

**State of Montana
Oil & Gas Lease Sale - March 7, 2023
Lease Sale Results**

The following described lands were offered for oil and gas leasing through an online bidding service, EnergyNet, beginning March 1, 2023 and closed on March 7, 2023.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Dawson									
1	1, 2, 3, 4, 5, 6, 7, 8	13.N	56.E	16	ALL	640.00	\$1.50	\$960.00	PRIMARY FUELS, LLC
2	1, 2, 3, 4, 5, 6	16.N	54.E	10	NE4	160.00	\$1.50	\$240.00	PRIMARY FUELS, LLC
3	1, 2, 3, 4, 5, 6	16.N	54.E	12	S2NE4, SE4NW4, NE4SW4	160.00	\$1.50	\$240.00	PRIMARY FUELS, LLC
4	1, 2, 3, 4, 5, 6, 7, 9, 11, 12	16.N	54.E	36	LOTS 1, 2, 3, 4, N2, N2S2	637.00	\$2.00	\$1,274.00	PETRO-HUNT, LLC
Toole									
5	1, 2, 3, 4, 5, 6, 7, 9, 10	37.N	2.E	36	ALL	640.00	\$2.75	\$1,760.00	CABRIN EXPLORATION, INC.

* Part or all of tract is not state-owned surface

Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	2,237.00	5

Oil and Gas Lease Sale Summary

Total Tracts	5
Total Acres	2,237.00
Total Bid Revenue	\$4,474.00
Average Bid Per Acre	\$2.00

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Stipulations

- 1 Lessee shall notify and obtain approval from the Department's Trust Land Management Division (TLMD) prior to constructing well pads, roads, power lines, and related facilities that may require surface disturbance on the tract. Lessee shall comply with any mitigation measures stipulated in TLMD's approval.
- 2 Prior to the drilling of any well on or into the lease premises, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.

Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.
- 3 The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
- 4 The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises. The lessee's methods of control shall be reviewed and approved by the Department's Unit Office that has jurisdiction for that locale.
- 5 The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
- 6 If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
- 7 Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
- 8 This lease is located within designated sage grouse general habitat. Proposed activities are subject to, and shall comply with, all provisions, stipulations and mitigation requirements of the Montana Sage Grouse Habitat Conservation Strategy, as implemented by Governor's Executive Orders 10-2014, 12-2015, and amendments thereto. Contact the TLMD prior to preparing a project proposal.
- 9 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 10 This tract has (an) existing well(s) and related facilities. The lessee has 45 days from the effective date of this lease to determine whether or not to assume responsibility from the former lessee for the well(s) and any existing facilities. The lessee may not enter the well(s) until a change of operator has been filed with, and approved by, the Board of Oil and Gas Conservation. If a change of operator is accepted, the(se) well(s) must be returned to commercial production or plugged and the well site(s) reclaimed within 18 months from the effective date of this lease.
- 11 No surface occupancy will be permitted in the hatched portion of the DFWP easement area shown on the accompanying topographic map and 2017 aerial photo (unless otherwise approved in writing by the Director of MT Dept. of Fish, Wildlife and Parks).

- 12 MT Dept. of Fish, Wildlife and Parks (MT-DFWP) holds a permanent public park and recreation easement D-12389 on 357.28 surface acres, more or less, approximately north of the right-of-way of MT State Highway No. 200S for the development, maintenance and operation of a public shooting range, including associated facilities. DNRC will consult with MT-DFWP regarding oil and gas activity proposed on their easement area.

If the lessee proposes oil and gas activity on the easement area, lessee shall coordinate with MT-DNRC and MT-DFWP to determine a suitable location of proposed oil and gas well(s), related facilities and equipment for possible development and production within the easement area, but outside the no-surface-occupancy area. The location of the well(s), equipment and facilities shall be reasonable and shall not cause undue hardship to the oil and gas lessee. MT-DFWP's easement requires written concurrence that the proposed uses do not unreasonably conflict with their rights under the easement. The lessee will also work and coordinate with MT-DNRC if proposing any activity outside the MT-DFWP easement area on this tract.

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Applicant List

Tract	Twp	Rng	Sec	Description	Acres	Applicant
Dawson						
1	13.N	56.E	16	ALL	640.00	PRIMARY FUELS, LLC
2	16.N	54.E	10	NE4	160.00	PRIMARY FUELS, LLC
3	16.N	54.E	12	S2NE4, SE4NW4, NE4SW4	160.00	PRIMARY FUELS, LLC
4	16.N	54.E	36	LOTS 1, 2, 3, 4, N2, N2S2	637.00	PRIMARY FUELS, LLC
Toole						
5	37.N	2.E	36	ALL	640.00	MCR, LLC

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

P.O. Box 201601

Helena, Montana 59620-1601

The following is a list of oil and gas leases, which expired or terminated in September 2022.

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Big Horn	8 S	41 E	36	All	640.00
Blaine	35 N	20 E	16	All	640.00
	37 N	18 E	36	All	640.00
Dawson	13 N	56 E	16	ALL	640.00
	16 N	54 E	10	NE4	160.00
	16 N	54 E	12	S2NE4, SE4NW4, NE4SW4	160.00
	16 N	54 E	36	LOTS 1, 2, 3, 4, N2, N2S2	637.00
Glacier	36 N	5 W	6	SE4	160.00
Liberty	35 N	7 E	16	All	640.00
Powder River	8 S	45 E	16	N2, N2S2	480.00
Richland	27 N	52 E	36	All	640.00
Rosebud	11 N	34 E	31	Lots 1, 2, 3, 4, E2, E2W2, from the surface to the base of the Cretaceous (3rd Cat Creek) formation	629.08
Sheridan	32 N	57 E	16	N2NE4	80.00
	32 N	59 E	16	LOTS 1, 2, 3, 4, W2	485.88
	35 N	57 E	16	ALL	640.00
	35 N	57 E	36	ALL	640.00
	35 N	58 E	36	LOTS 1-12, W2	866.52
	36 N	57 E	16	ALL	640.00

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

Trust Land Management Division



GREG GIANFORTE, GOVERNOR

1539 ELEVENTH AVENUE

DIRECTOR'S OFFICE: (406) 444-2074
FAX (406) 444-2684

PO BOX 201601
HELENA, MONTANA 59620-1601

TO ALL INTERESTED PARTIES:

RE: June 6, 2023 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the June 2023 Oil and Gas Lease Sale will be held online during the period of **May 31st – June 6th, 2023**, through the online auction service, EnergyNet (EnergyNet.com). Please contact EnergyNet for help setting up an account to bid on state tracts. For all other inquiries, contact the Department of Natural Resources and Conservation. In the event details for the June Oil and Gas Lease Sale change, an updated notice will be sent to you.

The deadline filing date for submitting applications on tracts to be nominated for the sale in June is 5:00pm MST on March 21, 2023. Applications must be received in this office by that date. If you have any questions, please contact me at THossfeld@mt.gov or (406) 444-4576.

Theresa Hossfeld, Leasing Specialist
Mineral Leasing Section
Minerals Management Bureau