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UTAH STATE OFFICE OF EDUCATION

August 28, 2013

For Immediate Release

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School Children's Trust Calls Book Cliffs Development a Win for Schools

SALT LAKE CITY – On August 20, 2013, the [School and Institutional Trust Lands Administration](#) (SITLA) Board of Trustees voted to approve a proposal from Anadarko E & P Onshore LLC to conduct exploratory drilling over a five-year period on SITLA's Book Cliffs Block. Anadarko will pay SITLA a 17 percent royalty on all minerals produced through the lease, which will be deposited in the permanent [State School Fund](#) and used to fund public education in Utah.

"The Book Cliffs Block proposal appears to be in the best interests of the School Children's Trust," said School Children's Trust Director Timothy Donaldson. "This development is particularly important now, as the Division of Oil, Gas and Mining has indicated that drilling permit applications have declined by more than 50 percent this year, which negatively impacts funding for education." Donaldson added that the Utah State Board of Education has not yet taken a position on the matter, but will discuss the issue during their September 6 meeting.

"Energy production is an essential piece of the education funding puzzle, providing tens of millions annually for Utah's public schools. This is the largest block owned by the school trust, and was specifically targeted for its mineral potential" said Jennifer Johnson, a member of

the Utah State Board of Education and the Board's assigned representative to the Trust Lands Advisory Committee (TAC), a coalition of education advocacy groups which serves as a watchdog to protect beneficiary rights in the trust.

"This proposal to explore the Book Cliffs Block for oil and gas production fits squarely within the duties of SITLA. Trust Lands exist for the benefit of Utah's current and future school children. It is imperative that trust lands be developed as they are the fastest growing tax-free revenue source for public education" said Karen Peterson, the Utah PTA Trust Lands appointee.

"The lands in question have been set aside since the state's inception to provide maximum use and funding for our public schools. This lease represents decisions by an independent board to see that this happens and is something the schools and the children of the state need, given current funding levels for our schools," said Kory Holdaway, Government Affairs Director for the Utah Education Association.

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