

EXTENSION AND FIVE-YEAR REVIEW - SULA 965 - AGRICULTURE

DA Date: 09/11/2023

Status: Approved by Michelle McConkie

Department: Surface

Drafted By: Healy, Michael

ID: 9778

CONTRACT DETAILS

Name: BARRACKS RANCH INC

Address: C/O REBECCA F PACKER
537 SOUTH 4TH STEET
LANDER, WY 82520

Administrator: Healy, Michael

County: Kane

Total acres: 7.7000

Start Date: 08/01/1993

Beneficiary: School

Expiration Date: 07/31/2043

LAND PARCELS (GIS Review of Description: 09/07/2023)

T41S, R8W, SLB&M Section 36 WITHIN (SEE METES AND BOUNDS)

7.7000 acres

BACKGROUND

Special Use Lease Agreement No. 965 was entered into on August 1, 1993 for the use and maintenance of a diversion dam and storage reservoir and had a 30-year term. Prior to the expiration of the lease the lessee requested a 20-year extension.

This lease began as a range improvement project but the lessee sought to lease the land instead in order to protect the investment on the improvements.

NARRATIVE

The effective date of the extension will be August 1, 2023 with a term of 20 years. As part of this amendment, the lease will be restated to update the lease format. The land is being leased above current market value and therefore an option for early termination by the School and Institutional Trust Lands Administration ("SITLA") for a higher and better use has not been included in the contract. A five-year review was completed on September 20, 2022.

DUE DILIGENCE AND PROPER USE: The development allowed by the lease has occurred. The leased premises are being used in accordance with the lease agreement and have been kept clean and orderly.

ADEQUATE INSURANCE AND BOND COVERAGE: Proof of adequate insurance is required by the lease agreement and has been received from the lessee. The lease allows SITLA to require a bond at any time, or to require additional bonding as may be in the best interest of the beneficiary. No bond is needed at this time.

WATER RIGHT AND WELLS: There are no Trust-owned water rights associated with this lease.

ENVIRONMENTAL COMPLIANCE: The property was inspected and reviewed for environmental compliance on September 20, 2022. The lease inspection indicated it would be rated as low risk. There is no evidence of petroleum storage tanks of any kind stored on the lease property.

FINANCIAL/REVENUE

The current lease agreement provides for increases in the annual base rental amount through the lease review process every five (5) years. The last five-year review was completed on August 1, 2013. The annual lease rental amount of \$620.00 was increased to \$760.00 with adjustments based on the Consumer Price Index ("CPI") every five (5) years.

The amendment fee of \$400.00 has been submitted as well as the first-year's rental fee of \$760.00.

SUMMARY

SULA 965 was amended and restated to update the lease format and extend the lease term for an additional 20 years. The annual rental amount was adjusted from \$620.00 to \$760.00. The new expiration date of the contract is July 31, 2043. The next five-year review will be completed on August 1, 2028.

TYPE OF RECORD: APPROVAL

ASSIGNMENT APPROVAL - SULA 1396 - AGRICULTURE

DA Date: 09/11/2023

Status: Approved by Michelle McConkie

Department: Surface

Drafted By: Healy, Michael

ID: 9704

CONTRACT DETAILS

Administrator: Healy, Michael

County: Millard

Total acres: 105.0000

Start Date: 06/01/2003

Beneficiary: Reservoirs 30.0000 ac (28.57%);
School 75.0000 ac (71.43%)

Expiration Date: 05/31/2043

NARRATIVE

This lease will be assigned from Robert D. Nielson to Robert Nielson Ranch, LLC, 270 S. 300 E., Delta, UT 84624. Sharon Peterson and Daryl Nielson acting as legal representatives to Robert Nielson have requested this assignment. The assignment is for 100% interest.

FINANCIAL/REVENUE

The assignment fee of \$250.00 has been paid and the lessee is current with the financial obligations related to this lease.

SUMMARY

SULA 1396 was assigned from Robert D. Nielson to Robert Nielson Ranch, LLC, by Sharon Peterson and Daryl Nielson, legal representatives of Robert Nielson. The assignment is for 100% interest.

TYPE OF RECORD: APPROVAL

APPROVAL - SULA 1991 - TELECOMMUNICATION

DA Date: 09/11/2023

Status: Approved by Michelle McConkie

Department: Surface

Drafted By: Cazier, Russ

ID: 9773

CONTRACT DETAILS

Name: INFRA TOWERS, LLC

Address: 1800 DIAGONAL ROAD
SUITE 600
ALEXANDRIA, VA 22314

Administrator: Cazier, Russ

County: Washington

Total acres: 1.9800

Beneficiary: School

LAND PARCELS (GIS Review of Description: 07/25/2023)

T43S, R15W, SLB&M Section 31 LOT 5 (N2NW4SE4) (WITHIN)

1.9800 acres

BACKGROUND

The applicant desires to lease this small parcel of 0.13 acre of trust land for a cellular and wireless communication tower site. The lessee intends to sublease. This site will provide needed and improved communications in the area for residential, business and recreational users in the future.

NARRATIVE

The application was submitted to the Resource Development Coordinating Committee ("RDCC") with no comments received.

Pursuant to R850-30-400, a review of comparable lease rates was conducted. The rentals for a communication site of this use, located in this area, are consistent with market values.

The applicant requested a term of 23 years which consists of a three-year diligence phase and a 20-year operations phase. The lessee may extend the operations phase for an additional 10 years.

FINANCIAL/REVENUE

The application fee of \$250.00 and processing fee of \$700.00 and the first-year's rent of \$1,500.00 have been paid. The annual rent will increase on a compound basis by 3.0%.

The proposed lease will require a \$10,000.00 reclamation bond in place before any construction occurs to protect the Trust from various risks. The proposed lease requires insurance coverage pursuant to the terms of the proposed lease before any construction occurs.

SUMMARY

SULA 1991 commenced on September 1, 2023 and expires August 31, 2046. The lease also includes a option to extend for an additional 10 years at the end of the full-lease maturity.

TYPE OF RECORD: APPROVAL

FIVE-YEAR REVIEW - SULA 1595 - INDUSTRIAL

DA Date: 09/11/2023

Status: Approved by Michelle McConkie

Department: Surface

Drafted By: Davis, Jim

ID: 9771

CONTRACT DETAILS

Name: CAERUS NATURAL BUTTES MIDSTREAM, LLC

Address: 1001 17TH STREET, SUITE 1600
DENVER, CO 80202

Administrator: Davis, Jim

County: Uintah

Total acres: 0.9700

Start Date: 09/01/2008

Beneficiary: School

Expiration Date: 08/31/2038

LAND PARCELS (GIS Review of Description: 08/14/2018)

T9S, R21E, SLB&M Section 36 NW4 (WITHIN)

0.9700 acres

BACKGROUND

The authorized use of the subject parcel is a gas compressor facility known as the Morgan State Compressor. The review date is September 1, 2023.

NARRATIVE

DUE DILIGENCE AND PROPER USE:

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

PROPER USE:

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

ADEQUATE INSURANCE AND BOND COVERAGE:

The lessee has provided proof of adequate insurance coverage. The lease allows the Trust to require a bond at any time, or to require additional bonding as may be in the best interest of the beneficiary. A performance and reclamation bond in the amount of \$5,000.00 is currently in place, and it has been determined that amount is adequate for the current risks associated with the lessee's current uses.

WATER RIGHTS AND WELLS:

There are no Trust-owned water rights associated with this lease.

SITE INSPECTION:

The property was inspected on August 29, 2023. The lease inspection indicated it would be rated as medium risk. There is no evidence of underground petroleum storage tanks, stained soil, unauthorized uses, or solid waste on the premises. All oil and gas containers are being properly stored. The site appears clean and orderly. The complete environmental report will be kept in the lease file.

FINANCIAL/REVENUE

The lease agreement provides for periodic increases in the annual base rental amount. After a preliminary analysis, it has been determined that an appraisal is not warranted, and that any rental increase should be tied to comparable lease rentals, published federal price indices, or other methods as provided for in the lease agreement. The annual base rental will be increased from \$14,300.00 per year to \$17,340.00 per year, effective September 1, 2023.

The existing lease is currently considered the highest and best use for this parcel of land.

SUMMARY

The annual rental for SULA 1595 was increased from \$14,300.00 to \$17,340.00, effective September 1, 2023. The next lease review will be completed by September 1, 2028.

FIVE-YEAR REVIEW - SULA 1594 - INDUSTRIAL

DA Date: 09/11/2023

Status: Approved by Michelle McConkie

Department: Surface

Drafted By: Davis, Jim

ID: 9770

CONTRACT DETAILS

Name: CAERUS NATURAL BUTTES MIDSTREAM, LLC

Address: 1001 17TH STREET, SUITE 1600
DENVER, CO 80202

Administrator: Davis, Jim

County: Uintah

Total acres: 7.3400

Start Date: 09/01/2008

Beneficiary: School

Expiration Date: 08/31/2038

LAND PARCELS (GIS Review of Description: 08/14/2018)

T9S, R21E, SLB&M Section 27 S2NW4 (WITHIN - SEE M&B)

7.3400 acres

BACKGROUND

The authorized use of the subject parcel is a gas compressor facility known as the West Cottonwood Compressor. The review date is September 1, 2023.

NARRATIVE

DUE DILIGENCE AND PROPER USE:

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

PROPER USE:

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

ADEQUATE INSURANCE AND BOND COVERAGE:

The lessee has provided proof of adequate insurance coverage. The lease allows the Trust to require a bond at any time, or to require additional bonding as may be in the best interest of the beneficiary. A performance and reclamation bond in the amount of \$5,000.00 is currently in place, and it has been determined that amount is adequate for the current risks associated with the lessee's current uses.

WATER RIGHTS AND WELLS:

There are no Trust-owned water rights associated with this lease.

SITE INSPECTION:

The property was inspected on August 29, 2023. The lease inspection indicated it would be rated as medium risk. There is no evidence of underground petroleum storage tanks, stained soil, unauthorized uses, or solid waste on the premises. All oil and gas containers are being properly stored. The site appears clean and orderly. The complete environmental report will be kept in the lease file.

FINANCIAL/REVENUE

The lease agreement provides for periodic increases in the annual base rental amount. After a preliminary analysis, it has been determined that an appraisal is not warranted, and that any rental increase should be tied to comparable lease rentals, published federal price indices, or other methods as provided for in the lease agreement. The annual base rental will be increased from \$14,300.00 per year to \$17,340.00 per year, effective September 1, 2023.

The existing lease is currently considered the highest and best use for this parcel of land.

SUMMARY

The annual rental for SULA 1594 was increased from \$14,300.00 to \$17,340.00, effective September 1, 2023. The next lease review will be completed by September 1, 2028.

THREE-YEAR REVIEW - SULA 1796 - INDUSTRIAL

DA Date: 09/11/2023

Status: Approved by Michelle McConkie

Department: Surface

Drafted By: Davis, Jim

ID: 9772

CONTRACT DETAILS

Name: CAERUS UINTA LLC

Address: 1001 17TH ST., SUITE 1600
DENVER, CO 80202

Administrator: Davis, Jim

County: Uintah

Total acres: 4.4800

Start Date: 09/01/2014

Beneficiary: School

Expiration Date: 08/31/2044

LAND PARCELS (GIS Review of Description: 11/09/2020)

T9S, R21E, SLB&M Section 26 N2NE4 (WITHIN)

4.4800 acres

BACKGROUND

The authorized use of the subject parcel is a storage yard for oilfield equipment. The review date is September 1, 2023.

NARRATIVE

DUE DILIGENCE AND PROPER USE:

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

PROPER USE:

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

ADEQUATE INSURANCE AND BOND COVERAGE:

The lessee has provided proof of adequate insurance coverage. The lease allows the Trust to require a bond at any time, or to require additional bonding as may be in the best interest of the beneficiary. A performance and reclamation bond in the amount of \$5,000.00 is currently in place, and it has been determined that amount is adequate for the current risks associated with the lessee's current uses.

WATER RIGHTS AND WELLS:

There are no Trust-owned water rights associated with this lease.

SITE INSPECTION:

The property was inspected on August 29, 2023. Based on the lease inspection, this site is being rated low risk. There is no evidence of underground petroleum storage tanks, stained soil, unauthorized uses, or solid waste on the premises. All oil and gas containers are being properly stored. The site appears clean and orderly. The complete inspection report will be kept in the lease file.

FINANCIAL/REVENUE

The lease agreement provides for periodic increases in the annual base rental amount. After a preliminary analysis, it has been determined that an appraisal is not warranted, and that any rental increase should be tied to comparable lease rentals, published federal price indices, or other methods as provided for in the lease agreement. The annual base rental will be increased from \$2,830.00 per year to \$3,340.00 per year, effective September 1, 2023. A certified notice was sent informing the lessee of this action. No response has been received.

The existing lease is currently considered the highest and best use of this parcel of land.

SUMMARY

The annual rental for SULA 1796 was increased from \$2,680.00 to \$3,340.00, effective September 1, 2023. The next lease review will be completed by September 1, 2026.

INTEREST RATE

DA Date: 09/11/2023

Status: Approved by Michelle McConkie

Department: Accounting

Drafted By: Babinsky, Michael

ID: 9783

FINANCIAL/REVENUE

Following are the current and past year prime rates:

CURRENT YEAR: 8.50%

ONE YEAR AGO: 5.50%

Separately, a late penalty of 6% or \$30.00, whichever is greater, shall be charged after failure to pay any financial obligation, excluding royalties as provided in R850-5-300(2), within the time limit under which such payment is due.

Interest on delinquent royalties shall be based on the prime rate of interest at the beginning of each month, plus 4%.

TYPE OF RECORD: APPROVAL