

ACTION: CONSIDER APPLICATION FOR SPECIAL USE LEASE

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

Type of Use: Office/Shop Building and Storage Area

Lease No.: SU-911

Applicant: Centennial Energy

County: Hot Springs

Acres: .72

Description: Tract in SE4SE4
Section 16, Township 43 North, Range 94 West, 6th P.M.

Improvements: Existing Improvements: Office/Shop Building with an applicant estimated value of \$25,000.00

Recommended Rental: \$660.00 per year adjusted annually by 2.0% to off-set inflationary pressure based on the ten year weighted average of the Consumer Price Index and subject to five year rental reviews

Recommended Term: May 1, 2017 to May 1, 2042
(25 Years)

Discussion: Centennial Energy has made application for an office/shop building and storage area in connection with its oil and gas operations in the area.

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

DIRECTOR'S RECOMMENDATION:

The Director recommends that the Board approve the above-described special use lease application for a twenty-five year term at a rental of \$660.00 per year adjusted annually by 2.0% to off-set inflationary pressure and subject to a rental review every five years. The Director further recommends that: (1) Centennial Energy be required to provide a bond equal to an engineer's estimate for reclamation of the leased area until such time as the site is no longer being used and full reclamation, remediation, or other appropriate actions consistent with the Board of Land Commissioners' Rules and Regulations are completed, and (2) Centennial Energy be required to place a sign on the site identifying the special use lease number. Approval of the application is not to be considered approval of the applicant's estimated value of improvements.

BOARD ACTION: Board Approved