beginning; containing approximately 0.227 acres, more or less.

RIGHT OF ENTRY NO. 5391 (APPROVAL) (CONTINUED)

This legal description was prepared by the SITLA GIS staff October 21, 2009, using GPS coordinates (UTM NAD 1983, Zone 12) collected in the field by SITLA GIS staff October 8, 2009, and November 2006 PLSS Lines as reference data with a combined accuracy of +/- 80 feet. The coordinate and distance calls recorded within this legal description are for REFERENCE USE ONLY and are NOT to be used in place of a legal land survey. The Utah School and Institutional Trust Lands Administration ("SITLA") IT/GIS Department assumes no responsibility for errors or omissions in these materials. SITLA hereby disclaims any and all liability due to the use or misuse of this parcel description. The user assumes total responsibility for verification and use.

County: Uintah

Acres: 0.227

Fund: School

This telecommunication site was previously leased under SULA 1231, which was canceled for non-payment in 2005. The site was essentially abandoned with the towers and buildings remaining, including two small guyed towers and two usable small equipment shelters. Rather than require the previous lessee to remove the improvements from the site, the Trust Lands Administration opted to find a client(s) to whom the existing site could be leased for a radio communication site. Through various inquiries, two interested parties emerged that both wanted the site. After meeting on-site with both, it was determined that the existing site could be split and that both parties would pursue a temporary right of entry so that the site could be occupied while lease applications were being processed. Consequently, Andy's Communication, Inc. has applied for a permit on the two most easterly guyed-towers (Industrial Field Communications, LLC has made application (ROE 5359) for the two most westerly located towers).

All current improvements exist and no additional disturbance is anticipated; therefore, there is no undertaking for cultural resources.

The applicant intends to apply for a longer term telecommunication special use lease.

The permit shall have a 5½ month term, with a commencement date of November 16, 2009, and an expiration date of April 30, 2010. The charges include a \$50.00 application fee, a \$50.00 processing charge, plus a \$1,800.00 usage fee (to be applied as telecommunications rental), totaling \$1,900.00. The applicant has submitted the requested fees and rentals.

Upon recommendation of Mr. Gary Bagley, the Director approved Right of Entry Permit No. 5391.

RIGHT OF ENTRY NO. 5407

On November 9, 2009, Ms. Jeanine Kleinke, Trust Lands Technician, pursuant to R850-41-200, and in accordance with direction and delegation of authority, approved the request of Grassroots, LLC, P.O. Box 1425, Moab, UT 84532, to occupy the following described trust land located within Grand County to conduct the annual Moab's Red Hot 50K:

T25S, R20E, SLB&M

Sec's 16, 32, 36: Within

T26S, R21E, SLB&M

Sec. 16: Within

The fee for this right of entry is \$200.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$300.00. The permittee shall also pay to the Trust Lands Administration the sum of 3% of gross receipts, based on number of clients, number of client days, and percentage of time spent on trust land, or \$4.00/participant, whichever is greater, within 30 days of permit expiration date. Grand County. School Fund. Expiration date: February 13, 2010.

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

RIGHT OF ENTRY NO. 5408 (APPROVAL)

The School and Institutional Trust Lands Administration has received a right of entry application from Wolverine Gas & Oil Company, 1140 N. Centennial Park Dr., Richfield, UT 84701, to occupy the following described trust land located within Sanpete County for temporary placement and use of an above-ground water line.

Township 17 South, Range 1 West, SLB&M

Sec 28: NW $\frac{1}{4}$ NE $\frac{1}{4}$ (within)

The applicant is proposing to place an above ground small diameter water line along the existing road to support a drilling operation of the proposed Painted Rock Federal 29-1 Well. Once drilling is completed, the pipeline will be removed. There will be no surface disturbance on this permit. As there is no surface disturbance, this is not considered an undertaking.

The fee for this right of entry is \$200.00 plus a \$50.00 application and a \$50.00 processing fee, totaling \$300.00. School Fund. Sanpete County. Beginning Date: November 27, 2009. Expiration Date: November 1, 2010.

Upon recommendation of Mr. Lou Brown, the Director approved Right of Entry No. 5408.

EASEMENTS**EASEMENT NO. 1520 (APPROVAL)****APPLICANT'S NAME AND ADDRESS:**

Northwest Pipeline GP
295 Chipeta Way
Salt Lake City, Utah 84108

LEGAL DESCRIPTION:

Township 6 South, Range 24 East, SLB&M

Section 32: SE $\frac{1}{4}$ SE $\frac{1}{4}$ (within)

A parcel of land situated in the southeast quarter of Section 32, T6S, R24E, SLB&M, Uintah County, Utah; being more particularly described as follows:

Commencing at the southeast corner of said Section 32, T6S, R24E, SLB&M, a found 1936 GLO brass cap, thence S 88°33'25" W along the south line of the southeast quarter a distance of 524.04 feet, being a point on the south line of the southeast quarter of Section 32, thence N 01°26'35" W a distance of 550.48 feet to a point, being the true point of beginning of said parcel of land; thence N 83°08'12" W a distance of 314.16 feet more or less to a point on the easterly right-of-way line of the 10" Red Wash Pipeline at Engineer's Station 207+70; thence N 06°51'48" E along said right-of-way line a distance of 40.00 feet to Engineer's Station 208+10; thence S 83°08'12" E a distance of 314.16 feet; thence S 06°51'48" W a distance of 40.00 feet to the point of beginning.

Said parcel of land as described above contains 0.29 acres and 12,566.4 sq. ft. more or less.

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

COUNTY: Uintah

ACRES: 0.29

FUND: School

EASEMENT NO. 1520 (APPROVAL) (CONTINUED)**PROPOSED ACTION:**

The applicant has requested a non-exclusive easement to construct, operate, repair, and maintain a cathodic protection system within T6S, R24E, Section 32, in Uintah County. The cathodic protection system will be attached to the existing 10-inch diameter Red Wash natural gas pipeline, which is operated by the applicant and is being installed to prevent corrosion of the pipeline. The system consists of a deep anode bed well, a rectifier pole and a ditch line for a cable to connect to the pipeline. The proposed easement corridor is 314.16 feet long and 40 feet wide, containing 0.29 acre. The applicant has also requested a 200' x 200' temporary easement for a temporary workspace at the east end of the easement corridor that will be used during the construction phase of the project. The requested term of the easement is 30 years.

RELEVANT FACTUAL BACKGROUND:

The subject "Application to Purchase an Easement" was received on August 24, 2009. It was submitted for the Agency's review on August 25, 2009, and was accepted by the Director on September 8, 2009.

The proposed easement was sent to the Resource Development Coordinating Committee ("RDCC"), the Uintah Basin Association of Governments, and the Uintah County Commission for review on August 25, 2009. The following comments were received from the RDCC:

Department of Environmental Quality/Division of Air Quality:

"The project is subject to R307-205-5, Fugitive Dust, since the project could have a short-term impact on air quality due to the fugitive dust that could be generated during the excavation and construction phases of the project. These rules apply to construction activities that disturb an area greater than ¼ acre in size. An Approval Order is not required solely for the control of fugitive dust, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/publicat/code/r307/r307.htm."

Utah Geological Survey:

"Although there are no paleontological localities recorded in our files for this project area, the Eocene Duchesne River 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."

The following comment was received from the Uintah County Commission:

"Thank you for the opportunity to comment on the construction, operation, repair, and maintenance by Northwest Pipeline GP of a cathodic protection site located in T6S, R24E, Sec. 32: SE¼SE¼ (within) in Uintah County. The proposed protection system would be attached to the Red Wash natural gas pipeline and is necessary to prevent corrosion of the pipeline. The facility would consist of a deep bed anode well, a rectifier pole, and a ditch line for a cable to connect to the pipeline. The proposed easement corridor is [approximately] 320 feet long and 40 feet wide, containing 0.29 acre. A 200' x 200' temporary workspace at the east end of the easement corridor for use during the construction phase of the project is also being requested."

"Uintah County supports this action, keeping ground disturbance, increase in traffic, equipment, dust, and noise emissions during construction at a minimum."

"We ask that Northwest Pipeline GP contact Uintah County's Planning & Zoning Department for the necessary County permits."

EASEMENT NO. 1520 (APPROVAL) (CONTINUED)

"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 Entrix (U-09-EX-0164s).

EVALUATION OF FACTS:

The comments submitted through the RDCC have been evaluated and the Agency's response was as follows:

Utah Division of Air Quality:

"The applicant has been informed of the comments submitted by the Utah Division of Air Quality. Furthermore, our easement agreement requires that the Grantee comply with the provisions of all Federal, State, County, and Municipal laws, ordinances, and regulations which are applicable to the subject tract and operations covered by the easement."

Utah Geological Survey:

"A paleontological review of the proposed easement corridor has been conducted by Erathim-Vanir Geological PLLC, report dated October 16, 2009. The report recommended that a site inspection of the proposed site be conducted by a paleontologist with a valid permit prior to any ground disturbance. The applicant has been notified of this recommendation and will be required to have a site inspection conducted prior to any ground disturbance to determine if monitoring of the site during construction is warranted."

The applicant has been notified of the comments received from the RDCC and Uintah County as well as the Agency's response.

The Agency's Archaeology staff has reviewed the cultural resource documents submitted in support of the proposed easement and has granted cultural resource clearance for the project with a finding of "No Historic Properties."

The Agency's staff Paleontologist has reviewed the paleontological report that was submitted in support of the proposed easement. The report recommended that a site inspection be made of the proposed easement area prior to any ground disturbance occurring on the site in order to determine if fossiliferous exposures are present and if monitoring of the site during construction is warranted. The Agency's staff Paleontologist concurs with this recommendation; therefore, the applicant will be required to have a site inspection of the proposed easement corridor conducted by a paleontologist with a valid permit.

Upon recommendation of Mr. Chris Fausett, the Director approved the applicant's request for a non-exclusive easement. The term of the easement will be for 30 years beginning November 1, 2009, and expiring October 31, 2039. The application fee of \$750.00 and the easement rental assessment of \$342.72 have been submitted. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00.

EASEMENT NO. 1521 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

Northwest Pipeline GP
295 Chipeta Way
Salt Lake City, Utah 84108

LEGAL DESCRIPTION:

Township 5 South, Range 23 East, SLB&M
Section 36: NW¹/₄NW¹/₄ (within)

A parcel of land situated in the northwest quarter of Section 36, Township 5 South, Range 23 East, SLB&M, Uintah County, Utah; being more particularly described as follows:

Commencing at the northwest corner of said Section 36, T5S, R23E, SLB&M, a found 1949 GLO brass cap, thence S 02°20'27" E along the west line of the northwest quarter of said Section 36 a distance of 1032.83 feet being a point on the said west line of the northwest quarter of Section 36, thence N 87°39'33" E a distance of 305.51 feet to a point, being the true point of beginning of said parcel of land; thence N 55°49'39" E a distance of 413.75 feet more or less to a point on the southerly right-of-way line of the 26" Ignacio-Sumas Pipeline at Engineer's Station 16538+70; thence S 34°10'21" E along said right-of-way line a distance of 40.00 feet at Engineer's Station 16538+30; thence S 55°49'39" W a distance of 413.75 feet; thence N 34°10'21" W a distance of 40.00 feet to the point of beginning.

Said parcel of land as described above contains 0.38 acre and 16,550 sq. ft. more or less.

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

COUNTY: Uintah

ACRES: 0.38

FUND: School

PROPOSED ACTION:

The applicant has requested a non-exclusive easement to construct, operate, repair, and maintain a cathodic protection system within T5S, R23E, Section 36, in Uintah County. The cathodic protection system will be attached to the existing 26-inch diameter Ignacio-Sumas natural gas pipeline, which is operated by the applicant and is being installed to prevent corrosion of the pipeline. The system consists of a deep anode bed well, a rectifier pole and a ditch line for a cable to connect to the pipeline. The proposed easement corridor is 413.75 feet long and 40 feet wide, containing 0.38 acre. The applicant has also requested a 200' x 200' temporary easement for a temporary workspace at the east end of the easement corridor that will be used during the construction phase of the project. The requested term of the easement is 30 years.

RELEVANT FACTUAL BACKGROUND:

The subject "Application to Purchase an Easement" was received on August 24, 2009. It was submitted for the Agency's review on August 25, 2009, and was accepted by the Director on September 8, 2009.

The proposed easement was sent to the Resource Development Coordinating Committee ("RDCC"), the Uintah Basin Association of Governments, and the Uintah County Commission for review on August 25, 2009. The following comments were received from the RDCC:

EASEMENT NO. 1521 (APPROVAL) (CONTINUED)

Department of Environmental Quality/Division of Air Quality:

"The project is subject to R307-205-5, Fugitive Dust, since the project could have a short-term impact on air quality due to the fugitive dust that could be generated during the excavation and construction phases of the project. These rules apply to construction activities that disturb an area greater than ¼ acre in size. An Approval Order is not required solely for the control of fugitive dust, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/publicat/code/r307/r307.htm."

The following comment was received from the Uintah County Commission:

"Thank you for the opportunity to comment on the construction, operation, repair, and maintenance by Northwest Pipeline GP of a cathodic protection site located in T5S, R23E, Sec. 36: NW¼NW¼ (within) in Uintah County. The proposed protection system would be attached to the Ignacio-Sumas natural gas pipeline and is necessary to prevent corrosion of the pipeline. The facility would consist of a deep bed anode well, a rectifier pole, and a ditch line for a cable to connect to the pipeline. The proposed easement corridor is [approximately] 420 feet long and 40 feet wide, containing 0.38 acre. A 200' x 200' temporary workspace at the east end of the easement corridor for use during the construction phase of the project is also being requested.

"Uintah County supports this action, keeping ground disturbance, increase in traffic, equipment, dust, and noise emissions during construction at a minimum.

"We ask that Northwest Pipeline GP contact Uintah County's Planning & Zoning Department for the necessary County permits.

"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 Entrix (U-09-EX-0164s).

EVALUATION OF FACTS:

The comments submitted through the RDCC have been evaluated and the Agency's response was as follows:

Utah Division of Air Quality:

"The applicant has been informed of the comments submitted by the Utah Division of Air Quality. Furthermore, our easement agreement requires that the Grantee comply with the provisions of all Federal, State, County, and Municipal laws, ordinances, and regulations which are applicable to the subject tract and operations covered by the easement."

The applicant has been notified of the comments received from the RDCC and Uintah County as well as the Agency's response.

The Agency's Archaeology staff has reviewed the cultural resource documents submitted in support of the proposed easement and has granted cultural resource clearance for the project with a finding of "No Historic Properties."

Upon recommendation of Mr. Chris Fausett, the Director approved the applicant's request for a non-exclusive easement. The term of the easement will be for 30 years beginning November 1, 2009, and expiring October 31, 2039. The application fee of \$750.00 and the easement rental assessment of \$451.36 have been submitted. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00.

SPECIAL USE LEASE AGREEMENTS**SPECIAL USE LEASE NO. 1644 (APPROVAL)**

APPLICANT'S NAME AND ADDRESS:

Windriver Wireless, LLC
 581 East 200 North
 P. O. Box 1768
 Roosevelt, UT 84066

TYPE: Telecommunication

Application Fee: \$ 250.00

TERM: Fifteen (15) Years

Processing Charge: 700.00

BEGINNING DATE: December 1, 2009

First Years Rental: 3,600.00

ENDING DATE: November 30, 2024

Total Submitted: \$4,550.00

DUE DATE: December 1

NEXT REVIEW DATE: December 1, 2014

FUND: School

COUNTY: Carbon

ACRES: 0.18 acre (site only). Access to the site is on existing access roads as described below.

LEGAL DESCRIPTION:

Township 12 South, Range 15 East, Salt Lake Base and Meridian, UtahSection 2: Within SE $\frac{1}{4}$ SE $\frac{1}{4}$, more specifically described as the following:

A 50 ft. radial buffer around a point that is located at 39°47'52.64381" North Latitude and 110°11'44.48733" West Longitude (WGS 84), said point taken from a Survey Plat prepared by Peatross Land Surveys on February 13, 2009; containing approximately 0.18 acre, more or less. Subject Property is depicted on Exhibit "A" attached to the proposed lease agreement, and made a part thereof.

This legal description was prepared by the SITLA GIS staff October 15, 2009, using GPS coordinates (WGS 84) taken from a Survey Plat prepared by Peatross Land Surveys. This is NOT to be used in place of a legal land survey and is for reference use only. The Utah School and Institutional Trust Lands Administration ("SITLA") IT/GIS Department assume no responsibility for errors or omissions in these materials. SITLA hereby disclaims any and all liability due to the use or misuse of this parcel description. The user assumes total responsibility for verification and use.

Together with non-exclusive access across an existing unimproved two-track road located upon lands administered by Landlord within a portion of the E $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 2, Township 12 South, Range 15 East, SLB&M, and within portions of the W $\frac{1}{2}$ SW $\frac{1}{4}$ and the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 36, Township 11 South, Range 15 East, SLB&M, the location of which may be modified at any time at Landlord's discretion without notice to Tenant. Any improvements or maintenance to be performed on such roads shall be made only after obtaining written permission from Landlord and shall be at no cost to Landlord. Landlord does not represent or warrant that access across federal or private land is available, nor will Landlord attempt to obtain such access for Tenant.

Note: The applicant's original survey was a description of a larger parcel, 6.94 acres. The applicant was planning to site the small tower and related equipment within that area. As the application was reviewed, it was determined that a smaller site with the appropriate location would be made. The applicant agreed to the modification, which is the above-referenced description. The amended description was created and reviewed by the Trust Lands Administration GIS Group, and the applicant has indicated that the description is adequate.

SPECIAL USE LEASE NO. 1644 (APPROVAL) (CONTINUED)**PROPOSED ACTION:**

Issue a 15-year telecommunication special use lease for a small mobile radio and local radio microwave communications site.

RELEVANT FACTUAL BACKGROUND:

The applicant proposes to construct, operate, and maintain one small telecommunication site for mobile radio communications. The facilities include one small tower with an estimated height of no higher than 20 feet and a small outdoor cabinet to house radio equipment; plus other related equipment required to operate and maintain the facility including solar panels for power requirements. Any other secondary uses shall be allowed only as provided for in the new lease agreement, requiring prior written approval and the payment of additional rentals.

EVALUATION OF FACTS:

The proposed use for a telecommunication site is exempt from the competitive advertising requirements of R850-30-500(2).

Staff is recommending an amount of \$3,600.00 per year as the beginning annual base lease rental for the first five-year period, as set forth in the new lease agreement. Pursuant to R850-30-400, a review of comparable lease rates was conducted and an analysis of fair market value rental was made. The difference in the fair market value of the subject parcel and surrounding lands valued as raw lands vs. the highest and best use return for the proposed use is fairly significant. The current estimated raw land value of the subject parcel ranges from about \$500.00 to \$800.00 per acre. Given the current prime interest rate, a fair market value on raw land would require a per acre rental return of about \$30.00 per acre. Comparatively, the per acre revenue from the communication site lease is significantly higher.

The proposed communication site is considered the highest and best use for this small property and, as far as can be determined, shall not adversely affect the remainder of the trust lands. The primary purpose for the site is to improve radio communication systems for those energy companies that are developing natural gas in the region. A portion of the mineral development in the area to be served is on trust lands.

The original surveyed site was submitted for review by the State of Utah, Resource Development and Coordinating Committee ("RDCC") of the Public Lands Policy Coordination Office. The RDCC submitted the following comment from the Utah Division of Air Quality:

"The proposed project in Carbon County may be subject to R307-205-5: Fugitive Dust, of the Utah Air Quality Rules, due to the fugitive dust that is generated during the excavation and construction phases of the project. These rules apply to activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/publicat/code/r307/r307.htm."

The applicant has been informed of the RDCC comments. As the size of the site is now significantly smaller than what was originally submitted to RDCC, it should not pose any potential problem.

The proposed lease site was also submitted for review to the Southeastern Utah Association of Governments ("AOG") and to Carbon County. The AOG responded with "favorable comment recommended". Carbon County did not respond.

SPECIAL USE LEASE NO. 1644 (APPROVAL) (CONTINUED)

A cultural resource inventory for the project area, including the proposed site and the access road, was completed in August, 2009. The inventory resulted in no cultural resources, and a determination of "no historic properties affected" was recommended for the project by the cultural resource contractor. The Agency's archaeological staff consulted with the Division of State History and cultural resource compliance has been completed.

The lease term is 15 years, which is less than the normal maximum term for telecommunication site leases, as provided for in R850-30-200(3)(c). The lease shall contain a termination clause where the lessee can relinquish or terminate the lease, subject to the terms in the proposed lease agreement.

This action is not considered substantive and does not warrant the time and expense necessary to complete a full narrative Record of Decision. Therefore, this summary will constitute the Record of Decision.

Upon recommendation of Mr. Gary Bagley, the Director approved SULA 1644 with a beginning annual base rental of \$3,600.00. Any subleasing shall require additional rentals as set forth in the lease, which is for a 15-year term with a commencement date of December 1, 2009, and an expiration date of November 30, 2024. The lease has a five-year review clause, with the first review effective December 1, 2014.

SPECIAL USE LEASE NO. 1298 (ACCEPTANCE OF LETTER OF CREDIT AS A RECLAMATION BOND AND REFUND OF CASH BOND)

Pursuant to Paragraph 14 of the lease agreement, Monument Disposal, P.O. Box 410129, Big Water, UT 84741, has submitted Letter of Credit No. ZSB802462. The Letter of Credit is through the Zions Bank, International Operations, 550 South Hope Street, 3rd Floor, Los Angeles, CA 90071. The Letter of Credit is in the amount of \$25,000.00 and will be renewed each year on November 13th.

On the May 9, 2008, Director's Minutes, Monument Disposal posted a \$2,000.00 cash reclamation and performance bond to be held in the suspense account. This Letter of Credit replaces this cash bond and the **\$2,000.00 should be refunded to Monument Disposal.**

Upon recommendation of Mr. Bryan Torgerson, the Director approved the Letter of Credit and the **refund of the \$2,000.00 cash bond.**

DEVELOPMENT ACTIONS

DEVELOPMENT SUBDIVISION SALES

THE FOLLOWING SALES HAVE BEEN EXECUTED AND PATENTS ISSUED FOR:

SUBD 10.0 Highland Park Phase 1 Subdivision

These transactions have been executed pursuant to Development Lease DEVL 610.

LEGAL DESCRIPTION: (SUBDIVISION)

Section 18, Township 42.0 S, Range 14.0 W, SLBM
Section 7, Township 42.0 S, Range 14.0 W, SLBM

PURCHASER:

GOLDEN HERITAGE HOMES, INC.
2303 N. CORAL CANYON BLVD., SUITE 200
ST. GEORGE, UT 84780

LOT SALE DESCRIPTION:

Desc /	Certificate #	Cert/Sale Dt	Patent #	Patent Dt	Lot Price	Fee	Acreage	Fund	Section
Lot 200	26377-10-200	11/16/09	19928-10-200	07/07/06	\$20,736.19	\$20.00	0.32	SCH	7
Lot 47	26377-10-47	11/10/09	19928-10-47	07/07/06	\$16,643.71	\$20.00	0.24	SCH	7

This legal description has been reviewed by the GIS Group.

LIST MINERAL RESERVATIONS:

Subject to a reservation to the State of 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.

LIST SURFACE RESERVATIONS:

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, 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 the Covenants, Conditions, and Restrictions that have been recorded for the subdivision.

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

RECIPROCAL EASEMENT AGREEMENT: ESMT 1042

THE FOLLOWING EASEMENT HAS BEEN GRANTED IN EXCHANGE FOR THE EASEMENT RECEIVED AS REPORTED BELOW (PRED 749).

PROJECT: Sienna Hills
PROJECT MANAGER: Aaron Langston
PROJECT CODE: MPI13 000 00
FUND: School
COUNTY: Washington
DATE OF EASEMENT: September 8, 2005
TERM: Perpetual

DESCRIPTION:

The easement has been granted for the purpose of constructing, maintaining, and repairing an earthen-made slope to hold the material of said slope in repose against ordinary erosion. The easement design, approved by the Grantor, shall contemplate fill earthwork only; the design shall not require cutting the slope.

GRANTEES:

NUTRATECH, INC.

a Wyoming Corporation qualified to do business in Utah
333 North 300 West
Salt Lake City, Utah 84103
as to an undivided 6/14 Interest

DEAN T. TERRY INVESTMENTS, L.L.C.

a Utah limited liability company in good standing
150 North 200 East, Suite 202
St. George, Utah 84770
as to an undivided 6/14 Interest

QUALITY DEVELOPMENT, L.L.C.

a Utah limited liability company in good standing
113 East 200 North, Suite 2
St. George, Utah 84771
as to an undivided 2/14 Interest

LEGAL DESCRIPTION:

Township 42 South, Range 15 West, SLB&M
Section 12:

The easement is located along the southern boundary of the parcel described below to the east of the center section line, along the line described as follows: South 74°17'37" West 231.53 feet. The easement consists of a 70 ft. strip to the south of the boundary line. The easement contains 0.39 acre more or less.

Beginning at the Northeast corner of that property recorded with Entry No. 00825241, in Book 1555, Page 1702, in the office of the Washington County Recorder, in said County, State of Utah, said point also being an existing Bulloch Brothers rebar and cap, also being the Northeast corner of the Southeast Quarter of the Southwest Quarter (SE¼ of the SW¼) of Section 12, Township 42 South, Range 15 West, Salt Lake Base and Meridian, thence along the North Property line of said property also along the North line of the said SE¼ of the SW¼ of said Section 12; North 88°00'39" West 566.12 feet to a point on the arc of a 1500.00 foot radius curve to the right, of

RECIPROCAL EASEMENT AGREEMENT: ESMT 1042 (CONTINUED)

which radius point bears South 29°21'38" East; thence Northeasterly 357.49 feet along said curve through a central angle of 13°39'18" to the point of tangency; thence North 74°17'46" East 141.77 feet to a point on the right-of-way line of Washington Parkway; thence along said right-of-way line in the following eight (8) courses: South 15°42'23" East 51.00 feet; thence North 74°17' 37" East 155.65 feet to the point of curvature of a 55.50 foot radius to the right; thence Southeasterly 53.13 feet along said curve through a central angle of 54°51'11" to a point of reverse curvature of a 129.50 foot radius curve to the left, of which the radius point bears North 39°08'51" East; thence Southeasterly 34.90 feet along said curve through a central angle of 15°26'28" to the point of reverse curvature of a 85.50 foot radius curve to the right; from which the radius point bears South 23°42'23" West; thence Southeasterly 75.49 feet along the said curve through a central angle of 50°35'19" to the point of tangency; thence South 15°42'29" East 83.89 feet; thence South 74°17'39" West 7.00 feet; thence South 15°42'07" East 51.00 feet; thence leaving said right-of-way South 74°17'37" West 231.53 feet, to a point on the East line of said property, said point also being on the Center Section line of said Section 12; thence along said East property line and along said Center Section line North 1°03'28" East 90.38 feet to the point of beginning. Contains 2.58 acres.

The project manager has had this legal description reviewed by the GIS Group.

NUMBER OF ACRES BY COUNTY: 0.39 acre, more or less - Washington County

NUMBER OF ACRES BY FUND: 0.39 acre, more or less - School

MINERAL LEASES CANCELED: None

SURFACE LEASES CANCELED: None

Upon recommendation of Alexa Wilson, the Director approved this easement.

RECIPROCAL EASEMENT AGREEMENT: PRED 749

THE FOLLOWING EASEMENT HAS BEEN GRANTED TO THE TRUST LANDS ADMINISTRATION IN EXCHANGE FOR THE EASEMENT GRANTED AS REPORTED ABOVE (ESMT 1042).

PROJECT: Sienna Hills
 PROJECT MANAGER: Aaron Langston
 PROJECT CODE: MPI13 000 00
 FUND: School
 COUNTY: Washington
 DATE OF EASEMENT: August 11, 2005
 TERM: Perpetual

DESCRIPTION:

The easement has been granted for the purpose of constructing, maintaining, and repairing an earthen-made slope to hold the material of said slope in repose against ordinary erosion.

GRANTORS:

NUTRATECH, INC.
 a Wyoming Corporation qualified to do business in Utah
 333 North 300 West
 Salt Lake City, Utah 84103
 as to an undivided 6/14 Interest

RECIPROCAL EASEMENT AGREEMENT: PRED 749 (CONTINUED)

DEAN T. TERRY INVESTMENTS, L.L.C.
 a Utah limited liability company in good standing
 150 North 200 East, Suite 202
 St. George, Utah 84770
 as to an undivided 6/14 Interest

QUALITY DEVELOPMENT, L.L.C.
 a Utah limited liability company in good standing
 113 East 200 North, Suite 2
 St. George, Utah 84771
 as to an undivided 2/14 Interest

LEGAL DESCRIPTION:

Township 42 South, Range 15 West, SLB&M
 Section 12:

The easement consists of a 70 foot wide strip of land to the west and south of the following parcel. It contains 1.55 acres.

BEGINNING AT A POINT WHICH IS NORTH 88°00'39" WEST 566.12 FEET, ALONG THE NORTH PROPERTY LINE OF THAT PROPERTY RECORDED WITH ENTRY NO. 00825241, IN BOOK 1555, PAGE 1702, IN THE OFFICE OF THE WASHINGTON COUNTY RECORDER, IN SAID COUNTY, STATE OF UTAH, FROM THE NORTHEAST CORNER OF SAID PROPERTY, BEING AN EXISTING BULLOCH BROTHERS REBAR AND CAP, ALSO BEING THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER (SE¼ OF THE SW¼) OF SECTION 12, TOWNSHIP 42 SOUTH, RANGE 15 WEST, SALT LAKE BASE AND MERIDIAN, TO A POINT OF NON-TANGENT OF A 1500.00 FOOT RADIUS CURVE TO THE LEFT, OF WHICH THE RADIUS POINT BEARS SOUTH 29°21'38" EAST; THENCE SOUTHWESTERLY 337.35 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12°53'10", FROM WHICH THE RADIUS POINT BEARS SOUTH 42°14'48" EAST; THENCE NORTH 88°00'39" WEST 653.04 FEET; THENCE NORTH 08°54'45" WEST 210.09 FEET TO A POINT ON THE SAID NORTH PROPERTY LINE OF SAID PROPERTY, SAID POINT ALSO BEING ON THE NORTH LINE OF THE SAID SE¼ OF THE SW¼ OF SAID SECTION 12; THENCE ALONG SAID NORTH LINE SOUTH 88°00'39" EAST 958.80 FEET TO THE POINT OF BEGINNING. Containing approximately 3.77 acres.

The project manager has had this legal description reviewed by the GIS Group.

NUMBER OF ACRES BY COUNTY: 1.55 acres, more or less - Washington County

NUMBER OF ACRES BY FUND: 1.55 acres, more or less - School

MINERAL LEASES CANCELED: None

SURFACE LEASES CANCELED: None

Upon recommendation of Alexa Wilson, the Director accepted this easement.

ACTIONS CONTAINING FEE WAIVERS

NONE