



Oregon

Kate Brown, Governor

Parks and Recreation Department

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August 6, 2015

Steve Corey
Corey, Byler & Rew, LLP
Attorney for Bandon Biota LLC
PO Box 218
Pendleton, OR 97801

Dear Mr. Corey:

I am writing to ask for your help with a pair of requests.

First, as you observed at its June 2015 meeting, the Oregon State Parks and Recreation Commission agreed to extend the deadline for closing from June 2015 to December 31, 2016 on the Exchange Agreement with Bandon Biota, LLC that it approved in April 2014. The Commission was clear that they are not inclined to extend the closing deadline further.

To get to closing under the Exchange Agreement, the Department of Interior, Bureau of Land Management (BLM) must review and approve this Department's request to transfer ownership of the 280-acre portion of Bandon State Natural Area to a non-profit corporation and change the use to outdoor recreation. At the pre-application conference in June 2014, BLM clarified that the Department must submit the application. In order to submit that application, we need the following from Bandon Biota:

- Articles of incorporation (or charter, etc.) for the Chic Evans Park at Bandon Links;
- Management plan;
- Development schedule (which may be incorporated into the management plan); and
- Site plan (drawing).

We anticipate that the BLM review and decision will take several months, or perhaps a year or longer. For the exchange to proceed to closing, it is critical to submit the Department's application with these necessary documents provided by Bandon Biota without further delay. Please provide us with a firm date when we can expect delivery of the articles of incorporation, management plan, development schedule, and site plan.

Once we have received all of your complete documents, barring unforeseen issues, we anticipate submitting our application to the BLM within seven (7) working days; we will provide you a copy of the complete application submittal. The Department's role will then become subservient to the BLM's process. We may be asked to provide additional information to equip BLM to



conduct its review, and if those requests require information from Bandon Biota, the Department will need Bandon Biota to be prompt in providing requested information. There may also be a role for the Department as the landowner to assist BLM during a required public comment period prompted by the BLM review process. While we will continue to post information about the status of the exchange proposal online at <http://www.oregon.gov/oprd/Pages/commission-bandon.aspx>, we will only be involved in the BLM review process at their request.

We appreciate that Bandon Biota has fulfilled the Exchange Agreement so far by contributing \$450,000 to match a grant to bring a portion of Whale Cove into public ownership, providing the first two of five annual payments of \$60,000 each to support state park gorse management on the southern Oregon coast, and depositing \$2.5 million into escrow to fund a major new state park should the BLM approve the application. These are actions that provide the foundation for ultimately satisfying the Commission's standard that exchange proposals of this type provide overwhelming benefits to the Oregon state park system. However, Bandon Biota's satisfaction of these requirements does not portend the BLM's approval of our application. Based on its review and evaluation, BLM may approve or disapprove any application in whole or in part, or require its revision. Thus, it is in the interest of the parties to the Exchange Agreement to continue as soon as possible the BLM process by submitting a complete application. Please let me know at your earliest convenience when we can expect the required documents.

Second, we have recently discovered evidence of ground-clearing, and placement of what appears to be a well or capped pit and other above ground structures on the portion of the Bandon State Natural Area being considered as part of the exchange. I am attaching a map and photos to illustrate. Section 7 of the Commission's order does say Bandon Biota may "conduct **non-intrusive testings** on the Bandon Parcel in connection with its project, including without limitation golf course layout, environmental testings, soil suitability testings, water well testings, and wildlife habitat testings, **necessary for land use and other regulatory permitting as required by the county, state and federal governments.**"

If Bandon Biota or any of its agents were involved in this activity, please send me your understanding of how these actions are both non-intrusive, and necessary for county, state or federal regulatory permitting.

Sincerely,



Lisa Sumption
Director

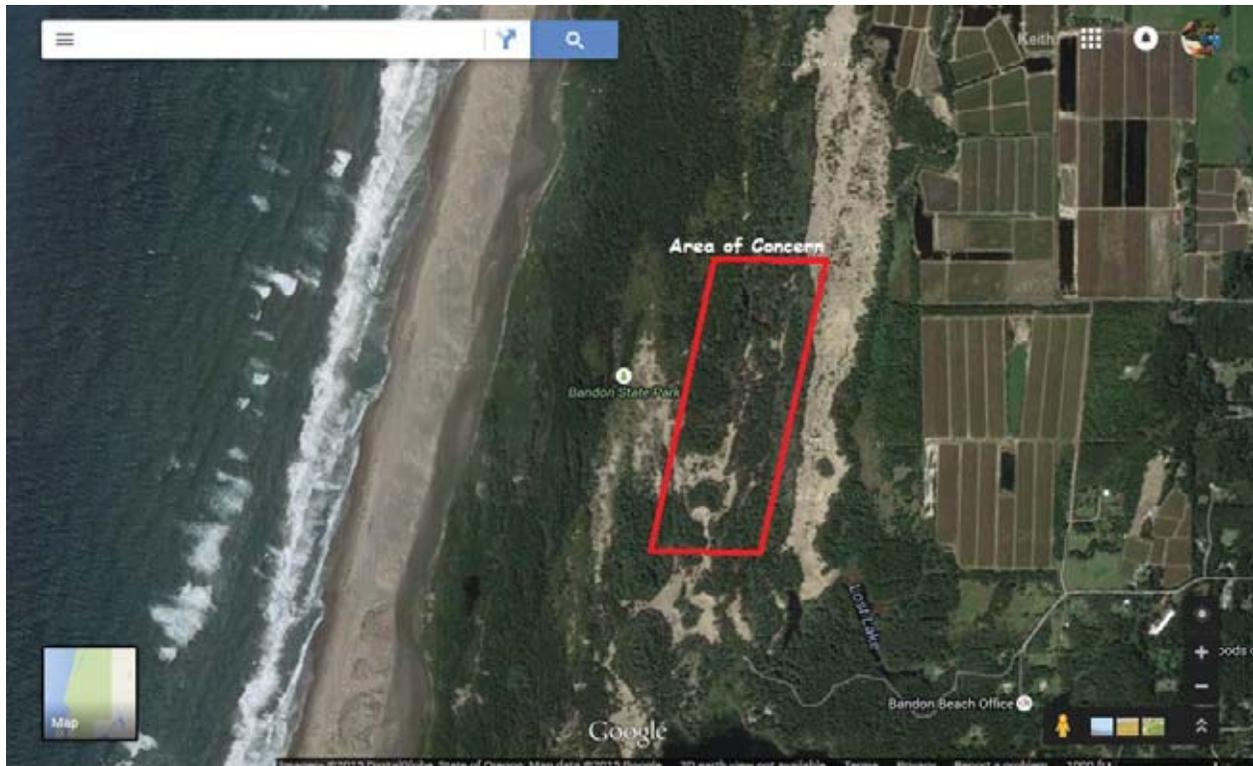
Enclosure

Cc: Steve Shipsey, Department of Justice
Cal Mukumoto, Oregon Parks and Recreation Commission Chair

There may be development occurring within the property boundaries in Bandon State Natural Area.

Possible Development includes:

1. Well Head - See "Area 1" section below.
2. Use of heavy equipment to clear wooded area - See "Area 2" section below.
3. Well digging and water storage - See "Area 3" section below.
4. Use of heavy equipment to clear and widen old trail.



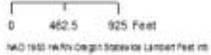
This is the area of concern possibly within Bandon State Natural Area

BANDON SNA TRAILS AND PARKING

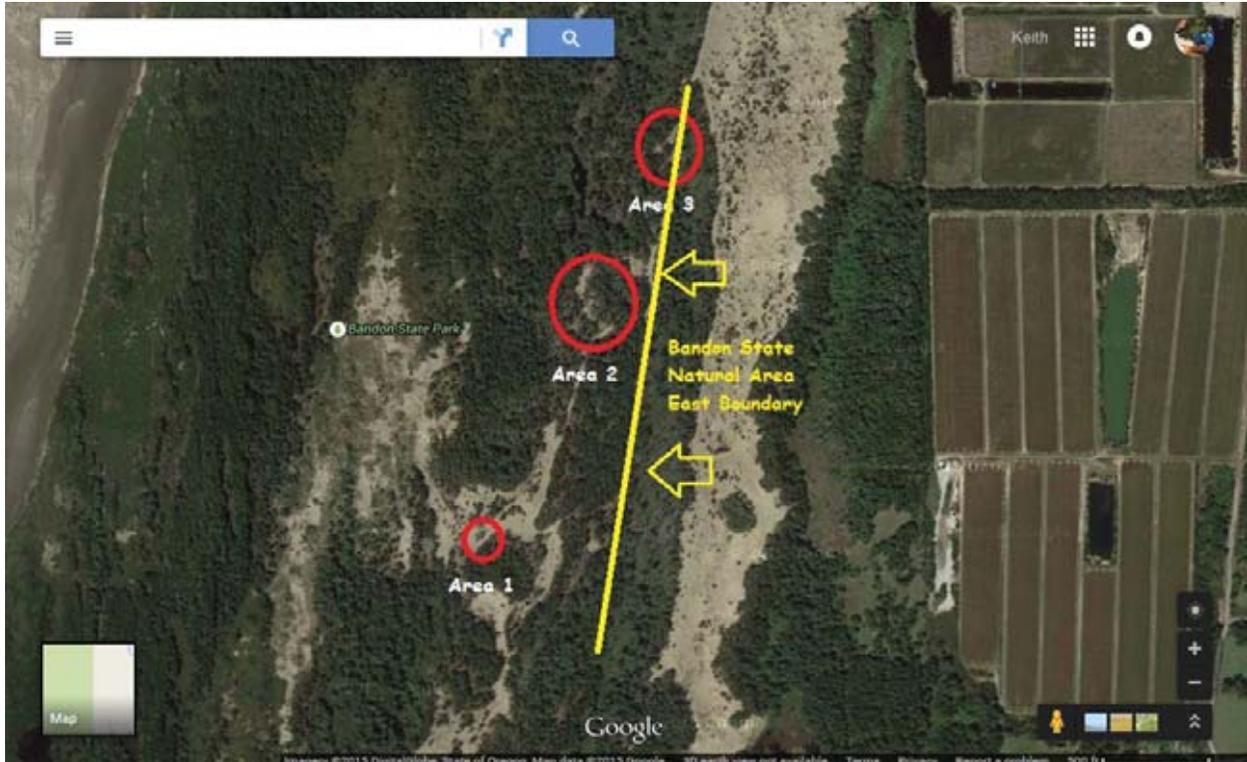
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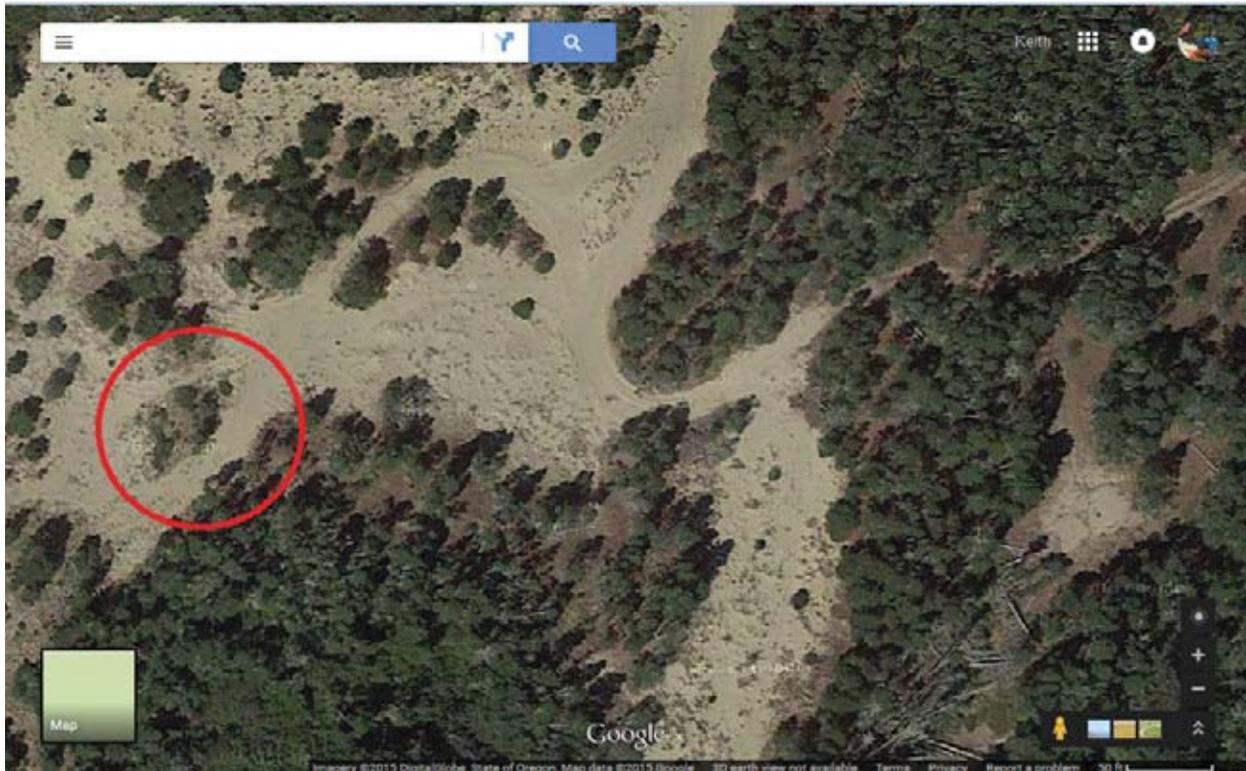


SUNDRIDGE
KIMBLE
DOUGLASS



There are three specific areas that may have trespass issues relative to development on OPRD property.

Area 1



GPS Coordinates 43.0282 N 124.4378W

Hardware has been installed within or near the red circle within area one. This hardware appears to be a well site. A five gallon bucket was found near the well head pictured below.

Inside the bucket were dozens of Ziploc bags. The bags were marked "N5 140 -145", N5 145-150" etc. Inside the bags clay like material was found. This may be spoils from drilling.



Area 1 - Possible Well – Cemented



Five Gallon Bucket



Close Up of Zip Loc Bags



GPS Coordinates 43.0315 N 124.4359 W

Area 2

It appears that Area two was excavated with heavy equipment included the removal of tree and shrubs.



Area 2 image



Area 2 Image



GPS Coordinates 43.0331 N 124.4344W

Area 3

Area 3 has an installed electrical, well, pump, and a water tank. There is also flagging running west into the bog that is on Parks Property. The pump equipment is on or very near OPRD property.



Area 3 Image



Area 3 Image

Road Excavation Images:





Old trail on the left. Newly cut trail on the right.