

**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: Offset Well Pad

Lease No.: SU-855

Applicant: EOG Y Resources, Inc.

County: Campbell

Acres: 2.410

Description: Tract in NE4NE4 and NWNE Section 36, Township 43 North, Range 73 West, 6<sup>th</sup> P.M.

Improvements: Existing Improvements: A fence with an applicant estimated value of \$1,400.00

Recommended Rental: \$3,615.00 per year adjusted annually by 2.0% to offset inflationary pressure based on the ten year weighted average of the Consumer Price Index and subject to five year rental reviews

Recommended Term: January 1, 2015 to January 1, 2040 (25 Years)

Discussion: EOG Y Resources, Inc. has filed an application for a special use lease for two offset wells (Folklore 2PH and 3PH). No State mineral is being produced from these wells. The application was originally filed in 2015; EOG Y Resources, Inc. has only recently completed the necessary information in order to present the application to the Board.

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 \$3,615.00 per year adjusted annually by 2.0% to offset inflationary pressure and subject to a rental review every five years. The Director further recommends that: (1) EOG Y Resources, Inc. 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 action consistent with the Board of Land Commissioners' Rules and Regulations is completed, and (2) EOG Y Resources, Inc. 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