

October 28, 2008

**OVER THE COUNTER LEASING
FOR OIL, GAS AND ASSOCIATED HYDROCARBONS**

STATE OF UTAH
SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION
675 EAST 500 SOUTH, SUITE 500
SALT LAKE CITY, UT 84102-2818
(801) 538-5100

OIL, GAS AND ASSOCIATED HYDROCARBONS LEASING UNITS

The following parcels were not leased during the October 2008 Competitive Lease Offering and are available for over the counter leasing thru January 22, 2009, in accordance with R850-21-300 Lease Application Process under Rules Governing the Management and Use of Trust Lands in Utah. All unit parcels are a **5 year lease term at a 16-2/3% royalty rate**. The offering of these lands for leasing of oil, gas and associated hydrocarbons does not guarantee that there are deposits of oil, gas and associated hydrocarbons on these lands. Each application should include only one leasing unit per application and must be on Form B-4 (rev. 04-07), Over the Counter Oil, Gas and Associated Hydrocarbons Competitive Application. All parcels of lands are offered at a **\$2.00 per net acre or fractional part thereof** with an additional \$30.00 to cover the application fee. All acreage within the leasing unit will be leased in its entirety.

<u>LEASING UNIT NO.</u>	<u>DESCRIPTION</u>	<u>COUNTY/ACRES</u>
3	<u>T10S, R5E, SLB&M</u> Sec. 12: NW ¹ / ₄ SE ¹ / ₄	Utah 40.00 Acres
*15	<u>T18S, R24E, SLB&M</u> Sec. 2: Lots 1(40.05), 2(40.00), 3(39.94), 4(39.89), S ¹ / ₂ N ¹ / ₂ , S ¹ / ₂ (All)	Grand 639.88 Acres
27	<u>T25S, R12E, SLB&M</u> Sec. 36: All	Emery 640.00 Acres
30	<u>T26S, R12E, SLB&M</u> Sec. 2: Lots 1(48.28), 2(48.30), 3(48.30), 4(48.32), S ¹ / ₂ N ¹ / ₂ , S ¹ / ₂ (All)	Emery 673.20 Acres
31	<u>T26S, R12E, SLB&M</u> Sec. 16: All	Emery 640.00 Acres
32	<u>T26S, R12E, SLB&M</u> Sec. 32: All	Emery/Wayne 640.00 Acres

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<u>LEASING UNIT NO.</u>	<u>DESCRIPTION</u>	<u>COUNTY/ACRES</u>
*33	<u>T26S, R12E, SLB&M</u> Sec. 36: All	Emery/Wayne 640.00 Acres

LEASING UNIT NOS. **45** & **46** CONTAIN ACREAGE WITHIN AN EXISTING BUREAU OF LAND MANAGEMENT ("BLM") WILDERNESS REINVENTORY AREA. THE SUCCESSFUL LESSEE SHOULD BE AWARE THAT THE TRUST LANDS ADMINISTRATION WILL NOT CONSENT TO LEASE TERM OR ANNUAL RENTAL SUSPENSIONS ON LEASES WHOLLY OR PARTIALLY WITHIN EXISTING OR PROPOSED WILDERNESS REINVENTORY'S BECAUSE OF RESTRICTIONS PLACED UPON ACCESS OR AVAILABILITY OF SURROUNDING BLM LANDS FOR LEASING AND/OR OPERATIONS.

45	<u>T38S, R20E, SLB&M</u> Sec. 2: Lots 1(41.34), 2(41.39), 3(41.43), 4(41.48), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (All)	San Juan 645.64 Acres
46	<u>T38S, R20E, SLB&M</u> Sec. 16: All	San Juan 640.00 Acres

LEASING UNIT NO. **47** CONTAIN ACREAGE WITHIN AN EXISTING BUREAU OF LAND MANAGEMENT ("BLM") WILDERNESS STUDY AREA ("WSA"). A FEDERAL JUDICIAL DECISION PROVIDES THAT REASONABLE ACCESS TO STATE TRUST LANDS WITHIN WSA'S MUST BE GRANTED BY THE BLM; HOWEVER, THE SUCCESSFUL LESSEE WILL BE REQUIRED TO APPLY FOR AND OBTAIN THE APPROPRIATE EASEMENTS FROM THE BLM AT THEIR EXPENSE. ADDITIONALLY, THE SUCCESSFUL LESSEE SHOULD BE AWARE THAT THE TRUST LANDS ADMINISTRATION WILL NOT CONSENT TO LEASE TERM OR ANNUAL RENTAL SUSPENSIONS ON LEASES WHOLLY OR PARTIALLY WITHIN EXISTING OR PROPOSED WSA'S BECAUSE OF RESTRICTIONS PLACED UPON ACCESS OR AVAILABILITY OF SURROUNDING BLM LANDS FOR LEASING AND/OR OPERATIONS.

47	<u>T38S, R20E, SLB&M</u> Sec. 32: All	San Juan 640.00 Acres
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LEASING UNIT NO. **48** CONTAIN ACREAGE WITHIN AN EXISTING BUREAU OF LAND MANAGEMENT ("BLM") WILDERNESS REINVENTORY AREA. THE SUCCESSFUL LESSEE SHOULD BE AWARE THAT THE TRUST LANDS ADMINISTRATION WILL NOT CONSENT TO LEASE TERM OR ANNUAL RENTAL SUSPENSIONS ON LEASES WHOLLY OR PARTIALLY WITHIN EXISTING OR PROPOSED WILDERNESS REINVENTORY'S BECAUSE OF RESTRICTIONS PLACED UPON ACCESS OR AVAILABILITY OF SURROUNDING BLM LANDS FOR LEASING AND/OR OPERATIONS.

48	<u>T38S, R20E, SLB&M</u> Sec. 36: All	San Juan 640.00 Acres
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LEASING UNIT NO. DESCRIPTION COUNTY/ACRES

LEASING UNIT NO. 49 CONTAIN ACREAGE WITHIN AN EXISTING BUREAU OF LAND MANAGEMENT ("BLM") WILDERNESS REINVENTORY AREA. THE SUCCESSFUL LESSEE SHOULD BE AWARE THAT THE TRUST LANDS ADMINISTRATION WILL NOT CONSENT TO LEASE TERM OR ANNUAL RENTAL SUSPENSIONS ON LEASES WHOLLY OR PARTIALLY WITHIN EXISTING OR PROPOSED WILDERNESS REINVENTORY'S BECAUSE OF RESTRICTIONS PLACED UPON ACCESS OR AVAILABILITY OF SURROUNDING BLM LANDS FOR LEASING AND/OR OPERATIONS.

49	<u>T39S, R20E, SLB&M</u> Sec. 2: Lots 1(39.58), 2(39.58), 3(39.58), 4(39.58), S½N½, S½ (All)	San Juan 638.32 Acres
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LEASING UNIT NO. 50 CONTAIN ACREAGE WITHIN AN EXISTING BUREAU OF LAND MANAGEMENT ("BLM") WILDERNESS STUDY AREA ("WSA"). A FEDERAL JUDICIAL DECISION PROVIDES THAT REASONABLE ACCESS TO STATE TRUST LANDS WITHIN WSA'S MUST BE GRANTED BY THE BLM; HOWEVER, THE SUCCESSFUL LESSEE WILL BE REQUIRED TO APPLY FOR AND OBTAIN THE APPROPRIATE EASEMENTS FROM THE BLM AT THEIR EXPENSE. ADDITIONALLY, THE SUCCESSFUL LESSEE SHOULD BE AWARE THAT THE TRUST LANDS ADMINISTRATION WILL NOT CONSENT TO LEASE TERM OR ANNUAL RENTAL SUSPENSIONS ON LEASES WHOLLY OR PARTIALLY WITHIN EXISTING OR PROPOSED WSA'S BECAUSE OF RESTRICTIONS PLACED UPON ACCESS OR AVAILABILITY OF SURROUNDING BLM LANDS FOR LEASING AND/OR OPERATIONS.

50	<u>T39S, R20E, SLB&M</u> Sec. 16: All	San Juan 640.00 Acres
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LEASING UNIT NO. 51 CONTAIN ACREAGE WITHIN AN EXISTING BUREAU OF LAND MANAGEMENT ("BLM") WILDERNESS STUDY AREA ("WSA"). A FEDERAL JUDICIAL DECISION PROVIDES THAT REASONABLE ACCESS TO STATE TRUST LANDS WITHIN WSA'S MUST BE GRANTED BY THE BLM; HOWEVER, THE SUCCESSFUL LESSEE WILL BE REQUIRED TO APPLY FOR AND OBTAIN THE APPROPRIATE EASEMENTS FROM THE BLM AT THEIR EXPENSE. ADDITIONALLY, THE SUCCESSFUL LESSEE SHOULD BE AWARE THAT THE TRUST LANDS ADMINISTRATION WILL NOT CONSENT TO LEASE TERM OR ANNUAL RENTAL SUSPENSIONS ON LEASES WHOLLY OR PARTIALLY WITHIN EXISTING OR PROPOSED WSA'S BECAUSE OF RESTRICTIONS PLACED UPON ACCESS OR AVAILABILITY OF SURROUNDING BLM LANDS FOR LEASING AND/OR OPERATIONS.

51	<u>T39S, R20E, SLB&M</u> Sec. 32: All	San Juan 640.00 Acres
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<u>LEASING UNIT NO.</u>	<u>DESCRIPTION</u>	<u>COUNTY/ACRES</u>
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LEASING UNIT NOS. 52, 53, 54, 55 & 56 CONTAIN ACREAGE WITHIN AN EXISTING BUREAU OF LAND MANAGEMENT ("BLM") WILDERNESS REINVENTORY AREA. THE SUCCESSFUL LESSEE SHOULD BE AWARE THAT THE TRUST LANDS ADMINISTRATION WILL NOT CONSENT TO LEASE TERM OR ANNUAL RENTAL SUSPENSIONS ON LEASES WHOLLY OR PARTIALLY WITHIN EXISTING OR PROPOSED WILDERNESS REINVENTORY'S BECAUSE OF RESTRICTIONS PLACED UPON ACCESS OR AVAILABILITY OF SURROUNDING BLM LANDS FOR LEASING AND/OR OPERATIONS.

52	<u>T39S, R20E, SLB&M</u> Sec. 36: NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ W $\frac{1}{2}$	San Juan 200.00 Acres
53	<u>T40S, R20E, SLB&M</u> Sec. 2: Lots 1(39.33), 2(39.55), 3(39.77), 4(39.99), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (All)	San Juan 638.64 Acres
54	<u>T40S, R20E, SLB&M</u> Sec. 16: All	San Juan 640.00 Acres
55	<u>T40S, R20E, SLB&M</u> Sec. 32: All	San Juan 640.00 Acres
56	<u>T40S, R20E, SLB&M</u> Sec. 36: All	San Juan 640.00 Acres
78	<u>T28S, R7W, SLB&M</u> Sec. 6: SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 7: NE $\frac{1}{4}$ NW $\frac{1}{4}$	Beaver 80.00 Acres
82	<u>T3N, R8E, SLB&M</u> Sec. 30: Lots 2(39.95), 4(40.15), SE $\frac{1}{4}$ NW $\frac{1}{4}$ (Lots aka SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$)	Summit 120.10 Acres

*Parcel has been leased as of 10/28/2008. Unit no longer available.

SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION
OVER THE COUNTER
OIL, GAS & ASSOCIATED HYDROCARBONS APPLICATION

Applicant Name: _____

Address: _____

City State Zip Code

Telephone No. _____

Applicant hereby applies for a oil, gas and associated hydrocarbons lease on the following described tract of land situated in _____ County, State of Utah.

OFFICE USE ONLY	
APPLICATION NO.	_____
SCH	_____
MH	_____
NS	_____
SM	_____
UNIV	_____
D&D	_____
IB	_____
USH	_____
SYDC	_____
RES	_____
PB	_____
USU	_____
OTHER	_____
TOTAL	_____
Checked by	_____

Subdivision	Section	Twn	Rng	Meridian	Acres

Total Acres _____

REQUIREMENTS AND CONDITIONS: 1) One lease is limited to no more than 2,560 acres; 2) The Applicant offers a minimum rental of \$40.00 or \$2.00 per acre, (fractional acres are rounded up to one full acre) whichever is greater; 3) Applicant does hereby deposit with this application a sum of \$ _____ as advance first year rental and a separate check for the \$30.00 application fee to secure a lease for the above described oil, gas and associated hydrocarbons. 4) If the applicant is a firm, association or corporation, the entity must be qualified to do business in the State of Utah.

Upon approval the applicant must accept an oil, gas and associated hydrocarbons lease in the form currently offered by the School and Institutional Trust Lands Administration subject to the requirements of the laws of the State of Utah, including the rules of the Division of Oil, Gas and Mining and the rules governing the management of the School and Institutional Trust Lands Administration both now in effect and as may hereinafter be adopted. Failure of funds or failure to execute a lease within 30 days of receipt shall constitute a forfeiture of the first year rental and termination of the lease agreement.

Applicant's Signature

By: _____
**(Attorney-in-fact) Signature

** Application filed by an attorney-in-fact in behalf of the applicant shall not be accepted unless there is sufficient evidence on file with the Trust Lands Administration that the applicant authorized the attorney-in-fact to apply for and execute the lease in his behalf.

This form cannot be used for any competitive bid sale. (See SITLA Rule R850-3-300.) For questions or information call (801) 538-5100. This form cannot be used for any Metaliferous Mineral or Surface applications.