

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: Storage area, glycol tanks, and fuel gas line

Lease No.: SU-915

Applicant: Andeavor Gathering I LLC

County: Uinta

Acres: 0.359

Description: Tract in NE4SW4
Section 16, Township 18 North, Range 112 West, 6th P.M.

Improvements: Existing Improvements: One used glycol tank, one new glycol tank, one 9-by-30-foot Connex storage container, and a 1" fuel gas line with an applicant estimated total value of \$22,300.00

Recommended Rental: \$2,285.00 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: January 1, 2018 to January 1, 2043
(25 Years)

Discussion: Andeavor Gathering I LLC has filed an application for a special use lease for a storage area for two glycol storage tanks, a fuel gas line used to heat the tanks in winter, and a Connex container to store oil field equipment.

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 \$2,285.00 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) Andeavor Gathering I LLC 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) Andeavor Gathering I LLC 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