

ACTION: Review of Surface Impact Payment Schedule for Easements and Surface Impact Payment Schedule for Temporary Use Permits

AUTHORITY: W.S. § 36-2-107 and W.S. § 36-9-118; Board of Land Commissioners' Rules and Regulations, Chapter 3, Section 5(a)(i) and Chapter 14, Section 5(a)

Easements

Chapter 3, Section 5(a)(i) of the Board of Land Commissioners' Rules and Regulations reads as follows:

Surface impact payments. Prior to commencing construction, the applicant shall remit directly to the surface lessee of the state land, if any, a surface impact payment in accordance with a schedule maintained and updated by the Office which reflects impact to the leasehold interest. The schedule of surface impact payments will be reviewed and approved by the Board annually.

The surface impact payment schedule for easements is attached, with proposed changes noted in red.

Temporary Use Permits

Chapter 14, Section 5(a) of the Board of Land Commissioners' Rules and Regulations reads as follows:

Surface impact payments. Prior to commencing use of the state land, the permittee shall remit directly to the surface lessee of the state land, if any, a surface impact payment in accordance with a schedule maintained and updated by the Office which reflects impact to the leasehold interest. The schedule of surface impact payments will be review and approved by the Board annually.

The surface impact payment schedule for easements and temporary use permits are attached. The proposed changes are noted in red.

The Office of State Lands and Investments works with all applicants for Easements and Temporary Use Permits as well as with surface lessees on a regular basis to determine proper surface impact payments. Comments concerning surface impact payments from both sides are considered along with comparable market rates in the determination of this schedule.

DIRECTOR'S RECOMMENDATION:

The Director recommends approval of the Surface Impact Payment Schedules for Easements and Temporary Use Permits as set forth in the attachments accompanying this Board Matter.

BOARD ACTION: Board Approved

**SURFACE IMPACT PAYMENT SCHEDULE
FOR EASEMENTS
(Paid Directly to the Surface Lessee)**

APPROVED BY THE BOARD ON August 10, 2017

Surface Impact Payments for Easements are to be paid directly to the surface lessee and are **not** part of the consideration paid to the Office of State Lands and Investments (OSLI) for an Easement. The surface impact payment represents a one-time payment for adverse impacts to the lessee's grazing and agricultural lease and other operations. Consideration for an Easement is to be negotiated with and paid directly to OSLI. The surface impact payment schedule eliminates the necessity for negotiation with the surface lessees with respect to payment for impacts to the leasehold operations, including nuisance and inconvenience, created by the Easement. The lessee must still be contacted and notified of your proposed Easement, and you must submit the executed lessee comment form with your application. If the surface lessee(s) refuses to execute a lessee comment form, the applicant should indicate that fact on its application, along with a summary of the applicant's efforts at trying to obtain the executed lessee comment form. The surface lessee is encouraged to negotiate a location of the Easement in a manner which will reduce the adverse impacts to its leasehold operations. If the surface lessee refuses to negotiate the location of the Easement, OSLI staff will work directly with the applicant to locate its Easement.

THIS SCHEDULE IS SUBJECT TO CHANGE BY THE BOARD OF LAND COMMISSIONERS ANNUALLY; SEE BOARD OF LAND COMMISSIONERS' RULES AND REGULATIONS, CHAPTER 3, SECTION 5(a)

TYPE OF USE	SURFACE IMPACT PAYMENT
Oil & Gas Pipeline (≤ 30' wide) ¹	\$5.00 \$5.50 per rod
Production Water Pipeline (≤ 15' wide) ¹	None, if providing water to livestock or for irrigation. If not, \$2.00 \$2.25 per rod
Common Easement Corridor (more than one utility constructed in the same corridor, at the same time) (≤ 30' wide) ¹	\$5.00 \$5.50 per rod
Domestic or Livestock Water Pipeline (≤ 15' wide)	None – if providing water to livestock or for irrigation. If not – \$2.00 \$2.25 per rod
Power line (large transmission lines)	\$6.00 \$6.75 per rod
Powerline (distribution lines)	None – when providing power to state trust land or surface lessee operations. If not – \$2.00 \$2.25 per rod
Roadway to private land or residences (new construction)	\$7.00 \$7.75 per rod but not less than \$250.00 \$270.00 per rod
Roadway to private land or residences (existing road)	\$5.00 \$5.50 per rod but not less than \$50.00 \$75.00 per rod
Irrigation ditches	None – If benefiting state trust land water rights or surface lessee operations. If not – \$5.00 \$5.50 per rod
Snow fences (WyDOT) & living snow fences (conservation districts)	None
Reservoirs (watershed, recreation)	None
Public roads and highways	None
Any other approved use documented by an Easement or variance from criteria specified above	To be determined by OSLI

¹ The Board of Land Commissioners encourages the bundling of facilities into a common easement corridor whenever possible. If utilities are installed in the same corridor at the same time, only a single SIP will be assessed for the entire construction operation in the amount listed for "Common Easement Corridor." If the applicant (or other 3rd party) later seeks to install another line in the same easement corridor, (i.e., not at the same time as the prior utility(ies), another SIP will be assessed at the full rate charged for the easement type requested (e.g., if the applicant requests an easement for an Oil/Gas pipeline in the same corridor, then it would pay a SIP of \$5.00 per rod; if it is a Production Water Pipeline, \$2.00/rod, etc.)

**SURFACE IMPACT PAYMENT SCHEDULE
FOR TEMPORARY USE PERMITS
(Paid Directly to the Surface Lessee)**

APPROVED BY THE BOARD ON AUGUST 10, 2017

Surface Impact Payments for Temporary Use Permits are to be paid directly to the surface lessee and are **not** part of the consideration paid to the Office of State Lands and Investments (OSLI) for a Temporary Use Permit. The surface impact payment represents a one-time payment for adverse impacts to the lessee's grazing and agricultural lease and other operations. Annual consideration for a Temporary Use Permit is to be negotiated with and paid directly to OSLI. The surface impact payment schedule eliminates the necessity for negotiation with the surface lessees with respect to payment for impacts to the leasehold operations, including nuisance and inconvenience, created by a Temporary Use Permit. The lessee must still be contacted and notified of your proposed facility or activity, and you must submit the executed lessee comment form with your application. If the surface lessee(s) refuses to execute a lessee comment form, the applicant should indicate that fact on its application, along with a summary of the applicant's efforts at trying to obtain the executed lessee comment form. The surface lessee is encouraged to negotiate a location of the facility or activity in a manner which will reduce the adverse impacts to its leasehold operations. If the surface lessee refuses to negotiate the location of the facility, OSLI staff will work directly with the applicant to locate its facility or activity.

THIS SCHEDULE IS SUBJECT TO CHANGE BY THE BOARD OF LAND COMMISSIONERS ANNUALLY; SEE BOARD OF LAND COMMISSIONERS' RULES AND REGULATIONS, CHAPTER 14, SECTION 5(a)

TYPE OF USE	SURFACE IMPACT PAYMENT
Hot Mix Plant	\$440.00 per acre but not less than \$100.00 \$125.00 per site
Hot Mix Plant (WyDOT)	\$50.00 per site (per Board decision on December 6, 1990)
Stockpile Site (WyDOT)	\$50.00 per site (per Board decision on December 6, 1990)
Roadway (existing two track)	\$5.00 \$5.75 per rod but not less than \$50.00 \$75.00 per road
Roadway (new construction)	\$7.00 \$7.75 per rod but not less than \$250.00 \$275.00 per road
Construction Activities (generally for TUPs issued in connection with Easement Construction)	\$40.00 \$11.00 per affected acre but not less than \$100.00 \$125.00 per site
Newly constructed CBM Water Storage Reservoir ^a	None – if providing water for irrigation or livestock. If not – \$50.00 \$75.00 per disturbed acre but not less than \$100.00 \$125.00 per reservoir
Pre-existing Reservoirs Converted for use as a CBM Water Storage Reservoir ^b	None – if providing water for irrigation or livestock. If not – \$25.00 \$50.00 per disturbed acre but not less than \$50.00 \$75.00 per reservoir
Disposal or Injection Wells	\$50.00 \$75.00 per site, plus roadway surface impact payment noted above
Organized Recreation Activities	None
Outfitting and Guiding Activities	None
Meteorological Towers	\$50.00 \$75.00 per site, plus roadway surface impact payment noted above
Other authorized use of a temporary duration	To be determined by OSLI

^a A mineral lessee is required to submit a full Water Management Plan to the Office (with a copy to the Surface Lessee) prior to its implementation

^b A mineral lessee is required to submit a full Water Management Plan to the Office (with a copy to the Surface Lessee) prior to its implementation