

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
July 19, 2021, at 9:00 a.m.
State Capitol, Room 303
Helena, MT

ACTION ITEMS

0721-1 Timber Sales APPROVED 5-0

A. Luke Mountain 2

Benefits: Common Schools

Location: Powell County

B. Soup Canyon

Benefits: Common Schools

Location: Lake County

0721-2 Land Banking Parcels: Set Minimum Bid for Sale APPROVED 5-0

Benefits: Common Schools

Location: Powell County

0721-3 Land Banking Parcels: Final Approval for Sale APPROVED 5-0

Benefits: Common Schools

Location: Beaverhead County

0721-4 Easements APPROVED 5-0

Benefits: Custer, Fergus, Flathead, Richland, Sweet Grass, Toole, Valley, Wibaux Counties

Location: Common Schools

0721-5 Request for Approval to Proceed with Finalizing Rulemaking Allowing for Online Oil and Gas Lease Sales APPROVED 5-0

Benefits: Multiple

Location: State of Montana Oil and Gas Mineral Estate

PUBLIC COMMENT

0721-1

TIMBER SALES

A. Luke Mountain 2

B. Soup Canyon

**Land Board Agenda Item
July 19, 2021**

0721-1A Timber Sale: Luke Mountain 2 Timber Sale

**Location: Powell County
Section 16, T10, R09W**

Trust Beneficiaries: Common Schools

Trust Revenue: \$579,058 (estimated, minimum bid)

Item Summary

Location: The Luke Mountain 2 Timber Sale is located approximately 6 miles west of Avon, MT.

Size and Scope: The sale includes 11 harvest units (*460 acres*) of tractor logging.

Volume: Estimated volume is 24,269 tons (3.637 MMBF)

Estimated Return: The minimum bid is \$23.86 per ton which would generate approximately \$579,058 for the Common Schools Trust and approximately \$88,339 in Forest Improvement fees

Prescription: Prescriptions include a combination of shelterwood, seed tree and individual tree selection. Leave-tree selection will favor healthy Douglas-fir of all sizes.

Road Construction/Maintenance: The Department of Natural Resources and Conservation (DNRC) is proposing 4.13 miles of new road construction and approximately 4.7 miles of road maintenance.

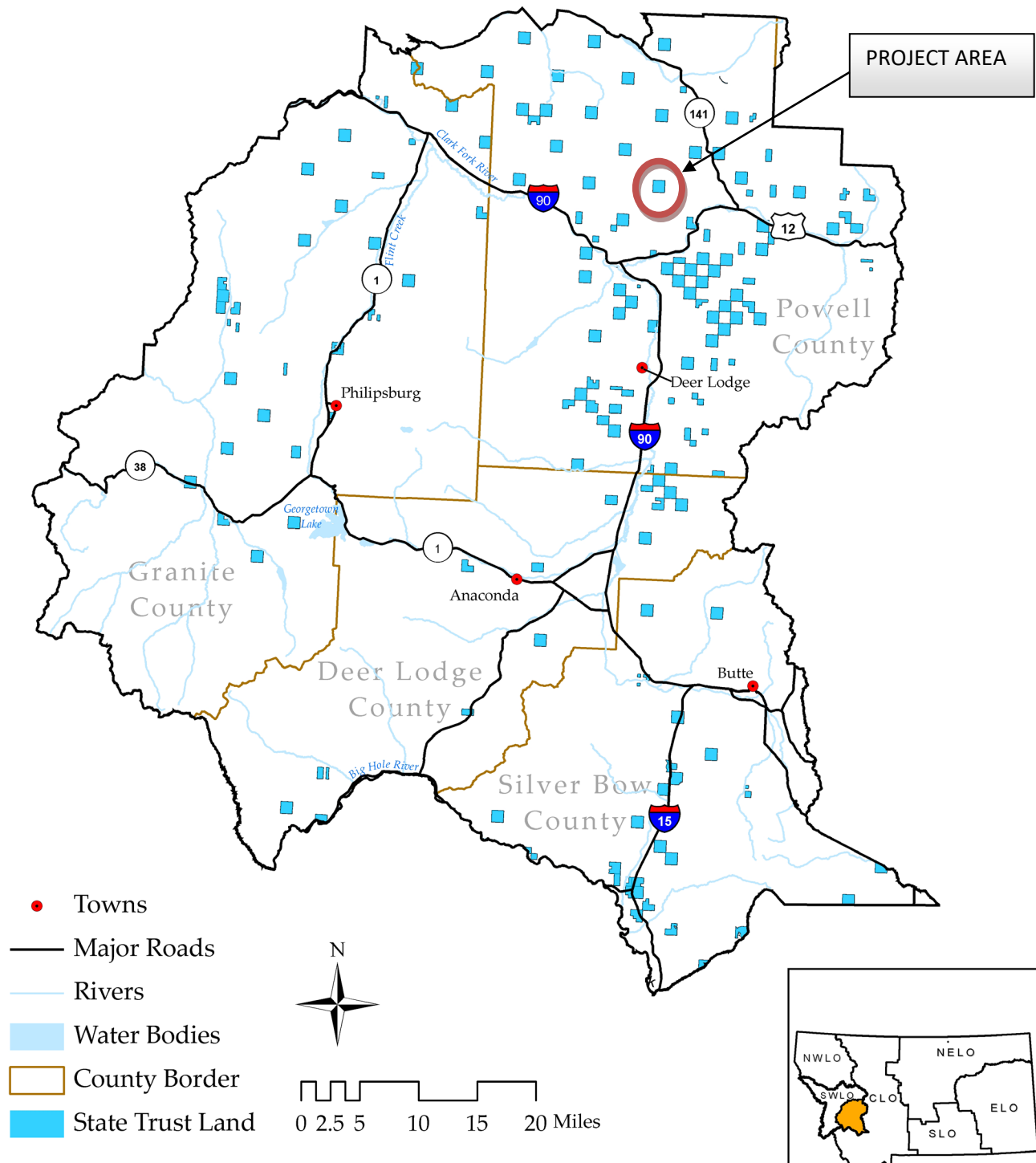
Access: Access is obtained by the Gimlet Creek road which is a county road for approximately 3 miles.

Public Comments: No comments were received during scoping, planning and design. The existing grazing lessee and private landowners crossed were communicated with throughout the planning and design.

DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the Luke Mountain 2 Timber Sale.

LUKE MOUNTAIN 2 VICINITY MAP ANACONDA UNIT



Produced by Montana Department of Natural Resources and Conservation 2013
Datum: NAD 1983 Montana State Plane

Luke Mountain Harvest Units and Haul Route



- Haul Route
- New Road
- Luke Mountain 2 Harvest Units
- DNR Trust Lands



**Land Board Agenda Item
July 19, 2021**

0721-1B Timber Sale: Soup Canyon

Location: Lake County
Section 22, 26, 27, 34 & 35, T24N R17W
Section 3, T23N R17W

Trust Beneficiaries: Common Schools
Trust Revenue: \$827,137 (estimated, minimum bid)

Item Summary

Location: The Soup Canyon Timber Sale is located approximately 10 miles southeast of Swan Lake, MT.

Size and Scope: The sale includes 13 harvest units (*884 acres*) of skyline (*55 acres*), tractor (*428 acres*) and a combination of ground and skyline (*401 acres*) logging.

Volume: The estimated harvest volume is 37,158 tons (*6.1 MMBF*) of sawlogs.

Estimated Return: The minimum bid is \$22.26 per ton, which would generate approximately \$827,137 for the Common Schools Trust and approximately \$181,331 in Forest Improvement fees.

Prescription: Prescriptions include a combination of seed tree, shelterwood, overstory removal and commercial thin. The sale is designed to reduce insect and disease issues and to promote forest health.

Road Construction/Maintenance: The Department of Natural Resources and Conservation (DNRC) is proposing 6.9 miles of new permanent road construction, 1.4 miles of new temporary road construction, and 21 miles of road maintenance.

Access: Access is obtained through the Soup Creek road system.

Public Comments: Three comments were received in response to the Lost Napa Draft Environmental Impact Statement which covers this timber sale. Pyramid Mountain Lumber Inc commented with a preferred alternative and in support of the project. Montana Fish Wildlife and Parks commented that conservation measures in the Habitat Conservation Plan would likely be sufficient to mitigate any potential effects and suggested additional analysis on the Pileated Woodpecker and bat species be done. Detailed description of the impacts to Pileated Woodpeckers can be found in the FEIS Chapter 3 pages 180-184. Impacts to bat species was not analyzed but instead analysis was focused on species that were most likely to be impacted by forest management activities. DNRC implements coarse filter biodiversity mitigations such that forest conditions that emulate historic stand conditions are retained for native species. Friends of the Wild Swan commented on wildlife, water quality, old growth, roads, cumulative effects, economics, climate change, weeds and overall cost. All comments were recorded and responded to in the Final Environmental Impact Statement.

DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the Soup Canyon Timber Sale.

State Trust Land Vicinity Map

Swan Unit Soup Canyon VICINITY MAP

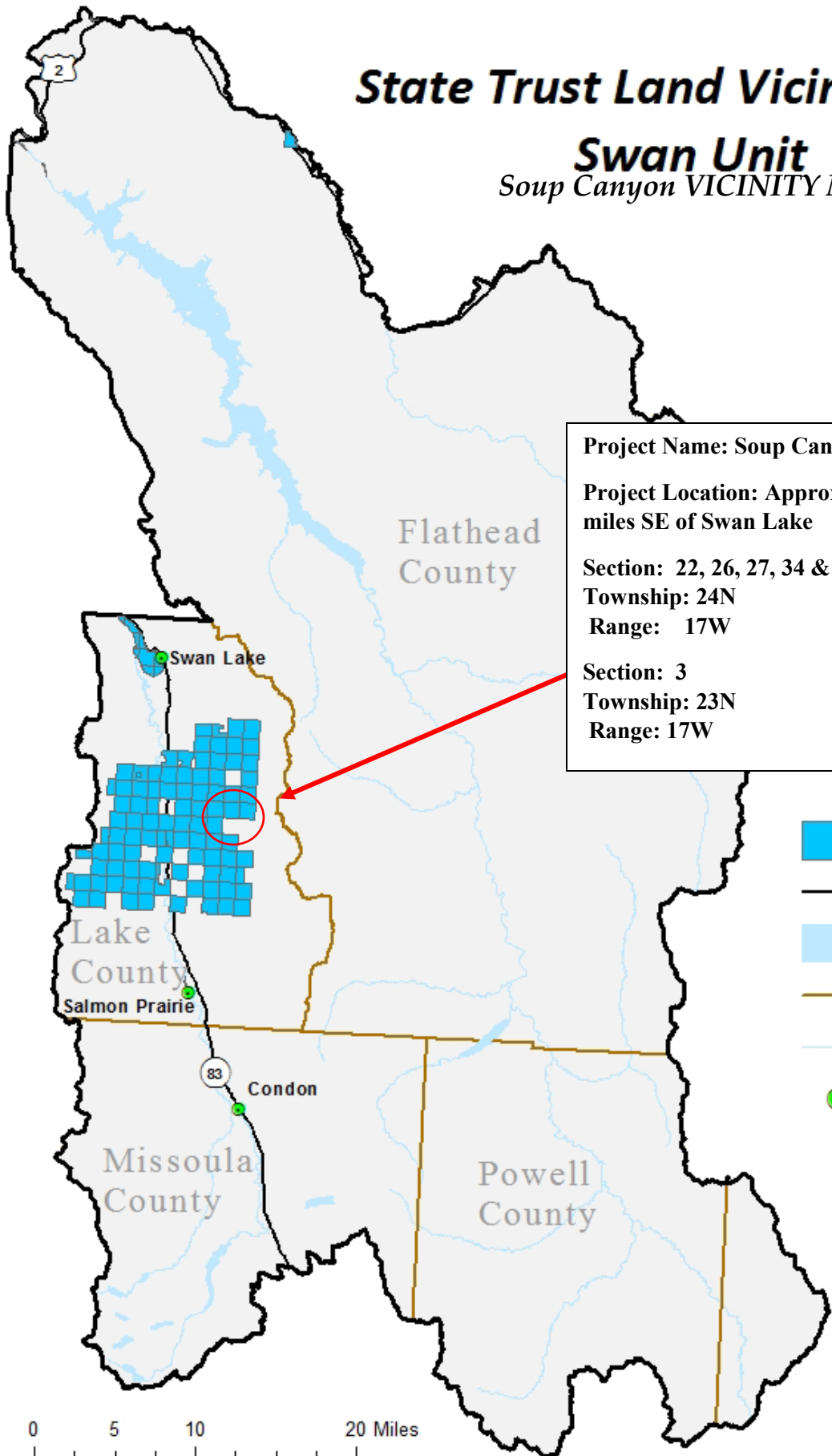


Project Name: Soup Canyon

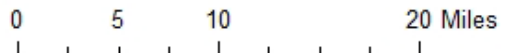
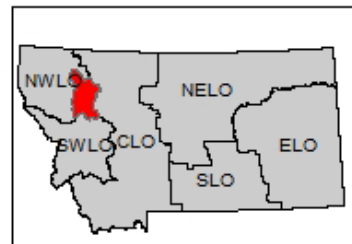
Project Location: Approx. 10 air miles SE of Swan Lake

Section: 22, 26, 27, 34 & 35
Township: 24N
Range: 17W

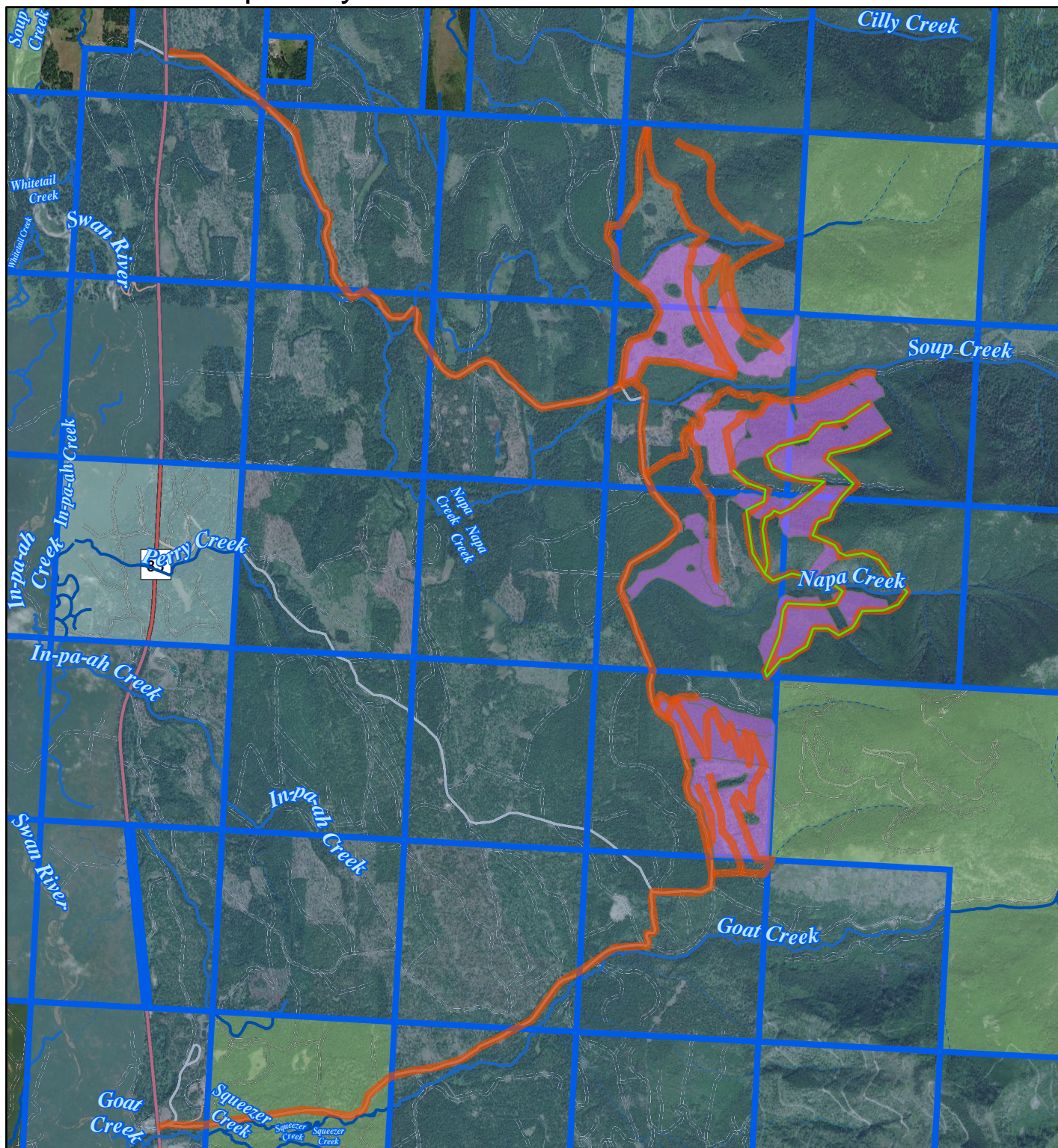
Section: 3
Township: 23N
Range: 17W



- State Trust Land
- Major Roads
- Water Bodies
- County Lines
- Rivers
- Towns

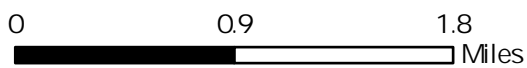


Soup Canyon Harvest Units and Haul Route



- Haul Route
- New Road
- Soup Canyon Harvest Units
- DNRCTrust Lands
- Perennial Stream
- Intermittent Stream
- US Forest Service

State of Montana Misc.



0721-2

LAND BANKING PARCELS:

Set Minimum Bid for Sale

**Land Board Agenda
July 19, 2021**

0721-2 Land Banking Parcel: Set Minimum Bid

Location: Powell County

Trust Benefits: Common Schools

Trust Revenue: \$736,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) requests to set minimum bid for one parcel totaling approximately 640 acres nominated for sale in Powell County. The sale was nominated by the lessee and is located approximately 5 miles southwest of Helmville, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
1168	640±	ALL, T13N-R12W, Sec. 36	Robert E. Meyer	Common Schools

The sale parcel has been used primarily for grazing purposes and can support 115 AUMs.

This sale parcel is surrounded by private land (Wales Brothers/Meyer Company Ranch) and is not legally accessible by the public.

MEPA scoping has been completed, with no potentially negative issues related to the sale of these parcels identified.

Economic Analysis:

Short term – The average rate of return on the sale parcel is 0.19%. The parcel would continue to receive this return if it remains in state ownership.

Long-term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement land through the department's Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.91% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

The DNRC archaeologist conducted a Class III intensity level cultural and paleontological resources inventory of the state tract. During the course of inventory six cultural resources associated with past Native American occupants of the region were identified and formally recorded. These are 24PW833-24PW836 and Isolated Finds 1-2. All were determined ineligible for listing in the National Register of Historic Places. As such, the proposed land sale would have No Effect to Antiquities as defined under the Montana State Antiquities Act. A formal report

of findings has been prepared and is on file with the DNRC and the Montana State Historic Preservation Officer.

Background:

In November 2020, the Board granted preliminary approval for this parcel to continue through the Land Banking sale evaluation process.

Appraised Value:

The appraisal was prepared by Montana General Certified Appraiser Gregory Thornquist of Elkhorn Appraisal Services in Helena, Montana.

Sale #	Appraised Value	Recommended Minimum Bid
1168	\$736,000	\$736,000

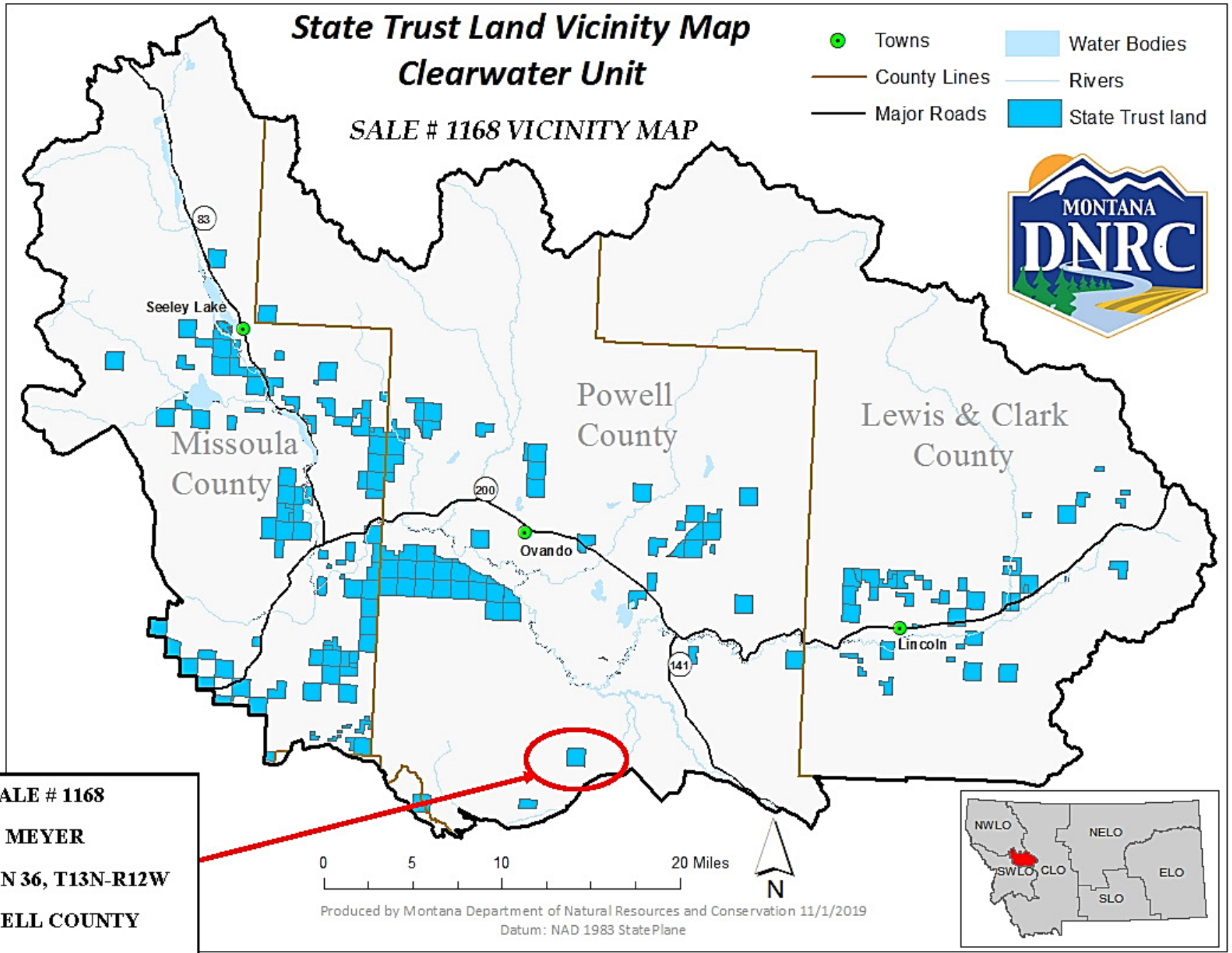
DNRC Recommendation

The director recommends the Land Board set the minimum bid for this parcel at the appraised land value shown above.

State Trust Land Vicinity Map Clearwater Unit

SALE # 1168 VICINITY MAP

- Towns
- County Lines
- Major Roads
- Water Bodies
- Rivers
- State Trust land

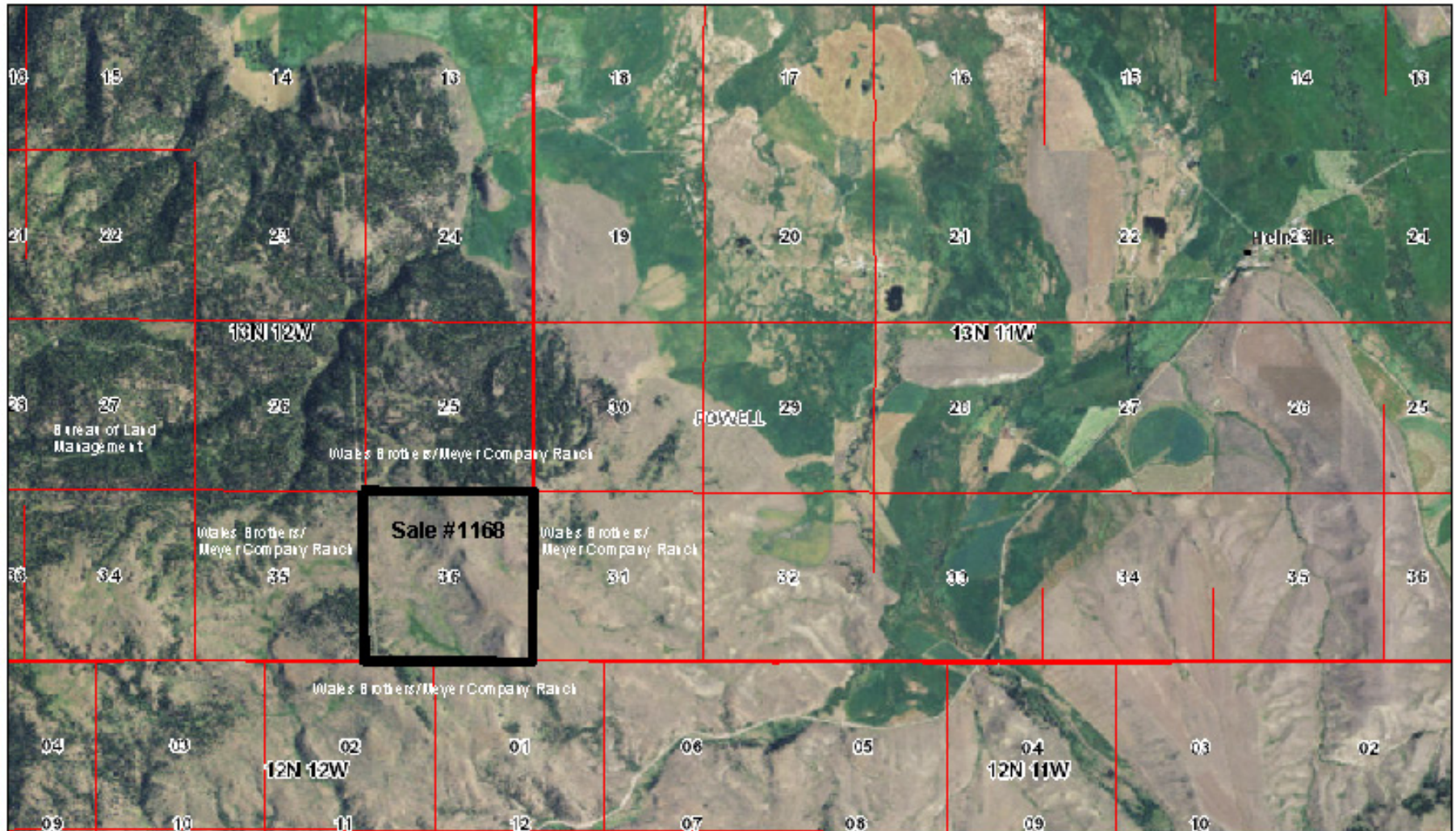


SALE # 1168
MEYER
SECTION 36, T13N-R12W
POWELL COUNTY

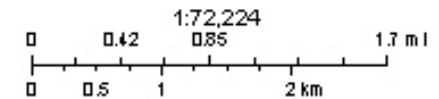
Produced by Montana Department of Natural Resources and Conservation 11/1/2019
Datum: NAD 1983 StatePlane



MEYER RANCH LAND BANKING SALE



October 28, 2020



Montana State Library, Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBC, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community, Montana

MapAuthor

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0721-3

LAND BANKING PARCELS:

Final Approval for Sale

**Land Board Agenda
July 19, 2021**

0721-3 Land Banking Parcel: Final Approval for Sale

Location: Beaverhead County

Trust Benefits: Common Schools

Trust Revenue: \$1,124,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) requests final approval for one parcel totaling approximately 640 acres nominated for sale in Beaverhead County. The sale was nominated by the lessee and is located approximately 10 miles southeast of Jackson, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
1080	640±	ALL, Section 16, T7S-R14W	The Hairpin LC	Common Schools

Sale parcel 1080 includes approximately 640 acres of grazing land. The parcel has above average productivity for grazing lands statewide. The sale proponent currently holds a grazing lease on the parcel.

This isolated parcel is surrounded by private land and is not legally accessible to the public. The sale of this parcel would not restrict or eliminate access to adjacent private land. Public comments include one reply in support of the sale, two that would like to see the profits from the sale used to purchase publicly-accessible land in the nearby region, and one that would like to see the Hairpin Ranch participate in the Block Management Program and allow hunting on the property.

No potentially negative issues were identified through the MEPA process regarding the sale of this parcel. Two streams on the section, Sage and Andrus have been identified as possibly containing westslope cutthroat trout. The Montana Department of Fish, Wildlife and Parks supports the sale of this isolated tract and has been working with the Hairpin Ranch on a westslope cutthroat trout conservation project to construct a fish barrier.

Economic Analysis:

Short Term – The average rate of return on the sale parcel is 0.32%. The parcel would continue to receive this return if it remains in state ownership.

Long-term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement land through the department's Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.91% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

The DNRC archaeologist conducted a Class III cultural and paleontological resources inventory of the subject State School Trust parcel. A historic ditch (24BE2499) was documented. This cultural resource was subsequently determined ineligible for listing in the National Register of Historic Places. Disposition of the state tract will have *No Effect to Antiquities* as defined in the Montana State Antiquities Act. A formal report of findings has been prepared and is on file with the DNRC and the Montana State Historic Preservation Officer.

Background:

In April of 2020, the Land Board granted preliminary approval (Approved 5-0) for this parcel to continue through the Land Banking sale evaluation process.

Appraised Value:

The appraisal was prepared by Montana General Certified Appraiser Gregory Thornquist of Elkhorn Appraisal Services in Helena, Montana.

Sale #	Appraised Value	Final Sale Price
1080	\$960,000	\$1,124,000

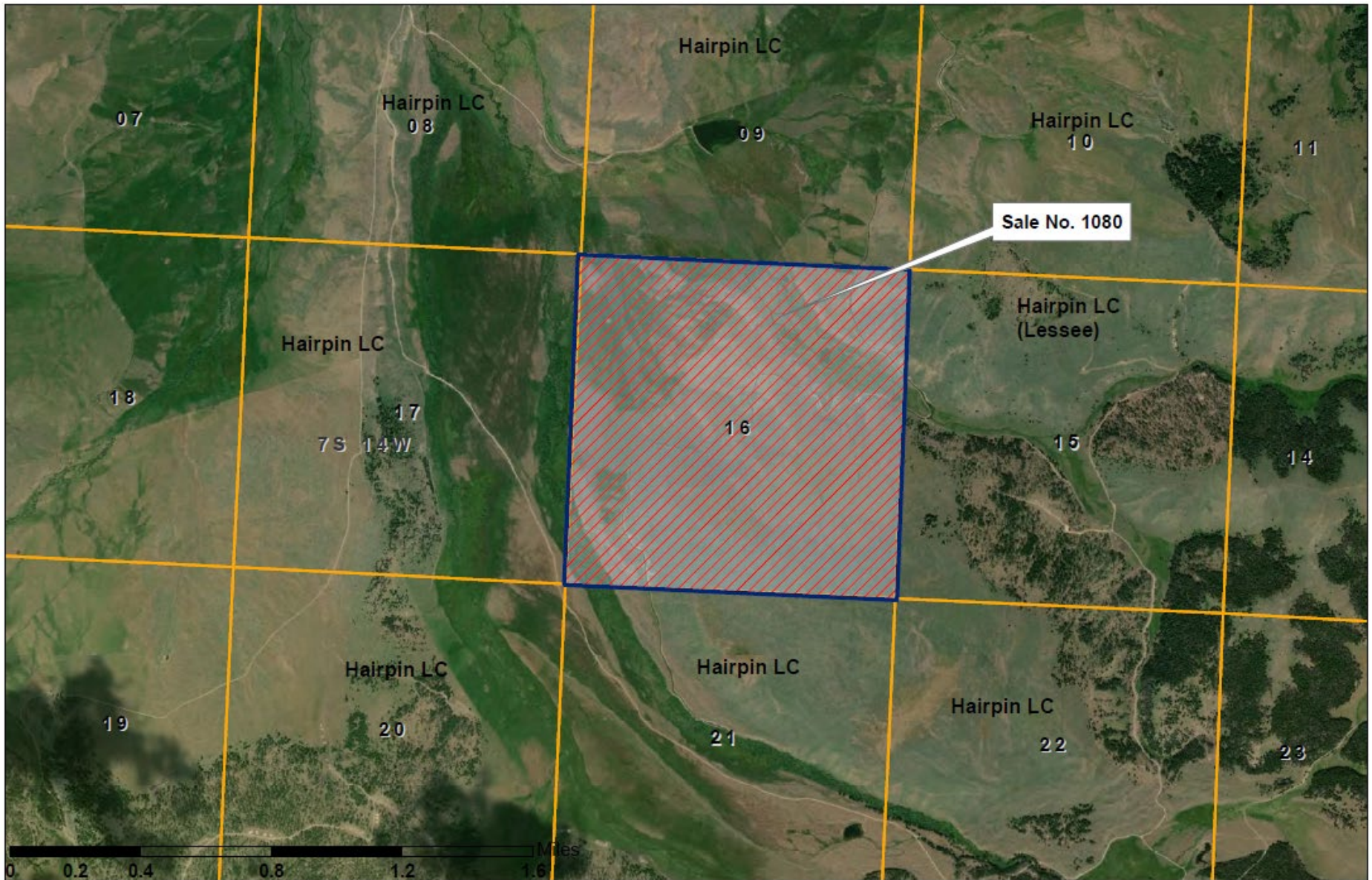
As part of the preliminary approval process, the Lessee, The Hairpin LC, had agreed to provide temporary road access to remove state timber on nearby state land prior to the completion of this sale. However, after the DNRC completed due diligence on the removal of timber, the State decided that given the costs associated with roads required for the sale and the size of the timber sale, it was not economically feasible to access timber through The Hairpin LC property. Because the State decided not to pursue the temporary road access, The Hairpin, LC, agreed to a minimum bid price of the higher of the appraised value or \$1,124,000. The Land Board set the minimum bid at \$1,124,000 in April of 2021 (Approved 5-0).

Sale Price

The parcel sold at public auction on June 17, 2021. There was one qualified bidder for the sale, which was the current lessee. The parcel sold for the final sale price shown above.




DNRC Recommendation

The director recommends the Land Board grant final approval for this Land Banking sale at the value shown above.



Location: Beaverhead County S16 T7S R14W
Prepared on: 10 MARCH 2020
Prepared By: DNRC REMB Staff
Projection: NAD 1983 MT State Plane





Beaverhead County Sale: Hairpin LC
Sale No. 1080, Common Schools

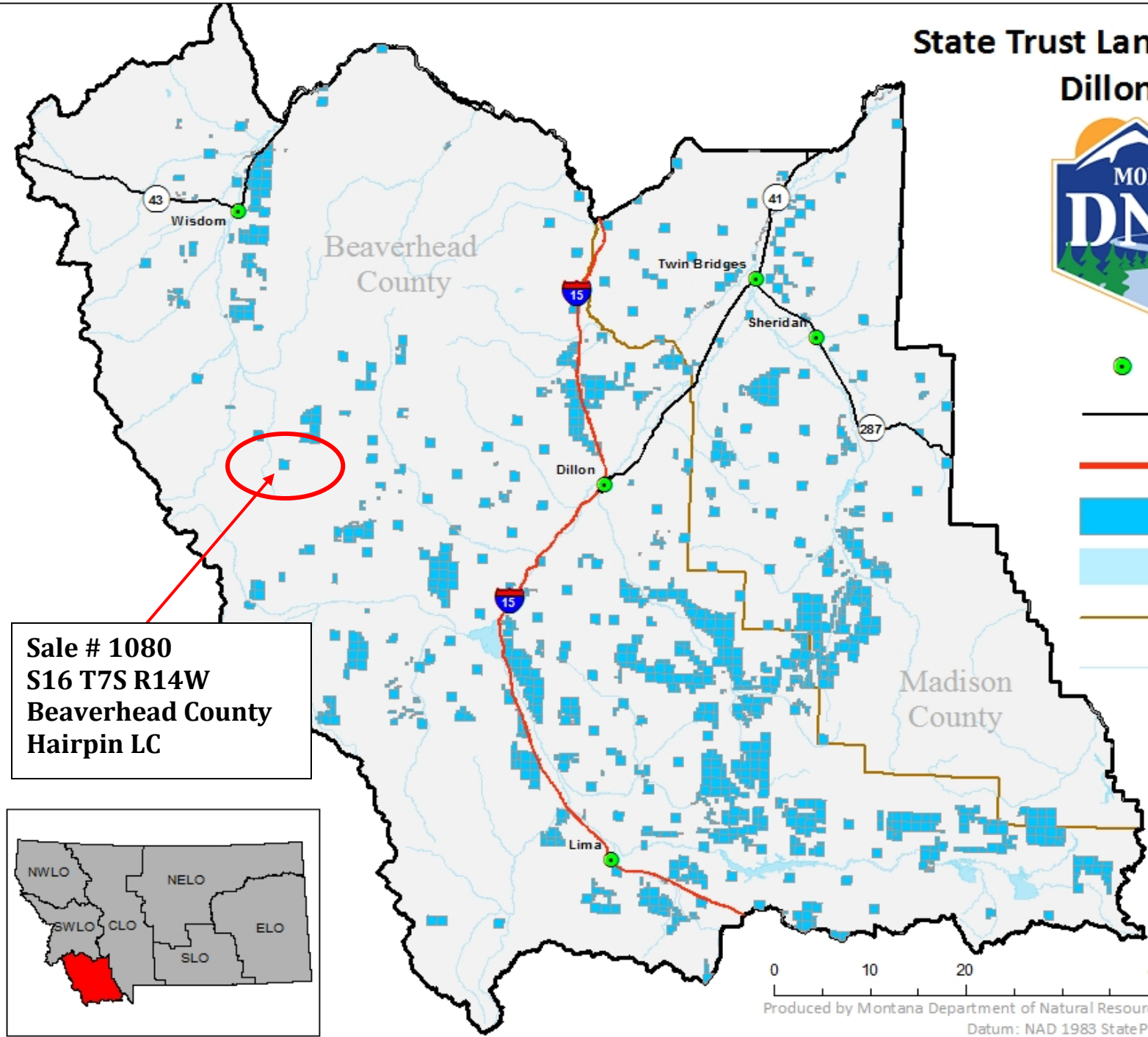
-  Sale # 1080
-  Montana State Trust Land
-  Owner Parcels



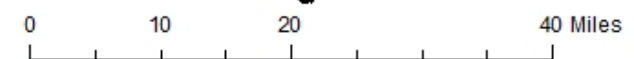
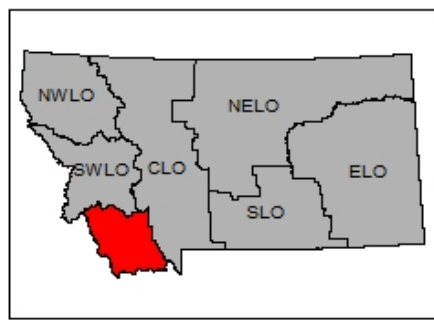
State Trust Land Vicinity Map Dillon Unit



-  Towns
-  Major Roads
-  Interstate
-  State Trust Land
-  Water Bodies
-  County Lines
-  Rivers



Sale # 1080
S16 T7S R14W
Beaverhead County
Hairpin LC



Produced by Montana Department of Natural Resources and Conservation 11/1/2019
 Datum: NAD 1983 StatePlane

0721-4

EASEMENTS

**Land Board Agenda
July 19, 2021**

0721-4 Easements

Location: Custer, Fergus, Flathead, Richland, Sweet Grass, Toole, Valley, Wibaux

Trust Benefits: Common Schools

Trust Revenue: Common Schools = \$125,691

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ONEOK Rockies Midstream, LLC	Natural Gas Pipeline	30-year	37-38
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Custer County	Public County Road	Permanent	39-40
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Stenbeg, Lyle, Jason, & Kyle	Private Access Road	Permanent	50-51

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Triangle Telephone Cooperative Association, Inc. PO Box 1220 Havre, MT 59501
Application No.:	13710 (Amended)
R/W Purpose:	two buried telecommunications cables
Lessee Agreement:	ok
Acreage:	0.30
Compensation:	\$210.00
Legal Description:	20-foot strip through S2SW4SW4, Sec. 3, Twp. 19N, Rge. 14E, Fergus County
Trust Beneficiary:	Common Schools

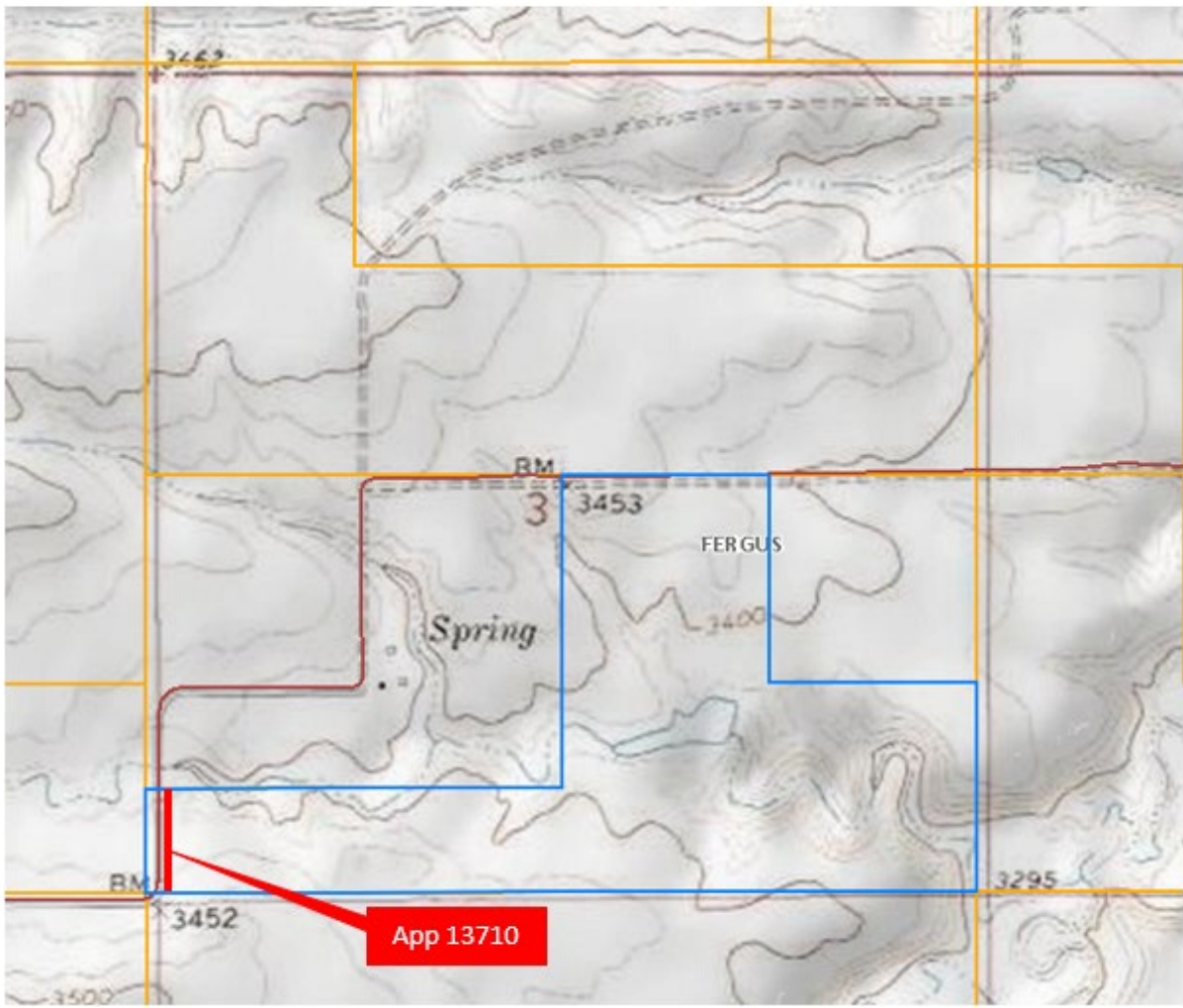
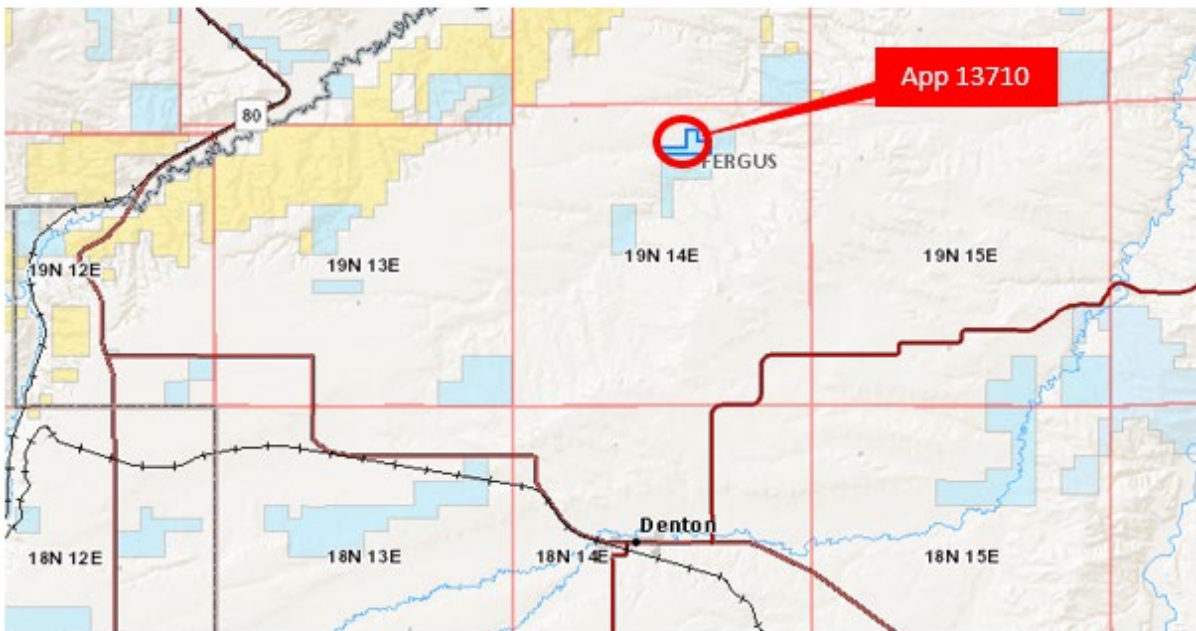
Item Summary

Triangle Telephone Coop is requesting amendments to existing easement utility corridors for the purpose of installing a new fiber optic cable in the Denton exchange area. The existing easements contain copper telephone cables that will be abandoned in place. The new fiber optic cable will provide state of the art telecommunications facilities to rural customers and increased capacity. As the new line will be trenched within the existing corridor minimal impacts are expected. While portions of the proposed installation are within general sage grouse habitat, the State Trust land affected by this easement request is not. MSGOT has reviewed and approved the project in regard to those areas within sage grouse habitat.

DNRC Recommendation

The director recommends approval of the application of Triangle Telephone Cooperative

R/W Application 13710 (Amended)



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Flathead Electric Cooperative 2510 US Hwy 2 East Kalispell, MT 59901
Application No.:	19058
R/W Purpose:	a 14.4/25 kV overhead electric distribution line
Lessee Agreement:	Unleased
Acreage:	1.62
Compensation:	\$2,837.00
Legal Description:	20-foot strip through W2W2, Sec. 36, Twp. 28N, Rge. 25W, Flathead County
Trust Beneficiary:	Common Schools

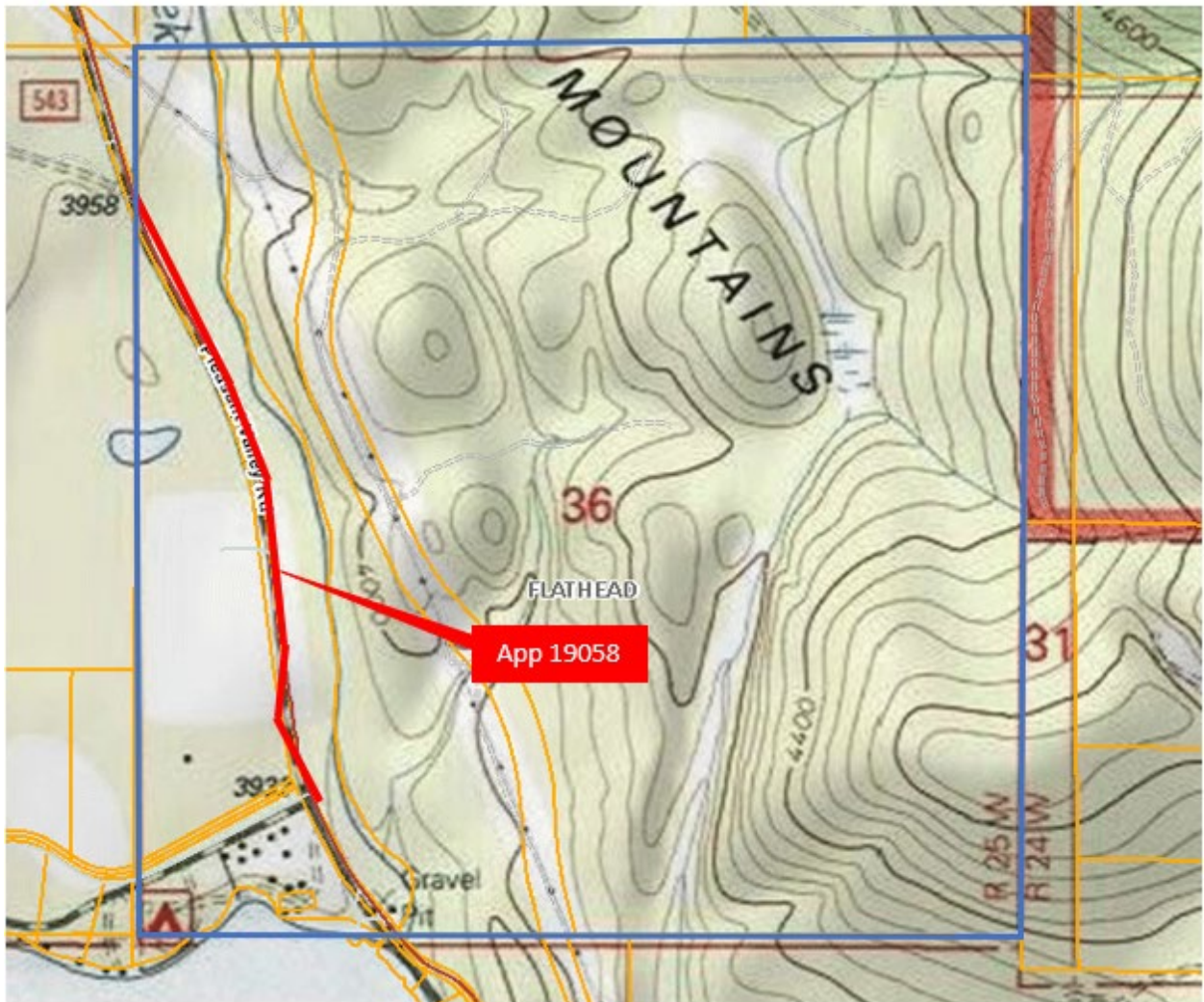
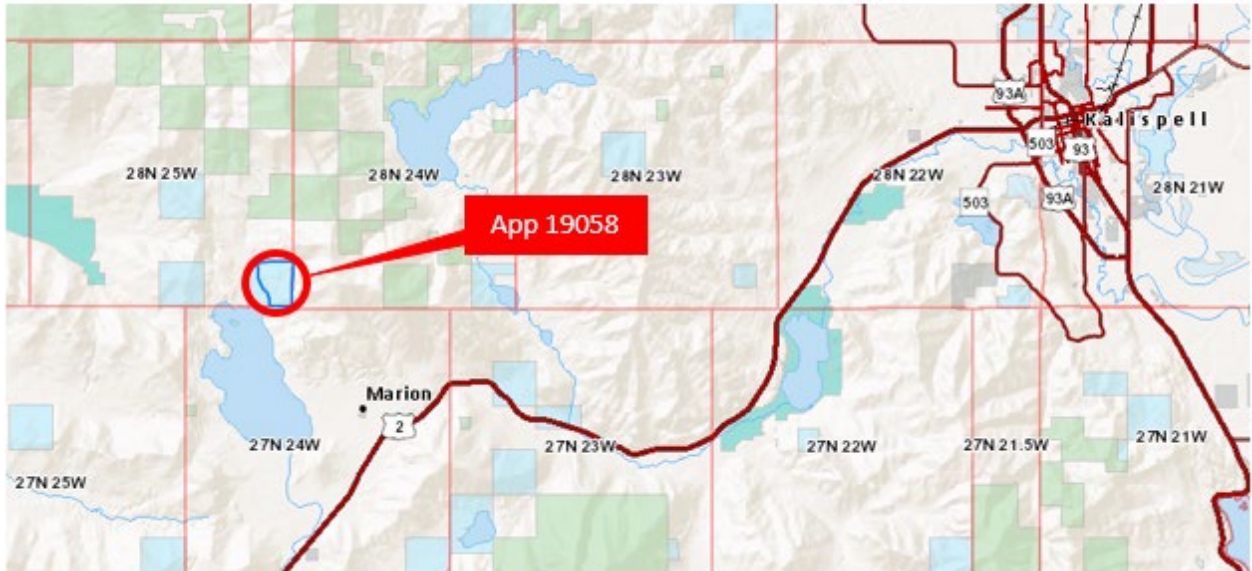
Item Summary

Flathead Electric Cooperative is requesting an easement to install a new overhead distribution powerline approximately 3.5 miles northwest from the town of Marion and placed alongside an existing roadway. This new powerline will serve the electrical needs of privately-owned properties north of the Trust Lands section. Alternatives to locate outside of the State Land and existing road would create a greater impact on the landscape and increase safety and fire risks.

DNRC Recommendation

The director recommends approval of the easement request by Flathead Electric Cooperative.

R/W Application 19058



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Nemont Telephone Cooperative, Inc. PO Box 600 Scobey, MT 59263
Application No.:	19110
R/W Purpose:	two buried telecommunications cables
Lessee Agreement:	ok
Acreage:	0.14
Compensation:	\$100.00
Legal Description:	20-foot strip through SW4SW4, Sec. 20, Twp. 30N, Rge. 40E, Valley County
Trust Beneficiary:	Common Schools

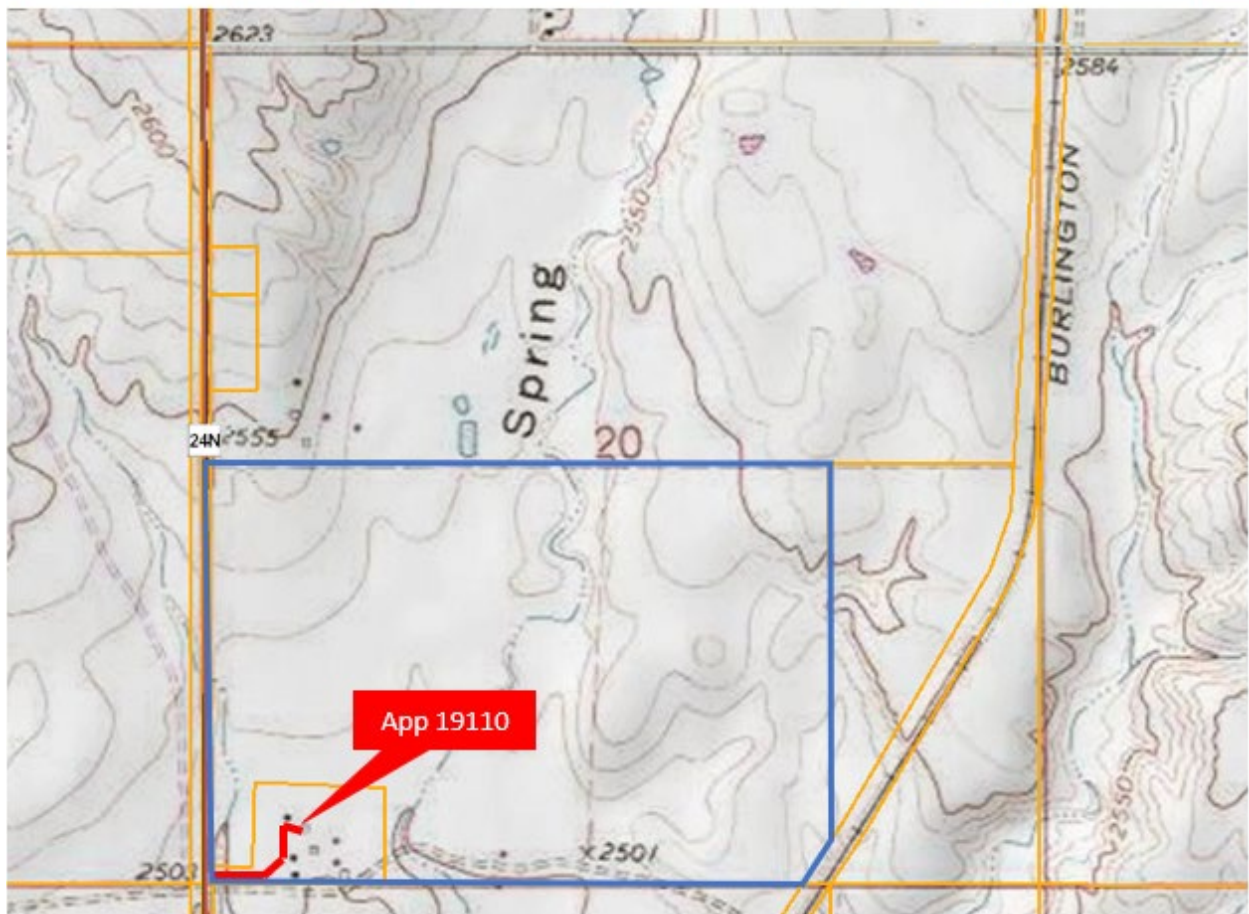
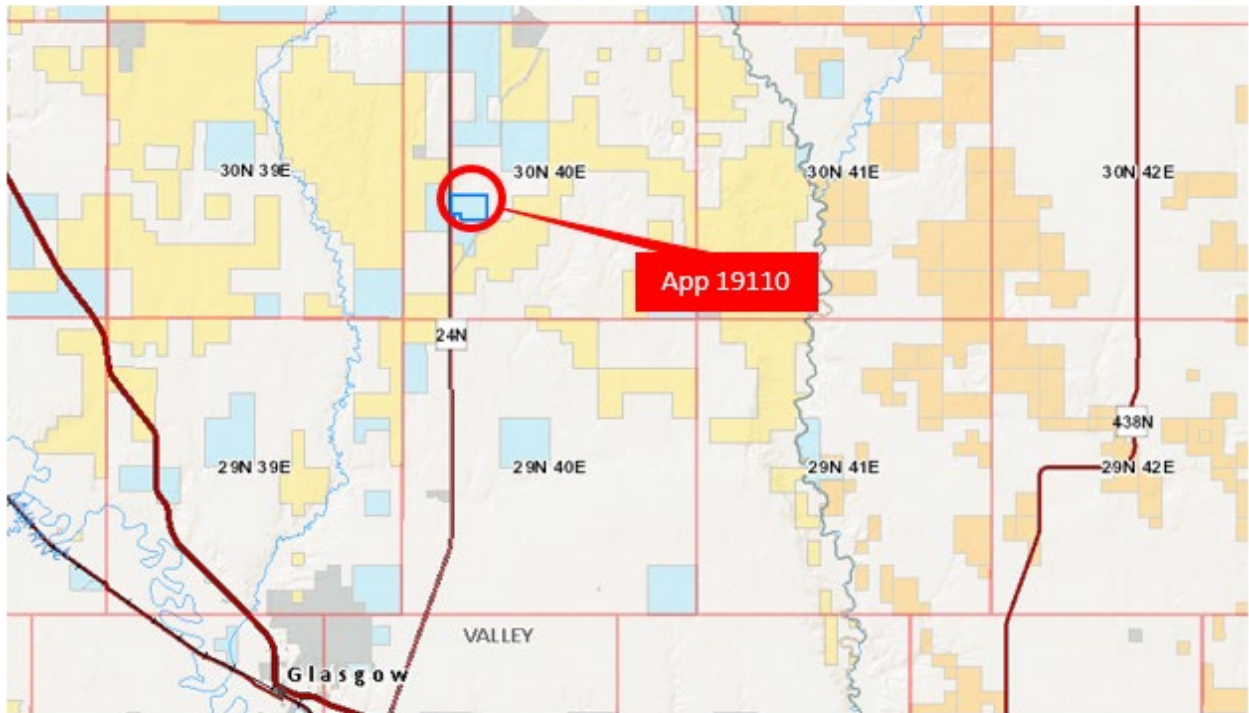
Item Summary

Nemont Telephone Cooperative received a request from the State surface lessee of the affected State Trust land parcel to upgrade telecommunications service to the leased land. The existing copper cable was not authorized previously under any easement granted by the Land Board or approved as an improvements request to the homestead lease. The existing facilities are aging copper cables that will be left in place and new fiber optic cable will be installed to provide enhanced broadband services to the lease homestead. The State land in the project area is within General Sage Grouse Habitat as described in Executive Order 12-2015, however, due to the method of installation no mitigation is necessary.

DNRC Recommendation

The director recommends approval of the Nemont Telephone fiber optic easement.

R/W Application 19110



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Oilmont County Water District PO Box 129 Sunburst, MT 59263
Application No.:	19111
R/W Purpose:	buried 1 ½" water pipeline
Lessee Agreement:	N/A (Historic)
Acreage:	2.42
Compensation:	\$968.00
Legal Description:	20-foot strip through W2SW4, S2SW4, Sec. 36, Twp. 36N, Rge. 2W, Toole County
Trust Beneficiary:	Common Schools

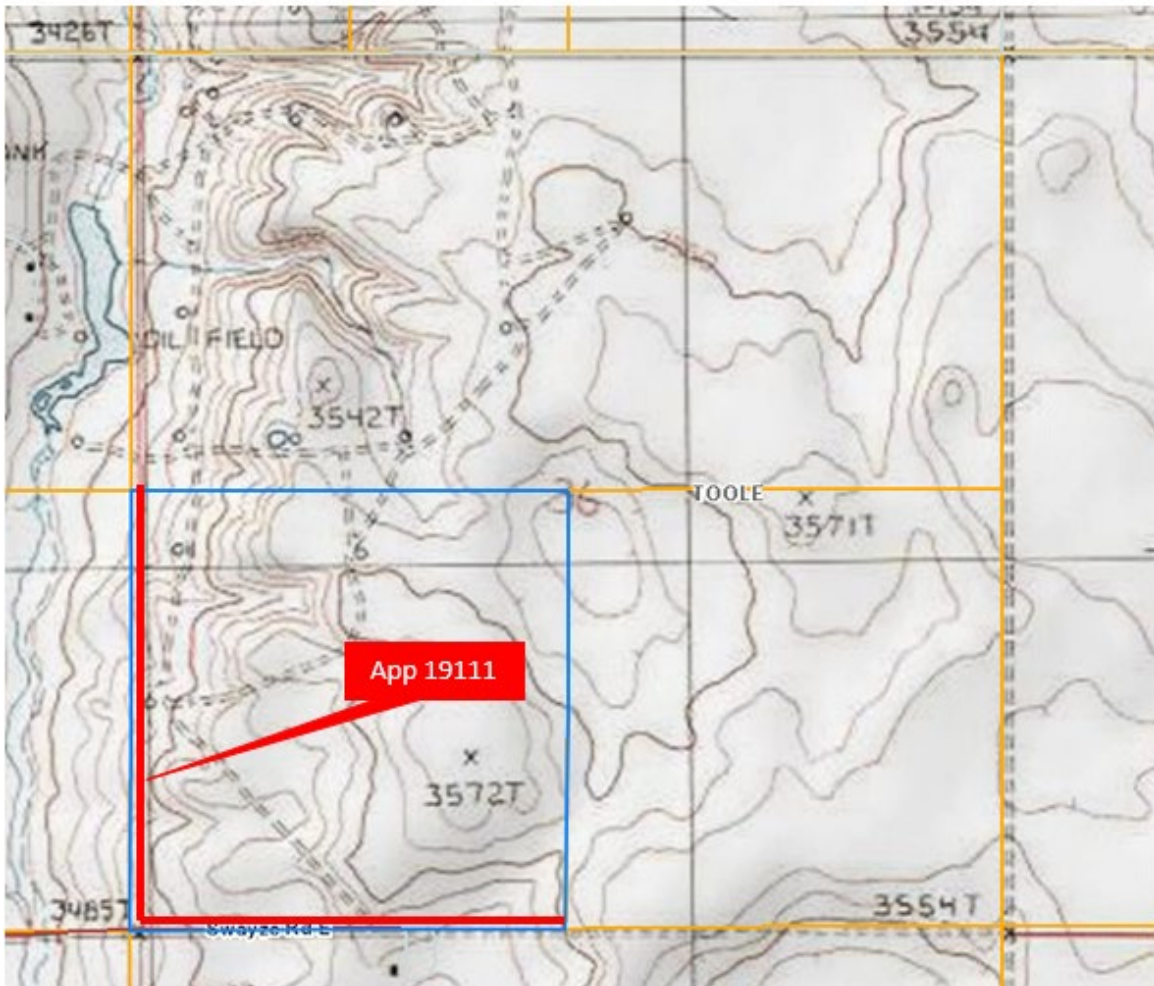
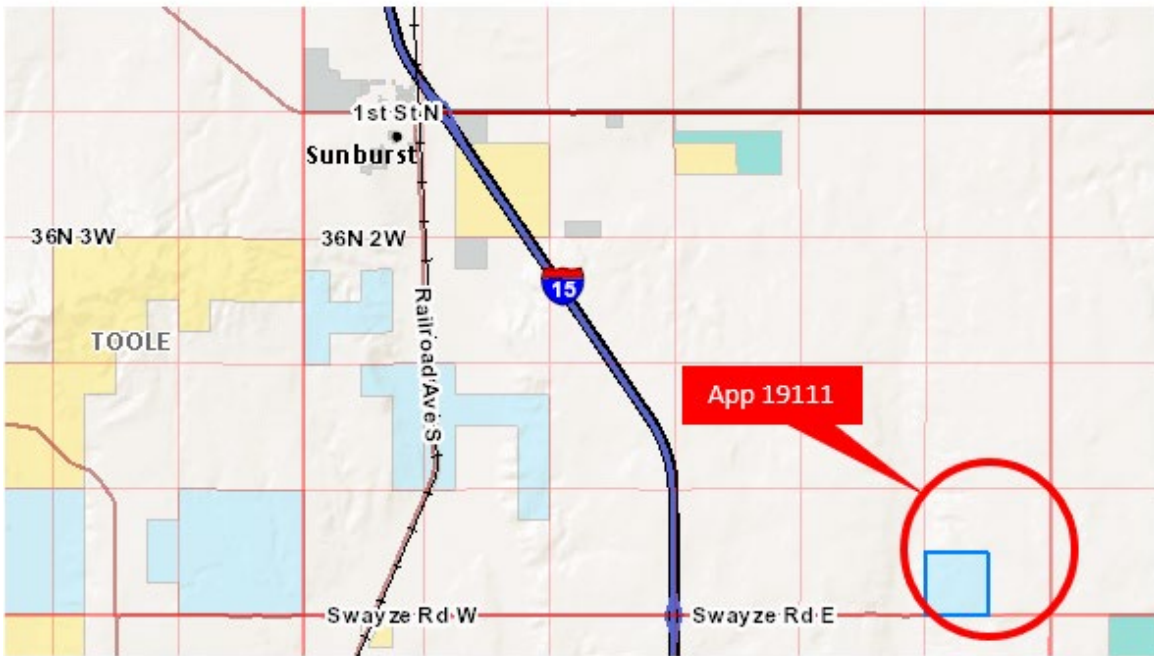
Item Summary

Oilmont County Water District has made application for a buried 1 ½" water pipeline that was constructed on state lands many years ago without proper authorization from the Land Board. Pursuant to §77-1-130, MCA Oilmont County Water District is requesting recognition of this buried water pipeline as historic right of way.

DNRC Recommendation

The director recommends approval of the historic rights of way for Oilmont County Water District.

R/W Application 19111



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: ONEOK Rockies Midstream, LLC
896 25th Street SE
Sidney, MT 59270

Application No.: 19112
R/W Purpose: a buried 4" natural gas pipeline
Lessee Agreement: ok
Acreage: 1.10
Compensation: \$8,177.00
Legal Description: 25-foot strip through NW4NE4, NE4NW4, Sec. 36, Twp. 23N,
Rge. 57E, Richland County
Trust Beneficiary: Common Schools

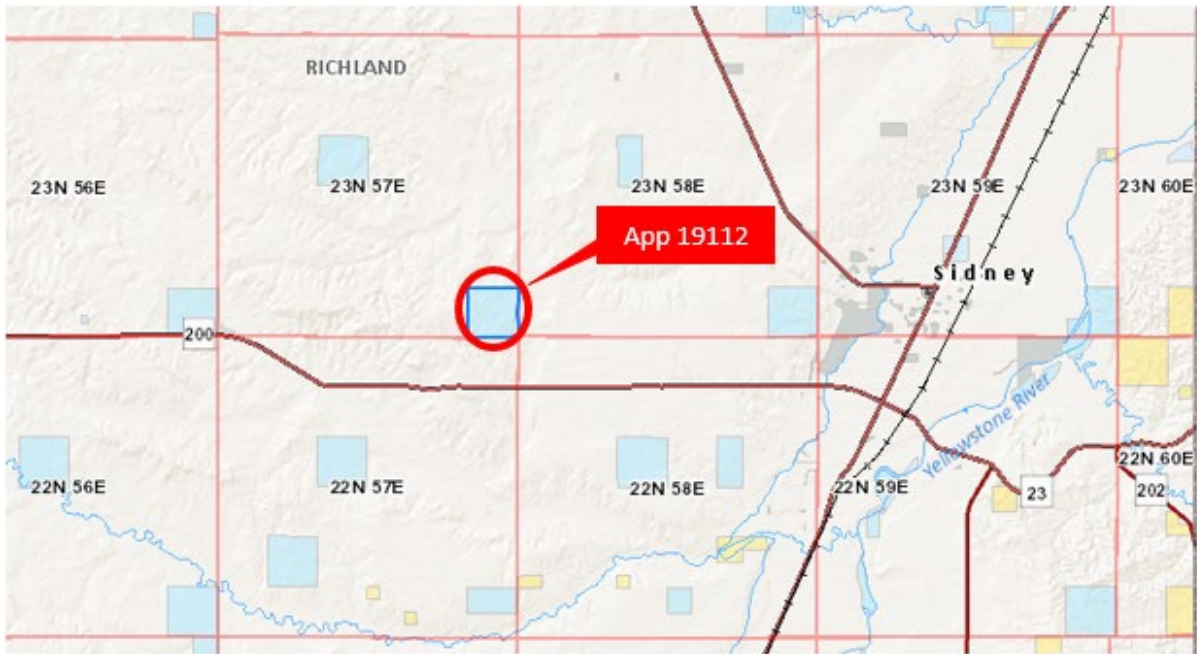
Item Summary

ONEOK Rockies Midstream, LLC has made application to convert an existing Land Use License issued in 2009 to a permanent easement associated with an existing 4" natural gas pipeline. Consistent with standard practice, this easement is recommended to be limited to a term of 30 years.

DNRC Recommendation

The director recommends approval of a 30-year limited term easement for ONEOK Rockies Midstream.

R/W Application 19112



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Custer County 1010 Main Street Miles City, MT 59301
Application No.:	19114
R/W Purpose:	a public County road
Lessee Agreement:	N/A (Historic)
Acreage:	0.61
Compensation:	\$366.00
Legal Description:	60-foot strip through NE4NE4, Sec. 16, Twp. 8N, Rge. 47E, Custer County
Trust Beneficiary:	Common Schools

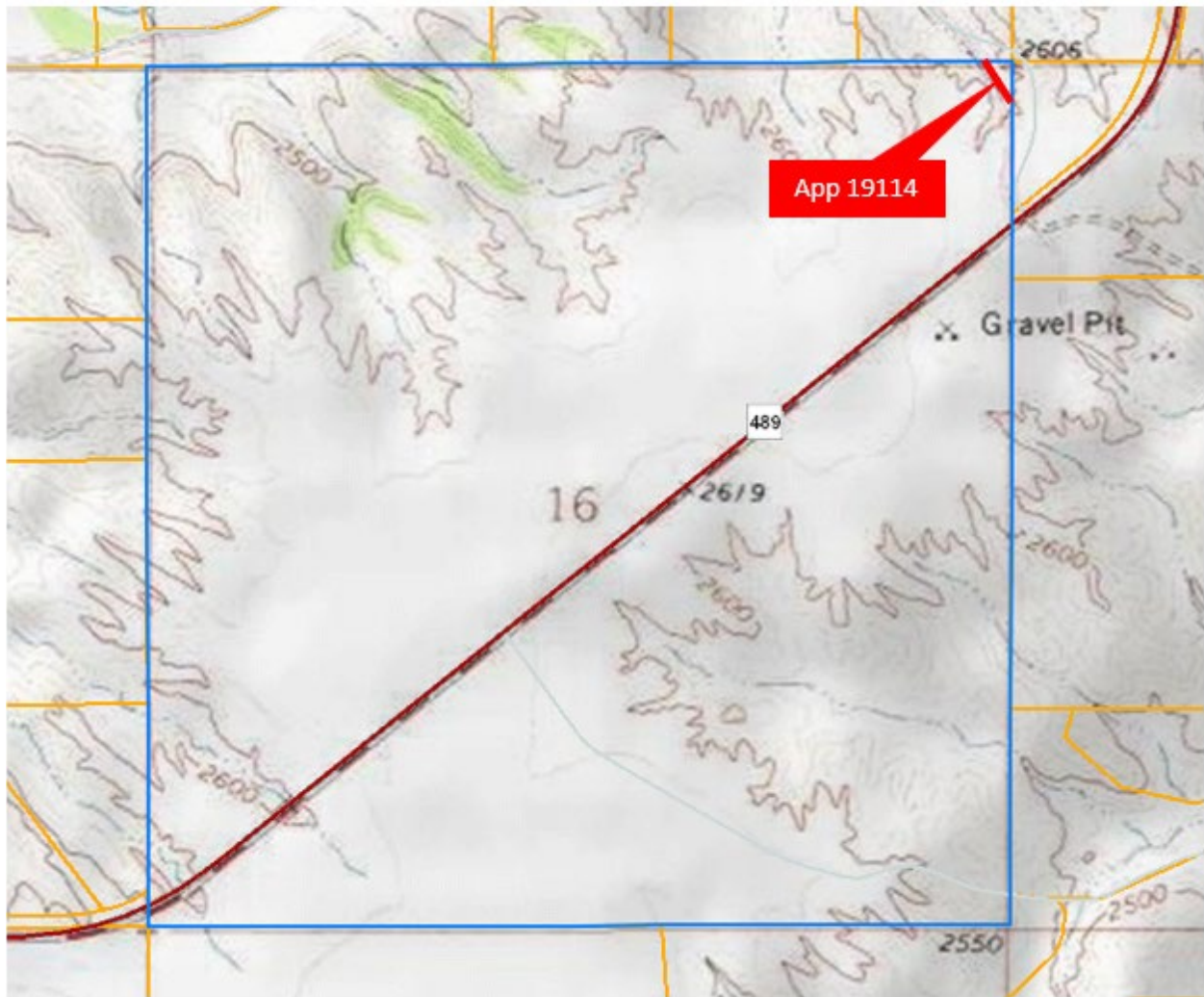
Item Summary

Custer County has made application for this county road that was constructed on state lands many years ago without proper authorization from the Land Board. Pursuant to §77-1-130, MCA the county is requesting recognition of this road as a historic right of way.

DNRC Recommendation

The director recommends approval of the application of Custer County.

R/W Application 19114



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Bridger Pipeline, LLC PO Drawer 2360 Casper, WY 82602
Application No.:	19115
R/W Purpose:	a 16" crude oil pipeline
Lessee Agreement:	ok
Acreage:	6.95
Compensation:	\$36,697.00
Legal Description:	50-foot strip through SW4SW4, E2SW4, SE4NW4, W2NE4, Sec. 16, Twp. 17N, Rge. 60E, Wibaux County
Trust Beneficiary:	Common Schools

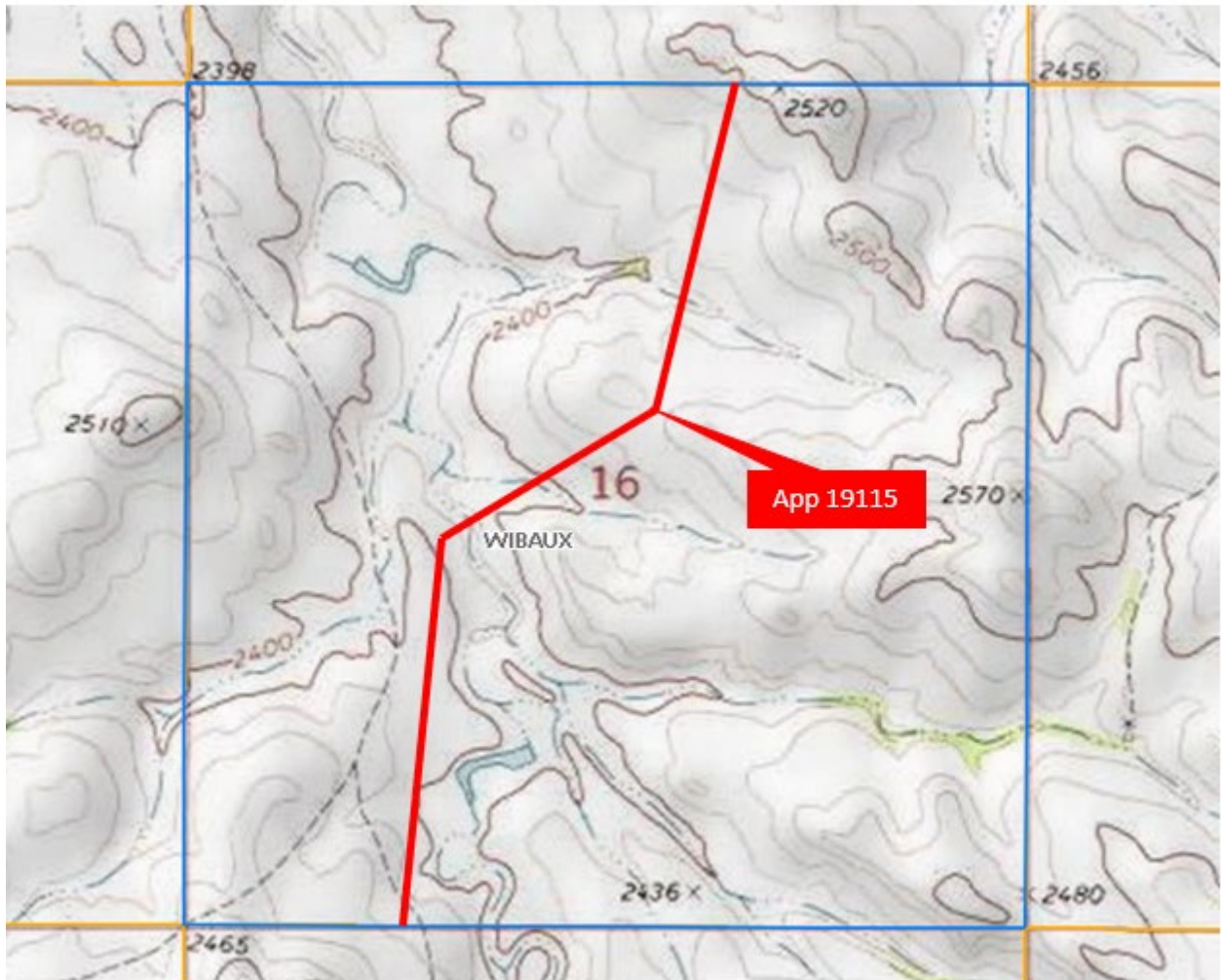
Item Summary

Bridger Pipeline, LLC is requesting an easement across Montana State Trust Lands to install a new, buried 16" crude oil pipeline. This new pipeline, the South Bend Pipeline, will parallel an existing 10" crude oil pipeline and transport crude oil from Johnson's Corner in North Dakota down to the Sandstone Storage Facility near Baker Montana. Eventually, the crude oil would be transported to Wyoming. Department staff has coordinated the pipeline location with environmental staff of Bridger Pipeline and coordination of permitting has occurred with Dept. of Environmental Quality and the Wibaux County Conservation District. Bridger Pipeline or its contractors will prepare a project specific spill prevention containment and countermeasure plan prior to construction and introduction of oil to each specific location. Public comment was solicited with no comments received. Bridger Pipeline has offered the State \$100 per rod for the easement. Consistent with the grant of other pipeline easements, this easement is recommended to be issued for a thirty (30) year limited term

DNRC Recommendation

The director recommends approval of a 30-year limited term easement for Bridger Pipeline, LLC.

R/W Application 19115



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Bridger Pipeline, LLC
PO Drawer 2360
Casper, WY 82602

Application No.: 19116
R/W Purpose: a 16" crude oil pipeline
Lessee Agreement: ok
Acreage: 6.68
Compensation: \$35,238.00
Legal Description: 50-foot strip through W2SW4, SW4NW4, E2NW4, Sec. 16,
Twp. 16N, Rge. 60E, Wibaux County
Trust Beneficiary: Common Schools

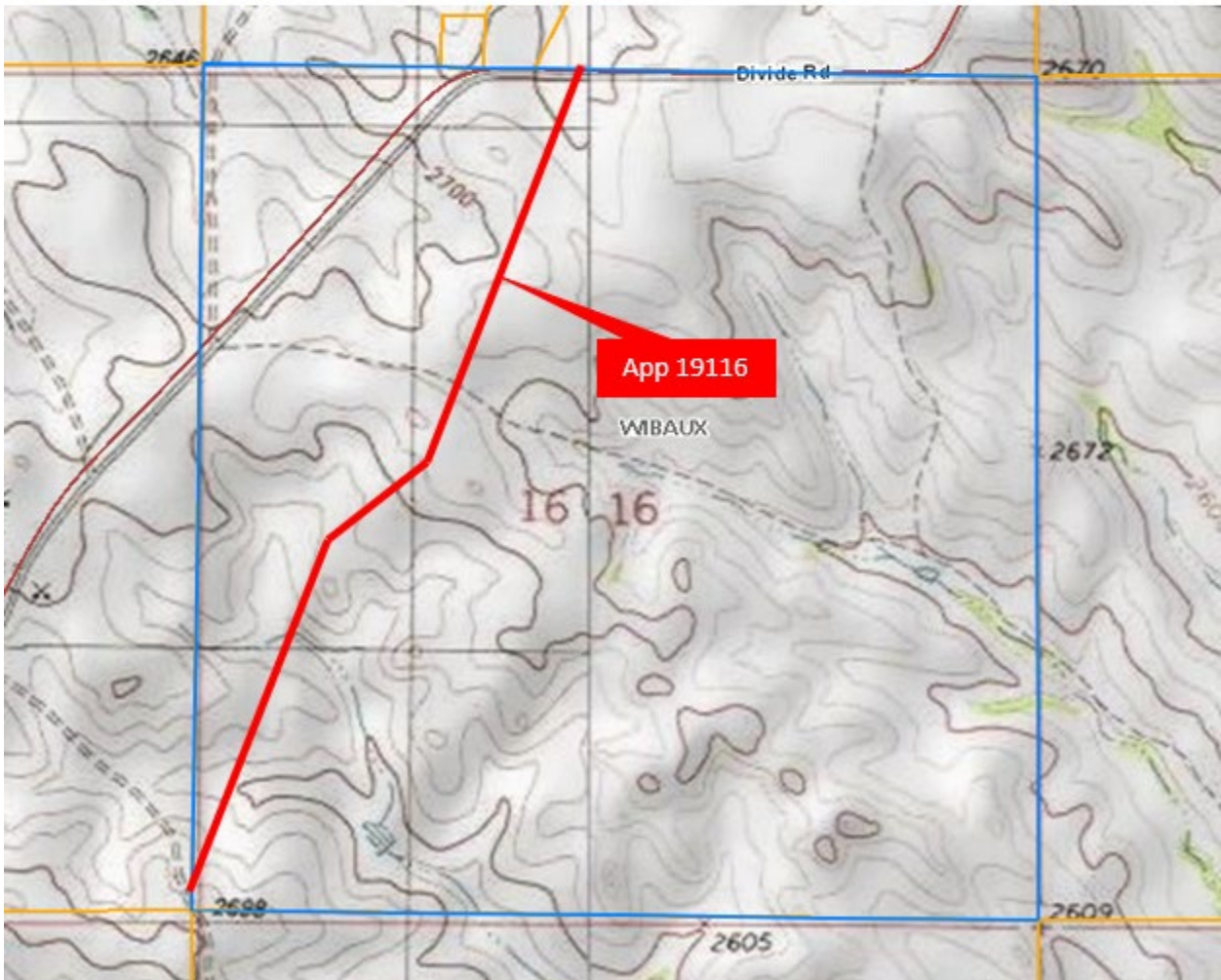
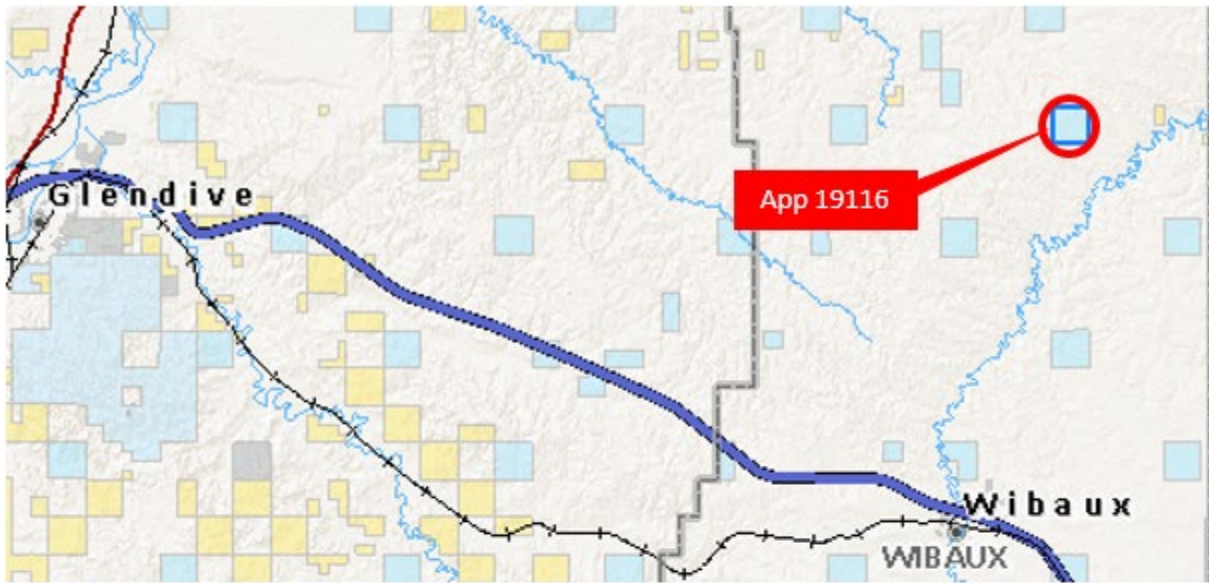
Item Summary

See summary on page 41

DNRC Recommendation

See recommendation on page 41

R/W Application 19116



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Bridger Pipeline, LLC
PO Drawer 2360
Casper, WY 82602

Application No.: 19117
R/W Purpose: a 16" crude oil pipeline
Lessee Agreement: ok
Acreage: 0.02
Compensation: \$439.00
Legal Description: 50-foot strip through Gov. Lot 2, Sec. 4, Twp. 13N, Rge. 59E,
Wibaux County
Trust Beneficiary: Common Schools

Item Summary

See summary on page 41

DNRC Recommendation

See recommendation on page 41

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Bridger Pipeline, LLC
PO Drawer 2360
Casper, WY 82602

Application No.: 19118
R/W Purpose: a 16" crude oil pipeline
Lessee Agreement: ok
Acreage: 0.18
Compensation: \$959.00
Legal Description: 50-foot strip through NW4NW4, Sec. 16, Twp. 13N, Rge. 59E,
Wibaux County
Trust Beneficiary: Common Schools

Item Summary

See summary on page 41

DNRC Recommendation

See recommendation on page 41

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Bridger Pipeline, LLC
PO Drawer 2360
Casper, WY 82602

Application No.: 19119
R/W Purpose: a 16" crude oil pipeline
Lessee Agreement: ok
Acreage: 6.24
Compensation: \$32,944.00
Legal Description: 50-foot strip through W2SE4, W2NE4, NE4NE4, Sec. 16,
Twp. 12N, Rge. 59E, Wibaux County
Trust Beneficiary: Common Schools

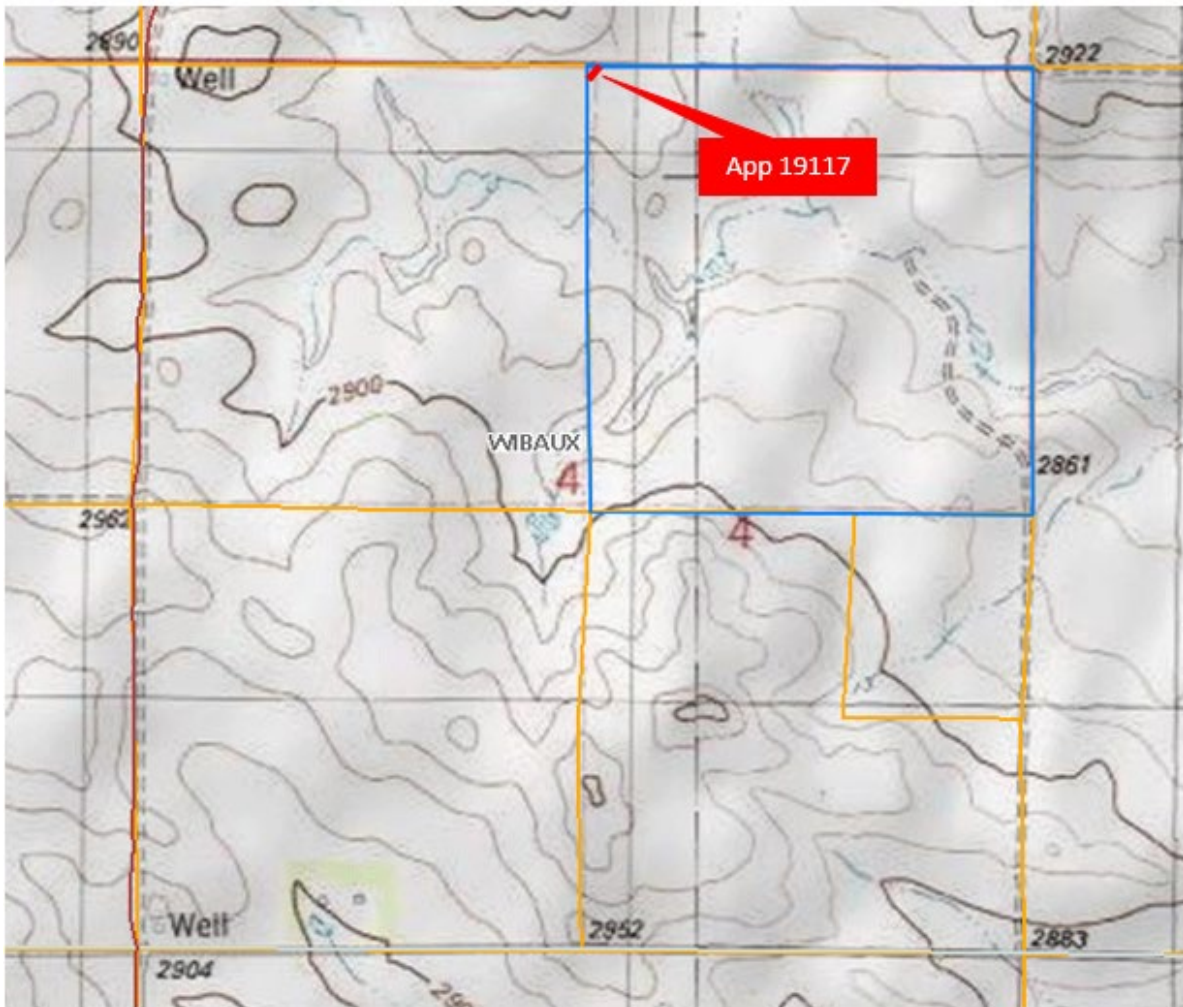
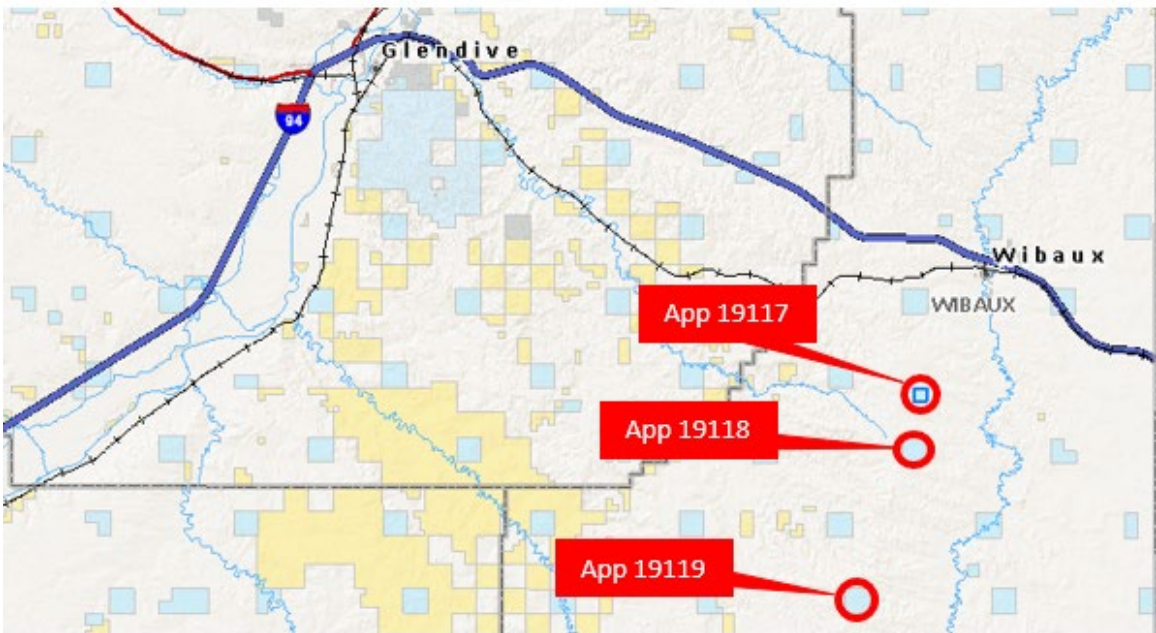
Item Summary

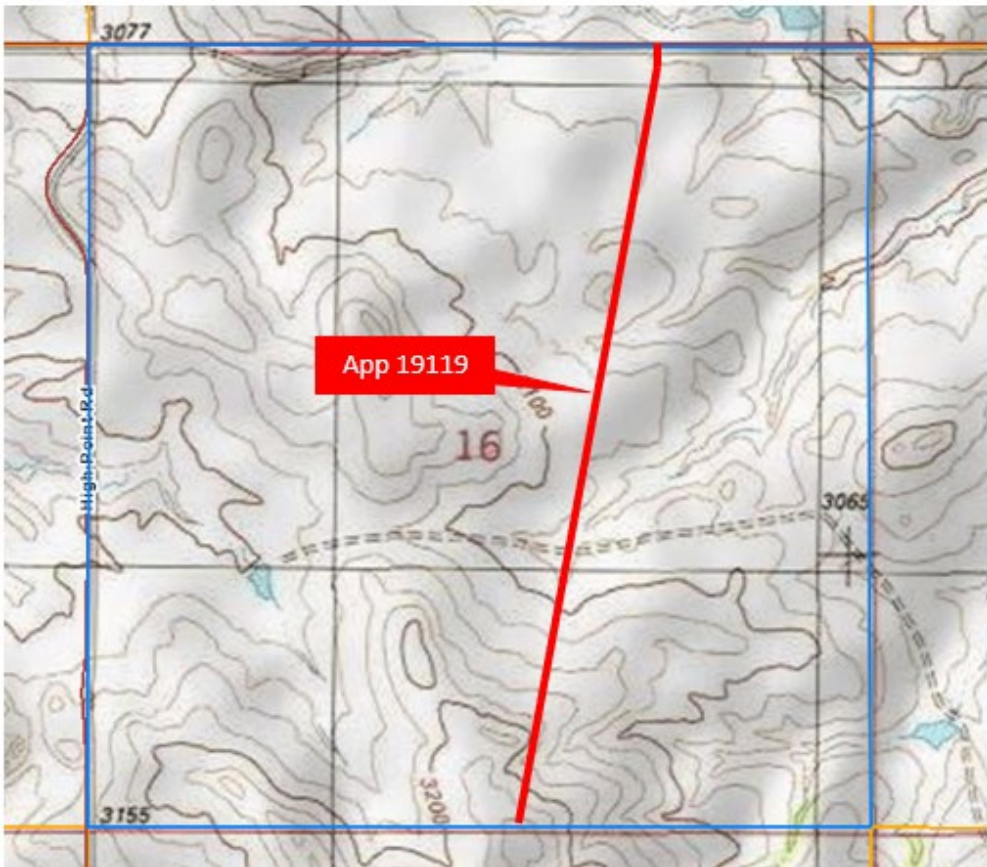
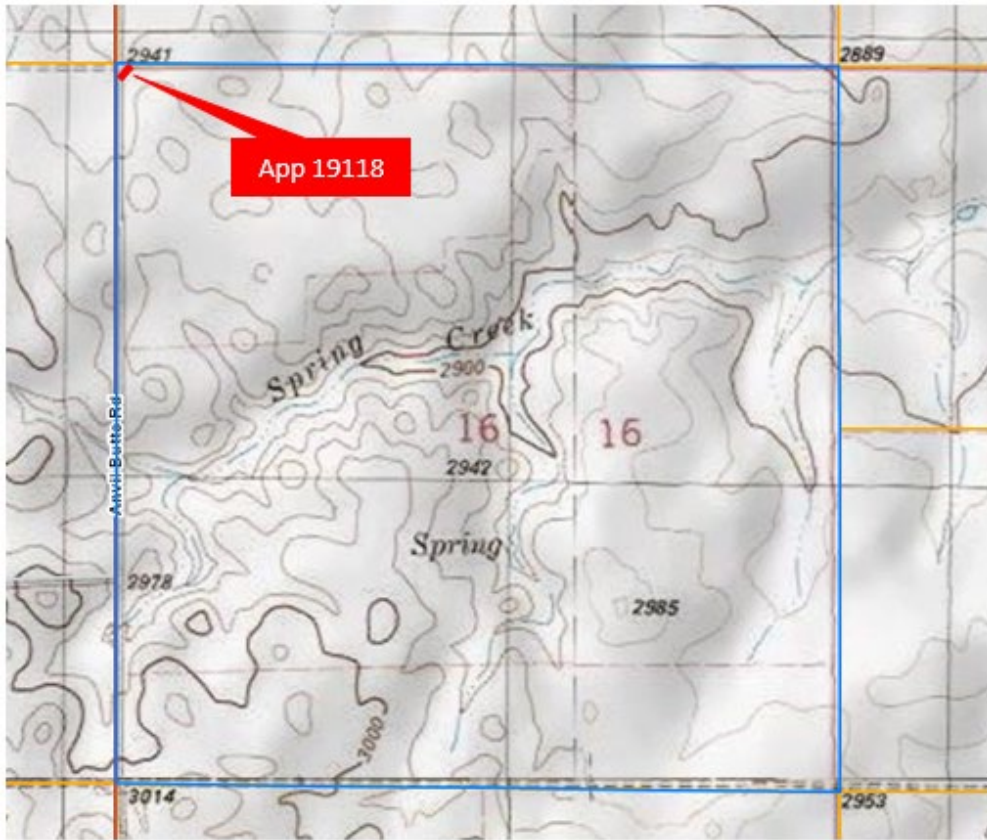
See summary on page 41

DNRC Recommendation

See recommendation on page 41

R/W Application 19117, 19118, & 19119





APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Stenberg, Lyle, Jason, and Kyle
90A Otter Creek Road
Big Timber, MT 59011

Application No.: 19123
R/W Purpose: a private access road to three single-family residences and associated outbuildings and to conduct normal farming and ranching operations and resource management activities

Lessee Agreement: ok
Acreage: 2.68
Compensation: \$3,216.00 Land Value + \$3,540.00 Conveyance Fee
Legal Description: 20-foot strip through S2SW4, SW4NW4, N2NE4, Sec. 36, Twp. 2N, Rge. 14E, Sweet Grass County
Trust Beneficiary: Common Schools

Item Summary

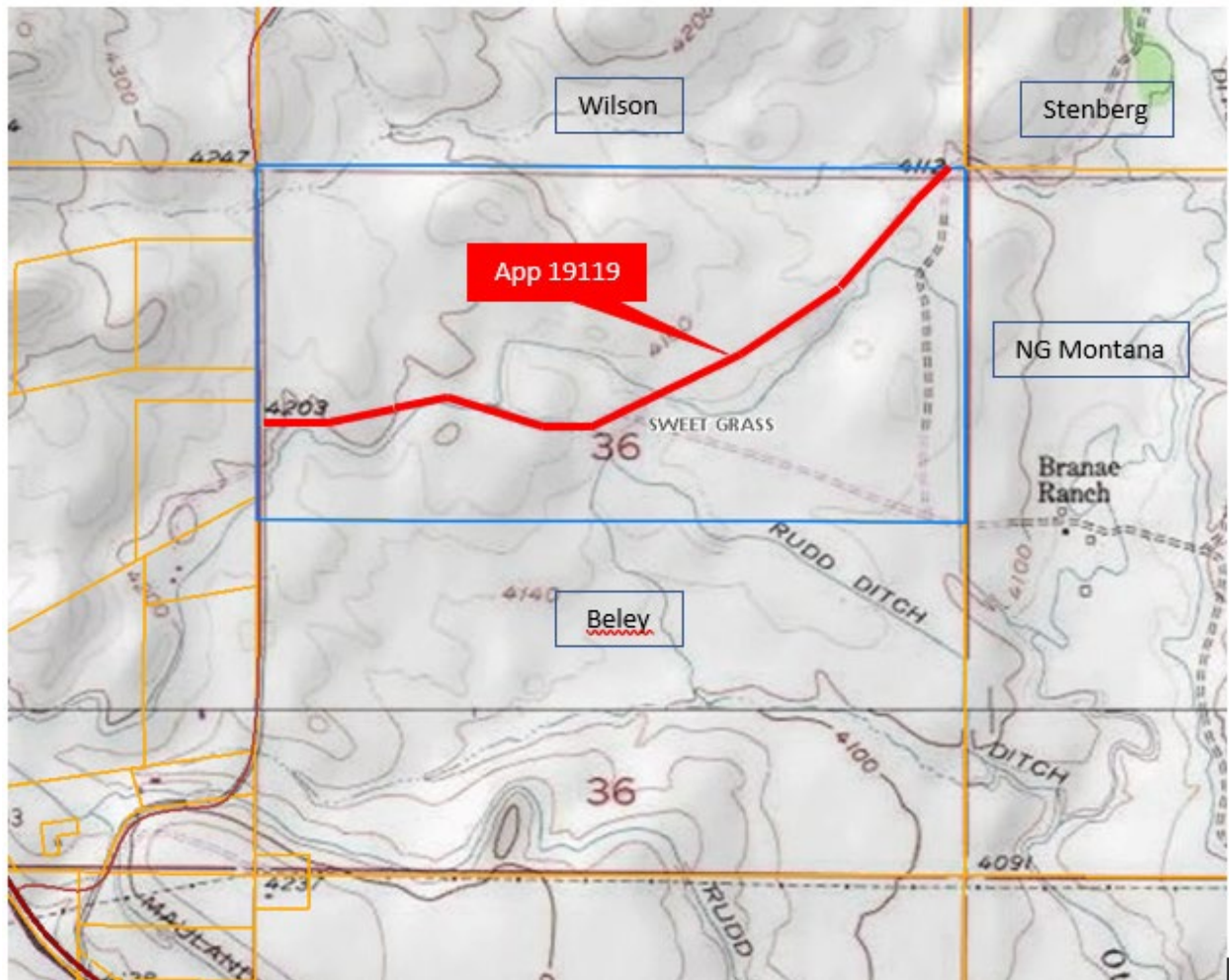
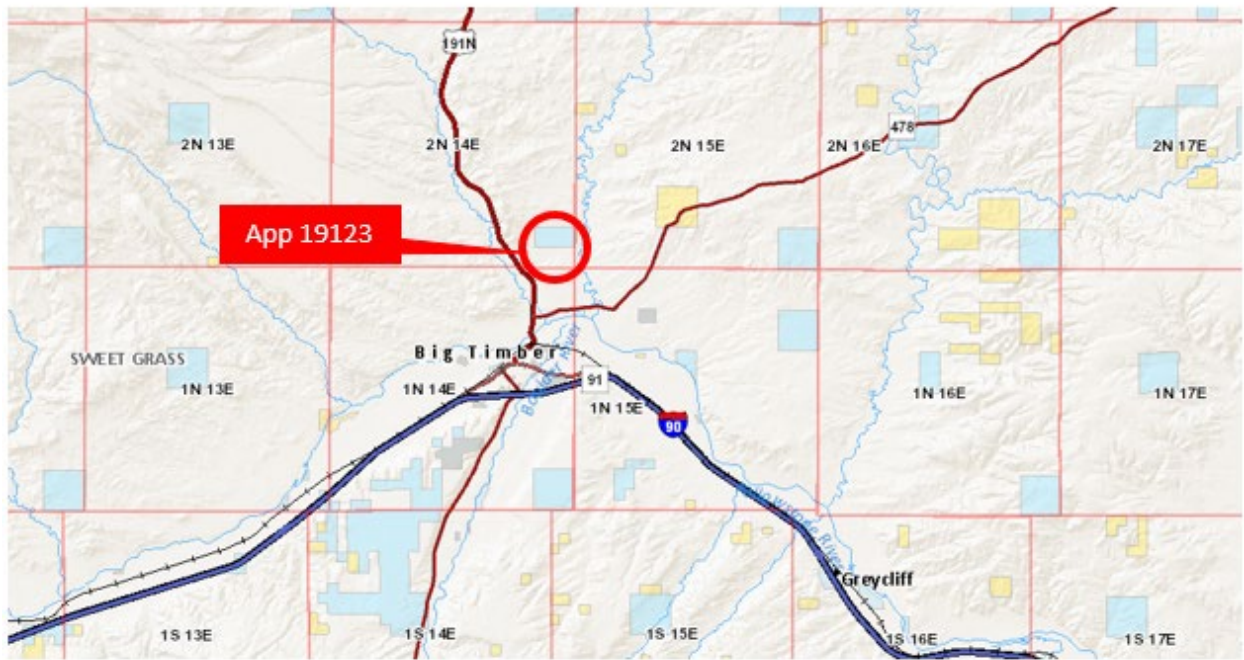
Lyle, Jason and Kyle Stenberg have made application under the Private Access Policy for an easement to access private lands for (3) three single-family residences and associated outbuildings and to conduct normal farming and ranching operations and resource management activities. Under the Private Access Policy, one single-family residence is allowed with a private driveway application. If additional lands with residential needs are to be accessed, a 1% conveyance fee is applied to the fair market value of those additional lands. In this case, Lyle Stenberg is completing two family transfers of more than 20 acres to each of his sons, Jason and Kyle. A review of properties currently available for sale in the general area reveals few parcels of this size available for sale. One parcel is currently under contract for \$177,000; and two parcels were excluded as they are commercial properties with highway frontage adjacent to the city limits of Big Timber. Thus, the 1% conveyance fee has been based on the current parcel under contract, providing an additional \$3,540 in revenue to the Common School trust. The State Trust land impacted is legally accessible by Otter Creek Road, a County road, therefore a reciprocal opportunity is not available. Regular vehicular use may necessitate the clearing of some vegetation along the road, although impacts are expected to be minimal. Use of the existing road on the State Trust Land parcel is least impactive to surrounding lands and will cause little impact to State management. The following property is to be accessed from this easement.

- Tract 1-A, Tract 1-B and Tract 2, Sec. 36, Twp. 2N, Rge. 15E

DNRC Recommendation

The director recommends approval of the application of Lyle, Jason and Kyle Stenberg.

R/W Application 19123



0721-5

REQUEST FOR APPROVAL TO PROCEED
WITH FINALIZING RULEMAKING ALLOWING
FOR ONLINE OIL AND GAS LEASE SALE

**Land Board Agenda
July 19, 2021**

0721-5 Request for Approval to Proceed with Finalizing Rulemaking Allowing for Online Oil and Gas Lease Sales

**Location: State of Montana
Oil and Gas Mineral Estate**

Trust Benefits: Multiple

Trust Revenue: Unknown

Item Summary

The Minerals Management Bureau is seeking Land Board approval to move forward in finalizing the Rulemaking process of amending ARM 36.25.205, which would allow oil and gas lease sales to be conducted online. The Department held a public hearing on May 27th where one comment was received in favor of the amended rule. The commenter requested that a portion of the stricken language remain in the rule. The department responded to the comment by stating that the stricken language would be addressed with language already existing within the rule.

If approved, adoption notice will be filed with the Secretary of State's Office, published, and should become effective August 7th.

DNRC Recommendation

The director recommends the Land Board approve filing the proposed amendment to Administrative Rule of Montana 36.25.205 with the Secretary of State's Office.

BEFORE THE DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION OF THE STATE OF MONTANA

In the matter of the amendment of ARM) NOTICE OF ADOPTION
36.25.205 pertaining to Oil and Gas)
Leases on State Lands)

To: All Concerned Persons

1. On April 30, 2021, the Department of Natural Resources and Conservation (department) published MAR Notice No. 36-22-200 pertaining to the public hearing on the proposed amendment of the above-stated rules at page 459 of the 2021 Montana Administrative Register, Issue Number 8.

2. The department has amended ARM 36.25.205 as proposed.

3. The following comments were received and appear with the department's responses:

COMMENT NO. 1: Commenter stated support for the amendment, noting support for SB 41 during the 2019 Legislative Session. The Commenter preferred that the department retain a portion of the language stricken from the existing rule.

RESPONSE: The department appreciates the commenter's support. The language was stricken as the revised text, "The department has discretion to waive or postpone if circumstances warrant," is broader and allows for cancellation due to insufficient applications.

/s/ _____
Amanda Kaster
Director
Natural Resources and Conservation

/s/ _____
Bradley R. Jones
Rule Reviewer

Certified to the Secretary of State on [DATE].