

Top 10 Developments for SITLA's Next 20 Years

Aaron C. Garrett
School Children's Trust Section, USOE
Beneficiary Presentation
June 19, 2014



About This Presentation



About This Presentation

- Result of an Informal Poll of SITLA Staff over last few months



About This Presentation

- Result of an Informal Poll of SITLA Staff over last few months
- Give Board a Sense of Undeveloped Opportunities



About This Presentation

- Result of an Informal Poll of SITLA Staff over last few months
- Give Board a Sense of Undeveloped Opportunities
- Thought exercise



Two More Points



Two More Points

- Not Offered in Any Particular Order.....



Two More Points

- Not Offered in Any Particular Order.....
- Except the Number 1 Development



Number Ten: The Book Cliffs



Number Ten: The Book Cliffs



Number Ten: The Book Cliffs

Resource: Oil/Gas



Number Ten: The Book Cliffs

Resource: Oil/Gas

Potential: 20 wells at \$6 million/year = \$120 million/year



Number Ten: The Book Cliffs

Resource: Oil/Gas

Potential: 20 wells at \$6 million/year = \$120 million/year

Risks:

- Extent of resource speculative/unknown
- Terrain
- Political/Environmental



Number 9: Graymont Mine



Number 9: Graymont Mine



Number 9: Graymont Mine

- Resource: Limestone



Number 9: Graymont Mine

- Resource: Limestone
- Location: Cricket Mountain



Number 9: Graymont Mine

- Resource: Limestone
- Location: Cricket Mountain
- Potential: \$300,000 per year in royalties



Number 9: Graymont Mine

- Resource: Limestone
- Location: Cricket Mountain
- Potential: \$300,000 per year in royalties
- Lifetime: 35-40 years, in process of expanding



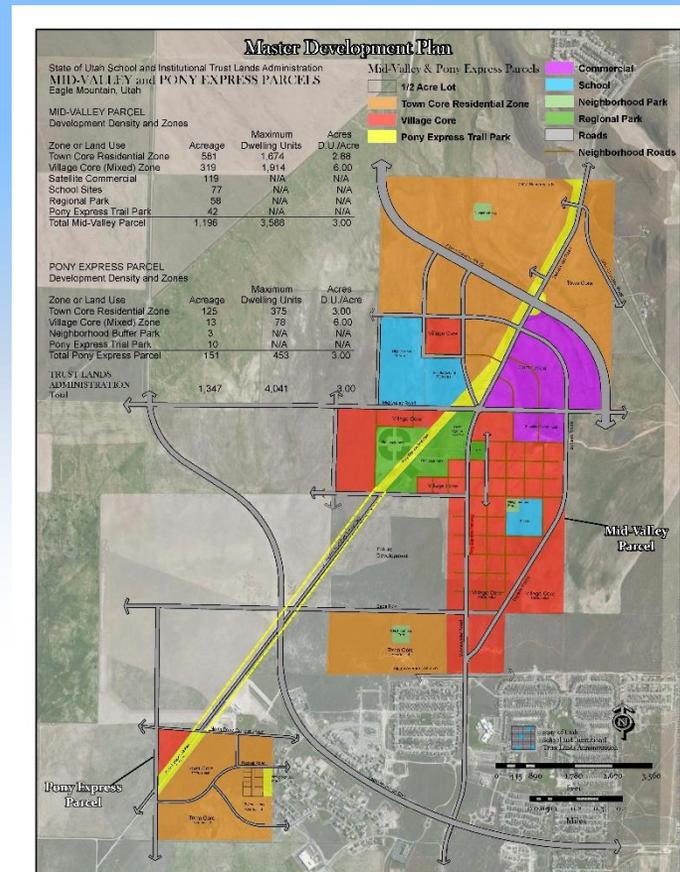
Number 9: Graymont Mine

- Resource: Limestone
- Location: Cricket Mountain
- Potential: \$300,000 per year in royalties
- Lifetime: 35-40 years, in process of expanding
- Total Potential Income: \$12 million



Number 8: Utah County Real Estate

Mid Valley (Eagle Mountain)



Number 8: Utah County Real Estate



Number 8: Utah County Real Estate

Projects: Mid Valley, Hidden Valley



Number 8: Utah County Real Estate

Projects: Mid Valley, Hidden Valley

Scope: Approximately 2,000 acres, multi-use



Number 8: Utah County Real Estate

Projects: Mid Valley, Hidden Valley

Scope: Approximately 2,000 acres, multi-use



Number 8: Utah County Real Estate

Risks:



Number 8: Utah County Real Estate

Risks:

- Competition (Property Reserve, Inc., other SITLA projects)
- Mid Valley—Uniting two parts of Eagle Mountain
- Hidden Valley—Highway construction, incorporation into Saratoga Springs, surrounding projects



Number 8: Utah County Real Estate

Risks:

- Competition (Property Reserve, Inc., other SITLA projects)
- Mid Valley—Uniting two parts of Eagle Mountain
- Hidden Valley—Highway construction, incorporation into Saratoga Springs, surrounding projects

Potential: ????????

- Many Years Out
- Limited large-scale developable land remaining in Wasatch Front



Number 7: Potash/Phosphate



Number 7: Potash/Phosphate

Blawn Mountain



Number 7: Potash/Phosphate



Number 7: Potash/Phosphate

- Projects: Blawn Mountain, Ashley Creek



Number 7: Potash/Phosphate

- Projects: Blawn Mountain, Ashley Creek
- Potential: \$1 billion in royalties



Number 7: Potash/Phosphate

- Projects: Blawn Mountain, Ashley Creek
- Potential: \$1 billion in royalties
- Risks:
 - Market
 - Environmental



Number 6: Cane Creek/Paradox



Number 6: Cane Creek/Paradox



Number 6: Cane Creek/Paradox

Resource: Oil/Gas



Number 6: Cane Creek/Paradox

Resource: Oil/Gas

Potential:

- UGS in middle of multi-year study of shale oil potential
 - 2004 study: “The Cane Creek is a fractured, self-sourced oil reservoir that is highly overpressured – an ideal target for horizontal drilling.”



Number 6: Cane Creek/Paradox

Resource: Oil/Gas

Potential:

- UGS in middle of multi-year study of shale oil potential
 - 2004 study: “The Cane Creek is a fractured, self-sourced oil reservoir that is highly overpressured – an ideal target for horizontal drilling.”
- Described as a “big deal” in June 2014 Explorer, American Association of Petroleum Geologists
 - No single U.S. well produced more oil than one drilled by Fidelity E&P in 2010.
 - 600,000-700,000 barrels in its first year
 - Four years later, still free flowing to surface



Number 6: Cane Creek/Paradox

Risks:



Number 6: Cane Creek/Paradox

Risks:

- Environmental
- Lack of Infrastructure
- Difficult topography and geology
- Artifacts



Number 5: Bonanza Block



Number 5: Bonanza Block



Number 5: Bonanza Block

Resource: Oil Shale



Number 5: Bonanza Block

Resource: Oil Shale

Lessee: Enefit



Number 5: Bonanza Block

Resource: Oil Shale

Lessee: Enefit

Timeline: 25 years out



Number 5: Bonanza Block

Resource: Oil Shale

Lessee: Enefit

Timeline: 25 years out

Potential: ???????



Number 5: Bonanza Block

Resource: Oil Shale

Lessee: Enefit

Timeline: 25 years out

Potential: ???????

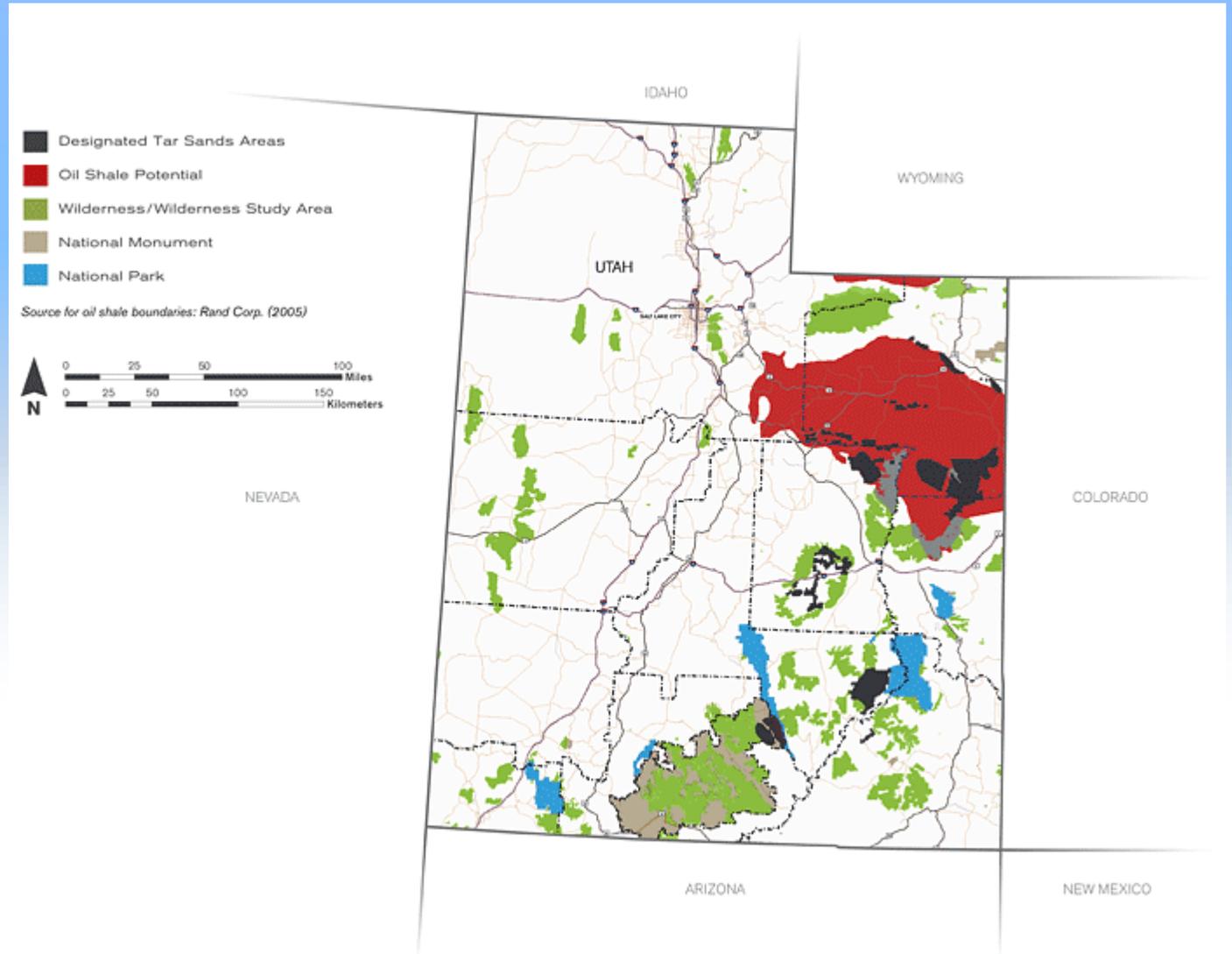
Risks:

- Technology
- Environmental
- Political



Utah's Oil Shale Potential

- 1.32 trillion barrels of oil
 - 77 billion recoverable
- Most on BLM Land



Number 4: Seep Ridge Block



Number 4: Seep Ridge Block



Number 4: Seep Ridge Block

Resource: Oil Shale



Number 4: Seep Ridge Block

Resource: Oil Shale

Lessee: Red Leaf



Number 4: Seep Ridge Block

Resource: Oil Shale

Lessee: Red Leaf

Size: 17,000 acres



Number 4: Seep Ridge Block

Resource: Oil Shale

Lessee: Red Leaf

Size: 17,000 acres

Timeline: Commercial scale in 12-16 months



Number 4: Seep Ridge Block

Resource: Oil Shale

Lessee: Red Leaf

Size: 17,000 acres

Timeline: Commercial scale in 12-16 months

Potential: ????????



Number 4: Seep Ridge Block

Resource: Oil Shale

Lessee: Red Leaf

Size: 17,000 acres

Timeline: Commercial scale in 12-16 months

Potential: ????????

Risks: Same (technology, environmental, political)



Number 3: South Block

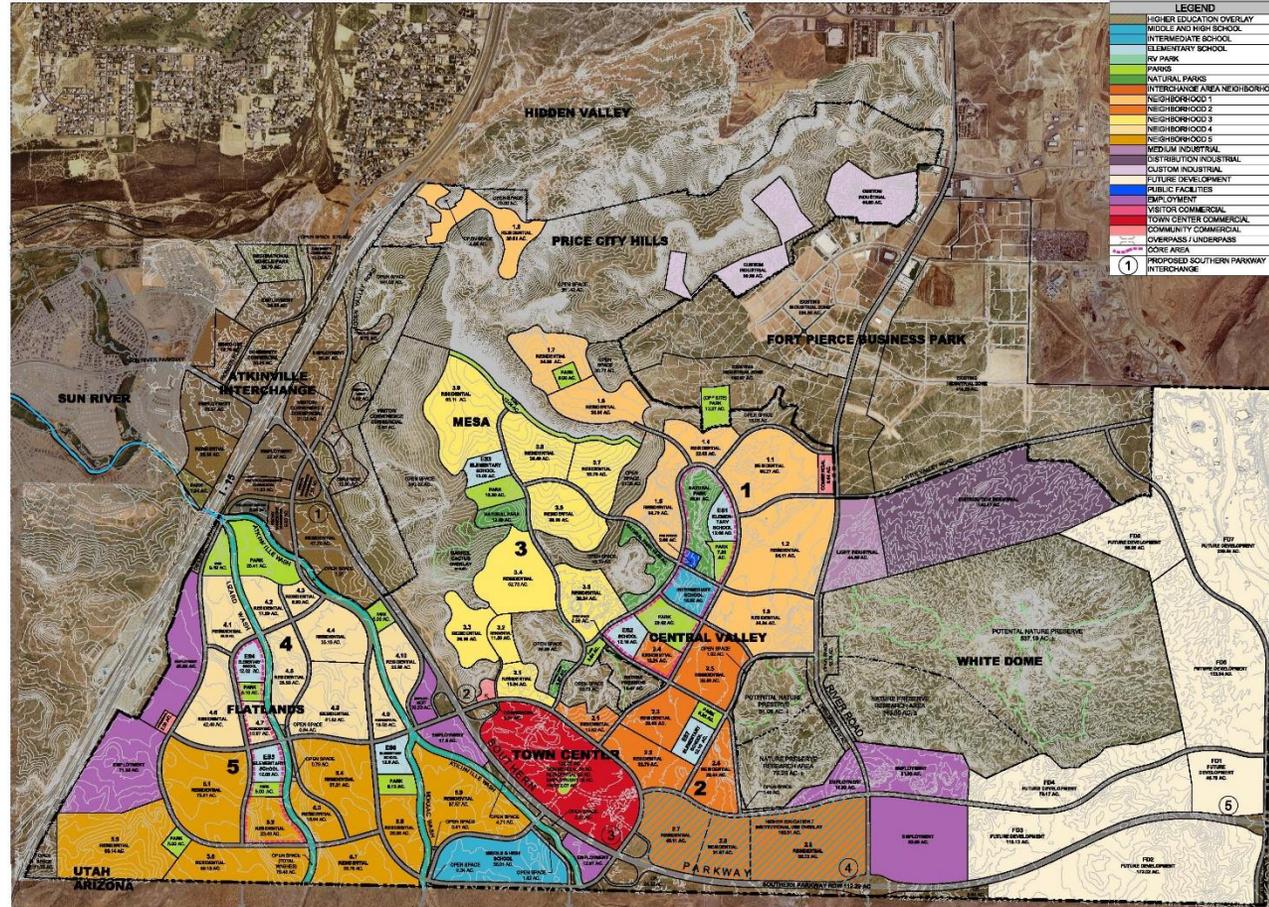


Exhibit 4.2 - Master Plan

February 2007
EDAW, Inc. / P&D Consultants



Number 3: South Block



Number 3: South Block

Resource: Real Estate



Number 3: South Block

Resource: Real Estate

Scale: 8,300+ acres



Number 3: South Block

Resource: Real Estate

Scale: 8,300+ acres

Timeline: 10+ years (25-50 years)



Number 3: South Block

Resource: Real Estate

Scale: 8,300+ acres

Timeline: 10+ years (25-50 years)

Potential: \$45,000 per acre = \$360,000,000 (FY2014 Major Project Summary)



Number 3: South Block

Risks:



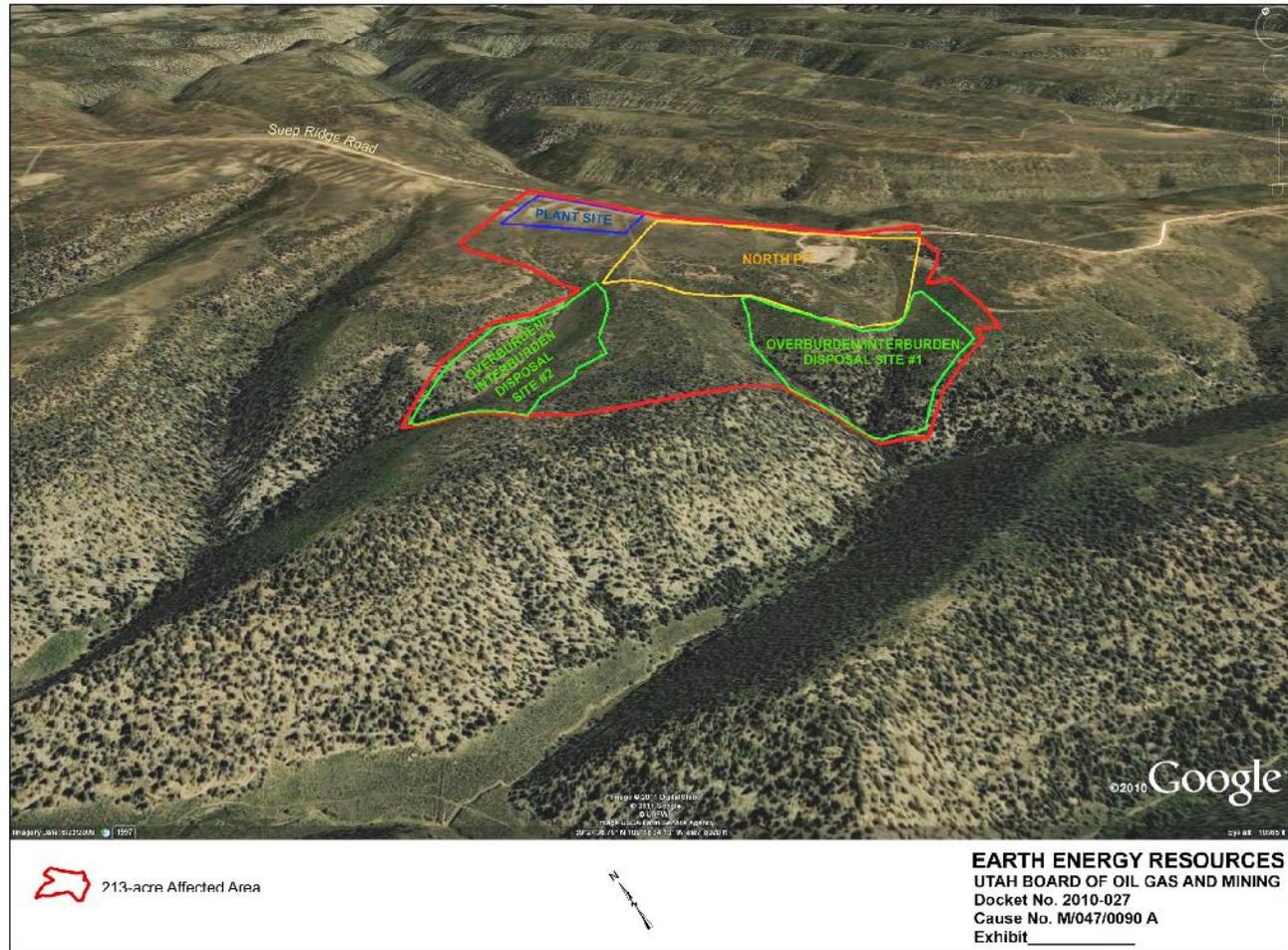
Number 3: South Block

Risks:

- \$26 million invested to date.
- If you build it, will they come?
- How best to move forward?



Number 2: Tar Sands



Number 2: Tar Sands

Resource: Tar Sands

Lessee: US Oil Sands

Potential:

- Utah: 30 billion barrels
- 32,000 acres leased in Utah
- Have a test pit and test plant



Number 2: Tar Sands

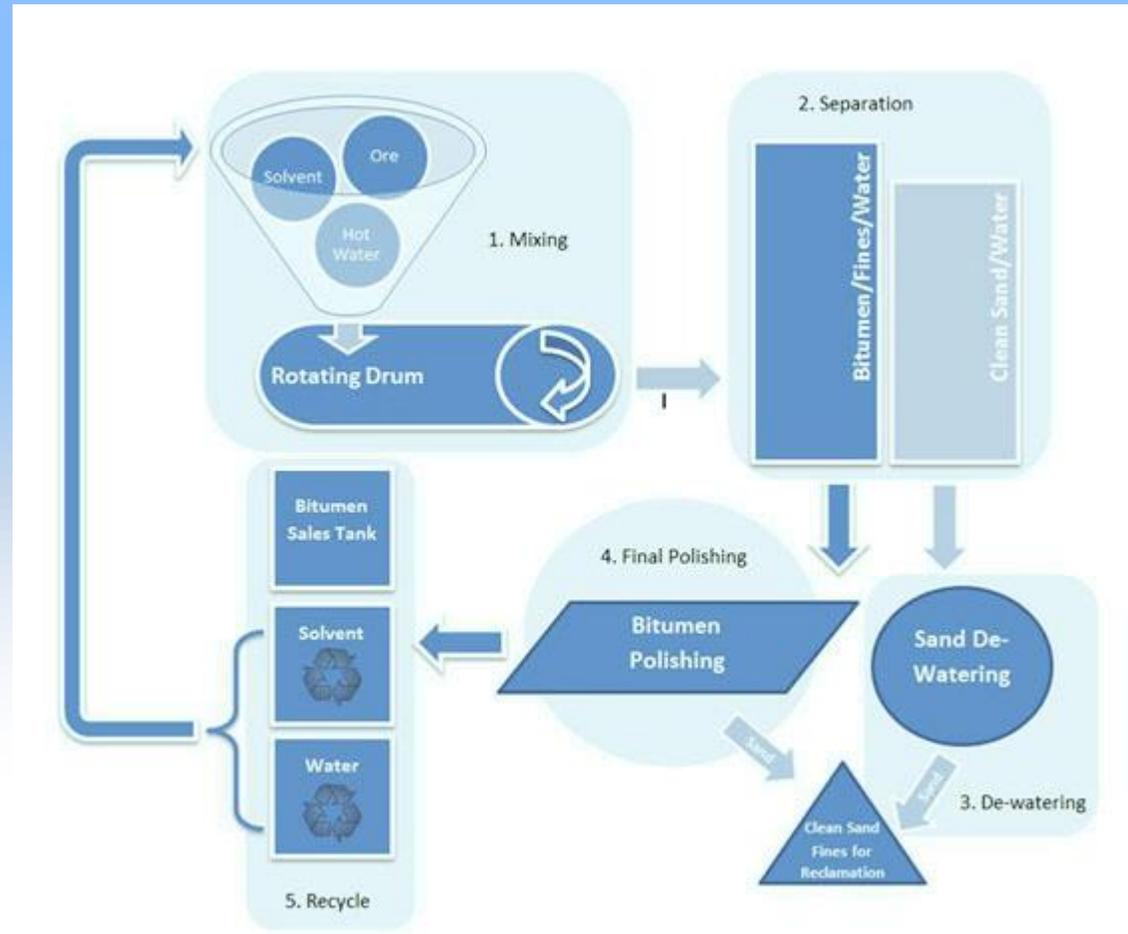
Risks

– Political



Number 2: Tar Sands

- Risks:
 - Political
 - Technological



Number 2: Tar Sands

- Risks:
 - Political
 - Technological
 - Legal

Number 1:



Number 1:

The People of SITLA



Number 1: The People of SITLA



Rodger Mitchell: 9 Years



Number 1: The People of SITLA



Tom Mitchell: 10 Years



Number 1: The People of SITLA



LaVonne Garrison: 14 Years



Number 1: The People of SITLA



Tom Faddies: 16 Years



Number 1: The People of SITLA



Kim Christy: 13 years with SITLA, 20 with State



Number 1: The People of SITLA



John Andrews: 20 years



Number 1: The People of SITLA



Ron Carlson: 20 years with SITLA, 26 with State



Number 1: The People of SITLA



Lisa Schneider: 20 years with SITLA, 28.5833333 with State



Number 1: The People of SITLA



Kevin Carter: 20 years with SITLA, 33 with State



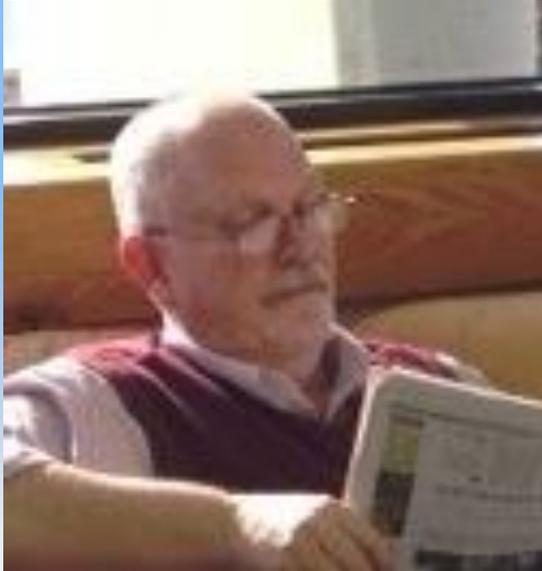
Number 1: The People of SITLA



Chet Gritzmacher: 14 with SITLA, 34 with State



Number 1: The People of SITLA



Rick Wilcox: 20 years with SITLA, 35 with State



Number 1: The People of SITLA

What's the Point?

- SITLA's success over the past 20 years has been due to its PEOPLE
- Who will be the next generation of leaders?



The End

- Questions
- Comments

