



Oregon

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STATE LAND BOARD

Tuesday, June 14, 2016

10:00 am – Noon

Oregon Department of State Lands

Land Board Room

775 Summer St NE

Salem, Oregon

State Land Board

Kate Brown

Governor

Jeanne P. Atkins

Secretary of State

MEETING AGENDA

Consent

1. a. Request for approval of the minutes from the April 12, 2016 State Land Board meeting.
- b. Request for approval of the release of approximately 56 acres of mineral rights in Polk County.
- c. Request for approval of the release of approximately 62 acres of mineral rights in Josephine County.
- d. Request for approval to initiate the review and determination of the potential sale or exchange of approximately 708 acres of agricultural lands in Malheur County.

Ted Wheeler
State Treasurer

Informational

2. Overview of the Oregon Marine Debris Action Plan.
3. Annual report on the Trust Property Program for fiscal year 2015.

Action

4. Request for approval to submit the Department of Forestry's proposed 2017-19 budget request for ODF managed Common School Lands to the Department of Administrative Services.
5. Request for approval to submit the Department of State Lands' proposed 2017-19 budget request to the Department of Administrative Services.
6. Request for approval to sell 0.21 acres of state-owned filled lands in Columbia County.
7. Other.

This meeting will be held in a facility that is accessible for persons with disabilities. If you need assistance to participate in this meeting due to a disability, please notify Lorna Stafford at (503) 986-5224 or lorna.stafford@state.or.us at least two working days prior to the meeting.

Public Testimony - The State Land Board places great value on information received from the public. The Board accepts both oral and written comments on ***consent and action agenda items only***.

When providing testimony, please:

- Provide written summaries of lengthy, detailed information
- Recognize that substance, not length, determines the value of testimony or written information
- Endorse rather than repeat the testimony of others

Written comments may be submitted before or during the meeting for consideration by the Board. Please bring 10 copies for distribution. To speak at the meeting, you must sign in on the sheet provided at the information table located near the meeting room's entrance. The standard time limit is three minutes for each individual. The Board cannot accept testimony on a topic for which a public hearing has been held and the comment period has closed.



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State Land Board

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Governor

State Land Board

Regular Meeting
June 14, 2016
Agenda Item 1b

Jeanne P. Atkins
Secretary of State

Ted Wheeler
State Treasurer

SUBJECT

Request from James and Jennifer Mellein to acquire the subsurface mineral and geothermal rights on property located in Polk County.

ISSUE

Whether the State Land Board should authorize the release of approximately 56 acres of mineral and geothermal rights held by the State Land Board located in Polk County.

AUTHORITY

Oregon Constitution, Article VIII, Sections 2 and 5; pertaining to the Common School Fund and land management responsibilities of the State Land Board.

OAR 141-067-0320; relating to procedures for the sale, exchange, or release and transfer of mineral and geothermal resources.

SUMMARY

On January 14, 2016, DSL received an application from John and Jennifer Mellein for the release of approximately 56 acres of mineral and geothermal rights held by the State Land Board located in Polk County (Tax Lots 1300, T09S, R06W, W.M., Section 34). The surface ownership rights are owned by the Mellein Family. (Appendix A)

DSL requested an analysis of the mineral and geothermal potential by the Department of Geology and Mineral Industries (DOGAMI). DOGAMI found there was no or low potential for mineral and geothermal extraction on the site (Appendix B). On this basis, the Department recommends the release and transfer of mineral and geothermal resources in the long-term, best interest of the Trust (Common School Fund).

DSL typically levies a \$10/acre charge for releases of mineral rights. This will be charged on the approximately 56 acres for a sale price of \$560.

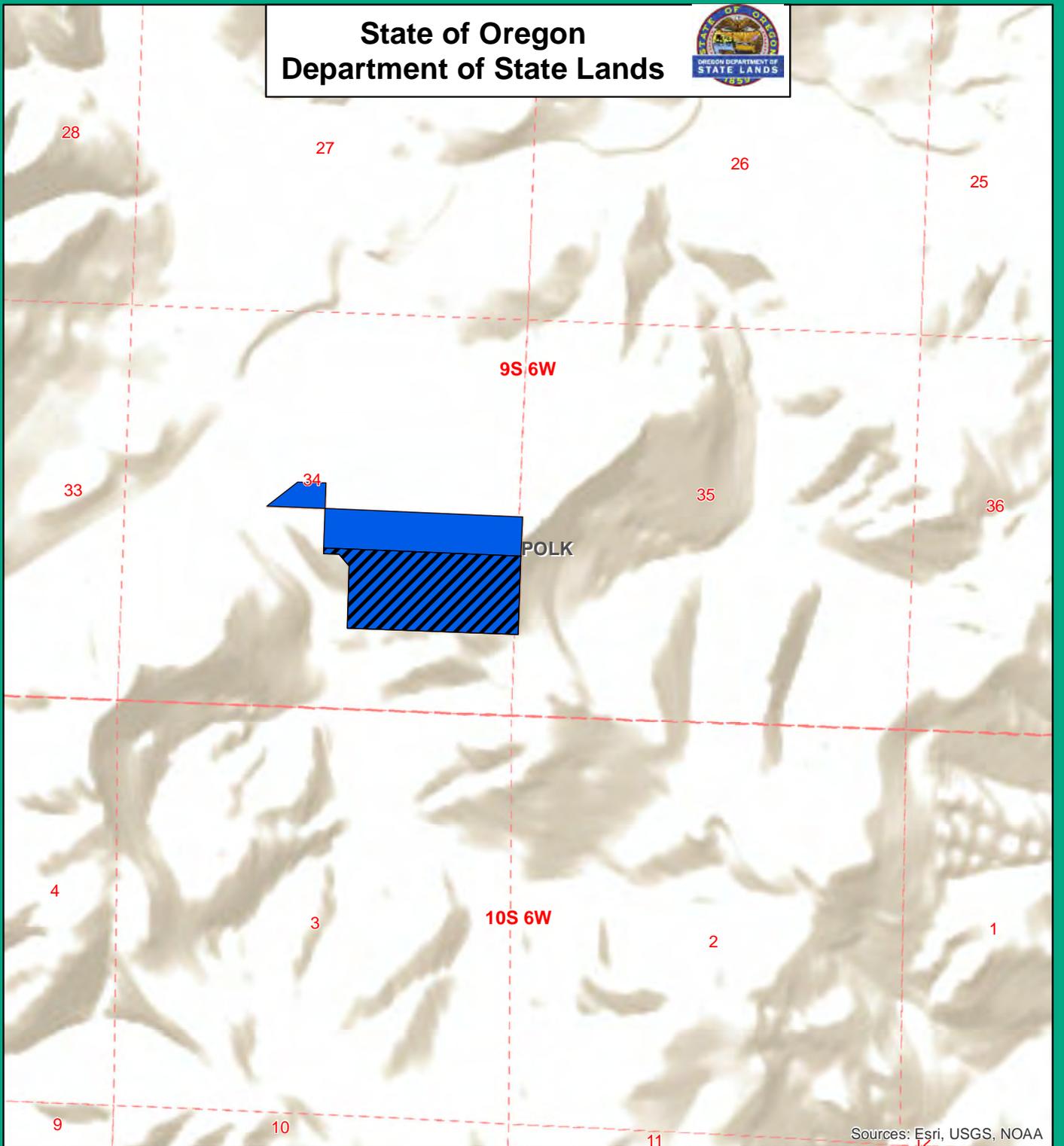
RECOMMENDATION

The Department recommends the State Land Board find that the release and transfer of mineral and geothermal resources for this property is in the long-term, best interest of the Trust, and authorize the release of mineral rights for this property located in Polk County (Tax Lot 1300, T09S, R06W, W.M., Section 34).

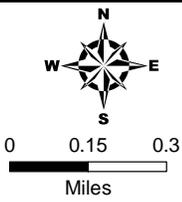
APPENDICES

- A. Site map
- B. DOGAMI mineral scoping report

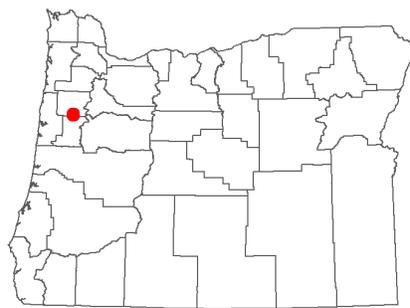
State of Oregon Department of State Lands



Sources: Esri, USGS, NOAA



Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet



-  DSL Minerals Requested
-  DSL Mineral Ownership

This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

Exhibit A

State of Oregon
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Date: 4/12/2016

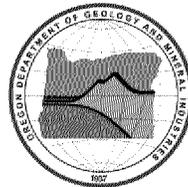
State of Oregon
Oregon Department of Geology and Mineral Industries
Brad Avy, Director and State Geologist

MINERAL ASSESSMENT REPORT
MELLEIN 58700-LS
POLK COUNTY, OREGON

by Clark A. Niewendorp¹

for

John Russell, Principal Real Property Planner
Oregon Department of State Lands



2016

¹Oregon Department of Geology and Mineral Industries, 800 NE Oregon Street, Suite 965, Portland, OR 97232

DISCLAIMER

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SUMMARY

An application (58700-LS) has been made to the Oregon Department of State Lands (DSL) to release and transfer mineral and geothermal resource rights owned by the state back to the ownership of the applicant. The land in question is Tax Lot 1300, called the “parcel”, described as follows:

County	Section	Township	Range	Tax Lot	Acres
Polk	34	9S	6W	1300	±56.45

At the request of DSL, the Oregon Department of Geology and Mineral Industries (DOGAMI) performed an evaluation of the parcel’s mineral resource potential. This report and its findings are summarized below.

The parcel’s mineral resource potential is summarized below:

Type of Commodity	Resource Potential*	Level of Certainty*
Sand and gravel (borrow/fill/topsoil)	no	—
Construction material (crushed/block stone- sandstone)	Low	A
Limestone	no	—
Clay	no	—
Pumice	no	—
Silica sand	no	—
Bentonite	no	—
Metals (precious, base metals)	no	—
Coal	no	—
Uranium and thorium	no	—
Geothermal	no	—
Oil and gas	no	—
Other industrial minerals (gemstone materials, perlite, zeolite, manganese, titanium, zirconium)	no	—

* Statements in this mineral assessment report relating to the geology and mineral resource potential of the parcel are based on basic desk-top research. The outcome of this research is limited to published and unpublished geology and mineral/material resource literature available at DOGAMI as the means to profile the parcel’s mineral potential. This examination did not include activities such as sampling and systematic geological, geophysical, and geochemical mapping as the basis for determination or confirmation that a mineral resource potential exists. See Section 5.2 and 5.2 for descriptions of levels of resource potential and certainty.

Therefore, based on available geologic data, I see no conflicts or concerns related to the transfer of the mineral and geothermal resource rights to the applicant.

1.0 INTRODUCTION

An application (58700-LS) has been made to the Oregon Department of State Lands (DSL) to release and transfer mineral and geothermal resource rights owned by the state back to the ownership of the applicant. The DSL contacted Oregon Department of Geology and Mineral Industries (DOGAMI) December 2, 2015 regarding the preparation of this report. The land in question is Tax Lot 1300, called the “parcel”, described as follows:

- Tax Lot 1300 in T. 9 S., R. 6 W., Sec. 34 in Polk County and encompasses ±56.45 acres.

This report and its findings should be considered as being equivalent only to a low-level assessment. Furthermore, no attempt is made in this report to assess the development potential of any identified mineral resource on or in the parcel, nor was the surrounding area assessed for the same purpose.

While the focus of this assessment is the parcel, the larger study area to be considered is an approximately 10 mi (16 km) radius area that borders the parcel. A study area of this size provides a greater level of information about the identified occurrence of minerals and the mineral setting in the parcel.

1.1 Instructions

The DSL contacted DOGAMI in late December 2015 to move ahead with the preparation of this report. This report is prepared in accordance with the requirements of the 2013 DOGAMI-DSL Interagency Agreement (DSL #14-111-90004).

1.2 Layout of Report

For the convenience of the reader, this report is divided into the following five sections:

- Section 1 is the introduction. It contains the project’s instructions and the layout of report.
- Section 2 is a description of the physical and geologic setting.
- Section 3 is the desk assessment part and describes the parcel’s potential mineral resources.
- Section 4 is a list of references; some of which were consulted as a part of this review but may not be cited in the text body because they contain no information on the parcel.
- Section 5 contains a brief description of the methods and limitations of the study, along with two reference tables: Levels of Resource Potential and Levels of Certainty. These tables provide a dual scheme that expresses the favorability of the subject area for a given resource and confidence from which the level of resource potential was assigned.

2.0 PHYSICAL SETTING

The parcel is located in the southern part of Polk County. Within 11 air miles (18 km) of the parcel to the northeast is the City of Monmouth. The unincorporated community of Pedee is about 1 mile (3.2 km) to the west-northwest of the parcel. This community is just north of the intersection of the Kings Valley Highway (OR-223), which runs between the town of Wren, Oregon and the city of Dallas, Oregon, and Ira Hooker Road that provides access to the parcel. Table 2.1 describes the physical setting of the parcel; Figure 2.1 shows the parcel’s geographic location and extent. Please note the parcel as illustrated in the map below and on those that follow are for display purposes only. Actual shape and size of the parcel may not be displayed properly.

Table 2-1. The parcel’s physical setting.

Tax Lot 1300	
Size	±56.45 acres
Topography	Hilly
Shape	Elongated rectangle
Frontage	Ira Hooker Road
Zoning	Timber Conservation Zone

The country in the immediate vicinity of the parcel is hilly. Elevations range from 840 ft (256 m) to about 320 ft (98 m) above sea level. The parcel is drained by an unnamed stream which is a tributary of Lickiamute Creek. The parcel experiences warm and dry summers; the warmest month is July with an average temperature of 80°F (27°C). The coolest month is January with a low of 32°F (0°C). Rainfall averages about 67 in (170 cm) and most falls during December. Part of this precipitation is in the form of snowfall which averages 11 in (30 cm).

There is one structure, probably an out-building, which is partly on the parcel and it is next to and part of a home site. Otherwise the rest of the parcel is undeveloped. The land ownership within the study area is shown in Figure 2.2 and the topographic maps covering the parcel are listed in Table 1.2.

Table 2-2. Topographic maps covering the parcel.

1:24,000-Scale Quadrangle	1:100,000-Scale Quadrangle
Kings Valley	Corvallis

Figure 2-1. Vicinity map for the parcel (red fill).

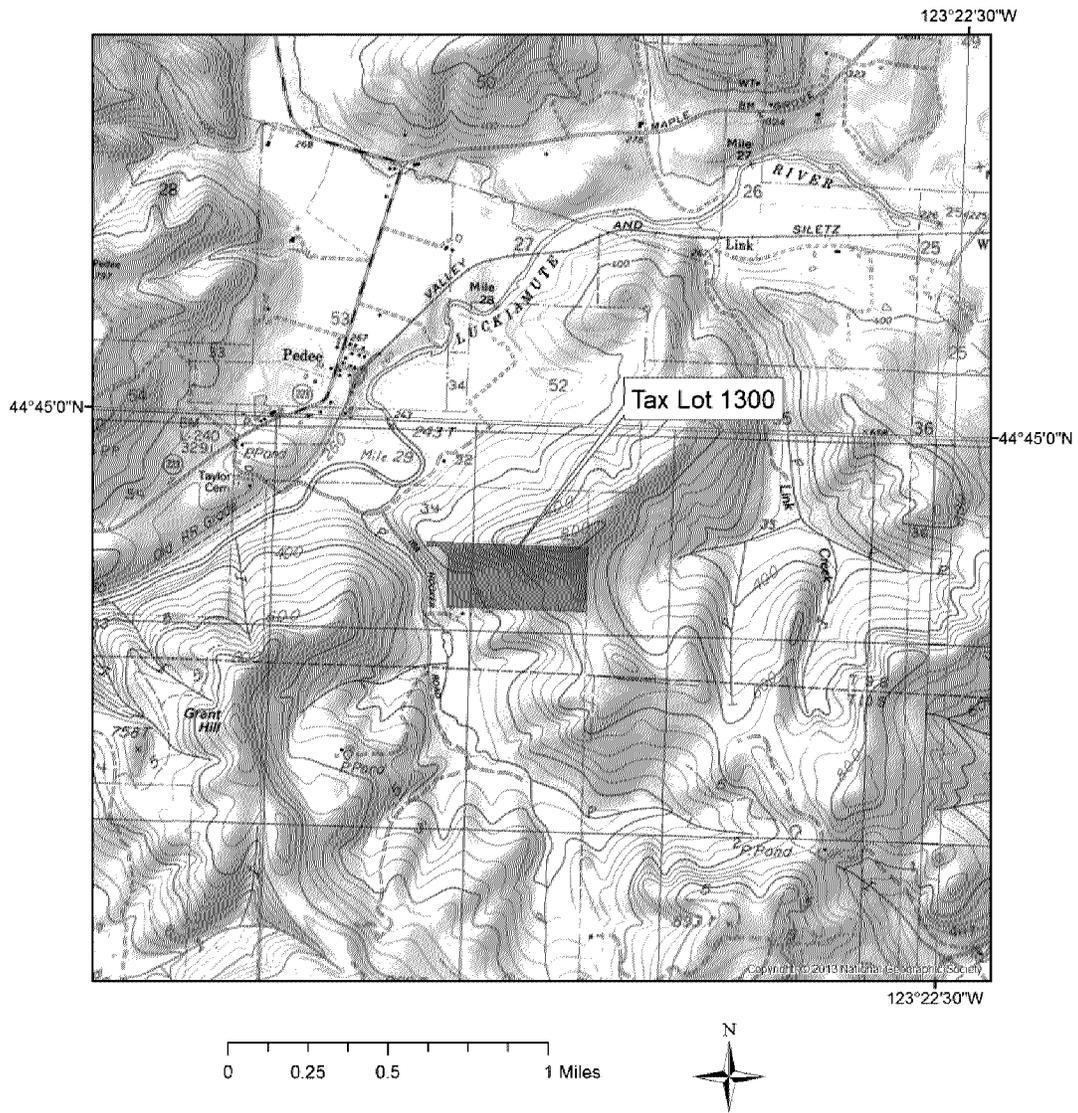
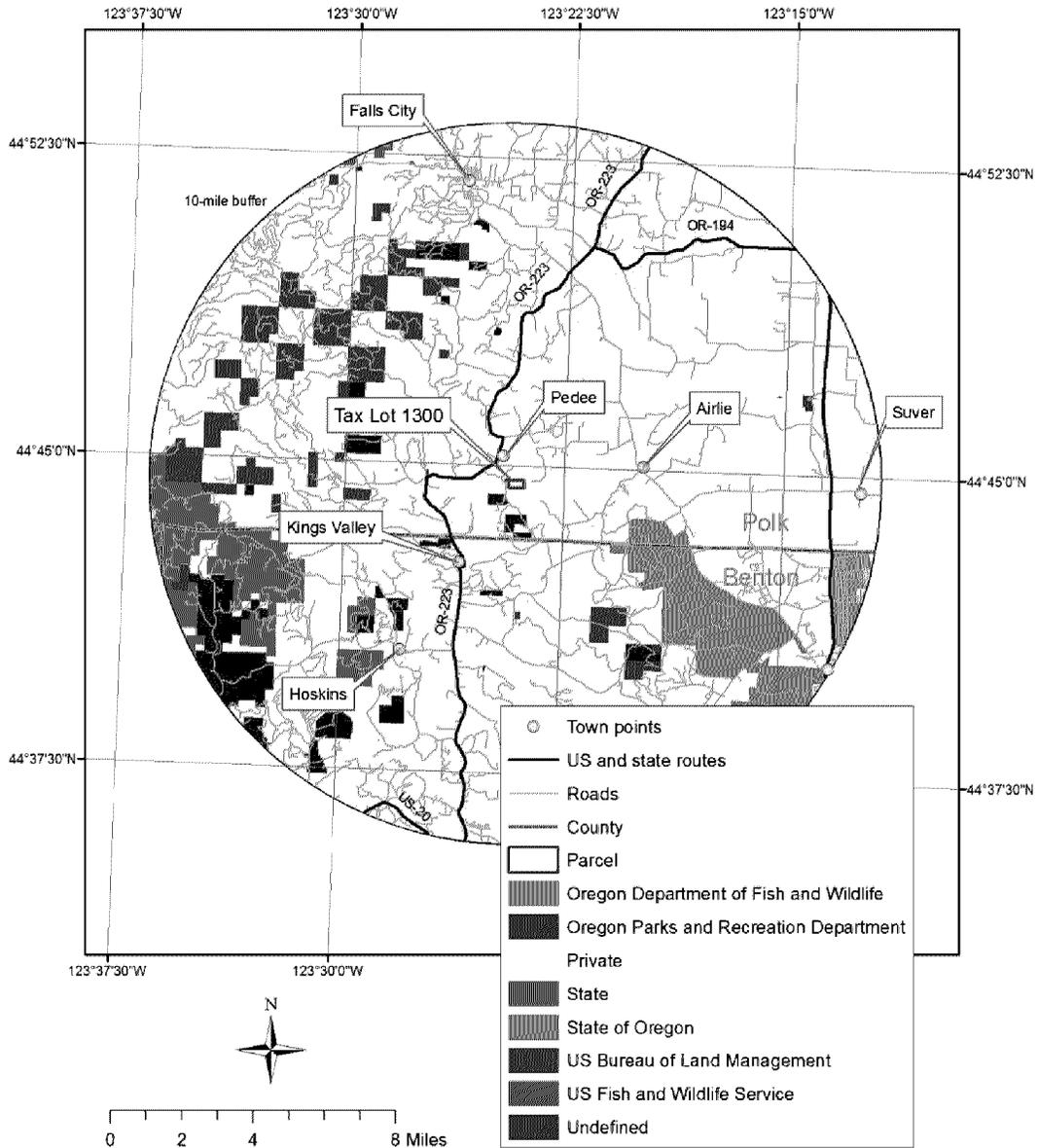


Figure 2-2. Map of land ownership in the study area.



3.0 RESULTS

This section presents the results of the mineral scoping of the parcel and surrounding study area. Where this report indicates a potential mineral resource might exist, it is important to understand what a “resource” is and means. According to the U.S. Bureau of Mines and U.S. Geological Survey (USGS) Circular 381, “Principles of a Resource/Reserve Classification System,” “resource” means, “[a] concentration of naturally occurring solid, liquid, or gaseous material in or on the Earth’s crust in such form and amount that economic extraction of a commodity from the concentration is currently or potentially feasible” (p. 1). An identified resource is a “[r]esource whose location, grade, quality, and quantity are known or estimated from specific geologic evidence” (p. 1).

A resource or identified resource does not infer or imply a “reserve base” or “reserve” exists. A “reserve base” is “[t]hat part of an identified resource that meets specific minimum physical and chemical criteria related to current mining and production practices, including those for grade, quality, thickness, and depth” (p. 2). The meaning of a “reserve” is “[t]hat part of the reserve base which could be economically extracted or produced at the time of determination” (p. 2).

The non-fuel mineral commodities evaluated for this assessment include aggregate, industrial minerals (clay, silica sand, pumice, and limestone), and metals (precious, oxide, and base). Mineral fuel commodities evaluated are coal, uranium/thorium, geothermal, oil, and gas. Occurrences of other commodities (gem material, dimension stone, other clays (bentonite), perlite, zeolites, manganese, titanium, zirconium, etc.) will be reported as industrial minerals when encountered as part of this evaluation.

For this assessment, the term “aggregate” includes gravel (and by association sand) and all consolidated stone used for construction and roads. Stone may be further classified as crushed—rock that has been broken into smaller fragments—and blocks.

3.1 Status of Mineral Surveys

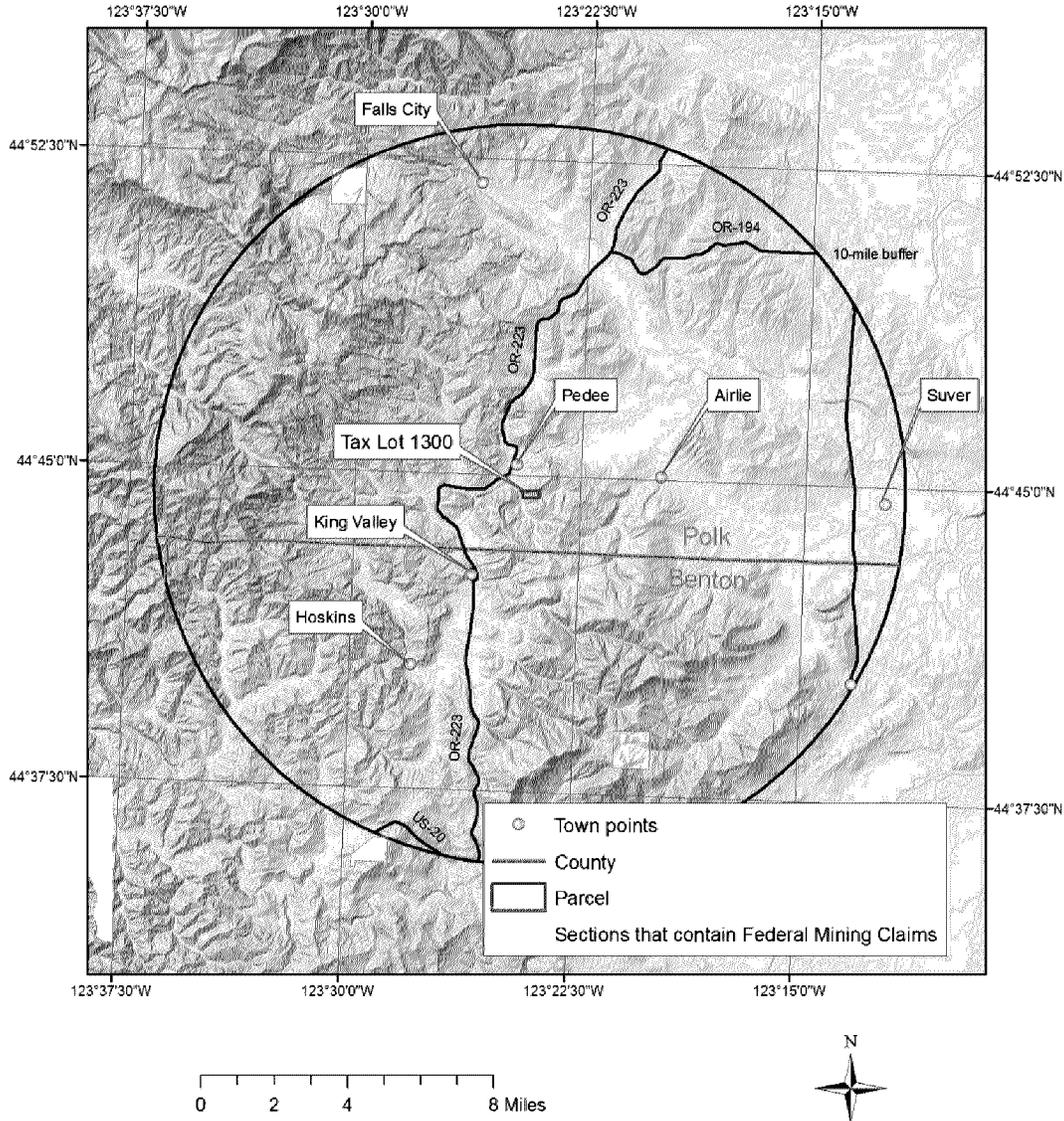
The parcel has not been studied as part of a previous mineral survey by DOGAMI or by the U.S. Geological Survey (or the former U.S. Bureau of Mines).

3.2 Mining Claims/Leases

DOGAMI does not maintain records pertaining to public claims or private mineral leases. As mentioned earlier, land ownership within the study area is a mix of private, State-owned, and Federal lands (see Figure 2.2). The Bureau of Land Management (BLM) does make some records of mining claims on Federal lands easily available to the public on its LR2000 website (www.blm.gov/lr2000/index.htm). Only certain types of mineral discoveries can be claimed; these minerals are broadly known as “locatable” (possessing a distinct and special value) and include such things as precious metals, gems, high-value industrial minerals, uranium, etc. Locatable minerals generally do not include construction aggregate, common industrial minerals, oil, gas, coal, or geothermal resources.

The Public Land Survey Sections where there are federal mining claims in and adjacent to the study area are shown on Figure 3.1. The status of these claims, e.g., closed or active, is unknown.

Figure 3-1. Map of federal mining claims (green) in and adjacent to the study area. The map base is a 10-m hillshade. Thick black line = study area extent; thin black lines = roads; Gray lines = county boundary; Red lines = outline of the parcel.



3.3 Mineral Setting

Geologic maps in the study area include Baldwin (1995), Yeats and others (1996), and O'Connor (2001). Later Ma and others (2009) compiled their work into a statewide digital geologic map. Figure 3.3 depicts the surface geology from this compilation. Some geologic units are assigned one color based on similar lithology and stratigraphy. Hence, the map presented below is a further simplification of Ma's compilation.

Figure 3-2. Simplified geologic map of the parcel. The map base is a lidar derived hillshade image; the geology is modified from Ma and others (2009). See Table 3-2 for list of map units; Faults = heavier black lines, parcel = red.

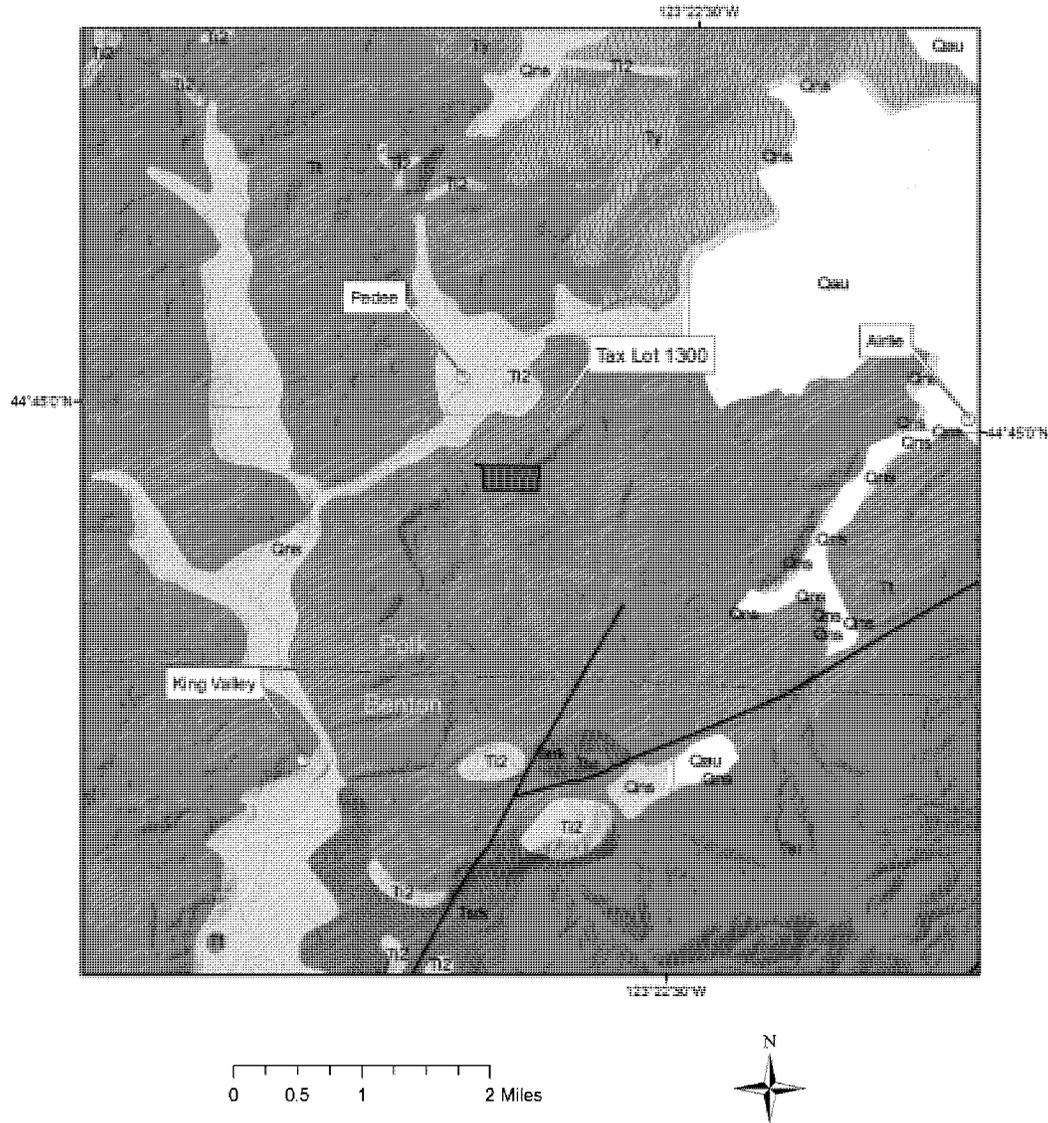


Table 3-1. List of map units.

Map Unit Label*	Map Unit Name	Reference
Qau	Alluvium, undifferentiated	O'Connor and others (2001)
Qns	Nonmarine sedimentary deposits	Yeats (1996)
Tt2	Tyee Formation	Baldwin (1955)
Trsk	Siletz River Volcanics, Kings Valley siltstone member	Yeats (1996)
Tsr	Siletz River Volcanics	Yeats (1996)

*Map units are not listed in stratigraphic order.

Bedrock geology along the eastern side of the Coast Range and in the study area is dominated by Tertiary rocks. These rocks are underlain by the Eocene Siletz River volcanics, which are the oldest rocks in the study area and regarded as basement rock.

In Figure 3.2, the geology of the parcel and surrounding area is dominated by massive beds of Tyee sandstone (Unit Tt) (Baldwin, 1955). The surficial geologic units shown in Figure 3.3 are Pleistocene and Recent semi-consolidated to unconsolidated deposits that formed by relatively recent processes. These sediments locally mantle the older bedrock units. The rocks in the study area have been gently folded and in a few places faulted (see Figure 3.2).

3.4 Known Mineral Occurrences

In this report, no distinction is made between a mineral occurrence and mineral deposit. The term “mineral occurrence” applies to both and is used to refer to a concentration of a mineral that could be considered valuable by someone somewhere or that is of scientific or technical interest. The known mineral occurrences, geothermal features, and oil and gas exploration wells in the study area, including any within the parcel, are tabulated below in Table 3.1. The mineral occurrences are shown in Figure 3.4.

Table 3-2. Minerals occurrences within the study area and in and on the parcel.

Type of Commodity	Study Area (Mineral Occurrences*)	Parcel (Mineral Occurrences*)
Aggregate (sand and gravel; stone, crushed and block; borrow/fill/topsoil)	71	0
Industrial mineral (clay, silica sand, soapstone, and limestone material)	6	0
Metals/minerals	0	0
Coal	0	0
Uranium and thorium	1	0
Geothermal features	0 wells, 0 springs	0 wells, 0 springs
Oil and gas wells (abandoned)	3	0

*Mineral occurrence information queried from two spatial databases (see Section 4).

A brief description of the known mineral occurrences in the study area and any within the parcel is provided below.

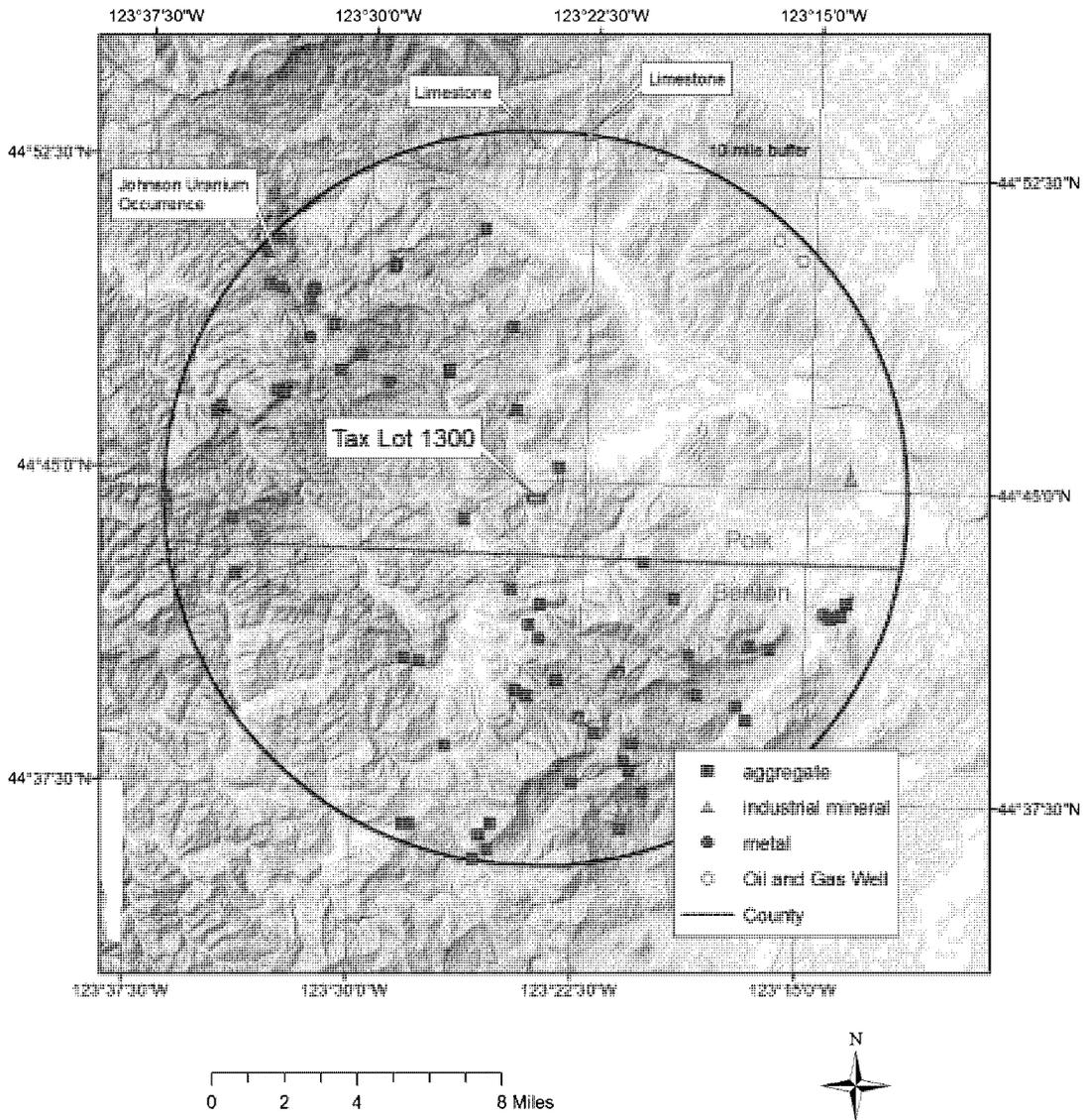
3.4.1 Study Area

- There are 71 aggregate sites of which 4 are (reportedly) sand and gravel (pits) and 67 are quarries and/or borrow pits. The quarries produce crushed stone, block, or both.
- Limestone was quarried at three points near the northern edge of the study area. Zeolites occur in three areas. One clay locality is in the study area.
- There is an occurrence of uranium (carnotite?) exposed in the rocks of Rickreall Creek (Schafer, 1956).
- Three oil and gas exploration wells have been drilled in the study area. Signs of hydrocarbon was reported in one well as a “show.” A show is the appearance of oil and gas in cuttings, samples, or cores from drilling a well. These wells have been plugged and abandoned.

3.4.2 Parcel

There are no known mineral occurrences or evidence of mining on or in the parcel.

Figure 3-3. Mineral occurrences in the study area (black circle). The map base is a hillshade image derived from lidar. Black lines = roads; Gray dashed line = county boundary; Red lines = outline of the parcel.



3.5 Mineral Resource Evaluation

The mineral resource evaluation is based on the criteria explained by Goudarzi (1984) (see Section 5.1 and 5.2). These criteria were adapted for this report so as to determine relative levels of resource potential and relative levels of certainty of assessment within the parcel. The mineral resource potential in and on the parcel is summarized below in Table 3.3.

The parcel has a low potential for sandstone resources (level of certainty A). The parcel has no mineral resource potential for the following commodities and mineral fuels: industrial minerals, metals;

coal, uranium, and thorium; and geothermal. According to Baldwin (1955), the overall oil and gas potential of the Tye formation is low. Further, the parcel is well outside of even the “speculative” structural and stratigraphic plays in the Tye Formation (In-Chang and others, 1996). This suggests that not all of the elements of a petroleum system are present, e.g., (1) a source rock for petroleum; (2) migration path(s); (3) reservoir rock; (4) seal; (5) trap; and (6) the geologic processes that form these elements. Therefore, the parcel has no oil and gas potential.

Table 3-1. Mineral resource potential in the parcel.

Type of Commodity	Resource Potential	Level of Certainty
Sand and gravel (borrow/fill/topsoil)	no	
Construction Material (crushed/block stone-sandstone)	Low	A
Limestone	no	
Clay	no	
Pumice	no	
Silica sand	no	
Bentonite	no	
Metals (precious, base metals)	no	
Coal	no	
Uranium and thorium	no	
Geothermal	no	
Oil & Gas	no	
Others industrial minerals: (gemstone materials, perlite, zeolite, manganese, titanium, zirconium)	no	

3.6 Recommendations

Therefore, based on available geologic data, I see no conflicts or concerns related to the transfer of the mineral and geothermal resource rights to the applicant.

4.0 LITERATURE SOURCES

Some references below were consulted as a part of this review but may not be cited in the text body because they contain no information on the parcel.

- Baldwin, E.M., 1947, Geology of the Dallas and Valsetz quadrangles, Oregon: Oregon Department of Geology and Mineral Industries Bulletin B-35, 61 p. http://www.oregongeology.org/pubs/B/B-036_vol1.pdf
- Baldwin, E.M., 1955, Geology of the Marys Peak and Alsea quadrangle, Oregon: US Geological Survey Oil and Gas Investigation Map OM-162. http://ngmdb.usgs.gov/Prodesc/proddesc_5312.htm
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- O'Connor, J.E., Sarna-Wojcicki, A., Wozniak, K.C., Polette, D.J., and Fleck, R.J., 2001, Origin, extent, and thickness of Quaternary geologic units in the Willamette Valley, Oregon: U.S. Geological Survey Professional Paper 1620, 51 p. <http://pubs.usgs.gov/pp/1620/>
- Olmstead, D.L., 1989, Hydrocarbon exploration and occurrences in Oregon: Oregon Department of Geology and Mineral Industries Oil and Gas Investigation OGI-15, 78 p. <http://www.oregongeology.org/pubs/ogi/OGI-15.pdf>

- Oregon Department of Geology and Mineral Industries, Mineral Land Reclamation and Regulation database.
- Oregon Department of Geology and Mineral Industries, 1951, Oregon metal mines handbook, northwestern Oregon Bulletin 14-D, p. 146-147. <http://www.oregongeology.org/pubs/B/B-014D.pdf>
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- Orr, E.L., Orr, W.N., and Baldwin, E.M., 1992, Geology of Oregon (4th ed.): Dubuque, Iowa, Kendall/Hunt, 254 p.
- U.S. Bureau of Mines and U.S. Geological Survey, Principles of a resource/reserve classification for minerals, Circular 831, 5 p. <http://pubs.usgs.gov/circ/1980/0831/report.pdf>
- Schafer, Max, 1956, Uranium prospecting in Oregon in 1956: Oregon Department of Geology and Mineral Industries Ore Bin, v. 18, no. 12, p. 101-107. <http://www.oregongeology.org/pubs/OG/OBv18n12.pdf>
- Yeats, R.S., Graven, E.P., Werner, K.S., Goldfinger, C., and Popowski, T.W., 1996, Geologic map of the central and southern Willamette Valley, Benton, Lane, Linn, Marion, and Polk Counties, Oregon: U.S. Geological Survey Professional Paper 1560, p. 183, plate 2B.

5.0 METHODS AND LIMITATIONS

This report provides a low-level mineral assessment of the parcel. The scope of work for this assessment did not include a site visit or field work. The objective of the examination was only to determine and/or confirm through desk-top research that a potential mineral resource exists or there is the potential for one. This examination did not include activities such as sampling and systematic geological, geophysical, and geochemical mapping as the basis for determination or confirmation that a mineral resource potential, deposit, or mineral occurrence exists.

The outcome of this research is limited to published and unpublished geology and mineral/material resource literature available at DOGAMI as the means to profile the parcel's mineral potential. Heavy reliance was placed on the use of two geospatial datasets: Mineral Information Layer for Oregon release 2 (MILO-Release 2; Niewendorp and Geitgey, 2010) and Mineral Lands Regulation and Reclamation's (MLRR) database of mining operations permitted since 1972.

A desktop inventory of mineral occurrences cannot alone determine the following:

- The accurate identification of the concentration and occurrence of material in relation to its particular geographical controls.
- The volume of valuable mineral or rock present or removed, and reserves remaining.
- The applicable extraction and processing methods and market factors for its products.

Additionally, an inventory of mineral occurrences cannot be the sole basis for an appraisal or the basis for other generally accepted industrial standard for placing a value on and with a resource and the land. Users of this report are advised to consult with DOGAMI to gain a better understanding of the inherent limitations of the information herein and its scope of inference.

Provided below are definitions for levels of mineral resource potential and certainty of assessment (modified from Goudarzi, 1984). Under this system, the level of mineral resource potential assigned to a commodity is based on geologic, geochemical, and geophysical characteristics.

5.1 Levels of Resource Potential (modified from Goudarzi, 1984)

HIGH	HIGH mineral resource potential is assigned to areas where geologic, geochemical, and geophysical characteristics indicate a geologic environment favorable for resource occurrence, where interpretations of the data indicate high degree of likelihood for resource accumulation, where data support mineral-deposit models indicating presence of resource, and where evidence indicates that mineral concentration has taken place. Assignment of high resource potential to an area requires some positive knowledge that mineral-forming processes have been active in at least part of the area.
MEDIUM	MEDIUM mineral resource potential is assigned to areas where geologic, geochemical, and geophysical characteristics indicate a geologic environment favorable for resource occurrence, where interpretations of the data indicate high degree of likelihood for resource accumulation, where and (or) where an application of mineral-deposit models indicates favorable ground for the specified type(s) of deposits.
LOW	LOW mineral resource potential is assigned to areas where geologic, geochemical, and geophysical characteristics define a geologic environment in which the existence of resources is permissive. This broad category embraces areas with dispersed but insignificantly mineralized rock, as well as areas with obvious site limitations and little or no indication of having been mineralized.
NO	NO mineral resource potential is a category that should be reserved for a specific type of resource in a well-defined area.
UNKNOWN	UNKNOWN mineral resource potential is assigned to areas where information is inadequate to assign a low, moderate, or high level of resource potential.

5.2 Levels of Certainty of Assessment (Goudarzi, 1984)

A	Available information is not adequate for determination of the level of mineral resource potential.
B	Available information suggests the level of mineral resource potential.
C	Available information gives a good indication of the level of mineral resource potential.
D	Available information clearly defines the level of mineral resource potential.



Oregon

Kate Brown, Governor

Department of State Lands

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State Land Board

Kate Brown
Governor

State Land Board

Regular Meeting
June 14, 2016
Agenda Item 1c

Jeanne P. Atkins
Secretary of State

Ted Wheeler
State Treasurer

SUBJECT

Request from Brian M. Lloyd, Trustee to the Lloyd Family Trust, to acquire the subsurface mineral and geothermal rights on property located in Josephine County.

ISSUE

Whether the State Land Board should authorize the release of approximately 62 acres of mineral and geothermal rights held by the State Land Board located in Josephine County.

AUTHORITY

Oregon Constitution, Article VIII, Sections 2 and 5; pertaining to the Common School Fund and land management responsibilities of the State Land Board.

OAR 141-067-0320; relating to procedures for the sale, exchange, or release and transfer of mineral and geothermal resources.

SUMMARY

On November 16, 2015, DSL received an application from Brian M. Lloyd, Trustee of the Lloyd Family Trust, for the release of approximately 62 acres of mineral and geothermal rights held by the State Land Board located in Josephine County (Tax Lot 103, T38S, R05W, W.M., Section 26). The application also included approximately 1.8 acres underlying Tax Lot 105, but those mineral rights are not held by the State Land Board. The surface ownership rights are owned by the Lloyd Family Trust. (Appendix A)

DSL requested an analysis of the mineral and geothermal resource potential by the Department of Geology and Mineral Industries (DOGAMI). DOGAMI found there was no or low potential for significant mineral or geothermal resources existing on the site

(Appendix B). On this basis, the Department recommends the release and transfer of mineral and geothermal resources in the long-term, best interest of the Trust (Common School Fund).

DSL typically levies a \$10/acre charge for releases of mineral rights. This will be charged on the approximately 62 acres for a sale price of \$620.

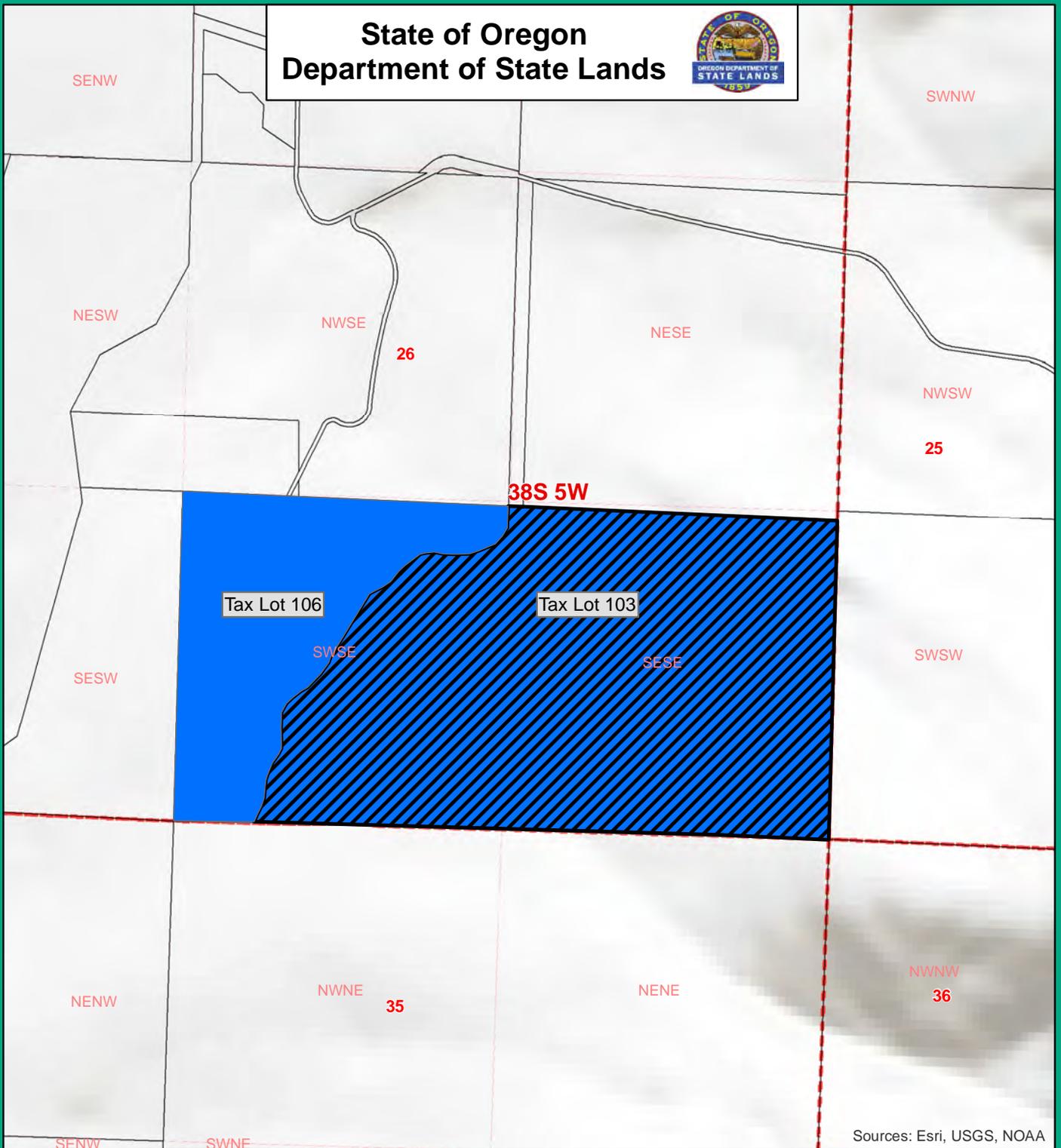
RECOMMENDATION

The Department recommends the State Land Board find that the release and transfer of mineral and geothermal resources for this property is in the long-term, best interest of the Trust, and authorize the release of mineral rights for this property located in Josephine County (Tax Lot 103, T38S, R05W, W.M., Section 26).

APPENDICES

- A. Site map
- B. DOGAMI mineral scoping report

State of Oregon Department of State Lands



Sources: Esri, USGS, NOAA

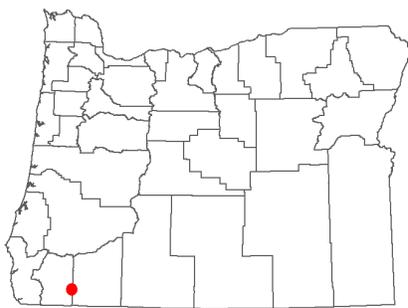
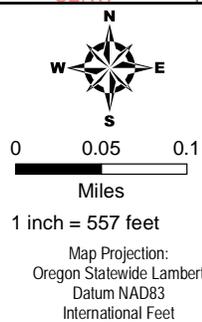


Exhibit A: T38S, R05W, Sec. 26, Tax Lot 103 Mineral Release Josephine County

State of Oregon
Department of State Lands
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Salem, OR 97301
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www.oregon.gov/DSL

Date: 5/31/2016

-  DSL Minerals Requested
-  DSL Mineral Ownership

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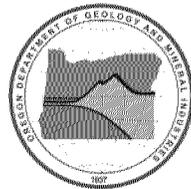
State of Oregon
Oregon Department of Geology and Mineral Industries
Brad Avy, Director and State Geologist

MINERAL ASSESSMENT REPORT
LLOYD 58571-LS
JOSEPHINE COUNTY, OREGON

by Clark A. Niewendorp¹

for

John Russell, Principal Real Property Planner
Oregon Department of State Lands



2016

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DISCLAIMER

The Oregon Department of Geology and Mineral Industries is not liable for any claimed damage from the use of this information.

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SUMMARY

An application (85571-LS) has been made to the Oregon Department of State Lands (DSL) to release and transfer mineral and geothermal resource rights owned by the state back to the ownership of the applicant. The land in question is two abutting Tax Lots, together called the “parcels”, described as follows:

County	Section	Township	Range	Tax Lot	Acres
Josephine	26	38S	5W	103	61.85
Josephine	26	38S	5W	105	1.8

At the behest of DSL, the Oregon Department of Geology and Mineral Industries (DOGAMI) performed an evaluation of the parcels’ mineral resource potential. This report and its findings are summarized below.

The parcels mineral resource potential is summarized below:

Type of Commodity	Resource Potential*	Level of Certainty*
Sand and gravel (borrow/fill/topsoil)	no	—
Construction material (crushed/block stone- sandstone)	no	—
Limestone	no	—
Clay	no	—
Pumice	no	—
Silica sand	no	—
Bentonite	no	—
Metals (precious, base metals)	no	—
Coal	no	—
Uranium and thorium	no	—
Geothermal	no	—
Oil and gas	no	—
Other industrial minerals (gemstone materials, perlite, zeolite, manganese, titanium, zirconium)	no	—

* Statements in this mineral assessment report relating to the geology and mineral resource potential are based on basic desk-top research. The outcome of this research is limited to published and unpublished geology and mineral/material resource literature available at DOGAMI as the means to profile the parcels’ mineral potential. This examination did not include activities such as sampling and systematic geological, geophysical, and geochemical mapping as the basis for determination or confirmation that a mineral resource potential, deposit, or mineral occurrence exists. See Section 5.1 and 5.2 for descriptions of levels of resource potential and certainty.

Therefore, based on available geologic data, I see no conflicts or concerns related to the transfer of the mineral and geothermal resource rights to the applicant.

1.0 INTRODUCTION

An application (85571-LS) has been made to the Oregon Department of State Lands (DSL) to release and transfer mineral and geothermal resource rights owned by the state back to the ownership of the applicant. The land in question is two abutting Tax Lots, together called the “parcels”, described as follows:

- Tax Lot 103 in T. 38 S., R. 5 W., Sec. 26 near Williams in Josephine County and encompasses ±61.85 acres.
- Tax Lot 105 in T. 38 S., R. 5 W., Sec. 26 near Williams in Josephine County and encompasses ±1.8 acres

At the behest of DSL, the Oregon Department of Geology and Mineral Industries (DOGAMI) performed an evaluation of the parcels’ mineral resource potential. This report and its findings should be considered as being equivalent only to a low-level assessment. Furthermore, no attempt is made in this report to assess the development potential of any identified mineral resource on or in the parcels, nor was the surrounding area assessed for the same purpose.

While the focus of this assessment is the parcels, the larger study area to be considered is an approximately 10 mi (16 km) radius area that borders the parcels. A study area of this size provides a greater level of information about the identified occurrence of minerals and the mineral setting in the parcels.

1.1 Instructions

The DSL contacted DOGAMI in late December 2015 regarding the preparation of this report. This report is prepared in accordance with the requirements of the 2013 DOGAMI-DSL Interagency Agreement (DSL #14-111-90004).

1.2 Layout of Report

For the convenience of the reader, this report is divided into the following five sections:

- Section 1 is the introduction. It contains the project’s instructions and the layout of report.
- Section 2 is a description of the physical and geologic setting.
- Section 3 is the desk assessment part and describes the parcels’ potential mineral resources.
- Section 4 is a list of references; some of which were consulted as a part of this review but may not be cited in the text body because they contain no information on the parcels.
- Section 5 contains a brief description of the methods and limitations of the study, along with two reference tables: Levels of Resource Potential and Levels of Certainty. These tables provide a dual scheme that expresses the favorability of the subject area for a given resource and confidence from which the level of resource potential was assigned.

2.0 PHYSICAL SETTING

The parcels are located in the eastern part of Josephine County in the Williams Valley. Within 15 air miles (24 km) of the parcels to the northwest is the City of Grants Pass. The community of Williams is about 2 miles (3.2 km) to the southwest. The country in the immediate vicinity of the parcels is hilly and slopes easily westward towards Williams Creek and the valley it occupies. Williams Highway is the main route through the valley and its intersection with Finley Road provides access to the parcels. Table 2.1 describes the physical setting of the parcels; Figure 2.1 shows the parcels geographic location and extent. Please note both Tax Lots as illustrated in the map below and those that follow are for display purposes only. Actual shape and size of the Tax Lots may not be displayed properly.

Table 2-1. The parcels physical setting.

	Tax Lot 103	Tax Lot 105
Size	±61.85 acres	±1.8 acres
Topography	Hilly	Flat
Shape	Irregular	Elongated rectangle
Frontage	Finley Road	Finley Road
Zoning	Woodlot Resources	Exclusive Farm

Elevations range from 1,900 ft (579 m) to about 1,400 ft (427 m) above sea level. The parcels are drained by small, unnamed streams; all are tributaries of Williams Creek. The parcels experience warm and dry summers; the warmest month is July with an average temperature of 66.6°F (19.2°C). The coolest month is January with an average temperature of 39.9°F (3.9°C). Rainfall averages about 33 in (840 mm) and most falls during December. Part of this precipitation is in the form of Snowfall which averages 11.5 in (29.21 cm).

Structures on Tax Lot 103 include a home site, several buildings, and possible a small vineyard. A gravel road covers most if not all of Tax Lot 105. The land ownership within the study area is shown in Figure 2.2 and the topographic maps covering the parcels are listed in Table 1.2.

Table 2-2. Topographic maps covering the parcels.

1:24,000-Scale Quadrangles		1:100,000-Scale Quadrangle
Williams	Tallowbox Mountain	Grants Pass

Figure 2-1. Vicinity map for the parcels (red fill).

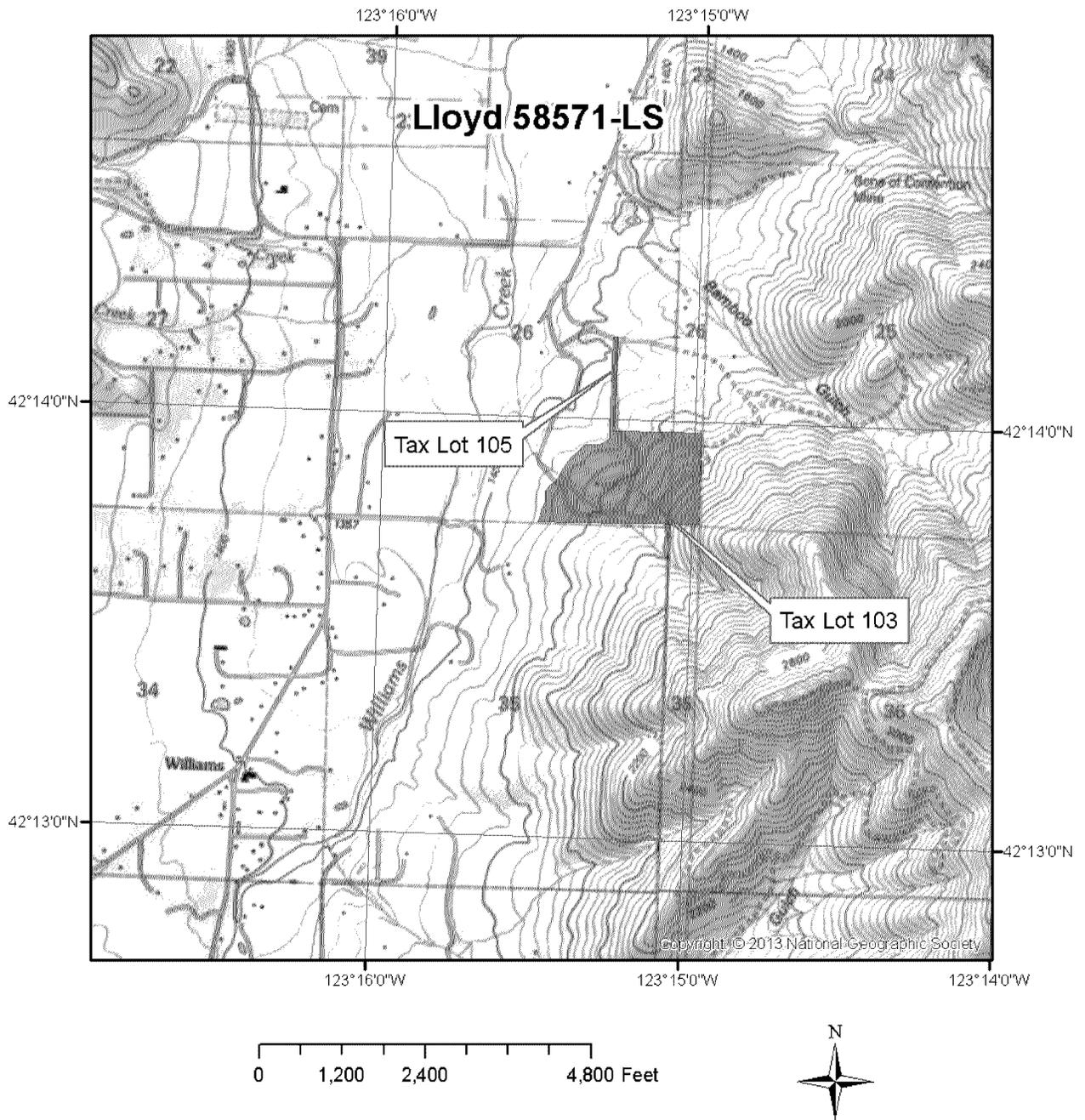
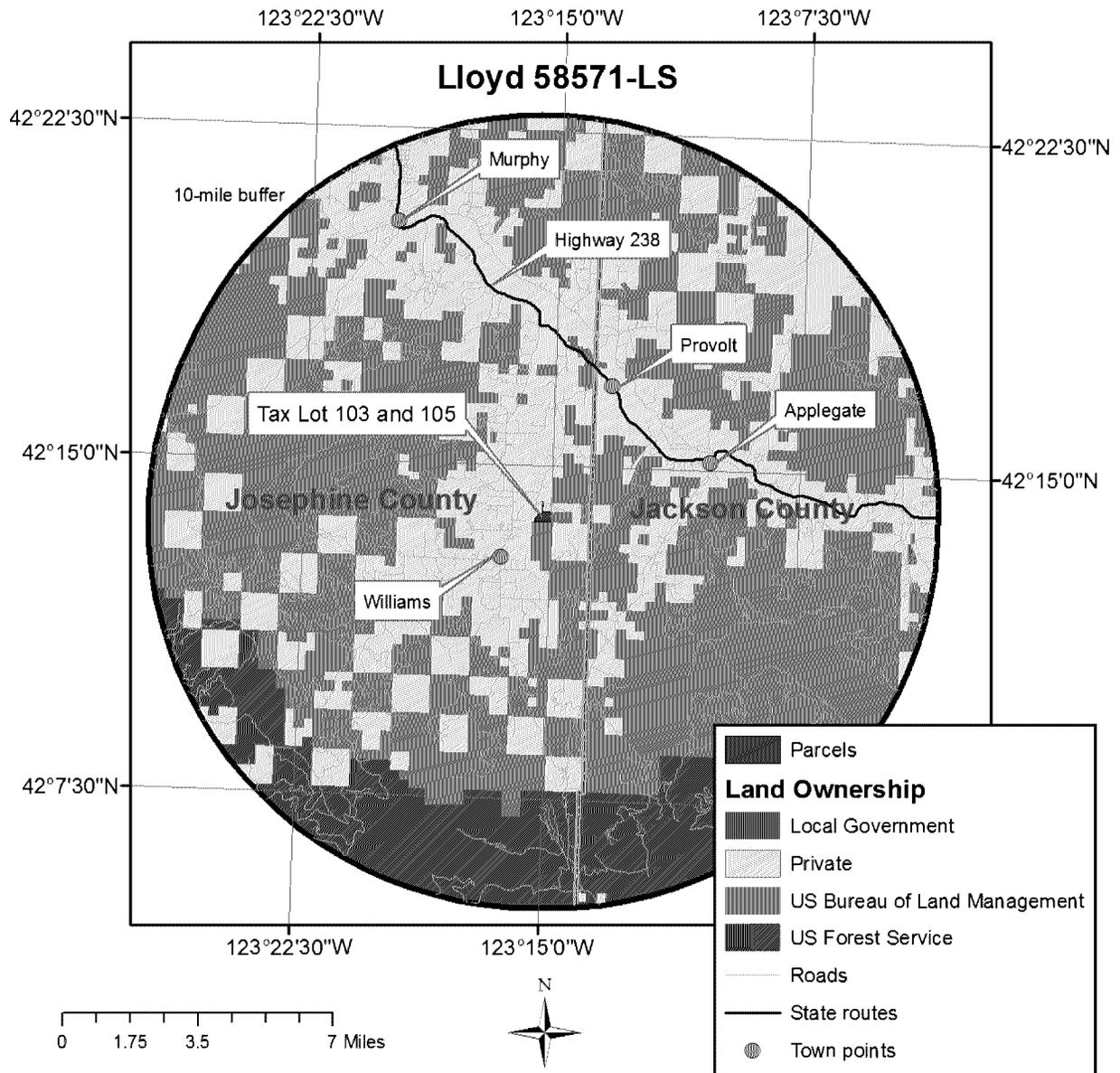


Figure 2-2. Map of land ownership in the study area.



3.0 RESULTS

This section presents the results of the mineral scoping of the parcels and surrounding study area. Where this report indicates a potential mineral resource might exist, it is important to understand what a “resource” is and means. According to the U.S. Bureau of Mines and U.S. Geological Survey (USGS) Circular 381, “Principles of a Resource/Reserve Classification System,” “resource” means, “[a] concentration of naturally occurring solid, liquid, or gaseous material in or on the Earth’s crust in such form and amount that economic extraction of a commodity from the concentration is currently or potentially feasible” (p. 1). An identified resource is a “[r]esource whose location, grade, quality, and quantity are known or estimated from specific geologic evidence” (p. 1).

A resource or identified resource does not infer or imply a “reserve base” or “reserve” exists. A “reserve base” is “[t]hat part of an identified resource that meets specific minimum physical and chemical criteria related to current mining and production practices, including those for grade, quality, thickness, and depth” (p. 2). The meaning of a “reserve” is “[t]hat part of the reserve base which could be economically extracted or produced at the time of determination” (p. 2).

The non-fuel mineral commodities evaluated for this assessment include aggregate, industrial minerals (clay, silica sand, pumice, and limestone), and metals (precious, oxide, and base). Mineral fuel commodities evaluated are coal, uranium/thorium, geothermal, oil, and gas. Occurrences of other commodities (gem material, dimension stone, other clays (bentonite), perlite, zeolites manganese, titanium, zirconium, etc.) will be reported as industrial minerals when encountered as part of this evaluation.

For this assessment, the term “aggregate” includes gravel (and by association sand) and all consolidated stone used for construction and roads. Stone may be further classified as crushed—rock that has been broken into smaller fragments—and blocks.

3.1 Status of Mineral Surveys

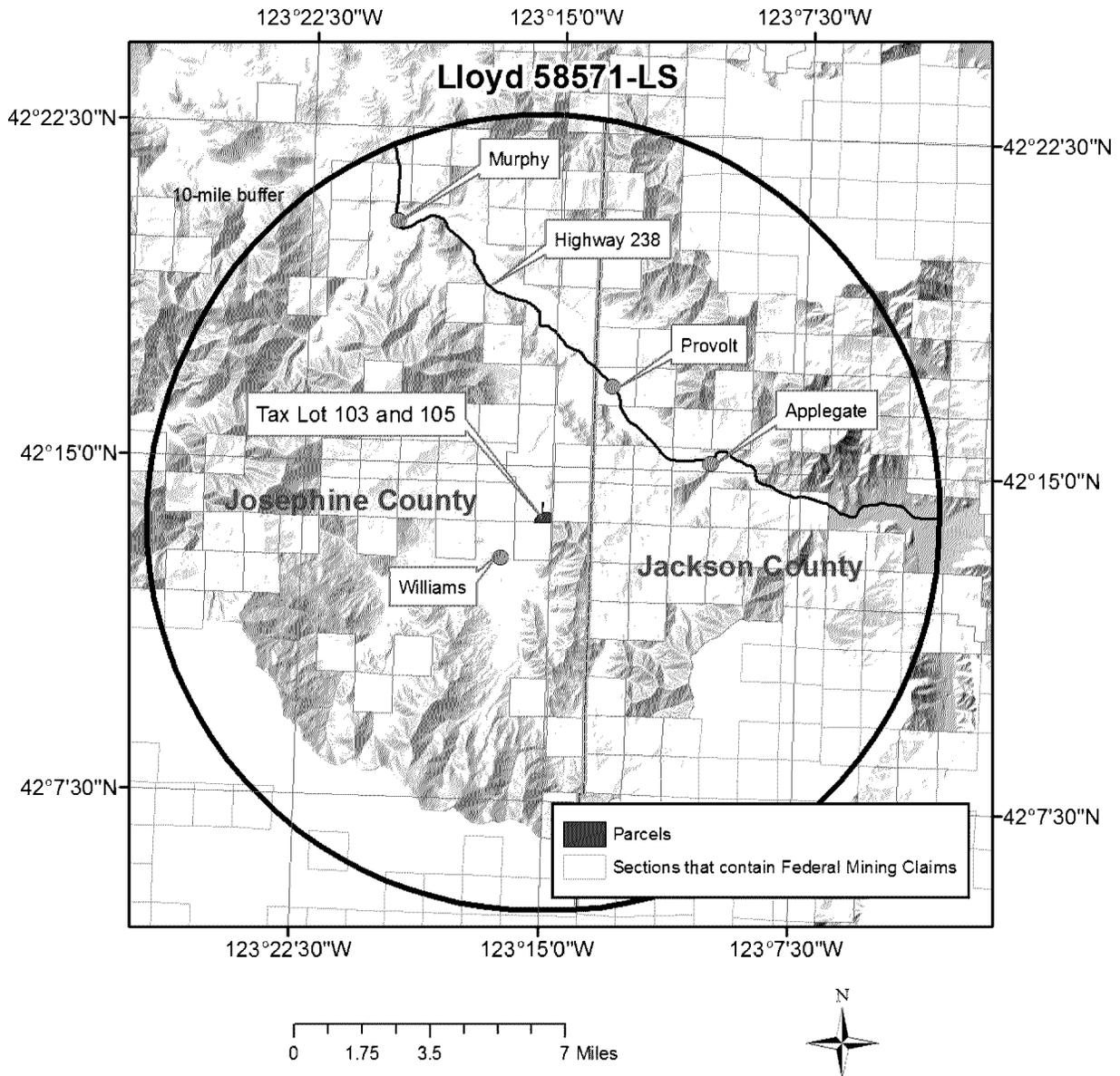
The parcels have not been studied as part of a previous mineral survey by DOGAMI or by the U.S. Geological Survey (or the former U.S. Bureau of Mines).

3.2 Mining Claims/Leases

DOGAMI does not maintain records pertaining to public claims or private mineral leases. As mentioned earlier, land ownership within the study area is a mix of private, State-owned, and Federal lands (see Figure 2.2). The Bureau of Land Management (BLM) does make some records of mining claims on Federal lands easily available to the public on its LR2000 website (www.blm.gov/lr2000/index.htm). Only certain types of mineral discoveries can be claimed; these minerals are broadly known as “locatable” (possessing a distinct and special value) and include such things as precious metals, gems, high-value industrial minerals, uranium, etc. Locatable minerals generally do not include construction aggregate, common industrial minerals, oil, gas, coal, or geothermal resources.

The Public Land Survey Sections where there are federal mining claims in and adjacent to the study area are shown on Figure 3.1. The status of these claims, e.g., closed or active, is unknown.

Figure 3-1. Map of federal mining claims (green) in and adjacent to the study area. The map base is a 10-m hillshade. Thick black line = study area extent; thin black lines = roads; Gray lines = county boundary; Red lines = outline of the parcels.



3.3 Mineral Setting

Geologic maps in the study area include Smith and others (1982), Donato (1995), Wiley (2006), and Murray (unpublished geologic mapping). Later Ma and others (2009) compiled their work into a statewide digital geologic map. Figure 3.3 depicts the surface geology from this compilation. The various geologic units defined by the earlier work (see Table 3.1) are assigned one color based on similar lithology and stratigraphy. The map presented below is a further simplification of Ma's compilation.

Figure 3-2. Simplified geologic map of the parcels. The map base is a lidar derived hillshade image; the geology is modified from Ma and others (2009). See Table 3-2 for list of map units; Faults = heavier black lines, parcels = red.

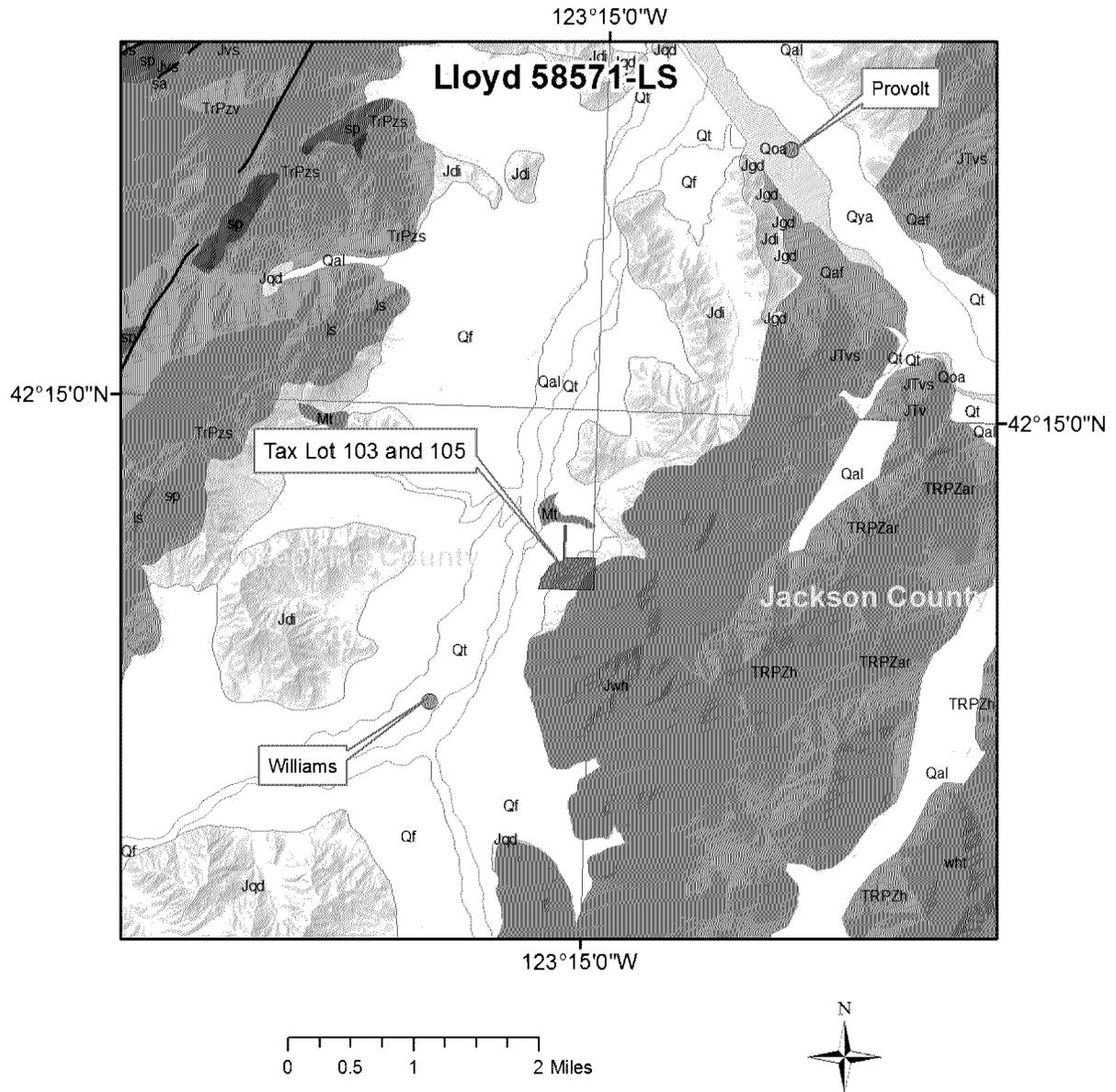


Table 3-1. List of map units.

Map Unit Label*	Map Unit Name	Reference
-----------------	---------------	-----------

Qya	Young alluvium	Wiley (2006)
Qal	Alluvium	Murray (unpublished mapping)
Qt	River terrace deposits	Murray (unpublished mapping)
Qaf	Alluvial fan deposits	Wiley (2006)
Qf	Alluvial fan	Murray (unpublished mapping)
Mt	Mine tailings	Murray (unpublished mapping)
TrPzs	Metasedimentary rocks of the tectonic mélange of the Rattlesnake Creek terrane	Murray (unpublished mapping)
TrPZar	Porphyritic hornblende andesite and argillite, argillite	Smith and others (1982)
TRPZh	Porphyritic hornblende andesite and argillite	Smith and others (1982)
Jwh	Volcaniclastic rocks correlated to the Western Hayfork terrane	Murray (unpublished mapping)
Jdi	Grayback pluton, diorite	Murray (unpublished mapping)
Jgd	Grayback pluton, quartz diorite and tonalite	Murray (unpublished mapping)
Jqd	Grayback pluton, quartz diorite and tonalite	Murray (unpublished mapping)
Js	Sexton Mtn., Ophiolite, sedimentary rocks	Wiley (2006)
Jvs	Sexton Mtn. Ophiolite, Volcaniclastic and volcanic rocks	Wiley (2006)
JTv	Broken Formation, volcanic rocks	Wiley (2006)
JTVs	Broken Formation, Volcaniclastic rocks	Wiley (2006)
Is	Metasedimentary rocks of the tectonic mélange of the Rattlesnake Creek terrane, limestone	Murray (unpublished mapping)
sp	Serpentinized peridotite	Murray (unpublished mapping)
sa	Metavolcanic rocks of the tectonic mélange of the Rattlesnake Creek terrane, mixed	Murray (unpublished mapping)
wht	Western Hayfork terrane	Donato (1995)

*Map units are not listed in stratigraphic order.

Bedrock geology along the eastern side of Williams Creek is dominated by Jurassic and Triassic igneous and metamorphic rocks that have been intruded by Cretaceous and Late Jurassic plutons and overlapping by Cretaceous sedimentary rocks (Wiley, 2006). The western ridges are composed of basalt, ultramafics, volcanic sediments, and marble lenses that are a part of mélange of accreted volcanic archipelagos of the Pacific tectonic plate. The geologic history of pre-Cretaceous rocks in this area has been complicated by sea-floor metamorphism, regional metamorphism, contact metamorphism, and shearing. The degree of metamorphism varies from lower greenschist to granulite facies.

The parcels are spread over three different geologic units. From east to west, these units are: (1) Unit Jwh, Volcaniclastic rocks correlated to the Western Hayfork terrane; (2) Unit Jdi, Grayback pluton, diorite; and (3) Unit Qt, River terrace deposits.

3.4 Known Mineral Occurrences

In this report, no distinction is made between a mineral occurrence and mineral deposit. The term “mineral occurrence” applies to both and is used to refer to a concentration of a mineral that could be considered valuable by someone somewhere or that is of scientific or technical interest. The known mineral occurrences, geothermal features, and oil and gas exploration wells in the study area, including

any within the parcels, are tabulated below in Table 3.1. The mineral occurrences are shown in Figure 3.4.

Table 3-2. Minerals occurrences within the study area and in and on the parcels.

Type of Commodity	Study Area (Mineral Occurrences*)	Parcels (Mineral Occurrences*)
Aggregate (sand and gravel; stone, crushed and block; borrow/fill/topsoil)	67	0
Industrial mineral (clay, silica sand, soapstone, and limestone material)	21	0
Metals/minerals	177	0
Coal	0	0
Uranium and thorium	0	0
Geothermal features	12 wells, 0 springs	0 wells, 0 springs
Oil and gas wells (abandoned)	0	0

*Mineral occurrence information queried from two spatial databases (see Section 4).

A brief description of the known mineral occurrences in the study area and the parcels is provided below.

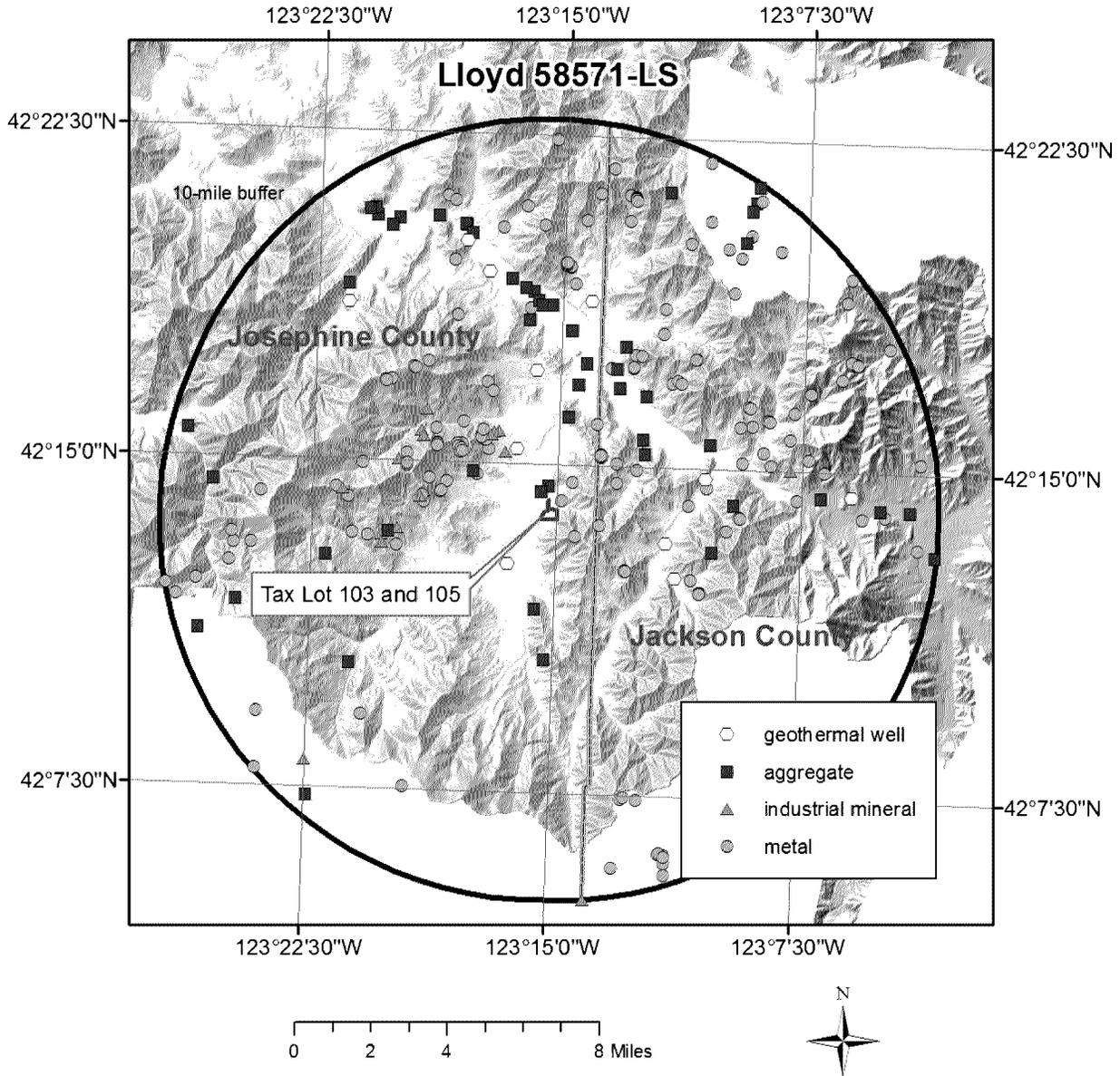
3.4.1 Study Area

- There are 67 aggregate sites of which 41 are sand and gravel (pits) and 26 are quarries and/or borrow pits. Many of the gravel deposits were originally washed for gold. The quarries produce a mix of crushed stone, block, or both.
- Soapstone is found at six locations. Limestone in the form of marble is well developed at six points. There has been small production from a number of these deposits. Manganese occurs in three areas. One gemstone locality is in the study area.
- Precious and metal occurrences consist of the following: gold, 141; copper, 3; iron, 1; mercury, 7; tungsten, 4; antimony, 1; and arsenic 3. Mr. Layton hydraulically washed gravels in Bamboo Gulch which is located immediately north of Tax Lot 105.
- DOGAMI has records for 12 domestic/irrigation wells containing ground water with temperatures greater than 68° F (20° C) (Niewendorp and others, 2012).
- No oil and gas exploration wells have been drilled in the study area.

3.4.2 Parcels

There are no known mineral occurrences or evidence of placer/lode mining on or in the parcels.

Figure 3-3. Mineral occurrences in the study area (black circle). The map base is a hillshade image derived from lidar. Black lines = roads; Gray lines = county boundary; Red lines = outline of the parcels.



3.5 Mineral Resource Evaluation

The mineral resource evaluation is based on the criteria explained by Goudarzi (1984) (see Section 5.1 and 5.2). These criteria were adapted for this report so as to determine relative levels of resource potential and relative levels of certainty of assessment within the parcels. The mineral resource potential in and on the parcels is summarized below in Table 3.3.

Table 3-1. Mineral resource potential in the parcels.

Type of Commodity	Resource Potential	Level of Certainty
Sand and gravel (borrow/fill/topsoil)	no	
Construction Material (crushed/block stone-sandstone)	no	
Limestone	no	
Clay	no	
Pumice	no	
Silica sand	no	
Bentonite	no	
Metals (precious, base metals)	no	
Coal	no	
Uranium and thorium	no	
Geothermal	no	
Oil & Gas	no	
Others industrial minerals: (gemstone materials, perlite, zeolite, manganese, titanium, zirconium)	no	

3.6 Recommendations

Therefore, based on available geologic data, I see no conflicts or concerns related to the transfer of the mineral and geothermal resource rights to the applicant.

4.0 LITERATURE SOURCES

Some references below were consulted as a part of this review but may not be cited in the text body because they contain no information on the parcels.

- Brownfield, M.E., 2011, Total petroleum systems and geologic assessment of undiscovered hydrocarbon resources of the western Oregon and Washington province: U.S. Geological Survey Digital Data Series DDS-69-X, chap. 2, 100 p. http://pubs.usgs.gov/dds/dds-069/dds-069-x/REPORTS/69_X_CH_2.pdf
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5.0 METHODS AND LIMITATIONS

This report provides a low-level mineral assessment of the parcels. The scope of work for this assessment did not include a site visit or field work. The objective of the examination was only to determine and/or confirm through desk-top research that a potential mineral resource exists or there is the potential for one. This examination did not include activities such as sampling and systematic geological, geophysical, and geochemical mapping as the basis for determination or confirmation that a mineral resource potential, deposit, or mineral occurrence exists.

The outcome of this research is limited to published and unpublished geology and mineral/material resource literature available at DOGAMI as the means to profile the parcels' mineral potential. Heavy reliance was placed on the use of two geospatial datasets: Mineral Information Layer for Oregon release 2 (MILO-Release 2; Niewendorp and Geitgey, 2010) and Mineral Lands Regulation and Reclamation's (MLRR) database of mining operations permitted since 1972.

A desktop inventory of mineral occurrences cannot alone determine the following:

- The accurate identification of the concentration and occurrence of material in relation to its particular geographical controls.
- The volume of valuable mineral or rock present or removed, and reserves remaining.
- The applicable extraction and processing methods and market factors for its products.

Additionally, an inventory of mineral occurrences cannot be the sole basis for an appraisal or the basis for other generally accepted industrial standard for placing a value on and with resource and the land. Users of this report are advised to consult with DOGAMI to gain a better understanding of the inherent limitations of the information herein and its scope of inference.

Provided below are definitions for levels of mineral resource potential and certainty of assessment (modified from Goudarzi, 1984). Under this system, the level of mineral resource potential assigned to a commodity is based on geologic, geochemical, and geophysical characteristics.

5.1 Levels of Resource Potential (modified from Goudarzi, 1984)

HIGH	HIGH mineral resource potential is assigned to areas where geologic, geochemical, and geophysical characteristics indicate a geologic environment favorable for resource occurrence, where interpretations of the data indicate high degree of likelihood for resource accumulation, where data support mineral-deposit models indicating presence of resource, and where evidence indicates that mineral concentration has taken place. Assignment of high resource potential to an area requires some positive knowledge that mineral-forming processes have been active in at least part of the area.
MEDIUM	MEDIUM mineral resource potential is assigned to areas where geologic, geochemical, and geophysical characteristics indicate a geologic environment favorable for resource occurrence, where interpretations of the data indicate high degree of likelihood for resource accumulation, where and (or) where an application of mineral-deposit models indicates favorable ground for the specified type(s) of deposits.
LOW	LOW mineral resource potential is assigned to areas where geologic, geochemical, and geophysical characteristics define a geologic environment in which the existence of resources is permissive. This broad category embraces areas with dispersed but insignificantly mineralized rock, as well as areas with obvious site limitations and little or no indication of having been mineralized.
NO	NO mineral resource potential is a category that should be reserved for a specific type of resource in a well-defined area.
UNKNOWN	UNKNOWN mineral resource potential is assigned to areas where information is inadequate to assign a low, moderate, or high level of resource potential.

5.2 Levels of Certainty of Assessment (Goudarzi, 1984)

A	Available information is not adequate for determination of the level of mineral resource potential.
B	Available information suggests the level of mineral resource potential.
C	Available information gives a good indication of the level of mineral resource potential.
D	Available information clearly defines the level of mineral resource potential.



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State Land Board

Kate Brown

Governor

State Land Board

Regular Meeting

June 14, 2016

Agenda Item 1d

Jeanne P. Atkins

Secretary of State

Ted Wheeler

State Treasurer

SUBJECT

Request for approval to initiate the review and determination for the potential sale or exchange of approximately 708 acres of agricultural lands in northern Malheur County.

ISSUE

Whether the State Land Board should authorize the Department to initiate the formal due diligence phase for the potential sale or exchange of approximately 708 acres of agricultural lands in northern Malheur County (Appendix A).

AUTHORITY

Article VIII, Sections 2 and 5 of the Oregon Constitution; pertaining to the Common School Fund and land management responsibilities of the State Land Board.

ORS 273.055; relating to the power to acquire and dispose of real property.

ORS 273.171; relating to the duties and authority of the Director.

OAR 141-067; relating to the sale, exchange and purchase of state land.

Real Estate Asset Management Plan (REAMP) adopted by the Land Board, February 2012.

SUMMARY

This state-owned property was developed as irrigated agricultural land in the 1960s, and farmed more or less continuously through 2012, in conjunction with the 14,000 acres of adjoining and surrounding private land. The private lands adjacent to the state-owned property have been farmed under various ownerships generally known as Skyline Farms (the Farm). The irrigation pumps are located on the Snake River some miles away. The pumps and the mainlines delivering water to the Farm were installed and owned by the Farm. The Department historically accepted reduced lease rates in recognition of its lack of ownership of this irrigation infrastructure and the difficulty in accessing water independently from the adjacent private irrigation system. Under the terms of the lease, structural improvements left on the land 60 days after lease termination, become the property of the state.

The most recent Department lease was entered into with Larson Skyline Farms Partnership and terminated under default for non-payment in July 2012. At about the same time, the Larson Skyline Farms Partnership went into bankruptcy and its land adjacent to the state-owned land was foreclosed. ConAgra purchased the private land assets in the bankruptcy and then sold those lands to Bohlender Colorado, LLC. Bohlender Colorado, LLC subsequently submitted a land sale application to the Department in July 2014, for the potential purchase of the state-owned land. This application has been on hold, pending the outcome of the Department's work to negotiate a new lease with the new owner.

Unfortunately, the Department has been unsuccessful to-date in its attempts to negotiate a new lease, primarily due to an unresolved question concerning the current status of water rights ownership appurtenant to the state lands. Neither the new owner nor the Department can compel the other party to enter into a lease, as this type of land transaction requires two willing parties. Currently, the land is fallow and the appurtenant water rights are not being used. The water rights are potentially jeopardized by continued nonuse.

Given this situation, the Department recommends moving forward with conducting due diligence related to the potential sale or exchange of these state lands to help inform future State Land Board (Board) decisions around the management of this land asset, consistent with the goals and strategies provided in the 2012 Real Estate Asset Management Plan (REAMP).

Upon approval of this agenda item, the Department would next be evaluating these lands according to the land evaluation criteria in the REAMP. The Department would then move forward with additional due diligence steps to provide the Board with the information needed to inform a final decision on whether or not to divest of these lands.

As part of the due diligence process, local, state and federal agencies, tribal interests, education beneficiaries, and the public will be notified and invited to offer information concerning their areas of interest. Any significant concerns offered by any interest will be thoroughly evaluated and thoughtfully considered prior to moving forward with any potential sale or exchange recommendation in the future.

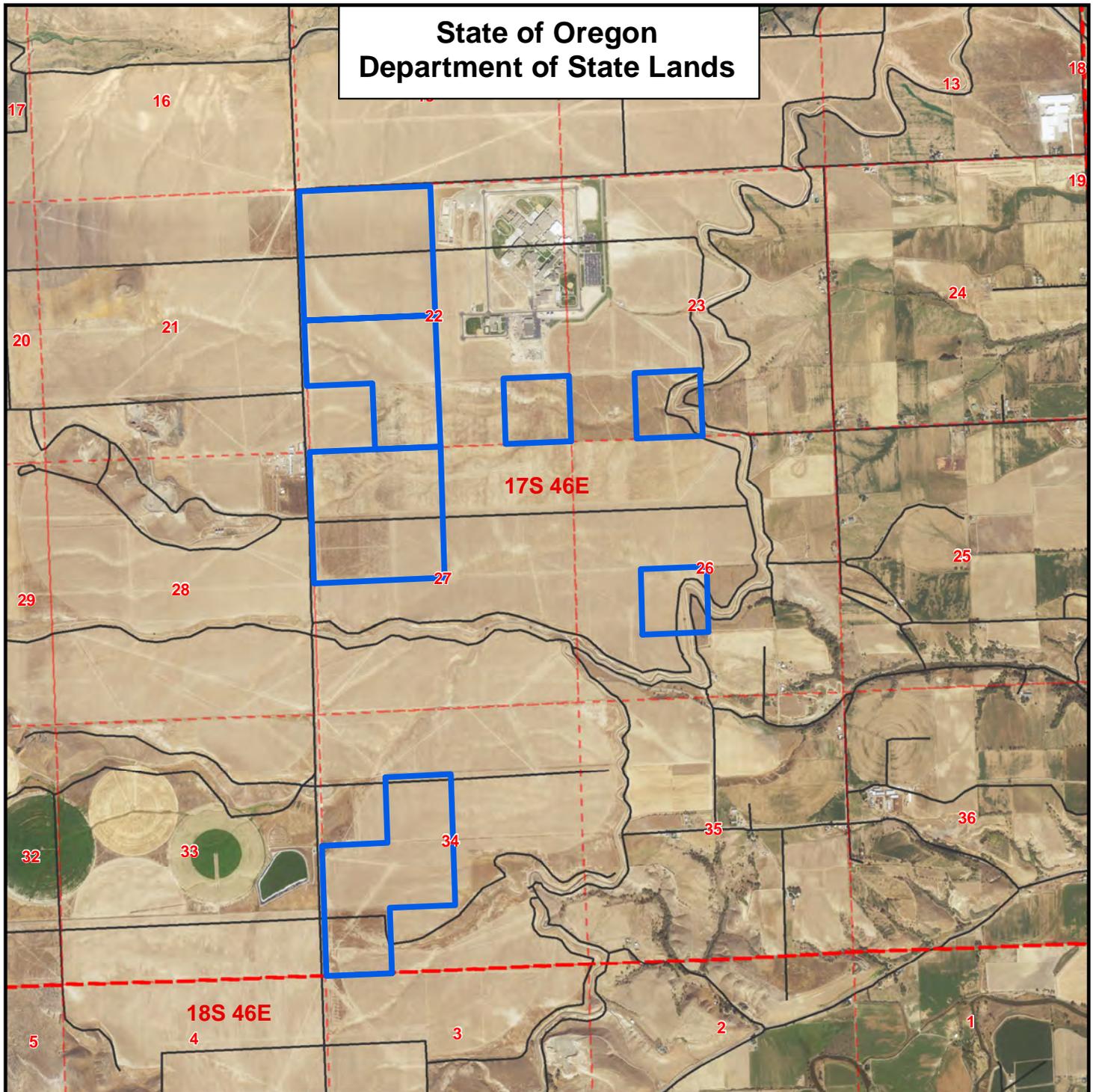
After comments are received from the public and other entities, and following the additional due diligence work, a recommendation would be made to the Board regarding a final decision on whether or not to divest of these lands.

RECOMMENDATION

The Department recommends that the State Land Board authorize the Department to initiate the review and determination for the potential sale or exchange of these 708 acres in Malheur County.

APPENDIX

A. Site map



**State of Oregon
Department of State Lands**

**Exhibit A
Land Sale Application 59055-LS
T17S, R46E: 708 Acres
Malheur County**

-  Land Sale Application Area
-  Townships
-  Sections
-  Roads



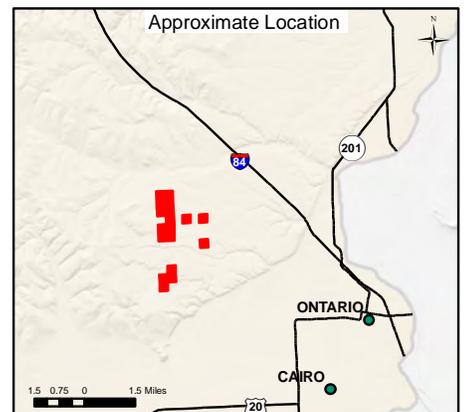
This map depicts the approximate location and extent of a Department of State Lands, Land Management Division authorization for use. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

0.25 0.125 0 0.25 Miles



Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet

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May 15, 2016





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State Land Board

M E M O R A N D U M

Kate Brown
Governor

Date: June 14, 2016

To: Governor Kate Brown
Secretary of State Jeanne P. Atkins
State Treasurer Ted Wheeler

Jeanne P. Atkins
Secretary of State

Ted Wheeler
State Treasurer

From: James T. Paul
Director

Subject: Overview of the Oregon Marine Debris Action Plan

At statehood in 1859, the federal government gave Oregon ownership of submerged and submersible land underlying navigable waterways, numerous lakes within the state's borders, and waterways affected by tidal action. Also included in this category of ownership is Oregon's territorial sea, which extends for three miles offshore and encompasses about 1,000 square miles of beaches and ocean waters.

The State Land Board is charged with managing this land on behalf of all Oregonians for public trust values, which include navigation, fisheries, commerce and recreation. An issue that has become an increasing concern within the marine environment and the territorial sea is the growing accumulation of marine debris, and the challenge of how it can be addressed in light of the public trust values the Department of State Lands is mandated to protect on behalf of the State Land Board.

After years of statewide heightened awareness and activity on marine debris issues, Oregon is now working in collaboration with the National Oceanic and Atmospheric Administration's Marine Debris Program to develop its first ever statewide action plan (Plan) on marine debris. The Plan development process to-date has included an assessment of stakeholders, the establishment of a planning committee (see roster below), and the facilitation of a two-day workshop to establish the main components of the Plan. The planning committee has set an ambitious goal of finishing the Plan near the end of 2016. Additional detail are provided in Appendices A and B.

The planning committee is comprised of the following:
Briana Goodwin, NOAA Marine Debris Program
Nir Barnea, NOAA Marine Debris Program

Charlie Plybon, Surfrider Foundation
David Allen, Newport City Council
Jamie Doyle, Oregon Sea Grant
Joy Irby, SOLVE
Laurel Hillmann, Oregon Parks and Recreation Department
Chris Castelli, Oregon Department of State Lands

The Department is excited about the development of an Oregon Marine Debris Action Plan, and believes it will improve communication and coordination between agencies, local governments, and non-governmental organizations towards addressing and preventing both land and ocean-based marine debris. The plan may also be used by the Department to help shape future agency policy and practice in the management of state-owned waterways and the territorial sea.

APPENDICES

- A. Overview
- B. PowerPoint presentation

Overview of the Oregon Marine Debris Action Plan

Background

Over the years, Oregon's agencies, NGOs, and industry have done remarkable work to prevent and remove marine debris. Recently, the response to the Japan tsunami marine debris created additional momentum to address this perennial problem. A marine debris action plan will bring together Oregon and federal agencies, NGOs, academia, and industry with the purpose of preventing the impact of marine debris on Oregon's environment, commerce, and navigation, through improved communication, coordination, and effectiveness of current efforts and identifying future marine debris priorities and projects.

When completed, the plan will include a list of priorities, current marine debris work, and specific actions for addressing marine debris in the future. The NOAA Marine Debris Program will facilitate and support the process to create an Action Plan (including funding the workshops and handling logistics) and will continue to support the Action Plan in the future. The Governor's Ocean Policy Advisory Council (OPAC), recently identified marine debris as a priority, is supporting the planning process, and will be the state lead contact.

The Marine Debris Action Plan Process

Creation of the Oregon Marine Debris Action Plan takes place in stages:

- Assessment of stakeholders' interest in establishing an Action Plan in Oregon (completed – response was overwhelmingly positive)
- Establish a planning committee to help with the Action Plan process (completed)
- Hold a 2-day workshop to establish the main components of Action Plan (Completed)
- Draft the initial Action Plan, using input from the first workshop. All stakeholders at the workshop will have a chance to review and edit the draft (In progress).
- A second, 2-day workshop (date TBD) will be held to finalize the Action Plan, and subsequently, after additional review by all stakeholders, the Action Plan will be finalized.

Summary of the First Workshop

On April 13 and 14, the first workshop to create the Oregon Marine Debris Action Plan was held in Newport, Oregon. More than 50 marine debris experts representing agencies, NGOs, industry, and academia were assembled for what turned out to be a busy and productive workshop. Participants reviewed the marine debris priorities they provided in a survey prior to the workshop and brainstormed new projects that could potentially be accomplished to meet selected priorities, as well as what will be needed to make these projects successful. Workshop participants also discussed outreach and education for marine debris and even spent a little time in a hands-on activity on microplastics.

Considering the high level of enthusiasm, dedication, and knowledge Oregon marine debris stakeholders have, the group set an ambitious goal to finish the Action Plan near the end of 2016.

The workshop benefited greatly from a skillful team of facilitators and note takers, who made the workshop and activities possible, and from a dedicated planning team, who laid the groundwork for the workshop.

For more information please contact Briana Goodwin: 541-655-0236 goodwin.briana@gmail.com, Nir Barnea: 206-526-6943 nir.barnea@noaa.gov, or Charlie Plybon (OPAC Lead for the Action Plan): 541-961-8143 cplybon@surfrider.org



Photo: SOLVE



Photo: Sea Grant

The Oregon Marine Debris Action Plan

APPENDIX B



Photo: Surfrider Foundation



Photo: ODFW

Marine Debris Impacts

- Navigation hazard
- Wildlife entanglement and ingestion
- Invasive species
- Habitat destruction
- Ghost fishing
- Economic loss: tourism, recreation, fisheries, vessel damage



Navigation hazard



Microplastics



Entanglement



Photo: Oregon Surfriders

Coastal pollution

Marine Debris Efforts in Oregon



Photo: SOLVE

Beach cleanup



Photo: ODFW

Derelict fishing gear removal



Photo: Oregon Surfriders

Rapid Response



Photo: OSMB

ADV program

Marine Debris Efforts in Oregon



Marine debris education through art



JTMD Task Force

Marine Debris STEAMSS

Marine Debris is a complex, real-world problem which can be addressed through the lenses of several different academic subjects. This curriculum integrates the subject areas of Science, Technology, Engineering, Art, Math, and Social Studies (STEAMSS), and focuses on experiential hands-on activities for students in grades 4 through 12. The collected teacher-tested resources enable educators to create in-depth, project based learning (PBL) units, work with teaching partners across disciplines, and find classroom and field experiences that will help students explore the issue and impacts of marine debris and engage in stewardship actions.



Lessons include opportunities for students to:

- collect and analyze data,
- address problems through engineering design,
- use technology and art to effectively convey stewardship messages,
- contribute to clean up efforts, and
- work with community partners.

Access the Marine Debris STEAMSS Curriculum by clicking on a grade band below.

Navigate through the modules using the menu at right.

<http://oregoncoaststem.oregonstate.edu/marine-debris-steamss>

Grades 4-5

Grades 6-8

Grades 9-12

Marine Debris STEAMSS curriculum



Photo: OMDT

Oregon Marine Debris Team

Why Have a Marine Debris Action Plan?

- Coordinate efforts to prevent and remove marine debris
- Improve communication
- Identify future priorities and projects
- Track actions completed and objectives achieved
- Inform decision makers and others
- Leverage funding and other resources

Workshop 1

Breakout groups:

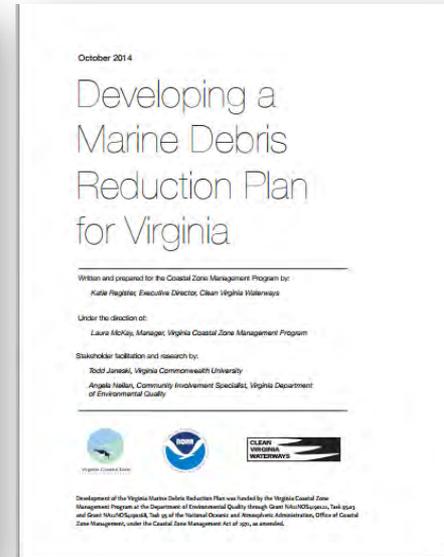
- Land-based
- Ocean-based
- Education
- Review priorities
- Brainstorm projects
- Set objectives
- Discuss Plan elements and communication
- Agree on next steps



Oregon action planning participants brainstorm potential marine debris projects in a breakout team. (NOAA)

The Action Plan Over Time

- Implement projects and activities
- Communicate!
- Prioritize projects, obtain funds and other resources
- Review progress periodically, update projects and activities
- Network with other regions



Thank You!

Nir Barnea nir.barnea@noaa.gov

Briana Goodwin goodwin.briana@gmail.com

Charlie Plybon cplybon@surfrider.org



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M E M O R A N D U M

State Land Board

June 14, 2016

Kate Brown
Governor

To: Governor Kate Brown
Secretary of State Jeanne P. Atkins
State Treasurer Ted Wheeler

Jeanne P. Atkins
Secretary of State

From: James T. Paul
Director

Ted Wheeler
State Treasurer

Subject: Trust Property Section Report

The Trust Property Section is part of the Common School Fund Property Program. It is comprised of the Unclaimed Property and Estate Administration Units.

UNCLAIMED PROPERTY UNIT

HISTORY

Oregon's unclaimed property statutes date back to 1957. Originally, it was a 25-year escheat law applicable only to financial institutions. Over the past 59 years, the statutes have changed significantly and are now applicable to every type of industry, and include a wide variety of property types which are held in perpetuity for the rightful owner or owner's heirs.

PURPOSE

The law requires businesses and organizations, called holders, to report and remit certain tangible and intangible property to the state when the owner of such property cannot be located or contacted after a certain period of time.

Every year, between October 1 and November 1, holders report and remit unclaimed property to the Department of State Lands. The Unclaimed Property Unit processes the reports, maintaining a database of over one million names and properties. The Unit makes an effort to locate the owners and reviews and approves payment of claims.

ESTATE ADMINISTRATION UNIT

HISTORY

Under Oregon's Constitution, the Department is in charge of managing the estates of residents who die both without a will and without any known heirs. The Department acts as personal representative and immediately seeks to reunite the estate with legal heirs, if possible. Estates managed by the Department range from those of decedents who are destitute to those with multi-million dollar assets. There is a strong fiduciary responsibility to the school beneficiaries for estates that permanently escheat to the Common School Fund.

PURPOSE

By statute, anyone with knowledge of the death of a resident individual who has died without leaving a will and with no known heirs must notify the Department within forty-eight hours of the death.

Within five days after notification, Department staff must respond to the estate to determine the existence and value of assets and to safeguard them against loss. A physical search is performed of the residence and other personal effects in an effort to locate an heir or a will. If an heir or a will is located, the estate is turned over to the appropriate person or entity. If neither is found, the Department administers the estate through probate.

The process of probate consists of identifying and liquidating all assets, satisfying creditors and completing the legal process. Property of the estate, both real estate and personal, may be liquidated by public auction for the purpose of generating funds for the payment of debts and administrative expenses. Administrative costs and expenses incurred by the Department in the course of administering the estate are reimbursed to the Department out of the funds of the estate. The remaining funds are escheated to the Common School Fund where they are held for a period of not more than ten years. The proceeds permanently escheat to the Common School Fund at the end of the ten-year period providing that no heirs have come forward.

Millions of dollars pass through the estates program each year and large amounts are reunited with rightful heirs found by Department staff. Without the efforts of the Department, the assets of many estates would fall into the hands of those who have no legal right to claim them.

TRUST PROPERTY GROWTH

The attached charts (Appendix A & B) show the growth of the Unclaimed Property unit's receipts and claim payments for the past several years.

2015 HIGHLIGHTS

Fiscal Year (FY) 2015 Unclaimed Property receipts saw an \$11.4 million dollar decrease from FY 2014. Unclaimed property reporting and estates receipts combined were down by almost \$3 million. The major factor of the overall decrease was the \$9.5 million dollar decrease in stock sale proceeds from FY2014. Planned sales in FY2015 were delayed and did not happen until Fiscal Year 2016.

Activities:

- The Unclaimed Online Reporting Tool was implemented in January 2015. It allows organizations to drop off a reporting file, create a small report online, or file a zero report so they can confirm compliance with the law.
- Ten free unclaimed property reporting workshops were conducted throughout the state, and an additional two unclaimed property presentations were given to business professionals.
- Estate Administration staff continues to educate landlords, funeral homes, medical examiners, attorneys, judges and others concerning the Department's role in intestate estate cases.
- In-state unclaimed property audits were completed on 27 companies that have not reported in the past.
- Estates Administration staff opened 372 new cases and the value of funds permanently escheated to the Common School Fund was \$332,729.05.
- During the 2015 fiscal year 18,833 claims were paid. Over \$6.9 million was paid to over 1,862 owners as the direct result of the Section's finder service. This is an internal process used to find and contact owners of higher valued properties of \$250 or more. This effort contributed to 10% of the total refunds and almost 30% of the total value returned.

TRUST PROPERTY GOALS AND OBJECTIVES

1. *Make unclaimed property reporting accurate, easy, and fast*

- Now that an online reporting tool has been developed, the Section is working to develop an online remittance tool. Most reporters prefer EFT or Wire transmittal, so the easier-to-implement credit card application has not been a primary focus.
- The Section continues to offer free educational seminars around the state beginning in June. The seminars are CPE (Continuing Professional Education) eligible, and include seminars in Medford, Springfield, Salem, Portland and Bend.

2. *Make the claim process simple and timely*

- Trust Property continues to analyze Unclaimed Property processes and procedures to make owner outreach more effective and provide timely responses to the resulting claims. The Section's finder service letter project is increasing owner outreach, but also moderates the incoming claim volumes so that the Section can respond within a reasonable period of time throughout the year.

- Trust Property is exploring a paperless claim option that is already being implemented in several states. Based on specific criteria such as value, owner relationship, and matching data, some claims could be approved without the claimant submitting paperwork resulting in expedited payment of claims.

3. *Businesses find it easy to understand the rules and comply with the law*

The largest compliance issue is simply that stakeholders are not aware of their responsibilities for intestate estates and unclaimed property reporting. Our team is looking at outreach efforts and partners to help educate stakeholders to increase this category of compliance.

4. *Improvements to Uniform Unclaimed Property Act*

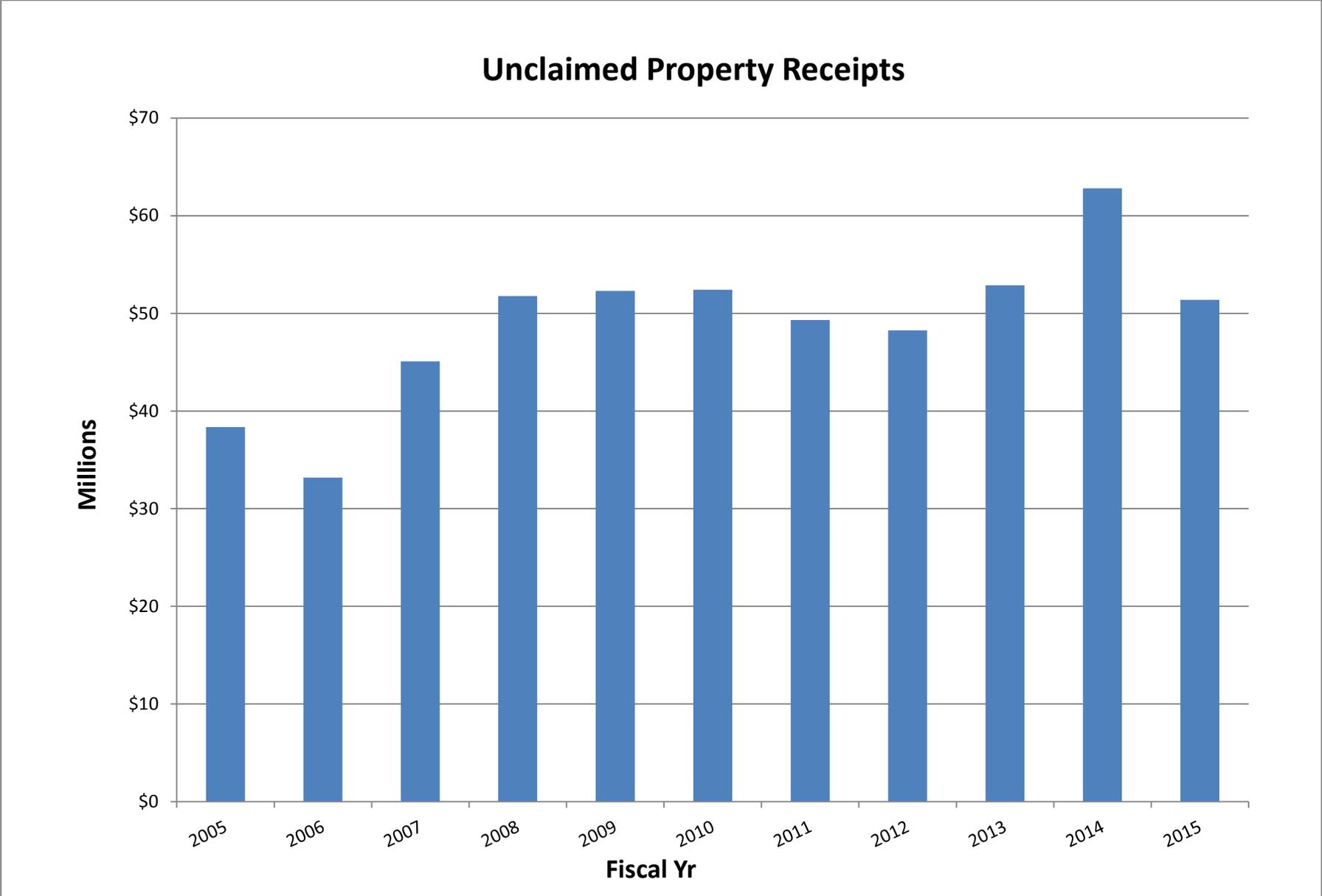
The National Association of Unclaimed Property Administrators (NAUPA) is nearing the end of the process on a proposed update to the Uniform Unclaimed Property Act. It was last updated in 1995, and in subsequent years many types of e-commerce have developed that was not foreseen in the older versions of the law. The Uniform Law Commission is expected to release a final draft in August 2016.

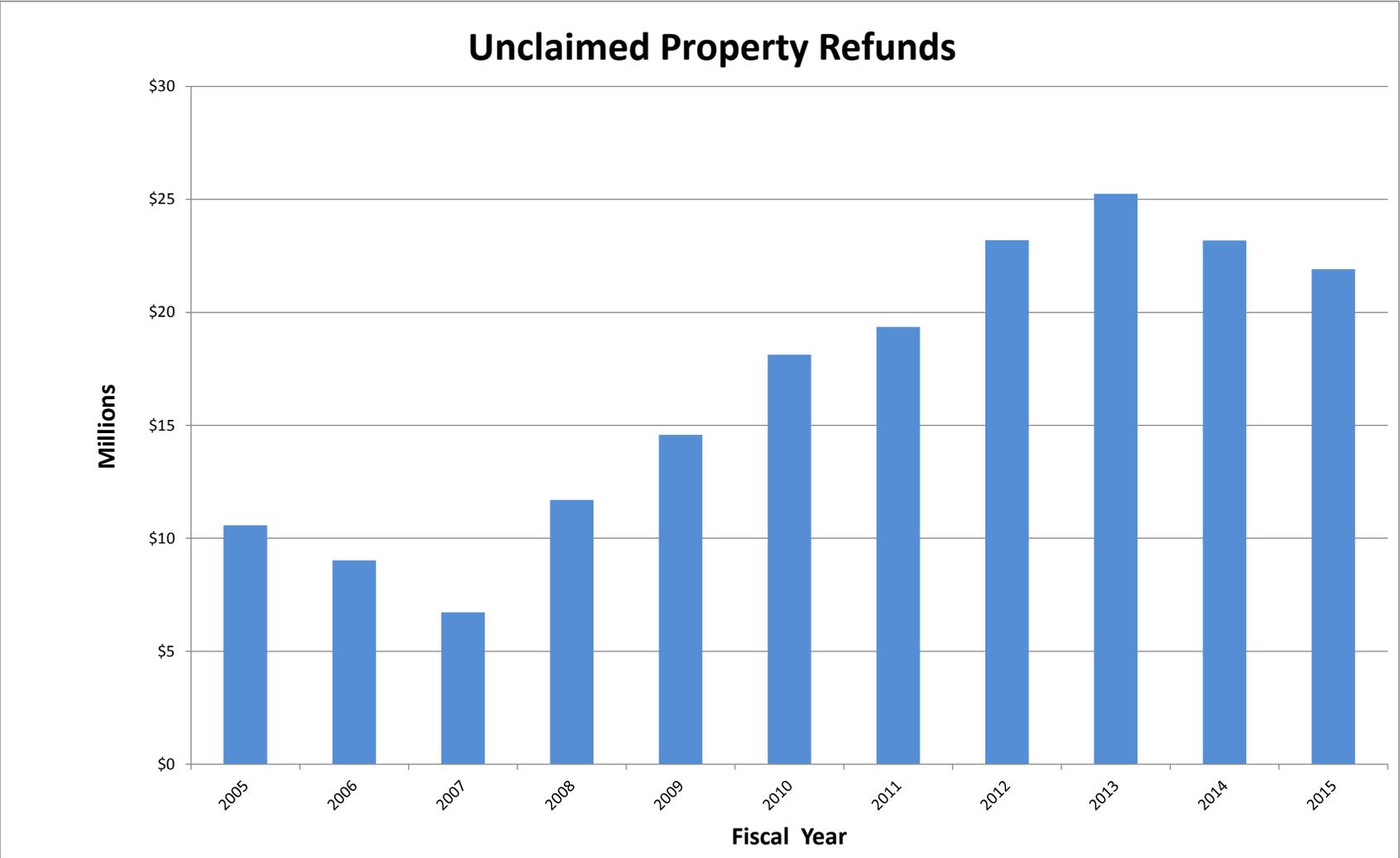
5. *Intestate situations are reported timely and investigated promptly*

- Trust Property is seeking more effective outreach methods and partners to help educate stakeholders to ensure DSL is notified when there is a decedent without known heirs.
- The Department is seeking an interagency agreement to participate in the Oregon Vital Events Registration System (OVERS) sponsored by the Oregon Health Authority. This system is expected to be able to provide additional research tools that allow a more timely determination of whether or not there are living heirs to an estate.

APPENDICES

- A. Unclaimed Property Receipts: 2005-2015
- B. Unclaimed Property Refunds: 2005-2015







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State Land Board

Kate Brown

Governor

State Land Board

Regular Meeting

June 14, 2016

Agenda Item 4

Jeanne P. Atkins

Secretary of State

Ted Wheeler

State Treasurer

SUBJECT

Request for State Land Board approval of the Oregon Department of Forestry's (ODF's) proposed 2017-2019 Common School Fund (CSF) budget.

ISSUE

Whether the State Land Board should approve ODF's proposed CSF budget for submission to the Department of Administrative Services (DAS).

AUTHORITY

Oregon Constitution, Article VIII, Section 5; specifying that the State Land Board is responsible for managing Common School Fund lands.

ORS 273.041 to 273.071; authorizing the Department of State Lands to exercise the administrative functions of the State Land Board.

ORS 273.135 to 273.155; authorizing the Department of State Lands to enter into written agreements with other government agencies for the performance of technical and professional services.

ORS 530.490 to 530.500; authorizing the State Forester to manage, control, and protect the Common School Forest Lands.

SUMMARY

As required in Section VI of the June 14, 2005 Common School Forest Land Agreement, "The Department shall provide a preliminary biennial Department-wide budget to the Land Board and DSL by August 1 of each even-numbered year."

DISCUSSION

The mission of the State Forests Division on Common School Forest Lands is to manage and protect these lands for the maximum short and long-term benefit of the public

schools, consistent with sound stewardship, conservation, and business management principles.

Common School Forest Lands (CSFL) are managed in order to be aligned and consistent with the goals and management direction that are described in the 2012 Real Estate Asset Management Plan.

The Oregon Department of Forestry (ODF) State Forests Current Service Level (CSL) for all management costs on CSFL for the 2017-2019 biennium is approximately \$3.27 million. This compares to the 2015-2017 ODF Legislatively Approved Budget (LAB) for all management costs of \$9.78 million—a 67% reduction. The Agency Request Budget (ARB), including Program Option Packages (POPs) will be completed by August 31, 2016.

This request reflects a budget to support only those management costs associated with the 34,738 acres of CSFLs across the state that are not part of the Elliott State Forest (Elliott), where the Common School trust lands within the Elliott would no longer be managed by the ODF. This is in anticipation of a transfer of ownership of the Elliott lands during the 2017-2019 biennium. During the next biennium, DSL would be working with a third-party contractor (to be determined) to ensure appropriate maintenance of the Elliott lands in anticipation of the eventual transfer of the property to a new owner.

At this time, there are no State Forests Policy Option Packages (POPs) for 2017-2019 that could affect CSFL budget authority. However, two POPs from other programs within ODF are under development and may have an effect on costs associated with administrative services and debt services for the CSFLs. These potential POPs include the following:

- *Human Resources Capacity.* This concept proposes to address long-term workload issues in support of employee Police and Fire benefits, Family Medical Leave Act/Oregon Family Leave Act, classification, policy development and recruitment, and seasonal firefighting.
- *State Forester's Office Building.* This concept proposes to fund restoration of the State Forester's Office building in Salem to ensure business operations for key staff.

Expected CSFL results across the ODF State Forest Division for the 2017-2019 biennium are as follows:

1. Produce an estimated \$4.69 million in gross revenues (based on the Fall 2015 ODF revenue projection) from all CSFLs, resulting in a projected total net revenue to the Common School Fund of \$1.42 million over the biennium. It is important to note that the revenue and expenditure projections have a high degree of uncertainty given challenges with predicting future timber sale volume and timber value.

2. Estimated land management activities on CSFL: The biennium will begin without the Elliott State Forest under Oregon Department of Forestry management. The remaining 34,738 acres of CSFL are distributed across the state in nine ODF districts and will continue to be managed under ODF State Forests Management plans. For the 2017-2019 biennium, harvest levels from these parcels are projected to be 13.5 million board feet (MMBF) (again recognizing uncertainties associated this prediction).
3. Continue second-year surveys around planned timber sales for marbled murrelets and apply take avoidance measures to insure protection of this species.
4. Assist Department of State Lands in implementation of the 2012 Real Estate Asset Management Plan.
5. Provide for appropriate recreational opportunities on CSFL throughout the state.
6. Continue to implement cultural resource management strategies on CSFL, including coordination and consultation with tribes.
7. Continue to provide a variety of opportunities for public participation in state forests planning processes.

RECOMMENDATION

The Department of Forestry and the Department of State Lands recommend that the State Land Board approve the submission of ODF's 2017-2019 Current Service Level CSF Budget to the Department of Administrative Services as part of the Department's total budget, with recognition that there may be policy option packages that will cause an increase to ODF's Agency Request Budget.

APPENDIX

- A. Draft 2017-2019 biennial budget for Common School Forestlands.

OREGON DEPARTMENT OF FORESTRY
2017-19

2017-19 Agency Request Budget

Budget Category	2015-17	2017-19			% Chg. LAB vs ARB
	Legislatively Approved Budget (LAD)	Current Service Level (CSL)	Policy Packages	Agency Request Budget	
Common School Lands Fund					
Personal Services	\$ 4,758,374	\$ 1,352,338	\$ -	\$ 1,352,338	-71.58%
Services & Supplies	\$ 2,756,508	\$ 947,549	\$ -	\$ 947,549	-65.63%
Capital Outlay (building structures)	\$ -	\$ -	\$ -	\$ -	
<i>Sub-Total</i>	<u>\$ 7,514,882</u>	<u>\$ 2,299,887</u>	<u>\$ -</u>	<u>\$ 2,299,887</u>	<u>-69.40%</u>
Capital Improvement	\$ -	\$ -	\$ -	\$ -	0%
Capital Construction	\$ -	\$ -	\$ -	\$ -	0%
<i>Sub-Total</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>0%</u>
Administration					
Personal Services	\$ 794,747	\$ 281,633		\$ 281,633	-64.56%
Services & Supplies	\$ 493,357	\$ 177,428	TBD	\$ 177,428	-64.04%
Capital Outlay	\$ 9,966	\$ 3,332		\$ 3,332	-66.57%
Capital Improvement/maintenance	\$ 36,009	\$ 18,297		\$ 18,297	-49.19%
Debt Service - COP's	\$ 112,006	\$ 36,031	\$ -	\$ 36,031	-67.83%
Seed Orchard	\$ 50,000	\$ 24,500	\$ -	\$ 24,500	-51.00%
<i>Sub-Total</i>	<u>\$ 1,496,086</u>	<u>\$ 541,221</u>	<u>\$ -</u>	<u>\$ 541,221</u>	<u>-63.82%</u>
Fire Patrol Assessment	\$ 772,222	\$ 425,206		\$ 425,206	-44.94%
Grand Total	<u><u>\$ 9,783,190</u></u>	<u><u>\$ 3,266,315</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,266,315</u></u>	<u><u>-66.61%</u></u>
FTE	<u><u>23.71</u></u>	<u><u>7.55</u></u>	<u><u>0.00</u></u>	<u><u>7.55</u></u>	<u><u>-68.16%</u></u>

Linked Cells

DAS Standard Inflation Factor:	103.000%	103.700%	103.700%	103.700%
CSLF Debt Service Percentage:	11.133%	11.111%	11.111%	11.111%
CSLF Admin Prorate Percentage:	4.344%	2.858%	2.858%	2.858%



Oregon

Kate Brown, Governor

Department of State Lands

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State Land Board

Kate Brown

Governor

Jeanne P. Atkins

Secretary of State

Ted Wheeler

State Treasurer

State Land Board

Regular Meeting

June 14, 2016

Agenda Item 5

SUBJECT

Request for approval to submit the Department of State Lands' proposed 2017-19 budget request.

ISSUE

Whether the Land Board should approve the Department's proposed 2017-19 budget request for submission to the Department of Administrative Services (DAS).

BACKGROUND

The Department is preparing its 2017-2019 budget request in accordance with the DAS budget development instructions.

Budget Request

The agency's current budget supports its focus on regional delivery of services by utilizing its resources in a team-based environment. The agency's proposed budget supports the business model by maintaining current service levels and including requests to improve delivery of service. It also seeks other funds limitation for the continued work on the Portland Harbor Superfund project, the next phase of the historically filled lands project, and limitation for the submerged lands enhancement fund. At the request of the Oregon Ocean Science Trust (OOST), the proposed budget request includes a general fund request to support administrative needs of the OOST. The current service level does not include one-time costs (i.e. special projects or grants), nor does it include limited duration positions approved through the current biennium.

The agency is proposing the following policy option packages in its traditional budget document:

Package 101: Portland Harbor Clean Up

The cost allocation process for the Portland Harbor Superfund Clean-up is expected to carry forward into the 2017-19 biennium. After consulting with the Department of Justice, the agency anticipates continuation of higher than normal legal expenses and a need for additional work by the forensic science contractor and other vendors. This package seeks additional limitation to continue to ensure the state's interests are protected in the Superfund case.

Total amount: \$8,150,000 Other Funds

Package 102: Historical Filled Lands Project

The agency conducted rulemaking and started work on the initial inventory, ownership determination and digitization of historical records in the 2015-17 biennium. The request for the 2017-19 biennium includes two limited duration positions to begin the notification to affected land owners and perform the actions necessary to begin appropriate divestment of these lands.

Total Amount: \$283,000 Other Funds / General Funds

Package 103: Trust Lands Management

Isolated and non-revenue producing land parcels scattered throughout the state are sold and the proceeds deposited into the Common School Fund. Agency staff engages in a robust process to prepare for divestment of such lands. This request increases capacity and coverage for this work, as well as the work of generating greater revenues from the trust lands, by adding an additional property specialist.

Total amount: \$163,000 Other Funds

Package 104: Submerged and Submersible Land Enhancement Fund

In 2015, the legislature created the Submerged and Submersible Enhancement Fund with the passage of HB 2463. This package requests limitation to allow payments to be made out of the fund.

Total amount: \$100,000 Other Funds

Package 105: Sage Grouse Monitoring

The agency has entered into a Candidate Conservation Agreement with Assurances (CCAA) for the Greater Sage Grouse with the U.S. Fish & Wildlife Service that was executed in October 2015. The agreement includes additional conservation measures and monitoring requirements. This package adds a seasonal position to assist with installation of conservation measures such as fence markers and water tank escape ramps as well as monitoring for compliance with other CCAA terms.

Total amount: \$81,000 Other Funds

Package 106: Shared Services Implementation

The agency is currently working on developing shared service agreements with other agencies for web-support and human resource services. This package seeks limitation to transfer funds to Water Resources Department to support a payroll specialist and a webmaster position. This will support increased public awareness and improved

communication. Water Resources Department is seeking position authority and this package will provide the limitation for the agency to pay for its portion of the service.

Total Amount: \$145,000 Other Funds

Package 107: Vehicle Replacement

The agency owns several vehicles that are maintained for official business. Those vehicles are now depreciated and scheduled for replacement. This package provides limitation to lease vehicles from the Department of Administrative Services in accordance with state procedures. In addition, staff in eastern Oregon use off-highway vehicles (OHV) for field work that are in need of replacement. This package also includes limitation to provide funding to purchase two OHVs.

Total Amount: \$63,000 Other Funds

Package 108: Regional Team Office Space

The agency is planning to open a regional team office space in the Portland Metro area in the 2017-19 biennium. This office space will improve customer service by providing a local meeting place for DSL's customers, and easier access to DSL staff for agency work in the Metro area. It will also provide efficiencies as DSL employees will not need to commute from Salem to visit project sites and meet with customers. This request will fund office space in the state office building in Portland.

Total Amount: \$48,000 Other Funds

Package 109: Funding High Priority Nearshore Research and Monitoring

The Oregon Ocean Science Trust is seeking funding to hire part-time administrative staff and an initial match funding for potential grant opportunities to begin the work that supports the mission.

Total Amount: \$1,000,000 General Fund

Package 110 Headquarters Building Maintenance

The current Common School Fund capital improvement budget does not include adequate limitation for major repairs or upgrades of the headquarters building. This package seeks funding to upgrade the lighting in the underground parking garage and replace and repair the structure on the roof that protects the HVAC system from the elements.

Total Amount: \$200,000 Other Funds

Key Performance Measures (KPMs)

The agency is reviewing the current KPMs and considering changes aimed at measuring the effectiveness of the reorganization, improved processes, and the work toward better customer service.

RECOMMENDATION

The Department of State Lands recommends that the Land Board approve the submission of the DSL budget to the Department of Administrative Services.



Oregon

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State Treasurer

State Land Board

Regular Meeting
June 14, 2016
Agenda Item 6

SUBJECT

Request for approval to sell 0.21 acres of state-owned filled lands located in the Northwest quarter of the Southeast quarter of Section 16, Township 7 North, Range 2 West of the Willamette Meridian in Columbia County (Appendix A).

ISSUE

Whether the State Land Board should authorize the Director to execute a quitclaim deed with a conservation easement for the sale of state-owned filled lands to the adjacent property owner, Waterfront Place Condominium Association.

AUTHORITY

Article VIII, Section 2 and 5 of the Oregon Constitution; pertaining to the Common School Fund and land management responsibilities of the State Land Board.

ORS 273.055; relating to the power to acquire and dispose of real property.

ORS 273.171; relating to the duties and authority of the Director.

ORS 274.915; relating to the sale, lease or trade of submersible and submerged lands.

ORS 274.960 through 274.985; pertaining to investigation of state's interest.

OAR 141-067; relating to the sale, exchange and purchase of state lands.

BACKGROUND

In October 2009, DSL received an application to acquire state-owned filled lands adjacent to the Columbia River in Rainier. The condominium owners had previously acquired the adjacent upland property under the impression that it included ownership to the river and were unaware of DSL's claim to the filled lands. The application was put on hold due to various issues on adjacent properties, including an ownership claim by the City of Rainier.

In 2009, City of Rainier staff provided the Department with a list of deeds and other documents pertaining to their ownership claim for the subject portion of Tax Lot 1599. In reviewing these documents, the Department found no evidence that the State of Oregon was a party to any submerged/submersible land sale at this site. Without a valid sale from the State of Oregon for those submerged/submersible lands, all subsequent deeds referencing those lands are invalid.

At their November 19, 2012 meeting, the Rainier City Council agreed to quitclaim the subject portion of Tax Lot 1599 (western end) identified as filled lands back to the state, in order to clarify the Department's ownership in preparation for a mitigation project. The State Land Board (Board) accepted the quitclaim at its February 12, 2013 meeting. This quitclaim allowed a wetland mitigation project proposed by Foss Maritime to proceed. The condominium owners continue to desire to acquire the property to complete the process initiated in 2009.

The City of Rainier has long desired to construct a pedestrian walkway across this historically filled land (Attachment B). When the City of Rainier quitclaimed the submerged and submersible land to DSL, DSL in turn agreed to grant a 30-year easement for the pedestrian walkway. This easement was granted under 58493-EA, and executed on March 22, 2016. Providing public access across the property meets the intent of ORS 274.940, by providing public access associated with the disposal of state-owned property.

Staff has conducted an in-house appraisal on the property. Due to the permanent conservation easement that will be placed on the property as part of this transaction, there will be no potential impact on endangered species or cultural resources. The DSL estimate of value of the filled lands that would be transferred to the condominium owners through the execution of a quitclaim deed is \$310.

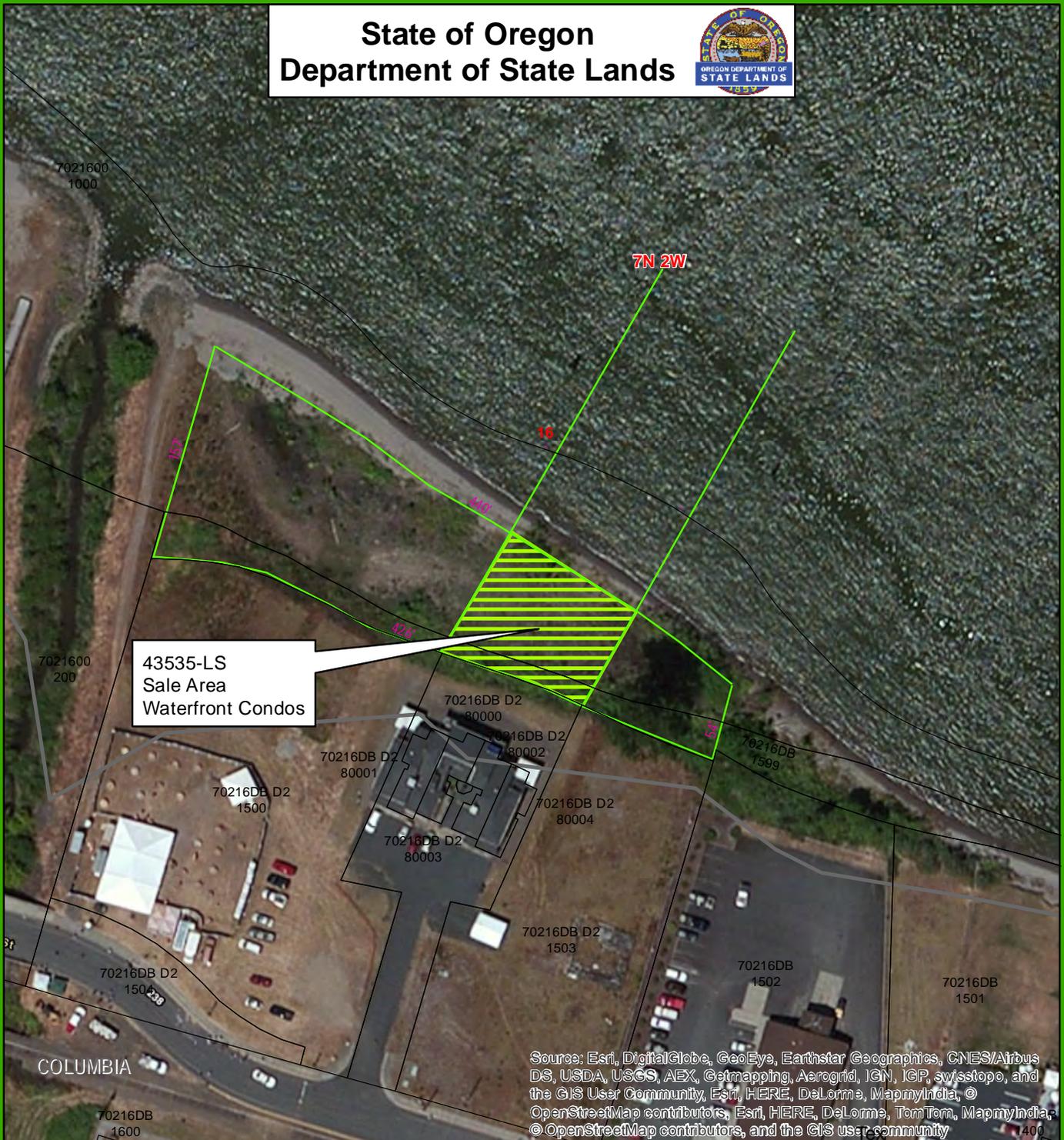
RECOMMENDATION

The Department recommends that the Land Board approve the sale of 0.21 acres of state-owned filled lands immediately adjacent to the Waterfront Place Condominium Association by quitclaim for \$310, and that a conservation easement be placed in order to protect wetland mitigation existing on the property.

APPENDICES

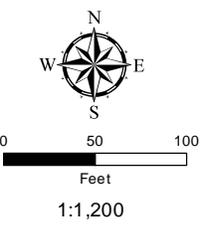
- A. Location map
- B. Survey of pedestrian easement

State of Oregon Department of State Lands

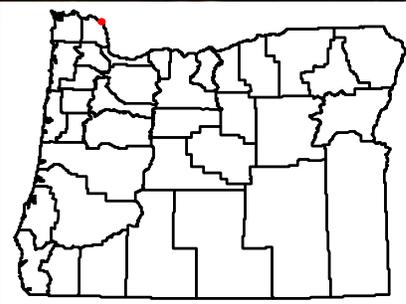


43535-LS
Sale Area
Waterfront Condos

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community, Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors, Esri, HERE, DeLorme, TomTom, MapmyIndia, © OpenStreetMap contributors, and the GIS user community



Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet



Vicinity Map

Exhibit A

This map depicts the approximate location and extent of a Department of State Lands, Land Management Division authorization for use and/or property transaction. This product is for informational purposes only and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

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Date: 4/15/2015



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1224 Alder Street
Vernonia, OR 97064

Phone: (503) 429-6115
Fax: (503) 429-6115
Email: dwallace_ksl@msn.com

Exhibit A

15' Wide Easement

A 15 foot wide strip of land over a portion of that tract of land conveyed to the State of Oregon in Deed recorded as Document No. 2013-001623, Columbia County Deed Records lying in the Southeast quarter of Section 16, Township 7 North, Range 2 West of the Willamette Meridian, Columbia County, Oregon lying 7.50 feet on each side of the following described centerlines:

Beginning at the Southwest corner of that tract of land described in Deed recorded as Document No. 89-5837, Columbia County Deed Records; thence N 14°38'19" E along the West line of said tract 282.31 feet more or less to the Northwest corner thereof; thence N 33°21'25" E 17.90 feet to the True point of Beginning; thence N 72°02'06" W 107.51 feet to point "A"; thence N 72°47'53" W 145.06 feet; thence N 64°51'56" W 51.10 feet; thence N 62°16'29" W 72.89 feet; thence N 69°24'41" W 68.21 feet; thence S 09°21'09" W 48.51 feet more or less to the West line of that tract of land described in Document No. 2006-005143, Columbia County Deed Records.

Also beginning at Point "A"; thence N 18°28'29" E 34.81 feet; thence N 30°20'43" E 29.75 feet more or less to the North line of said State of Oregon tract.

The basis of bearings for this description is from County Survey No. 4159.

REGISTERED
PROFESSIONAL
LAND SURVEYOR

Donald D. Wallace, Jr.

OREGON
JANUARY 19, 1983
DONALD D. WALLACE, JR.
2601

EXPIRES: 6/30/16

EASEMENT EXHIBIT FOR
 CITY OF RAINIER
 IN THE NW 1/4 OF SECTION 16,
 T7N, R2W, W.M.,
 CITY OF RAINIER,
 COLUMBIA COUNTY, OREGON
 SCALE 1" = 80'



JOB NO. 15-153
 5-4-2015

APPROXIMATE EXISTING
 ORDINARY HIGH WATER

DEED DOC.
 NO. 2013-001623

COLUMBIA RIVER

APPROXIMATE OLD
 ORDINARY HIGH WATER

DEED DOC.
 NO. 2006-005143

POINT "A"

CENTER OF 15'
 WIDE EASEMENT

TRUE POINT
 OF BEGINNING

N 33°21'25" E
 17.90'

N 14°38'19" E 282.31'

SW CORNER DEED
 DOC. NO. 89-5837

LINE TABLE

LINE	BEARING	HORIZ DIST
L1	N72°02'06"W	107.51'
L2	N72°47'53"W	145.06'
L3	N64°51'56"W	51.10'
L4	N62°16'29"W	72.89'
L5	N69°24'41"W	68.21'
L6	S9°21'09"W	48.51'
L7	N18°28'09"E	34.81'
L8	N30°20'43"E	29.75'



K.L.S. SURVEYING INC.
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REGISTERED
 PROFESSIONAL
 LAND SURVEYOR

Donald D Wallace

OREGON
 JANUARY 19, 1993
 DONALD D WALLACE, JR
 2601

RENEWAL DATE 6/30/16