

MANAGING THE WEST

...serving the future

Late Spring 2015 Volume 3 - Issue 3



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Welcome to the Late Spring 2015 issue of *Managing the West*...

We are fast approaching our annual Summer Conference to be held July 19-23 in Moab, UT. Director Kevin Carter and staff have lined up an educational program that includes field events to local industry and operators using trust land and providing valuable revenue to their beneficiaries and state economies. The speakers, and expanded time for committee dialog and strategic initiative planning, promise to be informative to our daily work. If you haven't already done so, please take a few minutes to solidify your **registration and accommodations** for this unique conference location.

Speaking of great conferences, I want to thank the planning team of the recent WSLCA Royalty Working Group Conference held in San Antonio, TX at the historic Alamo. The Subsurface Lands Committee lead by Drew Combs (ND) and Rene Truan (TX), and their Royalty Working Group Subcommittee comprised of Taylor Lee (ND) and Dale Sump (TX), did a fantastic job of organizing and delivering the type of deeper educational and networking experience our members have been clamoring for the association to sponsor. And, a big thank you to affiliate member Grant Thornton for their generous sponsorship that allowed participant cost for the 1½ day event to remain low. Read more about the conference on page 2.

Since our last communication we have experienced a few more changes in our committee leadership. Check out our newest chair and vice chair persons on page 4. We do still have a couple of vacancies to fill so please consider volunteering to help the organization. Also, those interested in serving on the executive committee should contact Kevin Carter (UT) or Tom Schultz (ID), who as past presidents comprise the **Nominating Committee**. The Nominating Committee is responsible for presenting a slate of officers for an association vote at the July business meeting. Feel free to contact current officers, or association executive director Kathy Opp, to understand the duties and time commitment related to each role. We rely heavily on our committees and officers who volunteer their time to the organization and to each of us. Thank you to those who have served and are serving in these roles, your leadership is helping to fulfill our goals.

As always, my "door" is open and I welcome the sharing of ideas and suggestions. Should you need anything please feel free to contact me.

Arkansas Commissioner of State Lands
President, WSLCA

WSLCA Royalty Working Group conference a big success

About 45 state and affiliate members convened in San Antonio, Texas at the historic Alamo on April 20-21 to deepen their knowledge about current issues in oil, gas, and coal accounting and auditing. Providing an ability to network with members responsible for leasing and royalty tracking was a goal for the event. Conference feedback suggests the educational material is timely and the group desires to stay connected with an interim webinar planned for Fall 2015.

The conference was the vision of the newly reconstituted Royalty Working Group Subcommittee led by Taylor Lee (ND) and Dale Sump (TX) under the WSLCA Subsurface Lands Committee that is chaired by Drew Combs (ND) and vice-chair, Rene Truan (TX). These four individuals helped construct an all-star educational line-up, providing nearly 10 hours of qualifying continuing professional education credits for landmen and accountants. The conference presentations can be accessed on the WSLCA website under the [Events/2015/Royalty Policy Working Group Conference](#) folder.

A big thank you to the Texas GLO for affording an economical, yet richly stimulating venue – the historic Alamo. On one of the breaks, conference participants were sworn in as Texas Alamo Rangers. Armed with our new “badges,” we all agreed to protect the treasure that is the Alamo: a duty and honor we will stand by!

We also want to thank WSLCA affiliate Grant Thornton (GT) for their generous sponsorship of the conference. Their sponsorship helped keep the cost low for states. We want to specifically recognize Dan Barron, Bruce Dempsey and local San Antonio staff. Thank you for helping to provide a deep learning environment for members to network and grow professionally.



Other news...

Work continues to explore land trade legislation to deal with state trust lands trapped within federally owned core sage grouse habitat

We reported in the March newsletter a dialog that began in Idaho around the concept of using an in-lieu style mechanism for states to trade out of trust lands surrounded by federally owned lands deemed core or key sage grouse habitat. Your response to exploring this idea has resulted in further discussion in Washington, D.C. with an agreement to explore options. At the July 2015 Moab conference, the Surface & Land Tenure Committee will host a panel of federal and state leads to further discuss possibilities to allow state sage grouse plans to be implemented at the same time priority focus and funding are provided to honor the constitutional mandate for state trust lands to maximize revenue and value for our beneficiaries.

Congress takes action against pending “Waters of the United States” rulemaking

The House of Representatives showed their opposition to the Waters of the United States rule by passing a measure to kill the rule. H.R. 1732, The Regulatory Integrity Protection Act of 2015, is sponsored by Rep. Bill Shuster (PA) and has 70 cosponsors. Action in the Senate is pending. This is the Second time that the House has approved such a measure. A similar bill was sponsored by Rep. Steve Southerland (FL) last year and passed the House with similar strong support in September.

The rule that the EPA and Army Corps of Engineers have proposed would redefine what waterways are automatically protected by the Clean Water Act. There has been confusion about the reach of the Act since its passage in 1972. It is expected that the “Waters of the United States” rule would broaden the definition of waterways to include a significant number of streams and wetlands that are not currently protected by federal law. WSLCA has voiced its official opposition to the rulemaking and its impacts on states’ abilities to manage trust assets effectively for funding of public education. The bill proposed by Rep. Shuster would require the Administration to halt the rulemaking process that is in its final stages. The Administration would then be required to engage with local officials and other stakeholders to find a consensus on how to clarify the

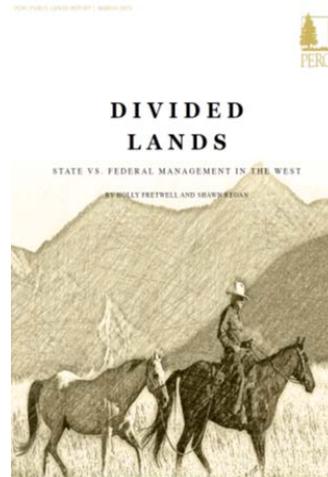
uncertainties found in the Clean Water Act. The lack of engagement with those who would be directly impacted by the WOTUS rule has been cited as a major concern by those who oppose it.

Rep. Shuster released a statement saying, “The Administration’s proposed rule and its regulatory fallout will have real economic costs and consequences for states, local governments, farmers, builders, other stakeholders, and private citizens. Instead of legitimately consulting these parties, the Administration flouted the rulemaking process, rushed this rule forward, and is now close to putting it into practice.”

Variety of ESA Legislation contemplated in Washington, D.C.

WSLCA Education Outreach Consultant Allen Freemyer reports on a variety of legislation aimed at clarifying and reforming parts of the Endangered Species Act. A summary is included on the association [homepage](#). In addition, some member states took the opportunity to help remind national leaders about the deleterious impact that certain listing practices have on state trust land administration, in particular the “sue and settle” or “sue to list” behavior. This practice, along with adding an ability to consider scientific data submitted by state and local governments prior to a listing, is the core of the [WSLCA policy resolution related to ESA](#). We want to thank Commissioner Bush (TX) and Utah SITLA director Kevin Carter for their letters to Members of Congress that provide trust land education and support sensible reforms. Their correspondence is timely and appreciated, check out the [homepage](#) for links to the support letters.

PERC researches state initiatives to take over federal lands



In the ongoing debate about management of federal lands, everyone seems to have an opinion. But it can be difficult to sort through all the legal and financial aspects of who could do the best, most efficient job. The Property and Environment Research Center (PERC) is a nonprofit institute dedicated to improving environmental

continued on page 4...

quality through property rights and markets. PERC recently released a study, *Divided Lands; State Vs. Federal Management In The West*, by Holly Fretwell and Shawn Regan. The report analyzes the differences between state and federal land mandates and the impact of various activities such as timber harvest, grazing, mineral extraction and recreation. The report does a good job of communicating why it matters to understand the difference in each agency's role before evaluating new proposals. The complete report can be accessed on the PERC website <http://www.perc.org>.

Welcome new committee leaders

There are a number of changes to WSLCA committees to acknowledge. First, a big thank you to Larry Laine (TX) for his many years of leadership on the Legislative Committee. Larry recently retired from the Texas GLO. With his departure, *South Dakota Land Commissioner Ryan Brunner advances from vice-chair to chair of the Legislative Committee*. Stepping in as the *new vice-chair for the Legislative Committee is Kaleb Bennett (TX)*. Kaleb works as a policy analyst for Commissioner Bush.

Julie Curtis (OR) is the new vice-chair to the Communications Committee. Julie has helped our ace Communications Committee for a number of years, working to develop key association fact sheets to educate the public about our various state member roles and responsibilities. Julie will be helping *Nikki Heck (AR), new chair of the Communications Committee*. Nikki is the former vice-chair who took over leadership after Dawn Efaw retired from the Texas GLO this past spring. Dawn chaired this important committee for a number of years. We greatly appreciated her efforts in supporting association needs and completely retooling the association website last year.

Finally, *Mark Havens (TX) is the new vice-chair to the Subsurface Committee*. Mark is a seasoned natural resources attorney with the GLO and he is excited to assist the association. Rene Truan (TX) had been serving as vice-chair these past few months, but current initiatives require his full focus. We thank Rene for his help, and for supporting the recent Royalty Working Group Conference.

Please take a minute to drop a line or place a call to thank all the new committee leaders. We still seek a volunteer to assist Resolutions Committee chair Lance Gaebe. Contact executive director Kathy Opp or Lance if you have an interest in this vice-chair position.

Affiliate Memberships...

WSLCA has adopted an Affiliate Membership program in order to provide public and private entities and individuals who share common interests in the WSLCA's objectives with an opportunity to formally communicate and cooperate with WSLCA members. The program allows Affiliate Members the opportunity to participate in the WSLCA's biannual conferences and to talk directly with other members on issues important to both. Applicants must be a corporation, non-profit entity, or an individual that has been recommended by a member state, approved by the WSLCA Executive Committee and paid at least one year of annual dues. Please see the affiliate page of the WSLCA '[Affiliate Members](#)' web page for more information.

2015 Affiliate Members

Anadarko
Alta Mesa Holdings, LP
American Petroleum Institute
Apex TITAN, Inc.
Bank of Oklahoma Financial
ConocoPhillips
DMB
DRZ Investment Advisors
EOG Resources
EnergyNet
First Solar
Freeport-McMorRan
Grant Thornton
Hein & Associates
Holland & Hart
ITC
Land Advisors
National Mining Association
RioTinto
RVKuhns & Associates, Inc.
Sonoran Institute
Salt River Project
Torch Renewable Energy
Trendwell Energy Corporation
USEcology
Vanguard

What's Happening...

Alaska

State ownership of lands under Tanana River affirmed by BLM

The State of Alaska last week was informed by the U.S. Bureau of Land Management that the federal agency has relinquished any claims to ownership of more than 550 miles of lands underlying the Tanana River.

In its written decision, known as a Recordable Disclaimer of Interest (RDI), the BLM agreed that the State of Alaska has clear title to these submerged lands as promised under the Alaska Statehood Act. This clarifies that Alaskans seeking authorizations to use these lands for uses such as docks or mining would obtain those from the State of Alaska rather than the BLM.

“These disclaimers represent a mutual agreement between the State of Alaska and the BLM that a river is navigable and therefore belongs to the State,” said Ed Fogels, deputy commissioner of the Department of Natural Resources.

This is the 23rd RDI issued in Alaska and it pertains to all but approximately 38 miles of lands underlying the Tanana River which remain under federal withdrawal or reservation. Other examples of past RDIs include submerged lands in the Kuskokwim, Porcupine, Chilkoot, and Klutina rivers.

DNR's Public Access Assertion and Defense Unit and the Department of Fish and Game worked with BLM to implement a successful federal RDI program that is unique in the country. “Generally speaking, this is a more cost-effective and mutually beneficial way to clear title to the State's ownership of lands than litigation,” Fogels said.

Since issuance of the first RDI in 2003, the State of Alaska has cleared title to submerged lands underlying more than 2,546 river miles. For a fact sheet and information on the state's RDI filings, go to <http://dnr.alaska.gov/mlw/nav/>.

Idaho

Idaho rolls out additional measures to conserve sage grouse

The State Board of Land Commissioners (Land Board) and Idaho Oil and Gas Conservation Commission approved a plan this week outlining additional measures to conserve sage grouse in Idaho, bolstering Idaho's efforts to avoid a listing of the species under the Endangered Species Act.



The Land Board's plan complements and augments the Governor's statewide plan to conserve the most important habitat for sage grouse in Idaho.

A federal listing of the bird could inhibit revenue-generating activities on more than 600,000 acres of endowment rangelands, lands granted to Idaho at statehood to make money for public schools and other State institutions. It also could constrain development activities that the State regulates on privately owned land.

The Land Board's Greater Sage-Grouse Conservation Plan includes enforceable stipulations in leases, permits, and easements on endowment lands. It also spells out recommended best management practices for activities pertaining to the State's role in supporting fire prevention, suppression, and rehabilitation, and regulating oil and gas development, some mining activities, and abandoned mine reclamation.

Conservation measures recommended for federal lands were not included in the Land Board's plan because they would impose unreasonable constraints on the State's ability and obligation to ensure endowment lands maintain their constitutionally derived purpose of generating maximum long-term financial returns to public schools and other State institutions. Given the constitutional mandate for management of endowment lands and the small percentage of endowment lands located in core and important habitat zones, it is unnecessary and problematic that the State of Idaho manages its lands in the same way as federal land managers.

Implementation of the Land Board's plan is contingent upon the federal government's acceptance and incorporation of the Governor's plan in its final decisions on sage grouse in Idaho.

The plan focused on three primary threats to sage grouse for Idaho - wildfire, infrastructure, and invasive species.

continued on page 6...

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Since February, the Idaho Department of Lands (IDL) has been collecting comments on a draft sage grouse plan.

Input came from natural resource industry user groups, environmental organizations, and relevant State and federal agencies to fine-tune the plan.

Sage grouse habitat is located within 11 western states, including Idaho. The Bureau of Land Management (BLM) is expected to release its final environmental impact statement for sage-grouse habitat on BLM lands in Idaho and southwest Montana in May or June. The U.S. Fish and Wildlife Service is expected to make its decision on whether to list the bird as threatened or endangered under federal law by October this year.

In the coming months IDL will work on additional plans that prepare the State to implement and monitor the conservation measures, to ensure certain activities on State and private lands conform to the approved plan.

Oklahoma

The Oklahoma Commissioners of the Land Office purchased three condo-style office floors in City Place, an office building in downtown Oklahoma City. The CLO will be vacating their current office in the First National Center and will be moving into two of the purchased floors in City Place mid-June.

With the purchase of this office space, the CLO will be able to increase monthly distributions to beneficiaries by paying rent to themselves each month, rather than paying rent on a leased space that will never be returned to beneficiaries. Additionally, the Oklahoma Securities Commission will be renting the other floor purchased by the CLO. Income received from the Securities Commission rent will also be distributed to beneficiaries monthly.

Oregon

Oregon Greater sage-grouse planning nears completion

The Oregon Department of State Lands (DSL) oversees more than 600,000 acres of open rangeland in southeast Oregon, the bulk of which is leased to ranchers. Oregon's Constitution directs the State Land Board to manage these school trust lands for the benefit of public education in the state.

In Oregon, Greater sage-grouse were once found in most sagebrush habitats east of the Cascades. In 2010, the birds were listed as a candidate species for conservation by the U.S. Fish and Wildlife Service, which is expected to make a listing decision in September 2015.

As a result, private and public entities have discussed how to protect the sage grouse, found in 11 states and two Canadian provinces, while avoiding listing. Loss and fragmentation of habitat is the primary threat across its range. The most significant threats in Oregon are losses to wildfire and invasion of annual grasses.

DSL's eastern region staff has been working with the USFWS to develop a **Candidate Conservation Agreement with Assurances (CCAA)** to cover state-owned rangelands. This proposed CCAA is a voluntary agreement that promotes grazing practices to reduce or eliminate threats to sage-grouse on DSL-managed lands while contributing to the economic sustainability of the state's trust lands and the state's lessees. A CCAA ensures that landowners may maintain grazing and other agricultural uses on their land if an Endangered Species Act listing does occur.

To achieve a CCAA, the landowner must agree to certain conservation measures and protections. Some of the possible conservation measures listed in the agreement include improved livestock distribution through salting or water developments; reducing disruptive activities in late spring months within 0.6 miles from an occupied lek (mating area); and marking livestock fences in identified high-risk areas.

DSL's draft CCAA is intended to apply across all DSL-managed state land within the sage grouse's range, of which approximately 50 percent is considered currently occupied habitat. Modeled on Harney County's agreement, the goal of the state CCAA is to make habitat recovery as seamless as possible across public and private lands.

The state's draft CCAA and accompanying Environmental Assessment are in a 30-day public review period in the Federal Register until May 11. It should be ready for final signatures by the end of May.



Drummond Basin, Malheur County, Oregon

2015 Summer conference - Moab, Utah...

The red rock landscapes of Moab in southeastern Utah are the backdrop for the WSLCA Summer Conference July 19-23, 2015.

Director Kevin Carter and staff are working to finalize an informative conference agenda to include interesting



site tours, panel discussions, and speakers. Because of the expected hot temperatures, the team is planning outdoor excursions during morning and evening hours, and presentations and meetings in the afternoons.

Accommodations

Room blocks at three hotels have been secured for the conference:

- Moab Valley Inn and Conference Center, located on historic Main Street, serves as host hotel
- Moab LaQuinta Inns and Suites is located across the parking lot from the conference hotel
- Moab Comfort Suites is an easy five-minute drive from the conference hotel

Please watch for email communication regarding hotel reservation codes and registration information.

Travel

Moab is located in southeastern Utah near the east bank of the Colorado River and west of the 12,500-foot LaSal Mountains. When making travel arrangements, please note the following distances from area airports:

- Canyonlands Field Airport, located 20 miles north of Moab, is served by regional air service
- Salt Lake International Airport is located approximately 240 miles or four hours from Moab
- Grand Junction Regional Airport in Colorado is approximately 115 miles or just under two hours from Moab

Shuttle services from Salt Lake International Airport and Grand Junction Regional Airport

- Elevated Transit: elevatedtransit.com
- Redrock Express: redrockexpress.com
- Road Runner Shuttle: roadrunnershuttle.com
- Moab Luxury Coach: moabluxurycoach.com

Tentative Agenda Items

- Tour and Panel Discussion: Integrating recreation with development
- Tour: Balancing sensitive lands and mineral development; land exchanges and transfers
- Guided hike to Corona Arch, site of land exchange with Bureau of Land Management
- Dinner cruise along the Colorado River



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Check out our website for information on:
Member states, affiliate members,
upcoming conferences and past
conference materials, adopted resolutions,
committee contacts and more.

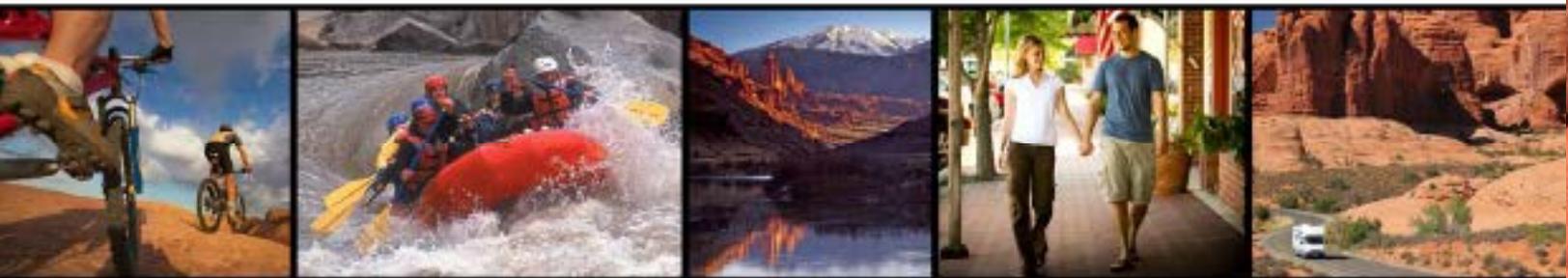


"Wilderness is not a luxury but a necessity of the human spirit"

Edward Abbey - Desert Solitaire

Dead Horse Point State Park

Moab will surround you with the warmth and hospitality of a small resort town at the center of some of the most stunning red rock landscapes on Earth. Moab's unique combination of two national parks, beautiful red rock scenery, and the cool waters of the Colorado River has made it one of the most sought after destinations in the southwest.



Arches National Park – The world's largest concentration of natural sandstone arches. Although over 2,000 arches are located within the park's 76,518 acres, the park also contains an astounding variety of other geological formations. Colossal sandstone fins, massive balanced rocks, soaring pinnacles and spires dwarf visitors as they explore the park's viewpoints and hiking trails. A paved scenic drive takes visitors to many of the major viewpoints within the park. (5 miles from Moab)

Canyonlands National Park – Utah's largest national park! The Island in the Sky district, which is closest to Moab, sits atop a massive 1500 foot mesa and is quite literally an Island in the Sky. Twenty miles of paved roads lead to many of the most spectacular views in canyon country. From these lofty viewpoints visitors can often see over 100 miles in any direction, resulting in panoramic views that encompass thousands of square miles of canyon country. (32 miles from Moab)

Dead Horse Point State Park – The view from Dead Horse Point is one of the most photographed scenic vistas in the world. Towering 2,000 feet above the Colorado River, the overlook provides a breathtaking panorama of Canyonlands' sculpted pinnacles and buttes. (32 miles from Moab)

Colorado River – Moab has an abundance of river recreation opportunities available to suit any taste. While the area is known for its family oriented whitewater trips on the Fisher Towers section of the Colorado River, there are several wilder single and multi-day trips available in Westwater and Cataract Canyons. Additionally, canoes and kayaks are the perfect way to explore the calm water segments of the Colorado. Individuals or groups may raft the river on their own or with a professional river outfitter.

Scenic Byways - The Moab area is blessed with three Scenic Byways, U-128, U-279 & U-313. Scenic Byways help recognize, preserve and enhance selected roads throughout the United States based on their archeological, cultural, historic, natural, recreational and scenic qualities. Every trip to Moab should include a drive along at least one byway, although driving all three is a great way to spend a relaxing day.

La Sal Mountains - Just 20 miles south of Moab are the La Sal Mountains, which are part of Manti-La Sal National Forest. Attaining heights of nearly 13,000 feet, these alpine mountains are the second highest mountain range in Utah. Numerous hiking and mountain bike trails, along with picturesque campsites, make these mountains a great complement to your visit to Moab.

Consider Moab for meetings and events!



Hiking - In addition to all the great hiking in our national parks, the Moab area also contains a large number of pet friendly trails on public lands to suit any experience level. From cool stream-side hikes to spectacular sandstone arches, the Moab area is full of exciting day-hikes suitable for the entire family.

Biking - Moab is home to the greatest mountain biking on the planet and offers a huge variety of trails for mountain bikers of any experience level, from beginners looking for a scenic ride through beautiful canyons and mesa tops, to seasoned bikers looking for the ultimate challenge. Moab has also been discovered as the new landscape in road cycling, with truly breathtaking and inspirational views from every route in this geological wonderland. Come and see why so many skinny tire riders now come to Moab!

Off Highway Vehicle Trails - Moab is a must-visit destination for those that love off road adventure. The area's beauty, history, and hundreds of miles of old mining roads and 4x4 trails make it a place that will never be forgotten. Visitors can bring their own vehicle, rent one, or take a tour with one of Moab's experienced guides.

Meetings & Events - Moab offers year round spaces for events, festivals, celebrations, conventions, meetings, weddings and group tours. Moab's unique venues include a surprising variety of indoor facilities as well as extraordinary outdoor settings to suit any taste.

Visiting Moab - Moab has a great selection of hotels, motels, bed & breakfasts, guest houses, condos and campgrounds to choose from. Allow some time to discover downtown Moab's diverse restaurants, shops & galleries. Enjoy some of Moab's lesser known activities such as golfing, canyoneering, skydiving, ballooning or horseback riding.

Moab Information Center
Once you arrive in Moab, your first stop should be the Moab Information Center (MIC). Conveniently located at the corner of Main and Center Street in Moab, the MIC offers information on recreational opportunities and services throughout southeastern Utah. Address for Vehicle Navigation Systems: 25 E Center St, Moab, UT 84532

Free Moab Travel Guide!

Order a copy of our free Moab Travel Guide on discovermoab.com or by calling 800-635-6822.

