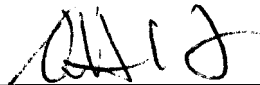


DECEMBER 21, 2009

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON DECEMBER 21, 2009, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, AND FEE WAIVER BUSINESS MATTERS AS INDICATED AND WHICH BECOME EFFECTIVE AT 6:00 P.M. ON DECEMBER 21, 2009.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGES 1 TO 5; SURFACE ACTIONS AS LISTED ON PAGES 5 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, JANUARY 4, 2010. 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 NO. 455 (APPROVAL)

APPLICANT:

Matt Henry
P.O. Box 185
Manila, UT 84046

AFFECTED LANDS:

Township 3 North, Range 19 East, SLB&M:
Section 25: S½SE¼NE¼

COUNTY: DAGGETT

ACRES: 20.0±

FUND: UNIV

GIS has reviewed the legal description attached to this application.

RELEVANT FACTUAL BACKGROUND:

Applicant has surface ownership of the affected lands. Sand and gravel rights were reserved to the State when Quit Claim Deed No. 1041, issued under Contract of Sale B-504, was issued on April 17, 1959, for the surface rights. Applicant has agreed to pay annual rental of \$10 per acre. A royalty rate of \$0.54 per cubic yard of material produced from this permit area was set. Applicant requests a permit term of five (5) years.

EVALUATION OF FACTS:

R850-23-200 states that the Trust Lands Administration may issue materials permits or convey profits a prendre or similar interests on trust lands where the Trust Lands Administration deems it consistent with land use plans and Trust responsibilities. With the severed surface ownership of the affected lands, solicitation for competitive bids would not be in the best interest of the Trust. The royalty rates set for commodities from this site are consistent with royalty rates for other material permit sites on trust lands in Daggett County, Utah. These rates reflect fair market value for the materials and meet the requirements of R850-23-300. Mining of sand and gravel is a historic use of the subject lands and an appropriate use of the lands pursuant to R850-23-200. The term of the permit is five (5) years which is consistent with the requirements of R850-23-600.

Upon recommendation of Mr. Harden, the Director approved the issuance of Materials Permit No. 455 for a term of five (5) years.

METALLIFEROUS MINERALS LEASE APPROVALS

Upon recommendation of Mr. Stokes, the Director approved the Metalliferous Minerals Lease Applications as listed below at a minimum annual rental rate of \$500 per lease or \$1 per acre, whichever is greater. The production royalty as provided in the lease form, approved by the Director of the Trust Lands Administration, is eight percent (8%) for fissionable minerals and four percent (4%) for non-fissionable minerals - based on the gross value of the ore. The land status has been examined utilizing both the plat books and the business system and the lands were found to be open and available. The applications have been checked for completeness and found to be in proper order. The lease administrator has had this legal descriptions reviewed by the GIS Group. The business system and plat books have been updated to show these lease applications as existing contracts on the lands described below:

<u>ML 51706</u>	<u>T30S, R24E, SLB&M.</u>	San Juan
Ben Campbell	SEC. 36: ALL	640.00 Acres
106 Forest Drive		
Palestine, TX 75801		

Annual Rental: \$640

FUND: SCH

<u>ML 51707</u>	<u>T30S, R25E, SLB&M.</u>	San Juan
Ben Campbell	SEC. 32: ALL	640.00 Acres
106 Forest Drive		
Palestine, TX 75801		

Annual Rental: \$640

FUND: SCH

TOTAL ASSIGNMENT AND SUBSEQUENT CLARIFICATION – OIL, GAS, AND HYDROCARBON LEASE

Upon recommendation of Ms. Garrison, the Director approved the assignment of the lease listed below to Belco Development Corporation, P.O. Box 1188, Houston, TX 77251, by Belco Petroleum Corporation. No override, but subject to overrides as previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

BELCO PETROLEUM CORPORATION – 100%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

BELCO DEVELOPMENT CORPORATION – 100%

....ML 3140.5 (SCH)....

The above-listed assignment is dated December 17, 1980, but was never filed for approval with this office until now. Since 1980, the following actions were approved by our Director as noted:

TOTAL ASSIGNMENT AND SUBSEQUENT CLARIFICATION – OIL, GAS, AND HYDROCARBON LEASE (CONTINUED)

March 16, 1987 Effective December 31, 1986, Belco Development Corporation merged with and into Enron Oil & Gas Company.

October 27, 1999 Effective August 30, 1999, Enron Oil & Gas Company changed their name to EOG Resources, Inc.

In light of the two mergers listed above, the record title ownership for the above-listed lease is now held **100% by EOG Resources, Inc.**

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 24.609375% interest in and to the lease listed below to National Fuel Corporation, 8400 E. Prentice, Suite 1100, Greenwood Village, CO 80111-2926, by Pioneer Natural Resources USA, Inc. No override, but subject to previous overrides 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:

NATIONAL FUEL CORPORATION-33.203125%,
STEWART PETROLEUM CORP.-32.8125%,
***PIONEER NATURAL RESOURCES USA
INC.-24.609375%***
WALID BOU-MATAR - 6.25%,
ANDREW W. BUSCH – 3.125%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

***NATIONAL FUEL CORPORATION-57.8125%,
STEWART PETROLEUM CORP.-32.8125%,
WALID BOU-MATAR – 6.25%,
ANDREW W. BUSCH – 3.125%***

...ML 21913 (SCH)....

Upon recommendation of Ms. Garrison, the Director approved the assignment of 17.410455% interest in and to the lease listed below to National Fuel Corporation, 8400 E. Prentice, Suite 1100, Greenwood Village, CO 80111-2926, by Pioneer Natural Resources USA, Inc. No override, but subject to previous overrides 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:

NATIONAL FUEL CORPORATION-45.739385%,
STEWART PETROLEUM CORP.-23.213940%,
***PIONEER NATURAL RESOURCES USA
INC.-17.410455%***
WALID BOU-MATAR - 9.09082%,
ANDREW W. BUSCH – 4.5454%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

***NATIONAL FUEL CORPORATION-63.14984%,
STEWART PETROLEUM CORP.-23.213940%,
WALID BOU-MATAR – 9.09082%,
ANDREW W. BUSCH – 4.5454%***

...ML 27428 (SCH)....

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

Upon recommendation of Ms. Garrison, the Director approved the assignment of 10% interest in and to the leases listed below to Unit Petroleum Corporation, P.O. Box 702500, Tulsa, OK 74170, by Bill Barrett Corporation. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

BILL BARRETT CORPORATION – 100%

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

***BILL BARRETT CORPORATION – 90%,
UNIT PETROLEUM CORPORATION – 10%***

...ML 51600 (SCH)...ML 51602 (SCH)...

Upon recommendation of Ms. Garrison, the Director approved the assignment of 10% interest in and to the leases listed below to Zeno Colorado LLC, 460 St. Michael's Drive, Suite 701, Santa Fe, NM 87505, by Bill Barrett Corporation. No override.

OWNERSHIP BEFORE ASSIGNMENT:

RECORD TITLE:

***BILL BARRETT CORPORATION – 90%,
UNIT PETROLEUM CORPORATION – 10%***

OWNERSHIP AFTER ASSIGNMENT:

RECORD TITLE:

***BILL BARRETT CORPORATION – 80%,
UNIT PETROLEUM CORPORATION – 10%,
ZENO COLORADO LLC – 10%***

...ML 51600 (SCH)...ML 51602 (SCH)...

CORRECTION OF DIRECTOR'S MINUTES OF DECEMBER 7, 2009 – ML 51119 – OIL, GAS, AND HYDROCARBON LEASE (SCH)

The Director, on December 7, 2009, approved partial relinquishment of the above-numbered lease by Vern Jones. The description listed as being retained was: *All Sec. 2, T27S, R3E, SLB&M., 640.00 acres.* It has come to our attention that the correct description should have been listed as: *Lots 1(40.10), 2(40.30), 3(40.50), 4(40.70), S½N½, S½ [ALL] Sec. 2, T27S, R3E, SLB&M., 641.60 acres.*

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

APPROVAL OF THE GORGE SPRING UNIT (SCH)

In accordance with the Certification and Determination of the Gorge Spring Unit Agreement, said unit agreement is hereby declared *invalid ab initio* as stated in the United States Bureau of Land Management letter dated December 2, 2009. The decision is based on the failure to commence drilling requirements within specified timeframes as outlined in Section 9 of the Gorge Spring Unit Agreement. Since the unit is invalid, the Gorge Spring Unit is considered as if it never existed. Therefore, the invalidation date refers back to June 1, 2005, which is the BLM approval date of the unit. The following SITLA leases are beyond their primary term with no production wells holding the leases. Therefore, the leases have terminated as of December 2, 2009:

<u>LEASE #</u>	<u>LESSEE:</u>
ML 46737	Retamco Operating, Inc.
ML 47213	Palo Production Corporation
ML 47214	Palo Production Corporation
ML 47215	Palo Production Corporation

The following leases were previously committed to the Gorge Spring Unit, but were canceled due to non-payment on July 27, 2009:

<u>LEASE #</u>	<u>LESSEE:</u>
ML 45899	Retamco Operating, Inc.
ML 45900	Retamco Operating, Inc.

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

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

GRAZING PERMITS

GRAZING PERMIT NO. 21414-99 (CORRECTION OF MINUTES DATED MAY 5, 1999)

The Director's Minutes of May 5, 1999, incorrectly listed the above grazing permit's new acreage as 3,397.32. The correct acreage should be 4,561.35. This should be noted on all records. Grand County. School Fund.

Upon recommendation of Ms. Paula Lane, the Director approved the correction to the Minutes dated May 5, 1999, for GP 21414-99.

RIGHTS OF ENTRY**RIGHT OF ENTRY NO. 5410 (APPROVAL)**

On December 9, 2009, the School and Institutional Trust Lands Administration received an application from Adventure Travel West, Inc., P.O. Box 121, Idledale, CO 80453, 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 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. This right of entry replaces ROE 5283. Beginning date: June 1, 2010. Expiration date: May 31, 2011. Funding: School = 96.67%, 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. 5410 for a one-year term.

RIGHT OF ENTRY NO. 5403 (CORRECTION OF MINUTES DATED NOVEMBER 16, 2009)

Right of Entry No. 5403 was approved on the Director's Minutes dated November 16, 2009. The name of the Permittee that was shown on the Minutes, *Wasatch Winds, LLC*, is incorrect. The correct name is **Wasatch Wind Intermountain, LLC**.

Upon recommendation of Ms. Paula Lane, the Director approved the correction to the Director's Minutes dated November 16, 2009, for ROE 5403.

EASEMENTS**RIGHT OF WAY NO. 961 (TRANSFER OF EASEMENT TO PRIVATE LANDOWNER)****GRANTEE'S NAME AND ADDRESS:**

Citation Oil & Gas Corporation
14077 Cutten Road
Houston, Texas 77069-2212

LEGAL DESCRIPTION:

Township 7 South, Range 23 East, SLB&M
Section 16: E $\frac{1}{2}$ E $\frac{1}{2}$ (within)

Commencing at a point 88.53 feet West of the SE corner of Section 16, T7S, R23E, SLM in Uintah County, Utah, thence N28°08'E 187.55 feet to a point 165.34 feet North of the SE corner of Section 16, T7S, R23E, SLM. Also, a portion commencing at a point located 294.30 feet South of the NE corner of the SE $\frac{1}{4}$ of Section 16, T7S, R23E, SLM, thence N48°21'W 246.07 feet; thence N6°26'W 577.92 feet; thence N6°26'W 949.53 feet; thence N26°23'W 549.13 feet; thence N8°41'W 376.00 feet; thence N51°36'W 580.80 feet; thence N14°25'W 29.29 feet to a point on the South line of Section 9, T7S, R23E, SLM, Uintah County, Utah, located 1116.54 feet West of the SE corner of Section 9, T7S, R23E, SLM, in Uintah County, Utah.

Note: The width of this right of way was not defined in the right of way contract; therefore, the acreage of this right of way corridor is unknown.

RIGHT OF WAY NO. 961 (TRANSFER OF EASEMENT TO PRIVATE LANDOWNER) (CONTINUED)

COUNTY: Uintah

ACRES: unknown

FUND: School

On September 25, 1998, the Agency sold the property underlying Right-of-Way No. 961. Patent No. 19253 was issued for the property on April 20, 1999. The property was sold subject to the right-of-way. As there is no other property included in the right-of-way, records should be noted to show that this right-of-way has been transferred to the private landowner.

This item was submitted by Mr. Chris Fausett for record-keeping purposes.

EASEMENT NO. 1418 (APPROVAL AND REFUND OF OVERPAYMENT)

APPLICANT'S NAME AND ADDRESS:

EnCana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, Colorado 80020

LEGAL DESCRIPTION:

Township 29 South, Range 25 East, SLB&M
Section 32: SW¹/₄SW¹/₄ (within)

A strip of land, 30.00 feet in width, for a road easement, all situated within the southwest quarter of Section 32, Township 29 South, Range 25 East, Salt Lake Base and Meridian, San Juan County, Utah, the boundaries thereof being 15.00 feet on either side of the following described centerline:

Commencing at the section corner common to Sections 31 and 32 of T29S, R25E, SLB&M, and Section 5 of T30S, R25E, SLB&M, San Juan County, Utah, being a brass cap monument, thence N 01°19'18" W 713.67 feet to the point of beginning; thence S 58°34'26" E 290.08 feet; thence easterly along a curve to the left with a radius of 300.00 feet, a delta angle of 47°56'32", a chord length of 243.77 feet, and an arc length of 251.03 feet; thence N 73°29'02" E 95.75 feet; thence easterly along a curve to the right with a radius of 100.00 feet, a delta angle of 87°31'57", a chord length of 138.34 feet, and an arc length of 152.77 feet; thence S 18°59'02" E 90.40 feet; thence easterly along a curve to the left with a radius of 150.00 feet, a delta angle of 112°14'28", a chord length of 249.06 feet, and an arc length of 293.85 feet; thence N 48°46'30" E 81.33 feet; thence easterly along a curve to the right with a radius of 160.00 feet, a delta angle of 167°30'46", a chord length of 318.10 feet, and an arc length of 467.78 feet; thence S 36°17'17" W 147.31 feet; thence southerly along a curve to the left with a radius of 200.00 feet, a delta angle of 17°28'23", a chord length of 60.76 feet, and an arc length of 60.99 feet to the point of terminus, S 89°27'00" W 802.64 feet from the closing section corner common to said Section 32 and Sections 4 and 5, T30S, R25E, SLB&M, San Juan County, Utah, being a brass cap monument.

The total length of a road easement as described above is 1931.29 feet or 117.05 rods, containing 1.33 acres, more or less.

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

COUNTY: San Juan

ACRES: 1.33

FUND: School

EASEMENT NO. 1418 (APPROVAL AND REFUND OF OVERPAYMENT) (CONTINUED)**PROPOSED ACTION:**

The applicant has requested a non-exclusive easement to construct, operate, repair, and maintain an access road located within T29S, R25E, Section 32, in San Juan County. The proposed access road will be new construction and will service the Middle Mesa Federal 5-10-30-25 Well located on federal lands approximately ½ mile to the south. The proposed easement corridor is 1931.29 feet long and 30 feet wide, containing 1.33 acres. The requested term of the easement is 30 years.

RELEVANT FACTUAL BACKGROUND:

The subject "Application to Purchase an Easement" was received on August 11, 2008. It was submitted for the Agency's review on August 25, 2008, and was accepted by the Director on September 8, 2008.

The proposed easement was sent to the Resource Development Coordinating Committee ("RDCC"), the Southeastern Utah Association of Governments, and the San Juan County Commission for review on August 25, 2008. The following comments were received from RDCC:

Department of Environmental Quality/Division of Air Quality:

"This proposal may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 North 1950 West, Salt Lake City, Utah, 84116, for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available online at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>

"In addition, 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. 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/public/code/r307/r307.htm."

Utah Geological Survey:

"Although there are no paleontological localities recorded in our files for this project area, the Cretaceous Burro Canyon and Dakota Formations exposed here have the potential for yielding significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends 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 Southeastern Utah Association of Governments:

"Favorable comment recommended."

The project area has been surveyed for cultural resources by 4-Corners Archaeological Services (U-07-FE-1400b,s).

The project area has been surveyed for paleontological resources by Aspen Environmental Field Services, LLC, report dated May 14, 2008.

EASEMENT NO. 1418 (APPROVAL AND REFUND OF OVERPAYMENT) (CONTINUED)

EVALUATION OF FACTS:

The comments submitted through 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 Aspen Environmental Field Services, LLC, report dated May 14, 2008. No fossil locations were identified within the easement corridor and no paleontological restrictions were recommended for the project. However, the applicant has been notified that if any paleontological resources are encountered during construction, the discovery site should be avoided until the site can be evaluated by a qualified paleontologist."

The applicant has been notified of the comments received from RDCC and the Southeastern Utah Association of Governments 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. There is one previously documented NRHP-eligible site located approximately 100 feet north of the proposed easement corridor which will not be impacted by the construction activities. Based upon the avoidance of this site, cultural resource clearance has been granted with a finding of "No Historic Properties Affected."

The Agency's staff paleontologist has reviewed the paleontological report that was submitted in support of the proposed easement. No fossils were identified within the proposed easement corridor and no paleontological restrictions were proposed for the development of the project. If any fossil materials are discovered during the course of construction, the site should be evaluated immediately by a qualified paleontologist.

The easement rental assessment for this easement is \$877.86. However, the applicant submitted a total payment in the amount of \$1,755.00. **Therefore, the applicant has overpaid the easement rental assessment by \$877.14. A refund in this amount should be processed and returned to the following address:**

**Jevin Croteau
EnCana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, Colorado 80202**

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 January 1, 2010, and expiring December 31, 2039. The application fee of \$750.00 and the easement rental assessment of \$877.86 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 on January 1, 2013. Furthermore, the Director has ordered that **the overpaid easement rental assessment in the amount of \$877.14 be refunded to the applicant.**

EASEMENT NO. 1419 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

EnCana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, Colorado 80020

LEGAL DESCRIPTION:

Township 29 South, Range 25 East, SLB&M
Section 32: SW $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

A strip of land, 30.00 feet in width, for a pipeline easement, all situated within the southwest quarter of Section 32, Township 29 South, Range 25 East, Salt Lake Base and Meridian, San Juan County, Utah, the boundaries thereof being 15.00 feet on either side of the following described centerline:

Commencing at the section corner common to Sections 31 and 32 of T29S, R25E, SLB&M, and Section 5 of T30S, R25E, SLB&M, San Juan County, Utah, being a brass cap monument, thence N 01°19'18" W 678.00 feet to the point of beginning; thence S 58°34'26" E 270.78 feet; thence S 64°34'00" E 68.91 feet; thence S 76°33'08" E 68.91 feet; thence S 88°32'16" E 68.91 feet; thence N 79°28'36" E 68.91 feet; thence N 73°29'02" E 95.75 feet; thence S 84°37'59" E 52.18 feet; thence S 40°52'01" E 52.18 feet; thence S 18°59'02" E 90.40 feet; thence S 33°00'50" E 87.28 feet; thence S 61°04'27" E 87.28 feet; thence S 89°08'04" E 87.28 feet; thence N 62°48'19" E 87.28 feet; thence N 48°46'30" E 81.33 feet; thence N 59°14'41" E 47.25 feet; thence N 80°11'01" E 47.25 feet; thence S 78°52'38" E 47.25 feet; thence S 57°56'17" E 47.25 feet; thence S 36°48'44" E 48.08 feet; thence S 15°29'59" E 48.08 feet; thence S 69°18'05" E 64.25 feet; thence S 12°44'27" W 60.76 feet; thence S 29°06'53" W 47.45 feet; thence S 36°17'17" W 147.31 feet; thence S 26°59'16" W 40.16 feet to the point of terminus, S 89°27'00" W 768.58 feet from the closing section corner common to said Section 32 and Sections 4 and 5, T30S, R25E, SLB&M, San Juan County, Utah, being a brass cap monument.

The total length of a pipeline easement as described above is 1912.47 feet or 115.91 rods, containing 1.32 acres, more or less.

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

COUNTY: San Juan

ACRES: 1.32

FUND: School

PROPOSED ACTION:

The applicant has requested a non-exclusive easement to construct, operate, repair, and maintain a 6.625-inch diameter surface pipeline located within T29S, R25E, Section 32, in San Juan County. The proposed pipeline will service the Middle Mesa Federal 5-10-30-25 Well located on federal lands approximately $\frac{1}{2}$ miles to the south. The pipeline will be laid parallel to a proposed access road that is currently being reviewed under Easement No. 1418. The proposed easement corridor is 1912.47 feet long and 30 feet wide, containing 1.32 acres. The requested term of the easement is 30 years.

RELEVANT FACTUAL BACKGROUND:

The subject "Application to Purchase an Easement" was received on August 11, 2008. It was submitted for the Agency's review on August 25, 2008, and was accepted by the Director on September 8, 2008.

The proposed easement was sent to the Resource Development Coordinating Committee ("RDCC"), the Southeastern Utah Association of Governments, and the San Juan County Commission for review on August 25, 2008. The following comments were received from RDCC:

EASEMENT NO. 1419 (APPROVAL) (CONTINUED)

Department of Environmental Quality/Division of Air Quality:

"This proposal may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 North 1950 West, Salt Lake City, Utah, 84116, for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available online at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>

"In addition, 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. 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/public/code/r307/r307.htm."

Utah Geological Survey:

"Although there are no paleontological localities recorded in our files for this project area, the Cretaceous Burro Canyon and Dakota Formations exposed here have the potential for yielding significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends 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 Southeastern Utah Association of Governments:

"Favorable comment recommended."

The project area has been surveyed for cultural resources by 4-Corners Archaeological Services (U-07-FE-1400b,s).

The project area has been surveyed for paleontological resources by Aspen Environmental Field Services, LLC, report dated May 14, 2008.

EVALUATION OF FACTS:

The comments submitted through 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 Aspen Environmental Field Services, LLC, report dated May 14, 2008. No fossil locations were identified within the easement corridor and no paleontological restrictions were recommended for the project. However, the applicant has been notified that if any paleontological resources are encountered during construction, the discovery site should be avoided until the site can be evaluated by a qualified paleontologist."

EASEMENT NO. 1419 (APPROVAL) (CONTINUED)

The applicant has been notified of the comments received from RDCC and the Southeastern Utah Association of Governments 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. There is one previously documented NRHP-eligible site located approximately 100 feet north of the proposed easement corridor which will not be impacted by the construction activities. Based upon the avoidance of this site, cultural resource clearance has been granted with a finding of "No Historic Properties Affected."

The Agency's staff paleontologist has reviewed the paleontological report that was submitted in support of the proposed easement. No fossils were identified within the proposed easement corridor and no paleontological restrictions were proposed for the development of the project. If any fossil materials are discovered during the course of construction, the site should be evaluated immediately by a qualified paleontologist.

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 January 1, 2010, and expiring December 31, 2039. The application fee of \$750.00 and the easement rental assessment of \$2,202.24 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 on January 1, 2013.

EASEMENT NO. 1495 (CORRECTION OF DIRECTOR'S MINUTES DATED JULY 20, 2009)

On the Director's Minutes of July 20, 2009, the Director approved Easement No. 1495 for a 10-inch diameter surface natural gas pipeline located within Section 32, T8S, R16E, in Duchesne County. It has been determined that the name of the applicant was listed incorrectly as *Newfield Exploration Company*. The minutes should be corrected to list the applicant's name as **Newfield Production Company**. Duchesne County. School Fund.

Upon the recommendation of Mr. Chris Fausett, the Director approved the correction to the Director's Minutes dated July 20, 2009, for ESMT 1495.

SPECIAL USE LEASE AGREEMENTS**SPECIAL USE LEASE AGREEMENT NO. 1659 (APPROVAL)****APPLICANT'S NAME AND ADDRESS**

J.R. Broadbent Grazing Association, LLC
376 East 400 South, Suite 309
Salt Lake City, UT 84111

LEGAL DESCRIPTION:

Township 3 North, Range 20 East, SLB&M
Section 28: S $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ (Within, as follows)

Beginning at the Southwest Corner of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28, Township 3 North, Range 20 East, SLB&M; thence N 01°34'31" W, 65.65 ft. along the west line of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 28; thence N 64°36'21" E, 665.70 ft.; thence N 86°09'41" E, 255.34 ft.; thence N 49°53'54" E, 288.55 ft.; thence N 63°02'00" E, 272.19 ft.; thence N 32°05'58" E, 218.33 ft.; thence N 87°56'17" E, 218.85 ft.; thence S 67°30'25" E, 131.21 ft.; thence S 39°21'36" E,

SPECIAL USE LEASE AGREEMENT NO. 1659 (APPROVAL) (CONTINUED)

722.59 ft.; thence S 01°44'49" E, 658.67 ft.; thence S72°52'09" W, 445.88 ft.; thence S 59°57'50" W, 547.72 ft. to the west line of the NE¼SE¼ of Section 28; thence N 01°20'20" W, 828.55 ft. along the west line of the NE¼SE¼ of Section 28 to the Southwest Corner of the SE¼NE¼ of Section 28; thence S 88°53'13" W, 1,332.57 ft. along the south line of the SW¼NE¼ of Section 28, more or less to the point of beginning. Containing approximately 36.70 acres, more or less.

Township 3 North, Range 20 East, SLB&M

Section 28: NW¼SW4¼SE¼ (Within, as follows)

Beginning at the Northwest Corner of the SW¼SE¼ of Section 28, Township 3 North, Range 20 East, SLB&M; thence S 01°34'09" E, 434.93 ft. along the west line of the SW¼SE¼ of Section 28; thence N 56°55'36" E, 758.22ft.; thence N 00°06'32" E, 34.52 ft. to the north line of the SW¼SE¼ of Section 28; thence S 88°48'13" W, 647.48 ft. along the north line of the SW¼SE¼ of Section 28, more or less to the point of beginning. Containing approximately 3.48 acres, more or less.

Township 3 North, Range 20 East, SLB&M

Section 29: Lot 4 (Within, as follows)

Beginning at the Southeast Corner of Section 29, Township 3 North, Range 20 East, SLB&M; thence S 89°03'06" W, 1,322.33 ft. along the south section line of Section 29; thence S 88°43'37" W, 2.95 ft. along the south section line of Section 29 to the Southwest Corner of Lot 4; thence N 01°03'33" W, 150.85 ft. along the west line of Lot 4 of Section 29; thence N 54°19'13" E, 1,123.95 ft.; thence N 86°43'15" E, 363.67 ft. to the east section line of Section 29; thence S 03°41'01" E, 806.89 ft. along the east section line of Section 29, more or less to the point of beginning. Containing approximately 17.00 acres, more or less.

Township 3 North, Range 20 East, SLB&M

Section 33: Lot 1 (Within, as follows)

Beginning at the Northwest Corner of Section 33, Township 3 North, Range 20 East, SLB&M; thence S 01°04'58" E, 672.00 ft. along the west section line of Section 33; thence N 54°32'38" E, 1,188.52 ft. to the north section line of Section 33; thence S 88°58'29" W, 980.98 ft. along the north section line of Section 33, more or less to the point of beginning. Containing approximately 7.57 acres, more or less.

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

COUNTY: Daggett

ACRES: 64.75

FUND: School

LEASE TYPE: AGR

PROPOSED ACTION:

Issue an agricultural special use lease for the purpose of planting, cultivating, and harvesting alfalfa and grass hay, and the harvesting of native meadow hay.

RELEVANT FACTUAL BACKGROUND:

The application for a lease was received on July 27, 2009. The Director accepted the application on August 18, 2009.

SPECIAL USE LEASE AGREEMENT NO. 1659 (APPROVAL) (CONTINUED)

A public notice was published according to rule and sent to all existing permittees, lessees, and adjoining landowners. No competing applications or comments were received. The application was submitted for review by the Resource Development Coordinating Committee ("RDCC") on August 27, 2009. Notice was also sent to the Uintah Basin Association of Governments and Daggett County. One comment was received from Commissioner Briggs of Daggett County. Commissioner Briggs expressed the County's desire to have the road on the east end of said property left open to public access. The contract will specify that County roads within the leased property cannot be blocked.

Consultation with the State Historic Preservation Office ("SHPO") and the Agency's staff archaeologist resulted in a determination that a cultural resource survey is not required due to the area having been previously disturbed.

EVALUATION OF FACTS:

The applicant submitted a sealed bid proposal for SULA 1659 in the amount of \$1,110.00. The application is for 64.75 acres. The bid amount equals \$17.14 per acre. The value of the subject property is estimated to be \$500.00 per acre for a total value of \$32,375.00. This amount, multiplied by the accepted rate of 3.25%, is less than the amount bid by the applicant. Pursuant to Board Policy, the applicant's bid of \$1,110.00 per year is, therefore, deemed to satisfy R850-30-400(2)(a).

The fees which are due prior to the issuance of a lease are as follows:

Application fee:	\$ 250.00
Advertising	\$ 200.00
Lease processing	\$ 700.00
<u>First Year's Rental</u>	<u>\$1,110.00</u>
Total	\$2,260.00

As there were no competing applications, this action does not warrant the time and expense necessary to complete a full narrative record.

The requested term of the lease is 20 years. The lease will contain language allowing for a rental review every three years. The beginning date of this lease will be December 1, 2009. The expiration date of this lease will be November 30, 2029. The first rental review will be due December 1, 2012. Based on this evaluation, this summary will constitute the Record of Decision.

Upon recommendation of Mr. Scott Chamberlain, the Director approved SULA 1659.

SPECIAL USE LEASE AGREEMENT NO. 1670 (FORFEITURE OF APPLICATION FEE)

Per the applicant's request, Special Use Lease No. 1670 in the name of San Arroyo Livestock, LLC, was withdrawn on the Director's Minutes of December 14, 2009. The \$250.00 application fee paid will be forfeited to Trust Lands Administration. Grand County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director approved the forfeiture of the \$250.00 application fee for SULA 1670.

SPECIAL USE LEASE AGREEMENT NO. 1301 (ACCEPTANCE OF RECLAMATION BOND)

Pursuant to Paragraph 14 of the lease agreement, Spectra Site Communications, Inc., c/o American Towers Inc., Land Management, 10 Presidential Way, Woburn, MA 02802, has submitted Corporate Surety Bond, No. BLN-6796912, in the amount of \$5,000.00. The bonding company is Hanover Insurance Company, 40 Lincoln St., Worcester, MA 01653. This reclamation bond will remain in full force and effect until released by the Trust Lands Administration. Juab County. School Fund.

Upon recommendation of Mr. Kurt Higgins, the Director accepted the bond submitted for SULA 1301.

SPECIAL USE LEASE AGREEMENT NO. 127 (ACCEPTANCE OF RECLAMATION BOND)

Pursuant to Paragraph 14 of the lease agreement, Blaine and Mary Luke, P.O. Box 76, Green River, UT 84525, has submitted Bond Number 0516128 in the amount of \$50,000.00. The bonding company is the Cincinnati Insurance Company, 6200 S. Gilmore Road, Fairfield, OH 45014. The reclamation bond will remain in full force and effect until released by the Trust Lands Administration. Emery County. School Fund.

Upon recommendation of Mr. Bryan Torgerson, the Director accepted the reclamation bond for SULA 127.

SPECIAL USE LEASE AGREEMENT NO. 984 (ACCEPTANCE OF RECLAMATION BOND)

Pursuant to Paragraph 5.1(c) of the lease agreement, Best Friends Animal Sanctuary, c/o Gregory Castle, 5001 Angel Canyon Drive, Kanab, UT 84741, has submitted Bond Number 34BSBF04668 in the amount of \$30,000.00. The bonding company is the Hartford Fire Insurance Company, 690 Asylum Avenue, P.O. Box 2103, Hartford, CT 06115. The reclamation bond will remain in full force and effect until released by the Trust Lands Administration. Kane County. School Fund.

Upon recommendation of Mr. Bryan Torgerson, the Director accepted the reclamation bond for SULA 984.

ACTIONS CONTAINING FEE WAIVERS

NONE