



Mineral Lease Opportunities at UW's Sustainable Agriculture Research and Extension Center (SAREC)

UW Board of Trustees
November 19, 2010



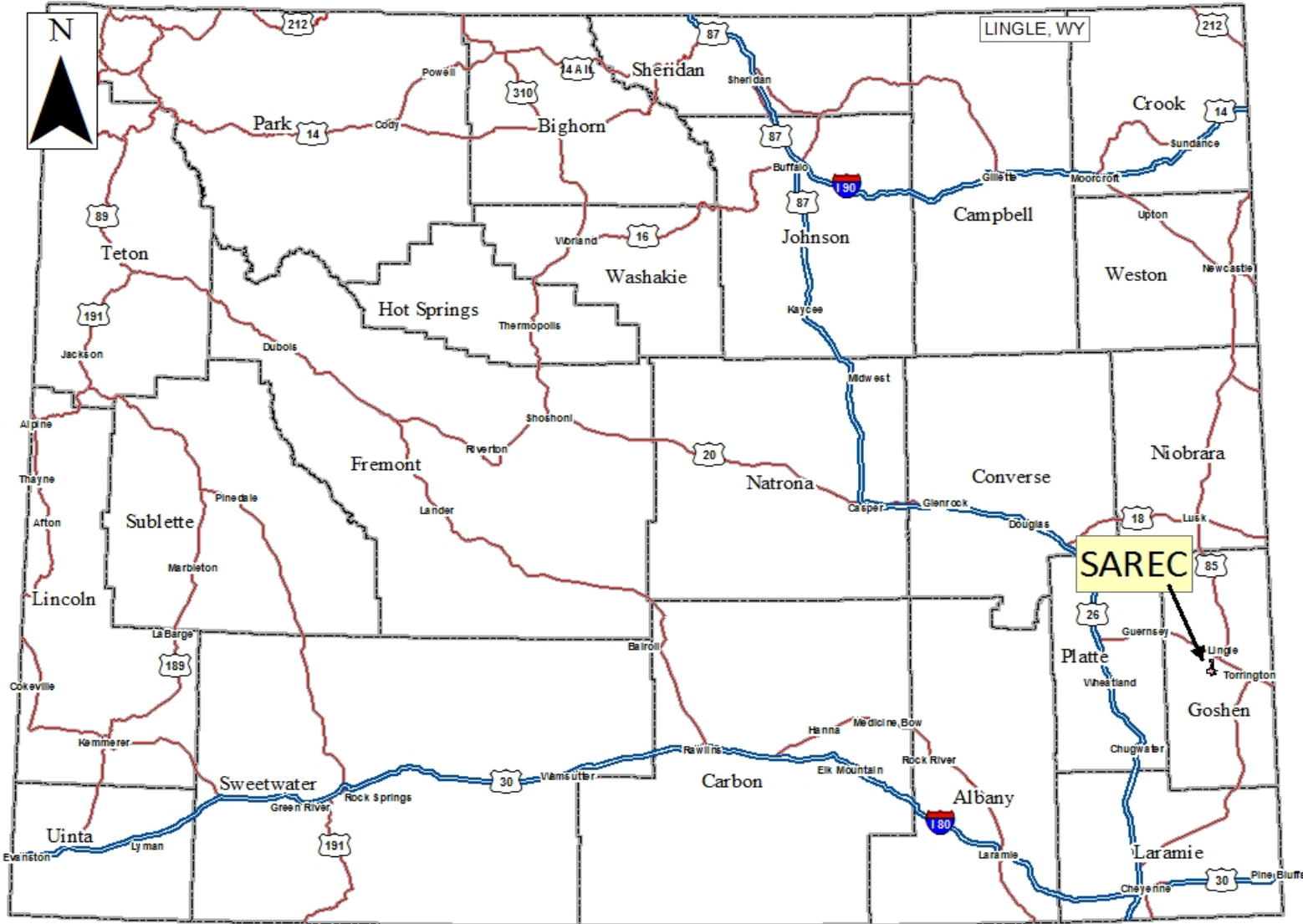
UNIVERSITY OF WYOMING

INTRODUCTION

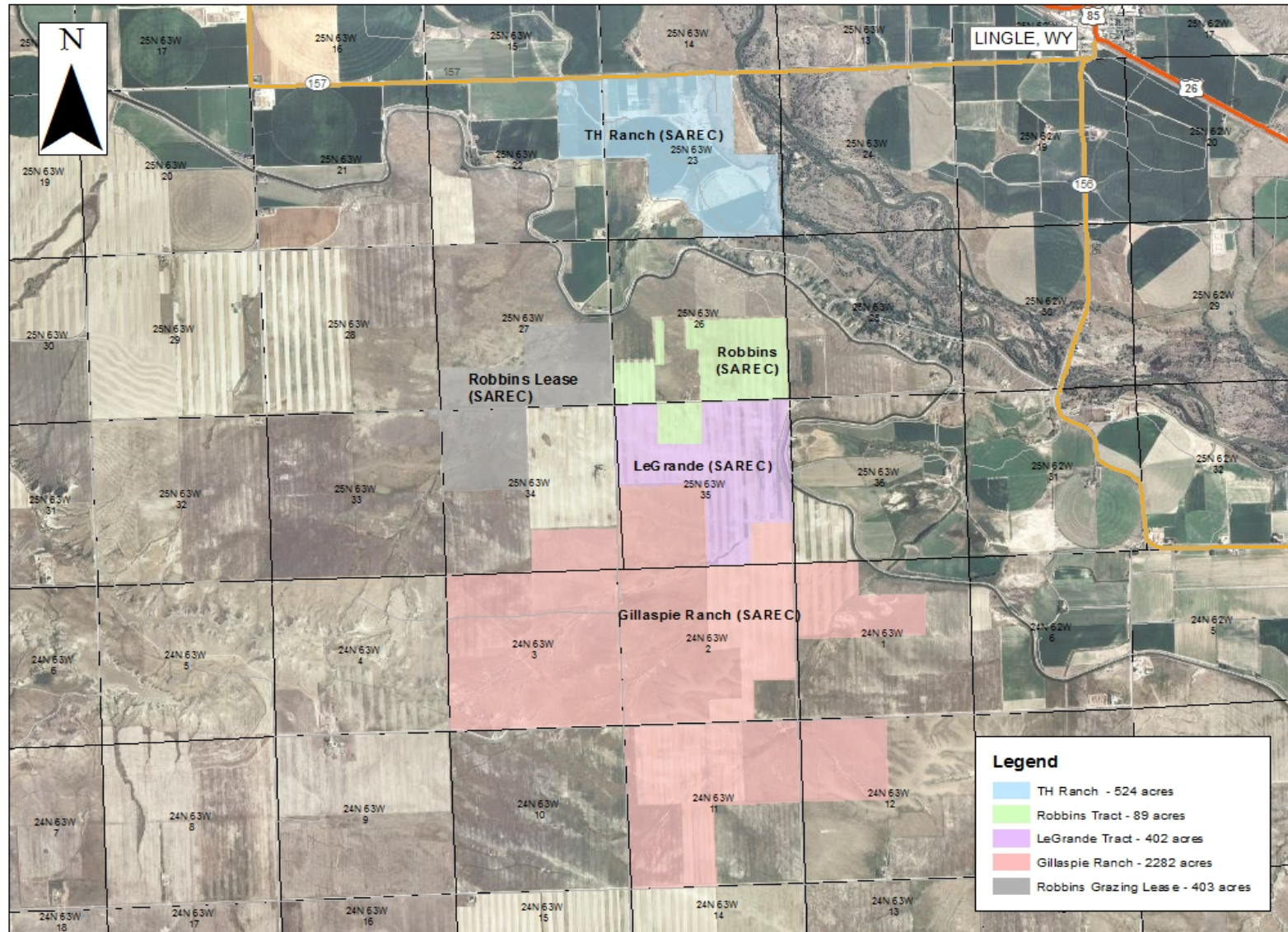
UW's Real Estate Office has been contacted by several oil and gas companies who have expressed an interest in leasing mineral rights on UW's Sustainable Agriculture Research and Extension Center (SAREC) in Goshen County.



SAREC



SAREC Facility Tracts



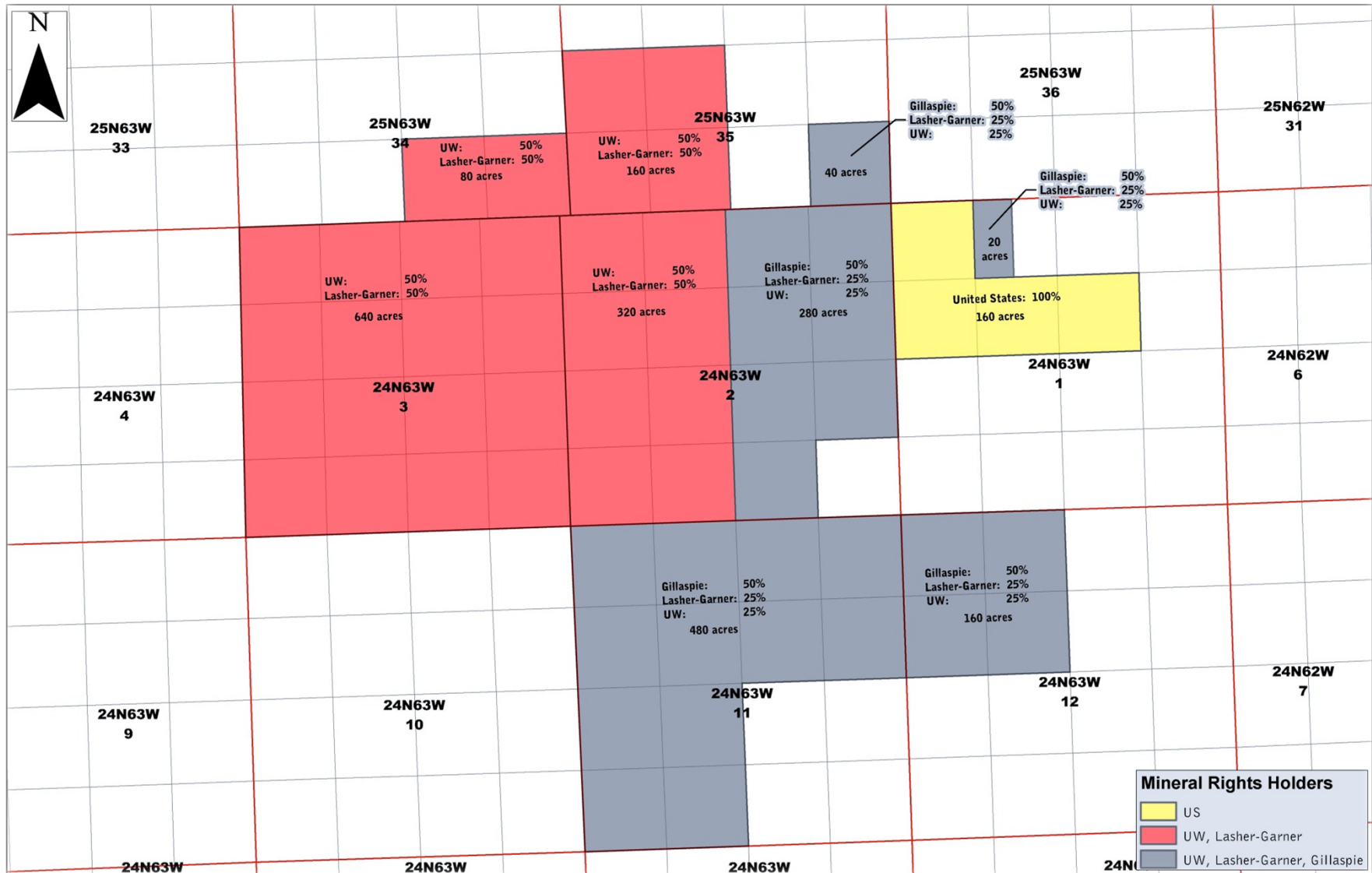
UW OWNERSHIP

UW owns a total of 3,297 acres at SAREC.

Ownership of the mineral rights is shared in varying amounts with other parties.



SAREC – Gillaspie Ranch Mineral Rights



OTHER MINERAL OWNER LEASE OFFERS

- Recent offers to other mineral owners in the SAREC area:
 - 2/19/2010 - \$65 per acre, 15% royalty, 5 year paid-up lease term
 - 10/27/2010 - \$350 per. acre, 15% royalty, 5 year paid-up lease term
- In November, State lease sale resulted in record of \$49 million. Avg. bid was \$680 per acre with a high of \$4,725 per acre.

RFP PROCESS

UW is developing an RFP process to facilitate the potential leasing of mineral interests. The former Director of Wyoming State Lands and Investments, Lynne Boomgaarden, has been retained to assist the University in this effort.



ADDITIONAL BACKGROUND INFORMATION

- A comprehensive Surface Use Agreement will be developed to fully protect the existing research and educational assets at the SAREC facility.
- Wyoming State Statute 21-17-307 authorizes the UW Board of Trustees to grant mineral leases associated with experimental farm purposes in the name of the State of Wyoming.



Timeline -- Lease of SAREC Mineral Rights

Activity	Date
• Background Information Sent to BOT in Weekly Update	October 29, 2010
• Information Update at November BOT Meeting	November 19, 2010
• Complete SAREC Surface and Operations Inventory	November 24, 2010
• Complete Title and Abstract Work	December 10, 2010
• Document & Verify Mineral Lease Activity Surrounding SAREC and Involving Other SAREC Fractional Mineral Interest Owners	December 10, 2010
• Draft RFP Template according to UW Policies and Procedures	December 10, 2010
• Complete Draft Surface Use Agreement	January 7, 2011
• Finalize Draft RFP Lease Process and Terms	January 7, 2011
• BOT Update on Surface Use Agreement and Mineral Lease RFP	January 21, 2011
• Advertise Mineral Lease RFP	Jan. 26–Feb. 16, 2011
• Select Lessee for Mineral Lease	February 25, 2011
• BOT approval of Mineral Lease to selected Lessee	March 4, 2011

