

**RESOLUTION APPROVING AGREEMENT TO INITIATE EXCHANGE WITH
S.K. JOHNSTON, JR.**

WHEREAS, pursuant to Wyo. Stat. Ann. §§ 36-1-107, 36-1-111, 36-2-101, and Chapter 26 of the Rules of the State Board of Land Commissioners (Board), the Board is empowered to make decisions regarding the exchange of State Trust Lands for private lands; and

WHEREAS, pursuant to Chapter 26 of the Board Rules, any person, including the Director of the Office of State Lands and Investments (Director), may propose a land exchange by placing the parcels to be acquired by the Board of Land Commissioners (Board) in the exchange on the Category I Acquisition List, and placing the parcels to be conveyed by the Board in the exchange on the Category I Disposal list; and

WHEREAS, pursuant to Chapter 26 of the Rules and Regulations of the Board, the Director shall determine if the parcels may be suitable for disposal and acquisition and, if found suitable, the Director may place them on the respective Category II Acquisition and Disposal lists; and

WHEREAS, S. K. Johnston, Jr. has proposed to exchange deeded land of approximately 6,086.92 acres in Johnson County, Wyoming (Bull Creek Ranch Lands), more particularly described in Exhibit "A", as to be defined upon preliminary approval of the Board and in coordination with the Office of State Lands and Investments (OSLI), for approximately 2,271.98 acres of State Trust Lands, located in Sheridan County, Wyoming, (State Trust Lands), more particularly described in Exhibit "B"; and

WHEREAS, the Director has placed the Bull Creek Lands and the State Trust Lands on the Category II Acquisition and Disposal lists and presented the matter to the Board during executive session on August 12, 2015; and

WHEREAS, a preliminary detailed analysis of the proposed exchange was presented to the Board during open session on August 13, 2015; and

WHEREAS, the Board found that the exchange has the potential to satisfy the Board's Trust Land Management Responsibilities in that:

- i.) the income generating potential and probable appreciation rate of the acquired lands after the exchange is on par with the income generating potential of the state lands disposed of by the exchange; and
- ii.) the exchange will have a positive effect on the manageability of lands acquired as part of the exchange when compared with the State Trust Lands disposed of by the exchange; and
- iii.) the exchange would provide for a State and community need for a possible site for the Wyoming Water Development Commission (WWDC) to develop a reservoir that would benefit the State's water resources.

NOW THEREFORE BE IT RESOLVED that the Wyoming Board of Land Commissioners hereby authorizes and directs the Director and (OSLI) to enter into an Agreement to Initiate the Exchange of described State Trust Land Parcels for the Bull Creek Ranch Lands, to be described in more detail upon the execution of appraisals; provided, however, the Agreement to Initiate the Exchange:

1. May allow for a cash equalization payment of up to twenty-five percent (25%) of the value of the lands exchanged; and
2. Provides for an exchange of merchantable title to the properties; and
3. Is acceptable to the Director of the OSLI and the Attorney General's Office; and

BE IT FURTHER RESOLVED that following the public process of gathering comment on the proposed exchange, OSLI shall make a final recommendation to the Board at a public meeting regarding whether it should consummate the exchange of land;

BE IT FURTHER RESOLVED that the Director, who is also secretary of the Board, and the Governor as President, are authorized to execute the necessary agreements on behalf of the Board and any other documents required to carry out the provisions of this resolution.

The foregoing was approved and adopted this 13th day of August, 2015.

STATE OF WYOMING
BOARD OF LAND COMMISSIONERS



Matthew H. Mead, President

EXHIBIT "A"

Legal Description of Bull Creek and Kelly Creek Ranch Lands Located in Johnson County, Wyoming

Township 49 North, Range 82 West, 6th P.M.

Section 6: Lot Four (4), Lot Five (5), Lot Six (6), SE1/4 NW1/4, NE1/4SW1/4;
Containing 206.34 acres, more or less

Township 49 North, Range 83, West 6th P.M.

Section 1: Lot One (1), Lot Two (2), Lot Three (3), Lot Four (4), S1/2 NE1/4,
NW1/4 SW1/4;

Section 2: Lot Three (3), Lot Four (4);

Section 3: Lot One (1), Lot Two (2), Lot Five (5), Lot Six (6);

Containing 510.84 acres, more or less

Township 50 North, Range 82 West, 6th P.M.

Section 20: SE1/4 SW1/4, S1/2 SE1/4;

Section 29: N1/2;

Section 30: Lot One (1), Lot Two (2), Lot Three (3), E1/2 NW1/4, S1/2 NE1/4,
NE1/4 NE1/4;

Containing 768.73 acres, more or less

Township 50 North, Range 83 West, 6th P.M.

Section 10: S1/2 NE1/4, SE1/4;

Section 11: W1/2, W1/2 E1/2;

Section 13: Lot Six (6);

Section 14: Lot Three (3), Lot Four (4), Lot Five (5), Lot Six (6);

Section 15: Lot One (1), Lot Three (3), Lot Four (4), Lot Five (5), S1/2;

Section 22: E1/2, N1/2 NW1/4, SW1/4 NW1/4, N1/2 SW1/4, SE1/4 SW1/4;

Section 23: All;

Section 24: W1/2, W1/2 E1/2, SE1/4 SE1/4;

Section 25: N1/2, N1/2 S1/2, SW1/4 SW1/4;

Section 26: All;

Section 27: E1/2, W1/2 W1/2, NE1/4 NW1/4, SE1/4 SW1/4;

Section 34: Lot One (1), Lot Three (3), Lot Five (5), Lot Six (6), E1/2, NE1/4
NW1/4;

Section 35: All;

Containing 6086.92 acres, more or less

PATENTED MINING CLAIMS

Township 49 North, Range 83 West, 6th P.M.

Section 3: Loquacious (A-3);

Containing 4.58 acres, more or less

Township 50 North, Range 83 West, 6th P.M.

Section 33 & 34: Loquacious, Shenadoah, Mayflower, Little Joe, and No. 3;
Patented Mining Claims

Containing 73.92 acres, more or less

Total Fee Lands containing 7651.33 acres, more or less

STATE OF WYOMING SURFACE GRAZING LEASE #2-5150

Township 49 North, Range 83 West, 6th P.M.

Section 1: SE1/4 NW1/4, NE1/4 SW1/4, N1/2 SE1/4;

Containing 160.0 acres, more or less

Township 50 North, Range 83 West, 6th P.M.

Section 13: W1/2 SW1/4;

Section 14: Lot One (1), Lot Two (2), S1/2;

Section 15: Lot Two (2);

Section 22: SW1/4 SW1/4;

Section 34: Res. Lot Two (2), Lot Four (4), Lot Seven (7), Lot Eight (8);

Containing 623.22 acres, more or less

Total State Lease containing 783.22 acres, more or less

UNITED STATES OF AMERICA SURFACE GRAZING LEASE #7036
BULL CREEK ALLOTMENT #32018

Township 49 North, Range 83 West, 6th P.M.

Section 1: SW1/4 NW1/4;

Section 2: Lot One (1), Lot Two (2);

Containing 118.30 acres, more or less

Township 50 North, Range 82 West, 6th P.M.

Section 30: NW1/4 NE1/4;

Containing 40.0 acres, more or less

Township 50 North, Range 83 West, 6th P.M.

Section 22: SE1/4 NW1/4;

Section 27: SE1/4 NW1/4, NE1/4 SW1/4;

Containing 120.0 acres, more or less

Total Federal Lease containing 278.30 acres, more or less

Fee Lands, Federal Lease, and State Lease containing 8712.85 acres, more or less

<u>Summary:</u>	<u>Acres</u>
Fee Land and Patented Mining Claims	7,651.33
State of Wyoming Grazing Lease (No. 2-5150)	783.22
United States Grazing Lease (No. 7036)	<u>278.30</u>
Total less)	8,712.85 (more or less)

EXHIBIT B

**Legal Description of State Trust Lands
Located in Sheridan County, Wyoming**

Township 54 North, Range 84 West, 6th P.M.

Section 22: NE1/4 & E1/2 SE1/4;

Section 27: SE1/4 NE1/4, E1/2 SE1/4, N1/2 SW1/4 & W1/2 SE1/4;

Section 28: SW1/4, S1/2 NW1/4 & S1/2 SE1/4;

Section 33: NW1/4;

Section 34: N1/2 NE1/4, S1/2 NE1/4, S1/2 NW1/4 & N1/2 SW1/4;

Section 35: NW1/4 & NE1/4;

Section 36: All; Containing 2,271.98 ± acres, more or less

Other State Trust Lands: TBD