

ACTION: CONSIDER AMENDMENT OF EXISTING SPECIAL USE LEASE NO. SU-609; TERMINATION OF SPECIAL USE LEASE NO. SU-780; AND EXTINGUISHMENT OF EASEMENT NO. 6426

AUTHORITY: W.S. § 36-5-114; Board of Land Commissioners’ Rules and Regulations, Chapter 5, Section 3

Type of Use: Recreation Area (No Change)

Lease No.: SU-609

Applicant: Sheridan County Commissioners

County: Sheridan

Acres:	<u>Original Total Acreage</u>	<u>Amended Total Acreage</u>
	51.32 Acres	69.42 Acres

Description: Tract in E2
Section 36, Township 57 North, Range 84 West, 6th P.M.

Improvements: Existing Improvements approved with the original application: A 4-wire fence around the area, livestock proof auto gate at the entrance, and erosion control devises with an applicant estimated value of \$10,648.00

Current Rental: \$618.77

Recommended Rental: \$837.21 per year adjusted annually by 2.7% to offset inflationary pressure and subject to five year rental reviews

Recommended Term: December 1, 2008 to December 1, 2018 (No Change)

Discussion: The Sheridan County Commission have requested an amendment to its existing lease in order to incorporate 18.10 additional acres to the recreation area currently occupying 51.32 acres. The 18.10 acres to be incorporated are currently held in Special Use Lease No. SU-780 and Easement No. 6426 to WBI Energy Midstream, LLC (WBI). The original use of the easement was for a compressor site. WBI later added a storage yard to the compressor site which was approved under Special Use Lease SU-780.

WBI notified the Office of State Lands and Investments (OSLI) that the compressor and storage yard had been removed and requested termination of Special Use Lease No. SU-780 and extinguishment of Easement No. 6426. At the same time, WBI was approached by the Sheridan County Commission regarding the possibility of adding the acreage under the compressor/storage area, 18.10 acres, to the recreation site which is immediately adjacent to the compressor/storage area. WBI had no objection.

OSLI was then contacted to determine the best way to incorporate the acreage into the recreation area for Sheridan County and release WBI’s liability to the site. Representatives from WBI, the Sheridan County Commission, and OS LI met on site and agreed to a reclamation plan going forward which would allow the Sheridan County Commission to keep a

concrete pad from the previous compressor site and accept responsibility for the site from WBI, thus allowing OSLI to release the bond currently being held under SU-780, and request the Board cancel Special Use Lease No. 780 and extinguish Easement No. 6426.

It has been determined that this special use lease application site is not in a sage grouse habitat core area.

DECTOR'S RECOMMENDATION:

The Director recommends that the Board approve the amendment of an additional 18.10 acres to Special Use Lease No. SU-609 for a recreational area. All other terms of the lease will remain the same. Additionally, the Director recommends Special Use Lease No. SU-780 be terminated, and Easement No. 6426 be extinguished as requested by WBI Energy Midstream, LLC.

BOARD ACTION: Board Approved