

**FILED**

|                         |       |                             |
|-------------------------|-------|-----------------------------|
| STATE OF WYOMING        | )     | IN THE DISTRICT COURT       |
|                         | ) ss. |                             |
| COUNTY OF NATRONA       | )     | SEVENTH JUDICIAL DISTRICT   |
| PRISM LOGISTICS, LLC,   | )     |                             |
|                         | )     |                             |
| Petitioner,             | )     |                             |
|                         | )     |                             |
| vs.                     | )     | Docket No. 2025-CV-115337-D |
|                         | )     |                             |
| STATE OF WYOMING, BOARD | )     |                             |
| OF LAND COMMISSIONERS,  | )     |                             |
|                         | )     |                             |
| Respondent.             | )     |                             |

**ORDER ON PETITION FOR JUDICIAL REVIEW**

Prism Logistics, LLC (“Prism”) petitions for review of the June 5, 2025 decision by the State of Wyoming, Board of Land Commissioners (“Board”), denying its applications to renew six rock and assorted mineral leases. [Pet.] Prism argues that, because it met one or more conditions specified under Wyo. Stat. Ann. § 36-6-101(m)(i)–(iv), it had “the exclusive right to renew” the leases for a 10-year term, and the Board’s decision to deny its lease renewal applications must be reversed. [Petr. Br. at 24-25, 30-49] The Board responds that “the exclusive right to renew” under Wyo. Stat. Ann. § 36-6-101(m) did not apply because there were no conflicting applications to lease the state land, the Board retained discretion to deny Prism’s lease renewal applications, and the record supports the Board’s decision. [Resp. Br. at 7-8, 11-19] The Court grants

Prism's Petition for Judicial Review in part, reversing the Board's decision and remanding to the Board for further proceedings consistent with this decision.

### **ISSUE**

Prism states one issue:

The [Board] acted in excess of its statutory authority when it denied renewal of mineral leases after [Prism] had demonstrated it was proceeding in good faith to develop the leased lands and that production was delayed by the necessity of obtaining approvals from governmental authorities and it used reasonable diligence pursuing those authorizations.

[Petr. Br. at 6]

The Board identifies two issues:

- I. Was the Board's decision to deny [Prism's] six rock and assorted mineral lease renewal applications arbitrary and capricious?
- II. Is the evidence supplemented in [Prism's] Motions to Supplement the Record "material evidence" under Rule 12.08 of the Wyoming Rules of Appellate Procedure?<sup>1</sup>

[Resp. Br. at 2]

The dispositive issue is:

Was the Board's decision to deny Prism's six rock and assorted mineral lease renewal applications arbitrary, capricious, an abuse of discretion or otherwise not in accordance with law?

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<sup>1</sup> The Court does not reach this issue because the supplemental evidence, though helpful to understand the background of this case, ultimately has no bearing on the Court's resolution of the Petition for Judicial Review.

## **BACKGROUND**

In Summer 2023, Prism applied to lease state land in Natrona County for sand, gravel, borrow material, and rip-rap rock. [R. Vol. I at 1 (Board Matter F-1); Petr. Br. at 7] The Director of the Office of State Lands and Investments (“OSLI”) reviewed the applications and provided them to the Board for consideration at its June 1, 2023 meeting, with a recommendation to approve the applications with Standard Stipulations 1, 117, and 136 for two of the leases (SG-01993 and SG-01994) and Standard Stipulations 1 and 136 for four of the leases (SG-01992, SG-01995, SG-01996, and SG-01997).<sup>2</sup> [R. Vol. I at 1]

At the Board’s June 1, 2023 meeting, the Director of OS LI suggested that various Board matters, including Prism’s lease applications, “were amenable for treatment on a consent list[.]” [Id. at 3] She noted that “all relevant information within these Board Matters had been presented to the Board, in advance, for review and consideration. She further stated that the Board members had been individually briefed on the matters prior to the Board meeting.” [Id.] Superintendent of Public Instruction Megan Degenfelder moved to approve the consent list, State Auditor Kristi Racines seconded the motion, and the motion carried. [Id.]

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<sup>2</sup> Standard Stipulation 1 addresses “discovery of historical, archeological or paleontological deposits on state lands[.]” [R. Vol. I at 22] Standard Stipulation 117 contains stream and lake buffer requirements for exploration and development activities. [Id.] Standard Stipulation 136 contains guidelines “[t]o prevent the spread of aquatic invasive species[.]” [Id.]

Accordingly, on June 2, 2023, the Board, as Lessor, and Prism, as Lessee, executed six “Rock and Assorted Minerals Leases”: SG-01992, SG-01993, SG-01994, SG-01995, SG-01996, and SG-01997 (the “June 2023 Leases”). [Id. at 9-20] Each lease had a two-year term, commencing June 2, 2023, and ending June 1, 2025.<sup>3</sup> [Id.] The leases contained similar language, granting Prism “authority to explore for, extract, and remove sand, gravel, rock crushed for aggregate and borrow material” from the state land described in the respective lease. [Id.] Under each lease, Prism would be required to pay royalties and annual rent. [Id.] Prism would also be required to comply with various requirements, including maintaining the leased premises in a condition acceptable to the Board “in conformance with Chapter 25 of the Board of Land Commissioners Rules and Regulations,” and complying with the Wyoming Environmental Quality Act. [Id.]

In April 2024, the Board received an update on Prism’s leases. [Id. at 21-47 (Board Matter F-6)] The update reflected that Prism had applied for a License to Explore through the Wyoming Department of Environmental Quality (“DEQ”) Land Quality Division on November 1, 2023, and its application was approved on February 9, 2024. [Id. at 21] Pursuant to its License to Explore, Prism

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<sup>3</sup> On October 2, 2023, the Board and Prism executed two additional “Rock and Assorted Minerals Leases” in the same area: SG-02003 and SG-02004 (the “October 2023 Leases”). These leases also had a two-year term, commencing October 2, 2023, and ending October 1, 2025. On October 2, 2025, the Board denied Prism’s applications to renew the October 2023 Leases, and Prism filed a separate Petition for Judicial Review challenging that decision: Case No. 2025-CV-115624-D. That case is currently pending, with briefing scheduled to begin later this month.

conducted exploration activities and performed reclamation activities at each site. [Id. at 21-22] The update further noted that the DEQ Land Quality Division had not received an application for a Limited Mining Operation (“LMO”) notification, a Small Mine permit, or a Regular Mine permit from Prism, and therefore had not taken any further regulatory steps to allow mining operations to occur on the leased land. [Id. at 22] If Prism desired to develop its leases, it would need to obtain an appropriate permit pursuant to the scope of development it wished to conduct. [Id.] Additionally, Prism would be required to obtain a Mineral Mining General Stormwater Permit from the DEQ Water Quality Division and a Stationary Source Construction Permit from the DEQ Air Quality Division. [Id.]

Later that month, the Board received a memorandum from the Casper Mountain Preservation Alliance (“Alliance”) raising concerns about Prism’s compliance with lease terms and DEQ’s rules and regulations. [Id. at 48-49] The Alliance alleged that Prism had “failed to comply with Standard Stipulation 117” because “two of the exploration test sites” were “less than the 300-foot buffer from the edge of a stream as required.” [Id. at 48] In addition, the Alliance alleged that Prism’s application for a license to explore for minerals was incomplete under DEQ’s rules and regulations. [Id. at 48-49] Finally, the Alliance expressed concerns regarding Prism’s remediation plan. [Id. at 49]

Governor Mark Gordon requested that OSLI and DEQ investigate the Alliance’s allegations. [Id. at 50] OSLI conducted a site inspection with DEQ and

Prism and determined that Prism had violated Standard Stipulation 117 with respect to Lease SG-01993. [Id. at 51-52] However, Prism had fully reclaimed the disturbed land and cured the lease violation.<sup>4</sup> [Id.] OSLI notified Prism and the Alliance of its determination. [Id. at 51-52, 64-65] In addition, DEQ reviewed the Alliance's allegations, determined that Prism had not violated DEQ's rules and regulations, and notified the Alliance accordingly. [Id. at 58-63]

In September 2024, the Board of County Commissioners of Natrona County eliminated "Extractive Industries" as an allowed conditional use in Mountain Residential 1 ("MR-1") Zoning Districts. As a practical matter, this meant that Prism could not proceed with its LMO application because it was caught in a regulatory deadlock: DEQ asserted that Natrona County approval was required first, while Natrona County asserted that DEQ approval was required first. In October 2024, Prism filed a Petition for Judicial Review in Case No. 2024-CV-114516-D, arguing that "any proposed application of [the zoning amendment] to State lands is contrary to Wyoming Constitutional law, [and] applicable statutory law giving that authority to [OSLI] and its promulgation of administrative rules." Case No. 2024-CV-114516-D has remained pending since then. This Court is simultaneously issuing a decision in that case, concluding that Prism's leases are not subject to Natrona County's land use regulations, including the September 17, 2024 amendment.

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<sup>4</sup> Section 8 of the lease contained a 30-day cure provision for any default. [R. Vol. I at 11, 52, 64-65]

In May 2025, Prism applied to renew the June 2023 Leases. [R. Vol. I at 71-78] OSLI reviewed the applications and provided them to the Board for consideration at its June 5, 2025 meeting, with a recommendation to renew the leases. [R. Vol. II at 348-52 (Board Matter G-5)] OSLI included a report on the status of the leases, the status of Prism's LMO application, and other permits that Prism may need to obtain depending on the circumstances. [Id. at 348-50] In addition to the report, OSLI provided the Board with written public comment, which primarily opposed the renewal applications. [R. Vol. I at 79-250; R. Vol. II at 251-347]

At its June 5, 2025 meeting, the Board heard from OSLI, Prism, the Alliance, DEQ, and members of the public. [R. Vol. II at 391-94; R. Vol. III] The Director of OSLI noted that Prism had continued to pursue all necessary permits from DEQ and recommended that the Board renew the leases. [R. Vol. III at 00:50 to 02:00] The Director and the Deputy Director of OSLI addressed how Prism's violation of Standard Stipulation 117 factored into OSLI's recommendation to renew the leases, noting that Prism had remedied the violation in accordance with the Board's rules and regulations, as well as the lease terms. [Id. at 03:10 to 07:30]

Next, Prism's Manager, Kyle True, provided a presentation in support of Prism's request to renew the June 2023 Leases. [Id. at 07:40 to 24:50] Mr. True stated that, based on testing, Prism had found tens of millions of tons of gravel, sand, and rip-rap, which represented tens of millions of dollars in revenue for

the Board, in addition to diesel fuel sales, severance and ad valorem taxes, and employment opportunities. [Id. at 09:40 to 10:40] Mr. True stated that Prism was actively pursuing development of the leases and had chosen to move to the courts to clarify whether Prism, as a state land lessee, is subject to county zoning requirements. [Id. at 10:40 to 11:14] Mr. True also addressed how Prism planned to mitigate various community concerns regarding the leases. [Id. at 11:15 to 24:50 (dust, road deterioration, recreational impacts, water, viewshed, etc.)]

Mr. True then answered the Board's questions. [Id. at 24:50 to 54:40] Superintendent Degenfelder asked why Prism had not obtained the necessary DEQ permits, suggesting that two years was ample time to do so based on her conversations with other gravel pit operators in the Casper area. [Id. at 33:50 to 34:34] Mr. True's response referenced the pending Petition for Judicial Review in Case No. 2024-CV-114516-D regarding county zoning authority on state land:

We believe we would have those if we had called the DEQ and said please send it over today we're ready to move equipment. We have held off since the county rezoned this area and we looked at it and we said we believe working together with people and talking is the best way to move forward. We believe the county doesn't have the authority to demand and dictate what the state does on state lands. As a state lessee we don't believe we are subject to county conditional use permits. However, we thought the gentlemanly and the calm way to go about this is to ask a state judge to clarify. We'll all be done. There will be no arguing. We could have asked for an LMO. We believe it would have been issued. We could have moved our equipment up there. And we suspect the county would have called the sheriff who works for the county. They would have come up and told us to stop until we got this resolved. And we thought, that is a more brash way to go. And we



thought, let's just handle this in the courts and quietly. So, we believe we are diligently pursuing this, and this question is the only question that is keeping us from mining gravel today.

[Id. at 34:35 to 35:47] The Board asked additional questions regarding county zoning authority, and Prism confirmed that the question of county zoning authority on state land was currently being litigated. [Id. at 49:45 to 54:20]

After Mr. True, the Alliance provided a presentation to the Board. The Alliance argued that Prism's lease renewal applications should be denied for three main reasons: Prism had not been a responsible lessee; constitutional notice had not been provided to adjacent/nearby landowners, other lessees, and the Natrona County Commissioners; and the lease renewals would contradict county zoning. [Id. at 1:11:15 to 1:28:20]

After the Alliance, Commissioner North spoke in opposition to Prism's lease renewal applications and answered questions regarding various matters including county zoning. [Id. at 2:17:35 to 2:38:43] In addition, OSLI and DEQ addressed concerns that the Alliance had raised during its presentation, explaining matters related to inspection, licensing, and permitting processes. [Id. at 2:38:44 to 2:58:25] Finally, members of the public commented in opposition to renewal of the leases. [Id. at 2:58:25 to 4:14:00]

After the comment period closed, the Board discussion began. Secretary of State Chuck Gray moved to deny the renewal applications "because Prism is unable to obtain the authorizations necessary to conduct sand and gravel mining on the parcels." [R. Vol. II at 393-94; R. Vol. III at 4:19:45 to 4:20:02] The motion

failed for lack of a second. [R. Vol. II at 394; R. Vol. III at 4:20:02 to 4:20:22] Auditor Racines then moved to deny the renewal applications “due to Prism not moving forward with the licenses and permits in the time of the first lease.” [R. Vol. II at 394; R. Vol. III at 4:20:23 to 4:21:00] Secretary Gray seconded the motion. [R. Vol. II at 394; R. Vol. III at 4:21:00 to 4:21:03] State Treasurer Curt Meier moved to amend the motion by removing SG-01995 and SG-01996 because those had licenses to explore and no riparian stipulations. [R. Vol. II at 394; R. Vol. III at 4:21:20 to 4:22:23] The motion failed for lack of a second. [R. Vol. II at 394; R. Vol. III at 4:22:23 to 4:22:42] Auditor Racines’ motion carried.<sup>5</sup> [R. Vol. II at 394; R. Vol. III at 4:44:15 to 4:44:35]

Prism timely filed its Petition for Judicial Review on July 7, 2025. [Pet.] The Court established a briefing schedule and OSLI transmitted the record of proceedings to the Court. The Court denied the Natrona County Board of County Commissioners’ motion to intervene. The Court granted Prism’s motions to supplement the record. However, the Court stated that the Board may address any objections to the supplemental evidence in their response brief.

### **STANDARD OF REVIEW**

The Board is an agency under the Wyoming Administrative Procedure Act. Wyo. Stat. Ann. § 16-3-101(b)(i). Wyo. Stat. Ann. § 16-3-114(c) governs review of agency actions:

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<sup>5</sup> After denying Prism’s renewal applications, the Board voted to correct the legal description in Lease SG-01992. [R. Vol. II at 394-95, 399-406]

(c) To the extent necessary to make a decision and when presented, the reviewing court shall decide all relevant questions of law, interpret constitutional and statutory provisions, and determine the meaning or applicability of the terms of an agency action. In making the following determinations, the court shall review the whole record or those parts of it cited by a party and due account shall be taken of the rule of prejudicial error. The reviewing court shall:

(i) Compel agency action unlawfully withheld or unreasonably delayed; and

(ii) Hold unlawful and set aside agency action, findings and conclusions found to be:

(A) Arbitrary, capricious, an abuse of discretion or otherwise not in accordance with law;

(B) Contrary to constitutional right, power, privilege or immunity;

(C) In excess of statutory jurisdiction, authority or limitations or lacking statutory right;

(D) Without observance of procedure required by law; or

(E) Unsupported by substantial evidence in a case reviewed on the record of an agency hearing provided by statute.

Wyo. Stat. Ann. § 16-3-114(c).

The Board denied Prism's renewal applications at its June 5, 2025 meeting. [R. Vol. II at 391-94, 398; R. Vol. III] The proceedings were informal, without the typical indicia of a true adversarial process. [R. Vol. II at 391-94; R. Vol. III] Unlike at a contested case hearing, witnesses were neither sworn nor subject to cross-examination and comments were taken from members of the public. [R. Vol. II at 391-94; R. Vol. III] Given the informality of the proceedings,

the Court reviews the Board's decision under Wyo. Stat. Ann. § 16-3-114(c)(ii)(A) and will set aside the Board's decision only if it is "[a]rbitrary, capricious, an abuse of discretion or otherwise not in accordance with law." See *Brazinski v. Bd. of Cnty. Comm'rs of Teton Cnty.*, 2024 WY 40, ¶ 12, 546 P.3d 545, 549–50 (Wyo. 2024); *Monaghan Farms, Inc. v. Bd. of Cnty. Comm'rs of Albany Cnty.*, 2023 WY 31, ¶ 7, 527 P.3d 1195, 1201 (Wyo. 2023); *Jolovich v. Bd. of Cnty. Comm'rs of Park Cnty.*, 2022 WY 95, ¶ 11, 514 P.3d 792, 796 (Wyo. 2022); *Tayback v. Teton Cnty. Bd. of Cnty. Comm'rs*, 2017 WY 114, ¶ 13, 402 P.3d 984, 988 (Wyo. 2017); *Wilson Advisory Comm. v. Bd. of Cnty. Comm'rs*, 2012 WY 163, ¶ 20, 292 P.3d 855, 861 (Wyo. 2012).

The arbitrary and capricious test requires the reviewing court to review the entire record to determine whether the agency reasonably could have made its finding and order based upon all the evidence before it. The arbitrary and capricious standard is more lenient and deferential to the agency than the substantial evidence standard because it requires only that there be a rational basis for the agency's decision.

*Brazinski*, ¶ 12, 546 P.3d at 550 (quoting *Wilson Advisory Comm.*, ¶ 21, 292 P.3d at 861).

Furthermore, the Court reviews "an agency's conclusions of law *de novo* and affirm[s] only when they are in accordance with the law." *Id.* (quoting *Tayback*, ¶ 14, 402 P.3d at 988). "To the extent resolution of this matter requires statutory interpretation or interpretation of agency rules, [the Court's] review is likewise *de novo*." *State v. Uinta Cnty. Assessor*, 2024 WY 106, ¶ 10, 557 P.3d

298, 301–02 (Wyo. 2024) (citing *Loyning v. Potter*, 2024 WY 82, ¶ 5, 553 P.3d 128, 130 (Wyo. 2024)).

## **DISCUSSION**

The crux of the dispute in this case centers on the meaning of Wyo. Stat. Ann. § 36-6-101(m). In the following sections, the Court first provides background on the Board, OSLI, and mineral leasing to place § 36-6-101(m) in context. The Court then summarizes applicable rules of statutory interpretation. Next, the Court interprets § 36-6-101(m) in accordance with these rules. Finally, the Court evaluates the Board’s decision in light of § 36-6-101(m)’s requirements.

### **A. Background Regarding the Board, OSLI, and Mineral Leasing**

The Wyoming Constitution establishes the Board, which is composed of the Governor, Secretary of State, State Treasurer, State Auditor, and Superintendent of Public Instruction. Wyo. Const. art. 18, § 3. The Board, “under direction of the legislature as limited by this constitution,” is charged with the “direction, control, leasing and disposal of lands of the state granted, or which may be hereafter granted for the support and benefit of public schools[.]” *Id.* See also Wyo. Stat. Ann. § 36-2-101 (stating that the Board shall “have the direction, control, leasing, care and disposal of all lands heretofore or hereafter granted or acquired by the state for the benefit and support of public schools or for any other purpose whatsoever, subject to the limitations contained in the constitution of the state, and the laws enacted by the legislature”); *Teton Cnty. Bd. of Cnty. Comm’rs v. Bd. of Land Comm’rs*, 2025 WY 48, ¶ 3, 567 P.3d 675,

677 (Wyo. 2025). OSLI is the administrative arm for the Board. Wyo. Stat. Ann. § 36-3-101(a) (specifying that there shall be a Director of OSLI); Wyo. Stat. Ann. § 36-3-102 (outlining the general duties of the Director of OSLI); *Citizens for Responsible Use of State Lands v. State*, 2024 WY 129, ¶ 5, 560 P.3d 259, 261 (Wyo. 2024).

Title 36 of the Wyoming Statutes addresses state lands. Within Title 36, Chapter 6 addresses mineral leases. Wyo. Stat. Ann. §§ 36-6-101 to 36-6-302. Wyo. Stat. Ann. § 36-6-101(b) authorizes the Board to “make and establish rules and regulations governing the issuance of oil and gas, coal and other mineral leases and covering the conduct of development and mining operations.” Wyo. Stat. Ann. § 36-6-101(b). Pursuant to its authority under § 36-6-101(b), the Board has adopted rules governing sand, gravel, borrow material, and rip-rap rock leasing. Wyo. Off. Of Lands & Invs., Rules & Regulations, Bd. Of Land Comm’rs, Leasing of Sand & Gravel, Borrow Material, & Rip-Rap Rock, ch. 25 (2000). The Board issued the June 2023 Leases pursuant to Wyo. Stat. Ann. § 36-6-101 and Chapter 25 of its rules. [R. Vol. I at 1, 9-20]

## **B. Rules of Statutory Interpretation**

The rules of statutory interpretation are well-established. *See, e.g., Wyoming Dep’t of Revenue v. PacifiCorp*, 2025 WY 126, ¶¶ 35–36, — P.3d —, — (Wyo. 2025); *Teton Cnty.*, ¶¶ 10, 16, 567 P.3d at 679, 681; *Bankers Standard Ins. Co. v. JTEC, Inc.*, 2025 WY 51, ¶¶ 14–16, 567 P.3d 1183, 1188 (Wyo. 2025); *Solvay Chemicals, Inc. v. Wyoming Dep’t of Revenue*, 2022 WY 124, ¶¶ 8, 13, 517

P.3d 1146, 1149, 1150 (Wyo. 2022); *Sinclair Wyoming Ref. Co. v. Infrassure, Ltd.*, 2021 WY 65, ¶¶ 12–15, 486 P.3d 990, 994–95 (Wyo. 2021); *Cheyenne Newspapers, Inc. v. Bd. of Trs. of Laramie Cnty. Sch. Dist. No. One*, 2016 WY 113, ¶¶ 10–11, 384 P.3d 679, 682–83 (Wyo. 2016).

“The primary objective in statutory interpretation ‘is to give effect to the legislature’s intent.’” *Bankers Standard Ins. Co.*, ¶ 14, 567 P.3d at 1188 (quoting *Sinclair*, ¶ 12, 486 P.3d at 994). The “longstanding method of statutory interpretation begins by first determining if the statute in question is ‘clear and unambiguous’ or ‘ambiguous or subject to varying interpretations.’” *Id.* (quoting *Sinclair*, ¶ 12, 486 P.3d at 994).

“A statute is unambiguous if its wording is such that reasonable persons are able to agree as to its meaning with consistency and predictability.” *Id.* ¶ 15, 567 P.3d at 1188 (quoting *Vahai v. Gertsch*, 2020 WY 7, ¶ 27, 455 P.3d 1218, 1227 (Wyo. 2020)). Conversely, “[a] statute is ambiguous only if it is found to be vague or uncertain and subject to varying interpretations.” *Id.* (quoting *Vahai*, ¶ 27, 455 P.3d at 1227).

“[D]ivergent opinions among parties as to the meaning of a statute may be evidence of ambiguity but [are] not conclusive. Ultimately, whether a statute is ambiguous is a matter of law determined by the court.” *Id.* ¶ 16, 567 P.3d at 1188 (quoting *Wyoming Med. Ctr., Inc. v. Wyoming Ins. Guar. Ass’n*, 2010 WY 21, ¶ 19, 225 P.3d 1061, 1066 (Wyo. 2010)).

“When a statute is clear and unambiguous, the statute’s plain language is given effect.” *Teton Cnty.*, ¶ 10, 567 P.3d at 679 (quoting *Sinclair*, ¶ 12, 486 P.3d at 994). *See also Pacificorp*, ¶ 35, — P.3d at — (“When a statute is sufficiently clear and unambiguous, we give effect to the plain and ordinary meaning of the words and do not resort to the rules of statutory construction.”).

### **C. Statutory Interpretation of Wyo. Stat. Ann. § 36-6-101(m)**

The Court begins, as it must, with the language of the statute. Wyo. Stat. Ann. § 36-6-101(m) provides:

(m) The director, subject to criteria established by the board, may lease any state or state school lands for coal and other mineral purposes for a primary term of not exceeding ten (10) years. **Lessee shall have the exclusive right to renew the lease for successive terms of ten (10) years each, if at the time application for renewal is filed:**

(i) Coal or other minerals covered by the lease are actually being produced from the leased lands and the lessee is complying with all lease terms; or

(ii) The leased lands are committed to a cooperative mining development plan approved by the board and coal or other minerals are actually being produced from the cooperative mining development plan and the lessee is complying with the plan and all lease terms; or

(iii) The lessee is proceeding in good faith to develop the leased lands; or

(iv) If the lessee shows to the satisfaction of the director or the board that production of coal or other minerals has been delayed by the necessity of obtaining licenses, permits, or other approvals from governmental authorities and that the lessee has used reasonable diligence in an effort to obtain the licenses, permits or other required authorizations.



Wyo. Stat. Ann. § 36-6-101(m) (emphasis added). *See also* Wyo. Stat. Ann. § 36-6-101(n) (defining “good faith development” for purposes of subsection (m)). The parties disagree on whether this statute is clear and unambiguous or ambiguous regarding the lessee’s “exclusive right to renew the lease.” [Petr. Br. at 30; Resp. Br. at 12; Reply Br. at 4]

Prism argues that the language in § 36-6-101(m) is clear and unambiguous. [Petr. Br. at 30; Reply Br. at 4] According to Prism, the statute’s plain language indicates that if the lessee meets any of the conditions set forth in subsection (m)(i) through (iv), then the lessee is entitled to renewal of its lease and the Board must renew the lease for a 10-year term. [Petr. Br. at 30-46] Conversely, the Board contends the statute is ambiguous. [Resp. Br. at 12] The Board argues that § 36-6-101(m) could “be interpreted to grant the existing lessee the option to renew the lease to the exclusion of all others wishing to lease the property” or it could be interpreted “to grant an existing lessee the right to renew the lease under all circumstances.” [Id.] The Board then contends that “the exclusive right to renew” only applies when there are conflicting applications to lease the land and that the Board retains discretion to deny lease renewal applications. [Id. at 12-16] That Prism and the Board have different opinions on the statute’s meaning does not make it ambiguous. *Bankers Standard Ins. Co.*, ¶ 16, 567 P.3d at 1188. This Court concludes that the unambiguous language of § 36-6-101(m) supports Prism’s interpretation.

The Wyoming Supreme Court has not interpreted Wyo. Stat. Ann. § 36-6-101(m). Because the words “exclusive right to renew” are not defined by statute or Board rule, the Court looks to their common dictionary definitions. Wyo. Stat. Ann. § 8-1-103(a)(i) (“The construction of all statutes of this state shall be by the following rules, unless that construction is plainly contrary to the intent of the legislature: .... [w]ords and phrases shall be taken in their ordinary and usual sense, but technical words and phrases having a peculiar and appropriate meaning in law shall be understood according to their technical import[.]”); *Painter v. Hallingbye*, 2021 WY 78, ¶ 19, 489 P.3d 684, 691 (Wyo. 2021) (“When a term is not defined in a statute, this Court will furnish an ordinary and obvious meaning.”) (citation omitted); *In re Est. of Meyer*, 2016 WY 6, ¶ 34, 367 P.3d 629, 639–40 (Wyo. 2016) (“In the absence of a statutory definition, this Court infers that the legislature intended no special meaning for the word but, instead, intended that it be given its ordinary meaning—its common dictionary definition.”) (citation omitted).

Section 36-6-101(m) provides the lessee “the exclusive right to renew” the lease if one of four specified conditions is met. The adjective “exclusive,” as used in this context, means:

- “Appertaining to the subject alone, not including, admitting, or pertaining to any others. Sole. Shutting out; debarring from interference or participation; vested in one person alone.” *Exclusive*, Black’s Law Dictionary (5th ed. 1979).<sup>6</sup>

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<sup>6</sup> The exclusive right to renew language was added to the statute in 1981. 1981 Wyo. Sess. Laws, ch. 55, § 1. [Petr. Br. at 33-35; Resp. Br. at 14] The parties cite

- “Limited to a particular person, group, entity, or thing <exclusive right>.” *Exclusive*, Black’s Law Dictionary (12th ed. 2024).
- “[R]eserved for particular persons”; “sole”; “undivided.” *Exclusive*, The Merriam-Webster Dictionary (2022).
- “[L]imiting or limited to possession, control, or use by a single individual or group.” *Exclusive*, Merriam-Webster’s Collegiate Dictionary (11th ed. 2020). [Resp. Br. at 11]
- “Excluding or tending to exclude”; “Not allowing something else; incompatible”; “Not divided or shared with others.” *Exclusive*, The American Heritage Dictionary (5th ed. 2018).

In turn, a “right” is “something to which one has a just claim.” *Right*, Merriam-Webster’s Collegiate Dictionary (11th ed. 2020). [Resp. Br. at 12] *See also Right*, Black’s Law Dictionary (12th ed. 2024) (“Something that is due to a person by just claim, legal guarantee, or moral principle <the right of liberty>.”); *Right*, The Merriam-Webster Dictionary (2022) (“something (as a power or privilege) to which one has a just or lawful claim”); *Right*, Black’s Law Dictionary (5th ed. 1979) (“As a noun, and taken in a *concrete* sense, a power, privilege, faculty, or demand, inherent in one person and incident upon another.”).

The version of Black’s Law Dictionary that was in effect around the time when the statute was amended in 1981 to include “the exclusive right to renew” language defined an “exclusive right” as a right “which only the grantee thereof can exercise, and from which all others are prohibited or shut out.” *Exclusive Right*, Black’s Law Dictionary (5th ed. 1979). [Petr. Br. at 34] The current version

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various dictionary definitions, some historic and some contemporary. [Petr. Br. at 34; Resp. Br. at 11-12] The Court has likewise consulted various dictionaries.

of Black's Law Dictionary defines an "exclusive right" as "[a] right vested in one person, entity, or body to do something or be protected from something." *Right*, Black's Law Dictionary (12th ed. 2024).

Furthermore, the word "renew" means "to make like new" and "to grant or obtain an extension." *Renew*, Merriam-Webster's Collegiate Dictionary (11th ed. 2020). [Resp. Br. at 12] *See also Renew*, The Merriam-Webster Dictionary (2022) ("to grant or obtain an extension of or on <~ a lease>"); *Renew*, Black's Law Dictionary (5th ed. 1979) ("To make new again[.]").

Read together, the words used in the statute and their corresponding definitions support the conclusion that the right to renew is held solely by the current lessee, and that the current lessee is entitled to renewal if any of the conditions outlined in subsection (m)(i) through (iv) are met. Contrary to the Board's argument, nothing in the language of the statute suggests that "the exclusive right to renew" only applies if there are conflicting applications to lease the same land. [Resp. Br. at 7, 12, 13] Nor is there anything in the language of the statute to suggest that the Board retains discretion to deny a lease renewal application even when one of the conditions in subsection (m)(i) through (iv) is met. [Id. at 15-16] Had the Legislature intended subsection (m) to apply only when there are conflicting applications to lease the state land, they could have, such as when they did in Wyo. Stat. Ann. § 36-5-104(b). That statute details the procedures for lease renewal amid conflicting grazing and agricultural land applications. When it comes to mineral renewals, the Legislature chose not to

include this language, thus leaving a preferred right of renewal when it comes to grazing or agricultural lands, but an exclusive right for mineral leasing. To read the statute any differently would violate the rule of interpretation that “when the legislature used certain language in one part of the statute and different language in another, the court assumes different meanings were intended.” *In re Kite Ranch, LLC*, 2010 WY 83, ¶ 20, 234 P.3d 351, 359 (Wyo. 2010) (citations omitted).

Likewise, had the Legislature intended for the Board to retain discretion whether to renew a lease application regardless of whether the exclusive right to renew applies, the same logic applies. The statute includes no such language, and this Court cannot read words into the statute. *Teton Cnty.*, ¶ 14, 567 P.3d at 680 (“[A] basic tenet of statutory construction is that omission of words from a statute is considered to be an intentional act by the legislature, and [the] [C]ourt will not read words into a statute when the legislature has chosen not to include them.”) (citation omitted).

Under the plain language of § 36-6-101(m), there is a difference between the Board’s authority to issue an initial lease and its authority to renew a lease. There is no question that the Board has discretion whether to lease state land for coal and other mineral purposes in the first instance, for “a primary term.” Wyo. Stat. Ann. § 36-6-101(m). The first sentence of subsection (m) states that “[t]he director, subject to criteria established by the board, **may** lease any state or state school lands for coal and other mineral purposes for a **primary term** of

not exceeding ten (10) years.” *Id.* (emphasis added). The word “ ‘may’ connotes permissive authority and does not structure a mandatory requirement.” *Matter of RVR*, 2022 WY 153, ¶ 22, 520 P.3d 1158, 1164 (Wyo. 2022) (citation omitted).

However, once the Board leases state land for coal and other mineral purposes, the Board’s discretion over renewal is curtailed by the next sentence of subsection (m), which states that the “[l]essee **shall** have the exclusive right to renew the lease for **successive terms** of ten (10) years each, if at the time application for renewal is filed” any one of four conditions is met. Wyo. Stat. Ann. § 36-6-101(m) (emphasis added); *Int. of JN*, 2023 WY 83, ¶ 12, 534 P.3d 455, 458 (Wyo. 2023) (“We have consistently found the word ‘shall’ in a statute to be mandatory.”) (citation omitted). The Legislature has chosen to place this limitation upon the Board’s discretion with respect to mineral lease renewals, and this Court is not at liberty to disregard that legislative choice. See Wyo. Const. art. 18, § 3 (noting that the Board acts “under direction of the legislature as limited by this constitution”); Wyo. Stat. Ann. § 36-2-101 (noting that the Board’s leasing authority is subject to “the laws enacted by the legislature”). As the Wyoming Supreme Court has stated many times:

[C]ourts are not free to legislate. The first rule of statutory construction is that legislative intent, not a court’s perception of fairness, controls. It is not the court’s prerogative to usurp the power of the legislature by deciding what should have been said.

*Delcon Partners LLC v. Wyoming Dep’t of Revenue*, 2019 WY 106, ¶ 10, 450 P.3d 682, 685 (Wyo. 2019) (quoting *Seherr-Thoss v. Teton Cty. Bd. of Cty. Comm’rs*,

2014 WY 82, ¶ 20, 329 P.3d 936, 945 (Wyo. 2014)). Any perceived defect in the mineral leasing statutes must be taken up with the Legislature.

In sum, the Board’s role when a current lessee of state land for coal and other mineral purposes seeks to renew a lease is to determine whether any of the conditions set forth in § 36-6-101(m)(i) through (iv) is met. If none of the conditions set forth in (m)(i) through (iv) are met, then the lessee does not hold the exclusive right to renew, and the Board may deny the lessee’s renewal application. However, if one or more of the conditions set forth in (m)(i) through (iv) is met, then the lessee’s renewal application must be granted.<sup>7</sup>

#### **D. Evaluation of the Board’s Decision**

The Board did not expressly evaluate or make findings regarding whether Prism met any of the conditions for renewal under Wyo. Stat. Ann. § 36-6-101(m)(i) through (iv). [See R. Vol. II at 393-94; R. Vol. III] Instead, the Board denied Prism’s renewal applications “due to Prism not moving forward with the licenses and permits in the time of the first lease.” [R. Vol. II at 394; R. Vol. III at 4:20:23 to 4:21:00] Though this rationale may be loosely tied to § 36-6-101(m)(iii) and (iv), it does not track the statute. Subsection (m)(iii) concerns whether “[t]he lessee is proceeding in good faith to develop the leased lands[.]” Wyo. Stat. Ann. § 36-6-101(m)(iii); Wyo. Stat. Ann. § 36-6-101(n) (defining “good faith development” for purposes of subsection (m)). And subsection (m)(iv) concerns

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<sup>7</sup> This is, of course, assuming that there are no other obstacles to renewal, such as a lease violation that may support cancellation.

whether “the lessee shows to the satisfaction of the director or the board that production of coal or other minerals has been delayed by the necessity of obtaining licenses, permits, or other approvals from governmental authorities and that the lessee has used reasonable diligence in an effort to obtain the licenses, permits or other required authorizations.” Wyo. Stat. Ann. § 36-6-101(m)(iv). Because the Board failed to comply with the statute, its denial of Prism’s renewal applications is unlawful and must be reversed. Wyo. Stat. Ann. § 16-3-114(c)(ii)(A).

Although Prism invites this Court to find that it met a condition for renewal under § 36-6-101(m)(iii) and/or (iv) [Petr. Br. at 37-43],<sup>8</sup> it is not this Court’s role to evaluate whether Prism met either condition in the first instance. That is for the Board to decide. Accordingly, this matter must be remanded to the Board for the Board to consider whether, at the time Prism filed its applications for renewal in May 2025, Prism met a condition for renewal under § 36-6-101(m)(iii) or (iv). On remand, the Board should make sufficient findings to enable a court to engage in meaningful review if another petition for judicial review is filed. If the Board finds that Prism has not met either condition set forth in § 36-6-101(m)(iii) or (iv), then the exclusive right to renew does not apply and the Board may deny

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<sup>8</sup> Prism concedes that it did not meet a condition for renewal under § 36-6-101(m)(i) or (ii). [Petr. Br. at 31 n.6]



the lease renewal applications. However, if Prism has met either condition set forth in § 36-6-101(m)(iii) or (iv), then the leases must be renewed.<sup>9</sup>

### **CONCLUSION**

For the foregoing reasons, Prism’s Petition for Judicial Review is GRANTED IN PART. The Board’s June 5, 2025 decision to deny Prism’s applications to renew the June 2023 Leases is REVERSED and this matter is REMANDED to the Board for further proceedings in accordance with this order.

DATED: January 6, 2026.

BY THE COURT:



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Joshua C. Eames  
District Court Judge

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<sup>9</sup> The parties dispute whether the lease renewal period must be 10 years or could be two years. [Petr. Br. at 30-31, 43-46; Resp. Br. at 19 n.3] Wyo. Stat. Ann. § 36-6-101(m)’s plain language seems to dictate that, although the initial lease may be “for a primary term of not exceeding ten (10) years,” any “successive terms” pursuant to the exclusive right to renew must be for “ten (10) years each[.]” Wyo. Stat. Ann. § 36-6-101(m). To the extent the Board’s rules conflict with the statute, they may be void. *See, e.g., Diamond B. Servs., Inc. v. Rohde*, 2005 WY 130, ¶ 60, 120 P.3d 1031, 1048 (Wyo. 2005) (“An administrative rule or regulation which is not expressly or impliedly authorized by statute is without force or effect if it adds to, changes, modifies, or conflicts with an existing statute.”) (citation omitted). However, this matter was not fully briefed, is not ripe for review, and should be further addressed by the parties and the Board on remand if the Board finds that Prism is entitled to renewal of the June 2023 Leases. *See Mountain Reg’l Servs., Inc. v. State ex rel. Dep’t of Health*, 2014 WY 69, ¶ 14, 326 P.3d 182, 185–86 (Wyo. 2014) (“A claim is not ripe for adjudication if it rests upon contingent future events that may not occur as anticipated, or indeed may not occur at all.”) (citation omitted).