

Michael O. Leavitt
Governor

**AGREEMENT TO EXCHANGE UTAH SCHOOL TRUST LANDS
BETWEEN
THE STATE OF UTAH AND THE UNITED STATES OF AMERICA**

PURPOSE: The Purpose is to document an agreement, subject to ratification by Congress, to exchange federal and state lands and interests therein of approximately equal value in the State of Utah.

SECTION 1. DEFINITIONS.

As used in this Agreement:

(A) **MONUMENT.** The term "Monument" means the Grand Staircase-Escalante National Monument, established by Presidential proclamation on September 18, 1996 pursuant to section 2 of the Antiquities Act of 1906 (16 U.S. C. § 431).

(B) **SCHOOL AND INSTITUTIONAL TRUST LANDS.** The term "School and Institutional Trust Lands" means all right, title and interest of the State of Utah on the date this agreement is executed in lands granted by the United States pursuant to section 6 of the Utah Enabling Act, ch. 138, 28 Stat. 107 (1894) to the State of Utah in trust, and in other lands owned by the State of Utah on the date of this agreement which under State law must be managed for the benefit of the public school system or the institutions of the State which are designated by the Utah Enabling Act, provided that to the extent the estate in said lands is less than fee simple absolute, it is found acceptable to the United States under the title regulations of the Attorney General of the United States.

(C) **MINERAL INTEREST.** The term "mineral interest" means all right, title and interest in the mineral estate, as of the date of this agreement, in metals, ores, oil and gas, carbon dioxide, helium, coal, lignite, peat, gas contained in or taken from coal seams (coalbed methane), geothermal steam and heat, rock, stone, gravel, sand and quartz, subject to valid existing rights in third parties as of the date of this Agreement.

(D) **SECRETARY.** The term "Secretary" means the Secretary of the Interior.

SECTION 2. LANDS AND INTERESTS TO BE CONVEYED TO THE UNITED STATES

The State of Utah shall convey to the United States the School and Institutional Trust Lands and mineral interests therein in the following properties, described generally as:

(A) Lands within the Navajo Indian Reservation in the State of Utah, comprising approximately 38,500 acres and the mineral interest in approximately an additional 9,500 acres, designated as tracts 322 through 358, 363 through 392, and 394 through 407, and generally depicted on the map entitled "Utah-Navajo Land Exchange," dated May 7, 1998. Parcel 339 is subject to deletion after consultation with the Navajo Nation. The legal description for tracts 322 through 337,

339 through 340, 342, 344 through 358, 362 through 392, 394 through 407 is contained in the document entitled "Public Law 103-93 Utah Schools and Lands Improvement Act of 1993" (1995). The legal description of tract 338 is T40S, R24E, SLB&M, Section 16: all [mineral]. The legal description of tract 341 is T40S, R25E, SLB&M, Section 32: SE1/4NW1/4SW1/4SE1/4. The legal description of tract 343 is T40S, R26E, SLB&M, Section 16: all [mineral].

(B) Lands within the Goshute Indian Reservation in the State of Utah, comprising approximately 8,980 acres and the mineral interest in approximately an additional 480 acres, designated as tracts 408 through 410 and 800-818, and, generally depicted on the map entitled "Utah- Goshute Land Exchange," dated May 7, 1998.

(C) Four tracts, consisting of approximately 2,560 acres, as generally depicted on the map entitled "Alton Tracts," dated May 7, 1998.

(D) Lands within the exterior boundaries of the National Forest System comprising approximately 70,000 acres, designated as tracts 145 through 177, 184, 194 through 196, 198, 200 through 241, 247 through 321, 413 through 451, 453 through 497, 499 through 513, 515 through 519, 521 through 572, and as generally depicted on a map entitled "Utah Forest Land Exchange," dated May 7, 1998. The legal descriptions for these tracts are contained in the document entitled "Public Law 103-93 Utah Schools and Lands Improvement Act of 1993" (1995).

(E) All lands within the exterior boundaries of the Monument, comprising approximately 176,698.63 acres of land and the mineral interest in approximately an additional 24,000 acres.

(F) All lands within the exterior boundaries of all units of the National Park System, comprising approximately 80,000 acres.

SECTION 3. LANDS AND INTERESTS OF THE UNITED STATES TO BE CONVEYED TO THE STATE OF UTAH

The United States shall convey to the State of Utah all right, title and interest of the United States to the following properties described generally as:

(A) Blue Mountain Telecommunications Site, comprising approximately 640 acres, as generally depicted on the map entitled "Blue Mountain Telecommunications Site" dated May 7, 1998.

(B) Beaver Mountain Ski Resort site, comprising approximately 3,000 acres, as generally depicted on the map entitled "Beaver Mountain Ski Resort," dated May 7, 1998. *42-99-0004*

(C) Warner Valley Tract, comprising approximately 1,920 acres, as generally depicted on the map entitled "Warner Valley Tract," dated May 7, 1998.

(D) Hatch Tract, comprising approximately 12,677.5 acres, as generally depicted on the map entitled "Hatch Tract," dated May 7, 1998.

(E) Big Water Tract, comprising approximately 33,208 acres, as generally depicted on the map entitled "Big Water Tract," dated May 7, 1998.

(F) The United States' mineral interest in the coal located in the Cottonwood Tract, as generally depicted on the map entitled "Cottonwood Tract," dated May 7, 1998, subject to reversion as provided in this paragraph. If the State disposes of all or part of the coal mineral interest conveyed as provided by subparagraph (P) (i) hereof, the entire coal mineral interest conveyed to the State under this paragraph shall revert to the United States when the State has received the sum of \$13,006,105 in royalty and rental income. Valuation of royalty and rental income and interest to the extent applicable shall be calculated pursuant to the language contained in Public Law 103-93, section 8 (c) and (d). *42-99-0007*

(G) Approximately 881 acres of the Westridge Coal Tract, as generally depicted on the map entitled "Westridge Coal Tract" dated May 7, 1998.

(H) Approximately 2,600 acres of the Uintah County Tract, as generally depicted on the maps entitled "Uintah County Tract No. 1" and "Uintah County Tract No. 2" dated May 7, 1998.

(I) Approximately 2,000 acres of the Millard County Tract, as generally depicted on the map entitled "Millard County Tract" dated May 7, 1998.

(J) Approximately 58,000 acres of the Ferron Field, as generally depicted on the map entitled "Ferron Field" dated May 7, 1998.

(K) The United States' mineral interest in the coal located in the Mill Fork Tract, as generally depicted on the map entitled "Mill Fork Tract," dated May 7, 1998, subject to reversion as provided in this paragraph. If the State disposes of all or part of the coal mineral interest conveyed as provided by subparagraph (P)(i) hereof, the entire coal mineral interest shall revert to the United States when 22.3 million tons of coal have been produced from the Tract *13-99-0013*

(L) Approximately 2,560 acres of the Dugout Canyon Tract, as generally depicted on the map entitled "Dugout Canyon Tract" dated May 7, 1998, and the United States' mineral interest in the coal in approximately 2,560 acres located in the Muddy Tract, as generally depicted on the map entitled "Muddy Tract" dated May 7, 1998, subject to reversion as provided in this paragraph. If the State disposes of all or part of the coal mineral interest in either or both Tracts as provided by subparagraph (P)(i) hereof, the entire coal mineral interest in both Tracts shall revert to the United States when a total of 34 million tons of coal have been produced from either or both Tracts. *13-99-0009*

(M) The United States' mineral interest in the coal underlying approximately 9,600 acres located in the North Horn Coal Tract, as generally depicted on the map entitled "North Horn Coal Tract" dated May 7, 1998, subject to reversion as provided in this paragraph. If the State disposes of all or part of the coal mineral interest conveyed as provided by subparagraph (P)(i) hereof, the entire coal mineral interest shall revert to the United States when 100 million tons of coal have been produced from the Tract. *13-99-0011*

(N) Duchesne County Tract comprising approximately 4,000 acres, as generally depicted on the map entitled "Duchesne County Tract," dated May 7, 1998.

(O) \$50,000,000 in cash.

(P) GENERAL PROVISIONS

(i) If the State disposes of all or any part of the mineral interest in coal, oil and gas, or coalbed methane, including interests subsumed within fee interests, conveyed under paragraphs (F), (G), (J), (K), (L), or (M) of this section, the State agrees to do so only by offering the mineral interest for lease on a competitive basis (or a substantially equivalent non-competitive basis) for a bonus bid and a reserved royalty of not more than 8 percent (for coal) or 12 ½ percent (for oil and gas and coalbed methane) (or the prevailing Federal royalty rates at the time the lease is issued) of the value of the production removed or sold from the lease,

(ii) The State agrees to pay to the United States 50 percent of the bonus bid it receives when it issues each lease tender subparagraph (i), reduced by 50 percent of those administrative costs the State incurs in issuing the lease that are of the same type that the United States includes in calculating the administrative cost deduction under 30 U.S.C. 191(b). The amount paid to the United States shall be deposited 80 percent to the Reclamation Fund and 20 percent to miscellaneous receipts.

(iii) All mineral interests that revert to the United States under this section shall be restored to the public domain and the United States shall succeed the State as lessor for any lease issued by the State. Upon reversion, all revenues which the United States receives from any lease issued by the State to which the reversion is subject shall be distributed in the same manner as other revenues derived from mineral leases on the public domain under section 35 of the Mineral Leasing Act, as amended, 30 U.S.C. 191.

SECTION 4. TRANSFER OF TITLE

(A) All conveyances described herein by the United States to the State of Utah shall be subject to valid existing rights and interests outstanding in third parties. Where the United States is conveying only the mineral interest or other interest less than fee simple, the Secretary shall reserve to the United States all remaining right, title and interest.

(B) All conveyances herein by the State of Utah to the United States shall be subject only to those valid existing surface and mineral leases, grazing permits and leases, easements, rights of way, and other interests outstanding in third parties found acceptable under the Attorney General's title regulations.

(C) Conveyance of all lands and interests in lands described shall take place within 90 days following enactment of the legislation authorizing and ratifying this Agreement.

(D) DEED. — The conveyance of the lands and interests therein by the State of Utah to the United States under this section shall be in the form of a conveyance acceptable to the Secretary and in conformity with applicable title standards of the Attorney General of the United States.

(E) ACCEPTABILITY OF TITLE. — The United States shall not carry out the exchange described in sections 2 and 3 unless the title to the lands and interests described in section 2 to be conveyed to the United States, and the form and procedures of conveyance are acceptable under the Attorney General's title regulations.

(F) Upon completion of all conveyances described in sections 2 and 3(A)-(N), the \$50,000,000 identified in section 3(O) is immediately available for expenditure and payment from the General Fund of the Treasury to the State of Utah without fiscal year limitations.

SECTION 5. MANAGEMENT OF FEDERALLY ACQUIRED LANDS.

(A) GRAND STAIRCASE-ESCALANTE NATIONAL MONUMENT. — Any lands and interests therein acquired by the United States within the exterior boundaries of the Monument pursuant to section 2(E) shall become a part of the Grand Staircase- Escalante National Monument, and shall be subject to all the laws and regulations applicable to the Monument.

(B) NATIONAL FOREST SYSTEM. — Any lands and interests therein acquired by the United States within the exterior boundaries of the National Forest System pursuant to section 2(D) shall become a part of the national forest within which such lands are located and shall be subject to all the laws and regulations applicable to the National Forest System.

(C) NATIONAL PARK SYSTEM. — Any lands and interests therein acquired by the United States within the exterior boundaries of the National Park System pursuant to section 2(F) shall become a part of the appropriate unit of the National Park System within which such lands are located, and shall be subject to all laws and regulations applicable to that unit of the National Park System.

(D) NAVAJO INDIAN RESERVATION. — Any lands and interests acquired by the United States within the exterior boundaries of the Navajo Indian Reservation pursuant to section 2(A) are taken into trust and held for the benefit of the Navajo Nation, and are hereby declared to be part of the Navajo Indian Reservation in the State of Utah.

(E) GOSHUTE INDIAN RESERVATION. — Any lands and interests acquired by the United States within the exterior boundaries of the Goshute Indian Reservation pursuant to section 2(B) are taken into trust and held for the benefit of the Goshute Indian Tribe and are hereby declared to be part of the Goshute Indian Reservation in the State of Utah.

(F) ALL OTHER LANDS. — Any other lands or interests therein acquired by the United States pursuant to section 2 and not otherwise described in this section shall be administered by the Bureau of Land Management and subject to all applicable laws and regulations.

SECTION 6. WATER RIGHTS

In connection with water rights appurtenant to the lands to be exchanged under this agreement:

(A) All water rights, if any, held by the transferor that are appurtenant to the lands exchanged pursuant to this agreement shall be conveyed with the land. Nothing contained in this agreement shall impair valid existing water rights owned by private parties.

(B) Nothing in this agreement shall expand or diminish Federal or State jurisdiction, responsibilities, interests, or rights, in water resource adjudication, allocation, development, or control.

SECTION 7. GRAZING PERMITS.

(A) On all lands acquired by the United States under section 2, the Secretary shall honor, for the remainder of the applicable term, all leases, permits and contracts for the grazing of domestic livestock, and the related terms and conditions of user agreements on School and Institutional Trust Lands, including permitted stocking rates, grazing fee levels, access rights, and ownership and use of range improvements. Upon expiration of any lease or permit, the holder shall be entitled to a preference right to renew such lease or permit to the extent provided by Federal law.

(B) ., In any instance where lands conveyed by the State of Utah under section 2 are used by a grazing-permittee or lessee to meet the base property requirements for a federal grazing permit or lease, such lands shall continue to qualify as base properties for the remaining term of the lease or permit and any renewal or extensions thereof.

(c) Title to, or any interest in, any range improvement held by the United States or the State on any lands exchanged under this agreement shall be transferred with such lands. Nothing in this Act shall operate to divest title to, or any interest in, any range improvement held by any person on such lands.

(D) On all lands to be acquired by the State of Utah under section 3, the State shall continue, for a period of time equal to the lifetime of the permittee as of the date of this agreement and any direct descendants of the permittee born before that date, all leases, permits and contracts for the grazing of domestic livestock, and the related terms and conditions of user agreements on Federal lands, including permitted stocking rates, grazing fee levels, access rights, and ownership and use of range improvements. Such leases, permits and contracts shall be subject to periodic renewal and to compliance with the terms and conditions of the leases, permits or contracts, together with such reasonable regulations as the State may prescribe concerning range conditions. This provision shall not prevent the state from canceling any grazing permit when the underlying land is sold or leased for non-grazing purposes by the state.

SECTION 8. HAZARDOUS WASTE.

(A) Notwithstanding the transfer to the United States of the lands and interests therein described in section 2, the State of Utah shall continue to be responsible to the extent it is responsible on the date of transfer of title for all environmental remediation, waste management and environmental compliance activities arising from ownership and control of lands and interests therein pursuant to applicable Federal and State laws with respect to conditions existing on the lands at the time of the transfer.

(B) Notwithstanding the transfer to the State of Utah of the lands and interests therein described in section 3, the United States shall continue to be responsible to the extent it is responsible on the date of transfer of title for all environmental remediation, waste management and environmental compliance activities arising from the ownership and control of lands and interests therein pursuant to applicable Federal and State laws with respect to conditions existing on the lands at the time of the transfer.

SECTION 9. SURFACE USE AND RIGHTS OF WAY

(A) The State shall assume all rights and duties of the United States under all Federal rights-of-way, surface use permits and agreements on lands conveyed to the State pursuant to this Agreement. All such rights-of-way and agreements shall remain in effect for the remainder of the applicable term after conveyance, except that such rights-of-way, permits and agreements shall be managed and enforced by the State. The rents, fees, and other payments formerly due to the United States under the terms of such rights-of-way, permits and agreements shall be payable by the holder to the State.

(B) The United States shall assume all rights and duties of the State under all State rights-of-way and special use agreements on lands conveyed to the United States pursuant to this Agreement. All such rights-of-way and agreements shall remain in effect for the remainder of the applicable term after conveyance, except such rights-of-way and agreements shall be managed and enforced by the United States. The rents, fees, and other payments formerly due to the State under the terms of such rights-of-way and agreements shall be payable by the holder to the United States.

(C) Nothing in this Act shall expand or diminish the rights of any person or entity in any pre-existing rights-of-way established under State or Federal law, and the conveyances to be made under this Agreement shall be subject to such pre-existing rights-of-way, if any, as valid existing rights.

SECTION 10. SPECIAL PROVISIONS

(A) MINERAL DEVELOPMENT IN GENERAL.

(i) Development of any mineral interests transferred to the State of Utah pursuant to this agreement where the United States retains ownership interests in the land shall be subject to all laws, rules, and regulations applicable to development of non-Federal mineral interests underlying Federally-owned surface, including, where appropriate, laws, rules and regulations applicable to such development within the National Forest System.

(ii) Extraction of any coal resources transferred to the State of Utah pursuant to this Agreement shall occur only through underground coal mining operations.

(B) **PRICE COALBED METHANE.** --The Bureau of Land Management has prepared an Environmental Impact Statement for the River Gas portion of the Price Coalbed Methane area and a Record of Decision has been issued with respect to certain actions considered in the Environmental Impact Statement. The State of Utah shall adopt all conditions, mitigation measures and restrictions imposed on lessees by the Record of Decision in the State's administration of Federal Mineral Leases acquired in Townships 14, 15, and 16 South and Ranges 8 and 9 East, SLBM.

(C) **MILL FORK.** -- The Bureau of Land Management and the Manti-La Sal National Forest have prepared an Environmental Assessment for the proposed leasing of coal within the Mill Fork tract. The State of Utah shall adopt the mitigation measures imposed on lessees by the Record of Decision in the State's administration of the Mill Fork tract.

(D) **MINERAL LEASES IN LAND CONVEYED TO THE UNITED STATES.** — Notwithstanding any other provision of law, including 30 U.S.C. 355, any rentals and royalties or bonus bids derived from existing or future mineral leases on lands and interests therein conveyed by the State of Utah to the United States shall be deposited in the Treasury as miscellaneous receipts, except that any rentals and royalties or bonus bids from existing or future mineral leases on lands and interests acquired under sections 2(A) and 2(B) in trust for the Navajo Nation and the Goshute Indian Tribe shall be distributed in accordance with the terms of any federal law specifically directing distribution of such moneys.

(E) **RENTS AND ROYALTIES ON LAND CONVEYED TO THE STATE OF UTAH.** Any rentals and royalties derived from existing or future mineral leases on lands and interests conveyed by the United States to the State of Utah under section 3 shall be shared equally by the State and the School and Institutional Trust Lands Administration.

SECTION 11. MAPS AND LEGAL DESCRIPTIONS

The State of Utah and the Secretary shall each provide to the other the legal descriptions and maps of the lands under their respective jurisdictions which are to be exchanged under this agreement.

SECTION 12. LITIGATION

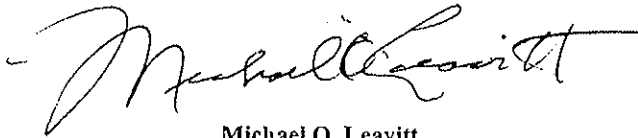
(A) Upon execution of this agreement, the parties to the civil action captioned *State of Utah v. United States*, Civil No. 2:97-CV-0589C (D. Utah), will immediately jointly seek a stay, without prejudice to either party, of all proceedings in that action. Upon enactment of legislation authorizing and ratifying this agreement, the parties will jointly seek dismissal of that action with prejudice. If Congress fails to enact legislation authorizing and ratifying this agreement before adjournment of the 105th Congress *sine die*, the parties agree to jointly move to lift the stay of proceedings in that action within 60 days after adjournment and to seek rescheduling of the previously established trial schedule as necessary.

(B) The State of Utah shall voluntarily dismiss with prejudice the civil action captioned *Utah School and Institutional Trust Lands Administration v. Clinton, et al.*, Civil No. 2:97-CV-492C (D. Utah), within 20 days after all conveyances under this agreement have been completed.

SECTION 13. TECHNICAL CORRECTIONS

Nothing in this Agreement shall prevent the parties from mutually agreeing to the correction of technical errors and omissions in maps and legal descriptions contained herein.

IN TESTIMONY, WHEREOF, we have hereunto set our hands and caused to be affixed the Great Seal of the State of Utah this 8th day of May 1998.



Michael O. Leavitt
Governor
State of Utah



Bruce Babbitt
Secretary of the Interior
United States of America

ATTEST:



Olene S. Walker
Lt. Governor
State of Utah

