

**AGENDA**  
**REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS**  
**August 21, 2023, at 9:00 a.m.**  
**Supreme Court Chambers, Mazurek Justice Building**  
**Helena, MT**

**ACTION ITEMS**

- 0823-1 Timber Sales – Dern Draw** **Approved 5 - 0**  
*Benefits: Common Schools*  
*Location: Flathead County*
- 0823-2 Gas Storage Agreement – WBI Energy Transmission Inc.** **Approved 5 - 0**  
*Benefits: Common Schools*  
*Location: Fallon County*
- 0823-3 Real Estate Management Bureau – Rule Making** **Approved 5 - 0**
- 0823-4 Cabin and Homesites - Set Minimum Bid for Sale** **Approved 5 - 0**  
*Benefits: Common Schools*  
*Location: Powder River County*
- 0823-5 Easements** **Approved 5 - 0**  
*Benefits: Common Schools, Public Land Trust (Nav. Rivers)*  
*Location: Madison, Missoula, Park, Richland, Roosevelt, Sweetgrass, and Wibaux Counties*
- 0823-6 Property Management - Litigation Authority** **Approved 5 - 0**

**PUBLIC COMMENT**

# 0823-1

TIMBER SALES

Dern Draw

**Land Board Agenda Item  
August 21, 2023**

**0823-1 Timber Sale: Dern Draw**

**Location: Flathead County, Section 36, T29N, R23W**

**Trust Benefits: Common Schools**

**Trust Revenue: \$541,512 (estimated, minimum bid)**

**Item Summary**

**Location**

The Dern Draw Timber Sale is located approximately 7 air miles northwest of Kalispell, Montana.

**Size and Scope**

The sale includes 5 harvest units (472 acres) of ground-based tractor logging.

**Volume**

The estimated harvest volume is 19,890 tons (3,039 MBF) of sawlogs.

**Estimated Return**

The minimum bid is \$27.23 per ton, which would generate approximately \$541,512 for the Common Schools Trust and approximately \$80,837 in Forest Improvement fees.

**Prescription**

This sale would utilize single tree selection and improvement cut harvest prescription designed to manage insect and disease outbreaks and reduce fuel loading in the Wildland Urban Interface (WUI).

**Road Construction/Maintenance**

The Department of Natural Resources and Conservation (DNRC) is proposing 5.4 miles of road maintenance.

**Access**

Access is obtained through Flathead County roads.

**Public Comments**

Three public comments were received. Two comments from logging industry representatives expressed support for the project. One comment from an adjacent landowner expressed concern about dust on haul roads and DNRC explained that dust abatement measures would be utilized on haul roads as needed.

**DNRC Recommendation**

The DNRC recommends the Land Board direct DNRC to sell the Dern Draw Timber Sale.

# State Trust Land Vicinity Map

## Kalispell Unit

VICINITY MAP

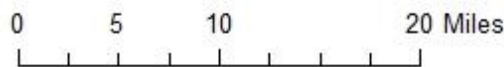
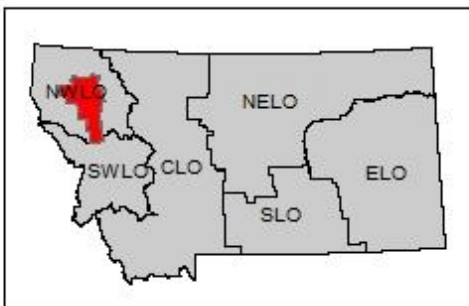
**Project Name:** Dern Draw  
Timber Sale

**Project Location:** Section 36  
T29N, R23W

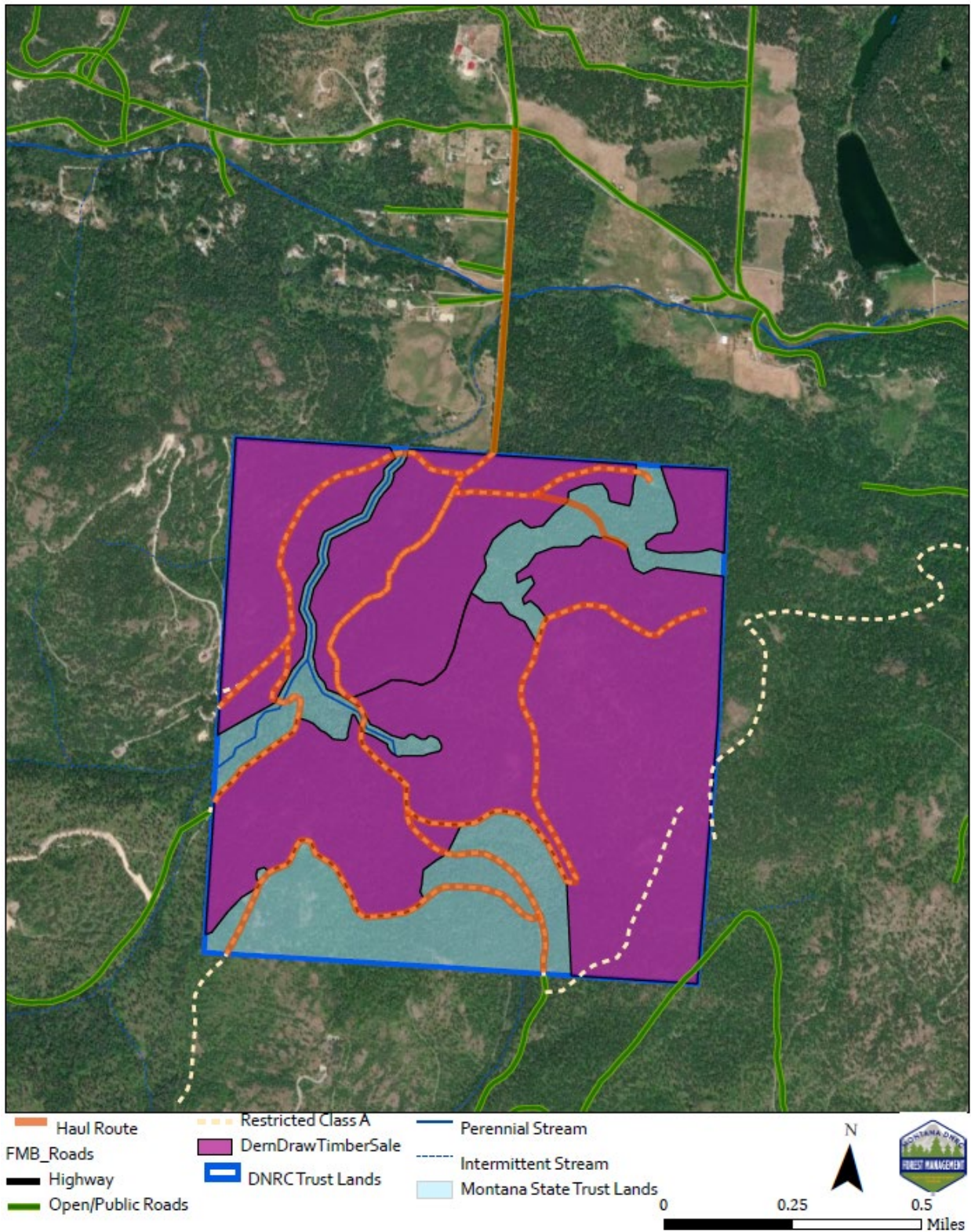
**County:** Flathead



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



# Dern Draw Timber Sale Haul Route and Harvest Units



# 0823-2

GAS SALES AGREEMENT  
WBI Energy Transmission Inc.

**Land Board Agenda Item  
August 21, 2023**

**0823-2 Gas Storage Agreement: WBI Energy Transmission Inc.**

**Location: Fallon County**

**Trust Benefits: Common Schools**

**Trust Revenue: Rental of \$13.81/acre for a total of \$15,467.20 per year for the first five years of the agreement. Rental rate may be adjusted every five years for the duration of the agreement.**

**Item Summary**

The Department received a request from WBI Energy Transmission Inc. to renew gas storage lease GS-8000. The lease covers existing gas storage operations on three tracts of State land located in Fallon County. Natural Gas producers store gas in the reservoir in the summer when demand is lower and withdraw gas in the winter when demand increases. The storage reservoir can be used in this manner for as long as the need exists.

While the utilization of a gas storage reservoir extends indefinitely, State statute limits the leasing of State lands for gas storage for a period not exceeding 20 years, with a renewal for an additional twenty-year period. GS-8000 was issued on June 20, 1983 and renewed on June 20, 2003. Since the existing lease could not be renewed for an additional twenty-year period, the Board and WBI must enter a new gas storage lease.

The subject State lands total 1,120 acres ± and are interspersed within a larger field operated by WBI. The field can only effectively be operated by one company as a single reservoir. State lands cannot be operated as gas storage separately from the remainder of the field and have no independent gas storage lease value. While the gas storage reservoir must be operated by a single company, it is possible for other oil and gas interests to be leased and developed under a traditional Oil and Gas lease upon the same tract. The gas storage lease is held to a depth and does not preclude the development of deeper resources.

Consistent with statute, the new lease includes an initial twenty-year term, with the option to renew for an additional twenty-year term. Revenue is generated through annual rental payments calculated on an acreage basis. The previous lease had a most-recent rental rate of \$11.44/acre, for a total annual payment of \$12,868.00. The new lease would include a rental rate of \$13.81/acre, for a total annual payment of \$15,467.20. The new rental rate was calculated by inflating the previous rental rate by the increase in the Consumer Price Index (CPI) from the issuance of the previous amendment (June 2018).

It shall be noted that previous installments of this agreement included 4.84 additional acres contained within section 13 of T7N R59E. Trust Lands only owns the mineral estate for this acreage, and the surface estate is privately held. Over the past twenty years, it has been established and accepted that pore space is a surface ownership right. Therefore, these 4.84 acres have not been included in the renewal of the gas storage agreement.

**DNRC Recommendation**

The Director recommends the Land Board approve this gas storage agreement.

# STATE OF MONTANA

## LEASE OF STATE LANDS FOR USE AS AN UNDERGROUND GAS STORAGE RESERVOIR

No. GS-8000-23

THIS INDENTURE OF LEASE, entered into by and between the State of Montana, through its Board of Land Commissioners (Lessor), and the WBI Energy Transmission, Inc. (Lessee), PO Box 5601, Bismarck, ND 58506, pursuant to the provisions of Title 77, Chapter 3, Part 5, M.C.A., and all acts amendatory thereof and supplemental thereto, WITNESSETH:

The above parties entered into Underground Gas Storage Lease No. 8000-83 on June 1, 1983, for a period of 20 years, which lease provided, and the Lessee exercised, a preferential right to renew the lease for an additional term of 20 years, effective June 20, 2003, and subject to such terms and conditions as the Board of Land Commissioners may impose. The renewal lease also contained a provision granting the Lessee a preferential right to renew the lease for an additional 20-year term, and Lessee has requested such renewal. State statute (77-3-508, M.C.A.) limits underground gas storage leases to one direct renewal period. This Lease therefore represents a new agreement between the parties authorizing the existing and continued utilization of the lease premises for an underground gas storage reservoir.

Lessor and Lessee hereby agree as follows:

**GRANTING CLAUSE:** Lessor, in consideration of the payments to be made and covenants to be kept and performed by Lessee, does lease, let and demise unto Lessee, its successors and assigns, the exclusive right and privilege to use as and for an underground natural reservoir, or as a part of an underground natural reservoir, for use for the underground storage, injection and withdrawal of natural gas, any and all formations down to the base of the Judith River sand, those certain lands lying and being in the County of Fallon, State of Montana, described as follows, to-wit:

Township 8 North, Range 59 East  
Section 36: S2 – 320 acres ±

Township 7 North, Range 60 East  
Section 16: SW4 – 160 acres ±

Township 6 North, Range 60 East  
Section 16: All – 640 acres ±

Containing 1120 acres, more or less, which said lands are hereinafter referred to as the “premises,” together with all rights and privileges incidental to or appropriate for the establishment, use, maintenance and operation of such underground natural gas storage reservoir, subject to the approval of the Board of Land Commissioners.

All rights herein granted by the Lessor to the Lessee to use the surface of the premises shall apply only to that portion of the surface of the premises now owned by Lessor. If any portion of the surface of the premises has been leased by Lessor to others for grazing, agricultural or other purposes, or if the surface is not owned by the State of Montana, Lessee shall interfere as little as possible with the use of the premises for such other purposes.

All rights granted Lessee are subject to the conditions that the Lessee in conducting the underground storage of natural gas shall use all reasonable precautions to prevent waste of oil or gas developed in the land, or the entrance of water through wells drilled to store natural gas to the lower oil or gas formations.

- LAND DISPOSITIONS:** There is reserved unto the State of Montana the right to sell, lease or otherwise dispose of the premises, subject always to the rights and privileges granted unto Lessee under and by virtue of this Lease. Nothing in this Lease contained shall affect existing leases for oil and gas or be construed to prohibit Lessor from leasing or otherwise disposing of formations in and under the premises lower or at a greater depth than the formations hereby leased to Lessee, but Lessor or any person, firm or corporation acting for or through or by virtue of Lessor’s rights in such lower formations shall take all reasonable precautions to seal off and protect the formations hereby leased.
- TERM:** The term of this Lease shall be for a period of twenty (20) years from June 20, 2023; provided, however, that the Lessee shall have a preferential right to renew this Lease for an additional period of twenty (20) years, subject to such terms and conditions as the Lessor may impose.
- RENTAL:** Lessee has simultaneously with the delivery of these presents paid to Lessor the sum of \$13.81 per acre (\$15467.20) which is the amount of rental to be paid by Lessee for the twelve (12) month period next succeeding the date of this Lease, the receipt of which is hereby acknowledged. Lessee agrees to pay to Lessor on or before each anniversary date a like sum of money, each such payment to cover the rental for the twelve (12) month period next succeeding the anniversary date on which such payment became due and payable. However, rentals may be subject to reevaluation by the Lessor every five (5) years during the term of the Lease and shall be adjusted, if necessary, to realize the fair market value for storage of natural gas for the next five



year period, as reasonably determined by the Lessor. The effective date of any such rental adjustments shall be effective as of the five (5) year anniversary date of the Lease.

4. All rental payments hereunder shall be paid to the Department of Natural Resources and Conservation, 1539 11<sup>th</sup> Avenue, PO Box 201601, Helena MT 59620-1601.
5. **OPERATIONS:** This Lease and all operations hereunder shall be subject to the following conditions:
  - a. Lessee shall notify and obtain approval from the Lessor's Department of Natural Resources and Conservation, Trust Land Management Division, prior to drilling a well, constructing well pads, roads, power lines and any other related facilities that may require surface disturbance on the lease premises. Lessee shall comply with any mitigation measures stipulated in the Department's approval.
  - b. Prior to the drilling of any well, Lessee shall send one copy of the Montana Board of Oil and Gas Conservation (BOGC) Application for Permit to Drill to the Department's Trust Land Management Division. After a well is drilled and completed, Lessee shall send a copy of the completion report. A copy of BOGC Sundry Notices or other appropriate BOGC forms shall be sent to the Department's Trust Land Management Division whenever any subsequent change in well status or operator is intended or has occurred.
  - c. No well shall be drilled and no structure shall be erected nearer than six hundred sixty (660) feet to any house or barn located thereon without written consent of Lessor.
  - d. Lessee shall contact and coordinate with the Lessor and Lessor's surface lessee, if any, or other surface owners prior to engaging in new or additional use of the surface. Lessee is obligated to repair, replace or compensate the Lessor and Lessor's surface lessee, if any, or other surface owners for any actual damages caused by or arising from Lessee's utilization of the surface.
  - e. Lessee shall bury its pipelines below plow depth on the premises unless waived by Lessor and Lessor's surface lessee, if any, or other surface owners, as appropriate.
  - f. Lessee shall save and hold Lessor harmless from, and indemnify it against, all loss, damages and costs caused by or arising from the negligence of the Lessee in its operations hereunder on or related to the premises including, but not limited to, saving Lessor harmless from damages caused by Lessee's disposal of all water drawn from the premises and the transportation thereof to the point of disposal.
  - g. The term of this Lease and operation hereunder shall include the final draw-down of the gas storage reservoir to remove any remaining natural gas, and shall further include any other actions required by Lessee to close out the operation of the lease premises as a gas storage reservoir. Any natural gas recovered by Lessee from the final draw-down is the property of the Lessee.
  - h. Lessee shall reclaim to the satisfaction of the Lessor, all surface disturbances on the premises caused by Lessee's actions or operations pursuant to this Lease. Pipelines, wells or other improvements which cannot be removed, shall be properly plugged and abandoned or otherwise reclaimed by the Lessee in accordance applicable laws, rules, or regulations, and to the satisfaction of the Lessor, such that future disturbance or damage to the surface, groundwater, or other subsurface resources will be prevented. Casing shall not be removed from wells without the express, written consent of Lessor and the Montana Board of Oil and Gas Conservation. Well casing and surface extensions of abandoned pipelines shall be cut off below plow depth and plugged with cement. Abandoned well surface markers are prohibited.
6. **PROPERTY:** All property of every kind, nature and description placed upon the premises by Lessee shall at all times during the term of this Lease remain personal property and belong to Lessee, regardless of its annexation or manner of annexation to the soil, and with the exception of the well casing restriction in paragraph 5.h. of this Lease, Lessee shall have the right at any time during the term of these presents, or any renewal thereof, to remove any and all such property from the premises. Upon the termination of this Lease for any cause, the Lessee shall have six (6) months after the date of such termination within which to remove all machinery, fixtures, improvements, buildings and equipment belonging to Lessee upon the premises. Any such property not removed within six (6) months after the date of such termination may, at the option of the Lessor, be removed and the removal costs charged to the Lessee.
7. **CHANGE IN OWNERSHIP:** No change in the ownership of the premises or of any interest therein affecting the right to receive any payments that may become payable hereunder shall be binding upon the Lessee until the Lessee has been given notice thereof and furnished a true copy of the instrument evidencing such change.
8. **RELINQUISHMENT:** Lessee shall have the right at the termination of any rental year by giving the Lessor at least thirty (30) days prior notice in writing, of such intended surrender, to surrender and relinquish this Lease to the Lessor and be thereupon discharged from any obligation not theretofore accrued.
9. **CANCELLATION:** This Lease may be forfeited and cancelled by Lessor upon failure of the Lessee to fully discharge the obligations imposed on it by this Lease, after written notice from the Lessor and sixty (60) days allowed to the Lessee for performance of any undertaking or obligation specified in such notice concerning which the Lessee is in default; and Lessee upon application therefore shall be granted a hearing on any notice or demand of the said Board before this Lease is forfeited or cancelled by the Lessor.
10. **BOND:** Lessee agrees that promptly upon execution of this Lease, it will furnish a bond to the State of Montana with corporate surety in the sum of Twenty Thousand Dollars (\$20,000), to be approved by the Director of the Department of Natural Resources and Conservation, to indemnify the State of Montana against loss, damage or detriment by reason of failure of the Lessee to fully discharge the obligations contained in this Lease. The bond amount does not limit Lessee's indemnification obligations pursuant to Paragraphs 5.f., 9., 10. and 11. of this Lease. Additional bonding may be required, or reduced bonding allowed, whenever Lessor determines it is necessary, or sufficient to ensure compliance with this Lease.

11. **PRIOR EXISTING RIGHTS:** This Lease is granted subject to all existing rights in the premises heretofore granted, let or demised by the Lessor to other persons prior to March 20, 1972. Lessee shall save and hold Lessor harmless from, and indemnify it against, all claims, demands, actions, causes of action and rights of action arising or growing out of Lessee's violation of any such existing rights by its operations hereunder.
12. **NOTICE:** Any notice provided for in this Lease shall be in writing and shall be directed to the post office address of the parties hereto as follows:

Lessor

Department of Natural Resources & Conservation  
 Trust Land Management Division  
 Minerals Management Bureau  
 P.O. Box 201601  
 Helena, MT 59620-1601

Lessee

WBI Energy Transmission, Inc.  
 PO Box 5601  
 Bismarck, ND 58506

or to other such address as either party shall from time to time designate.

13. **EXECUTING PARTIES BOUND:** All covenants and agreements herein set forth between the parties hereto shall extend to and bind their successors, heirs, executors and assigns.
14. **COMPLIANCE WITH LAWS, RULES AND REGULATIONS:** This Lease is subject to further permitting under the provisions of Title 75 or 82, Montana Code Annotated. The Lessee agrees to comply with all applicable laws, rules and regulations in effect at the date of this Lease or renewal thereof. The Lessee agrees to comply with all applicable laws, rules and regulations which may, from time to time, be adopted and which do not impair the obligations of this contract and which do not deprive the Lessee of an existing property right recognized by law.
15. **WARRANTY OF TITLE:** It is understood and agreed that this Lease is issued only under such title as the State of Montana may now have or hereafter acquire, and that the Lessor shall not be liable for any damages sustained by the Lessee, nor shall the Lessee be entitled to or claim any refund of rentals theretofore paid to the Lessor in the event the Lessor does not have the title to the rights in the leased premises for the underground storage of natural gas.
16. **LEGAL FEES:** In the event Lessor shall institute and prevail in any action or suit for the enforcement of any provisions of this Lease, Lessee will pay to Lessor a reasonable sum for costs incurred on account thereof.

IN WITNESS WHEREOF, the State of Montana has caused this instrument to be executed by the Department of Natural Resources and Conservation under the authority of the Board of Land Commissioners, and the official seal of the said Board to be hereunto affixed, and the Lessee has caused these presents to be executed in its corporate name by its proper officers hereunto duly authorized, to be effective as of the date specified in Paragraph 2., above.

WBI ENERGY TRANSMISSION, INC.

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF MONTANA, BOARD OF LAND COMMISSIONERS

\_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

# 0823-3

REAL ESTATE MANAGEMENT BUREAU

Rule Making

**Land Board Agenda Item  
August 21, 2023**

**0823-3 Authority to Begin Rulemaking for Amending the Cabin and Home Site Land Banking Rules**

**Location: State of Montana**

**Trust Benefits: Public Buildings, Common Schools, Deaf & Blind School, Montana State University, Montana Tech, MSU Morrill, Pine Hills, UM Western, and Veterans Home**

**Trust Revenue: Unknown**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) Real Estate Management Bureau requests Land Board authority to begin the rulemaking process of amending Cabin and Home Site Land Banking rules ARM 36.25.701 through ARM 36.25.708 to provide consistency with changes to MCA 77-2-363 associated with legislation enacted during the 2023 legislative session.

If passed, the rulemaking process requires a proposal notice be sent to the Secretary of State for publication and a public hearing be held by the DNRC. After notice and hearing, but prior to finalization of rulemaking, the DNRC would seek final Land Board approval.

**DNRC Recommendation**

The DNRC recommends the Land Board approve this request to begin rulemaking for amendment of administrative rules regarding Cabin and Home Site Land Banking.

# 0823-4

CABIN AND HOMESITES

Set Minimum Bid for Sale

**Land Board Agenda Item  
August 21, 2023**

**0823-4 Cabin and Home Sites: Set Minimum Bid for Sale**

**Location: Powder River County**

**Trust Benefits: Common Schools**

**Trust Revenue: \$13,000**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for one (1) home site nominated for sale in Powder River County. This sale was nominated by the lessee in conjunction with the 2022-2023 Cabin and Home Site Sale Program.

<b>Sale No.</b>	<b>Acres</b>	<b>Legal Description</b>	<b>Nominator</b>	<b>Trust</b>
<b>2035</b>	2.72±	Tract A of COS 141023 Section 32, T8S-R48E	Fulton Ranch LLC	Common Schools

This parcel is currently leased as a home site and produces below average income for residential leases statewide.

**Background**

Preliminary Land Board approval was granted in December of 2022 (Approved 4-1).

**Cultural/Paleontological Resources**

A Class I level of cultural resource inventory was conducted for this proposed sale. Home sites typically contain numerous structures and the ground surfaces within most home sites have been variously disturbed over the course of many years of occupation and development. This sale will have no effect to state-owned heritage properties.

**Access/Recreational Use**

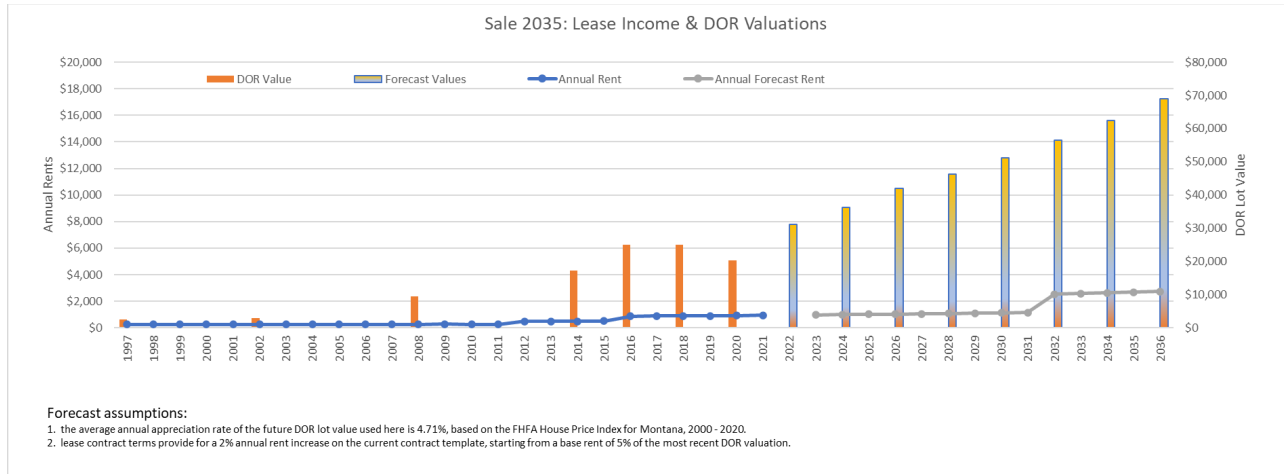
As part of the cabin site sale process, the State will convey any access that it has and can be conveyed to the purchaser of the cabin or home site property. Current cabin/home site access is limited to the lessee and does not provide access or recreational use to the general public. State lands classified as cabin or home sites are closed to general recreational use by the public in accordance with ARM 36.25.150(1)(a). Therefore, the State is not selling land under the cabin site sale program that the public is permitted to use for recreation. Rather, the funds generated by these sales will go towards purchasing new lands that will have dedicated public access and recreational opportunities.

**Economic Analysis**

Short term – The average rate of return on this sale parcel is 4.988%. The parcel will continue to receive this return if it remains in state ownership. The income rate of return will likely grow

smaller over the next 20 years, as average annual value appreciation is greater than the annual rent increase, as shown in Figure 1 below.

**Figure 1: Sale 2035 - Review of Past Income and Values; Forecast Income & Values**



Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through DNRC’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 3.33% on acquisitions with income generated from annual lease payments. However, the rates of return on land acquired more recently have been higher, ranging from 3.58% on acquisitions purchased within the last five years to 3.89% for lands acquired within the last ten years. Figure 2 shows hypothetical lot values derived from the 3-year average net revenue of the current lease, at a sample range of income rates of return that could be anticipated when the sale proceeds are used for a land banking acquisition.

**Figure 2: Lot Values derived from 3-year Average Net Income at Sample Rate of Return**

Sale Number		Rate of Return at Current Appraised Value for Land	Average Rate of Return on all Land Banking Acquisitions	Average Rate of Return on Land Banking Acquisitions within the last 5 years	Average Rate of Return on Land Banking Acquisitions within the last 10 years
	Income Rate of Return	4.99%	3.33%	3.58%	3.89%
2035	Derived Lot Value	\$13,000	\$19,473	\$18,113	\$16,670



**Appraised Values of Land and Improvements**

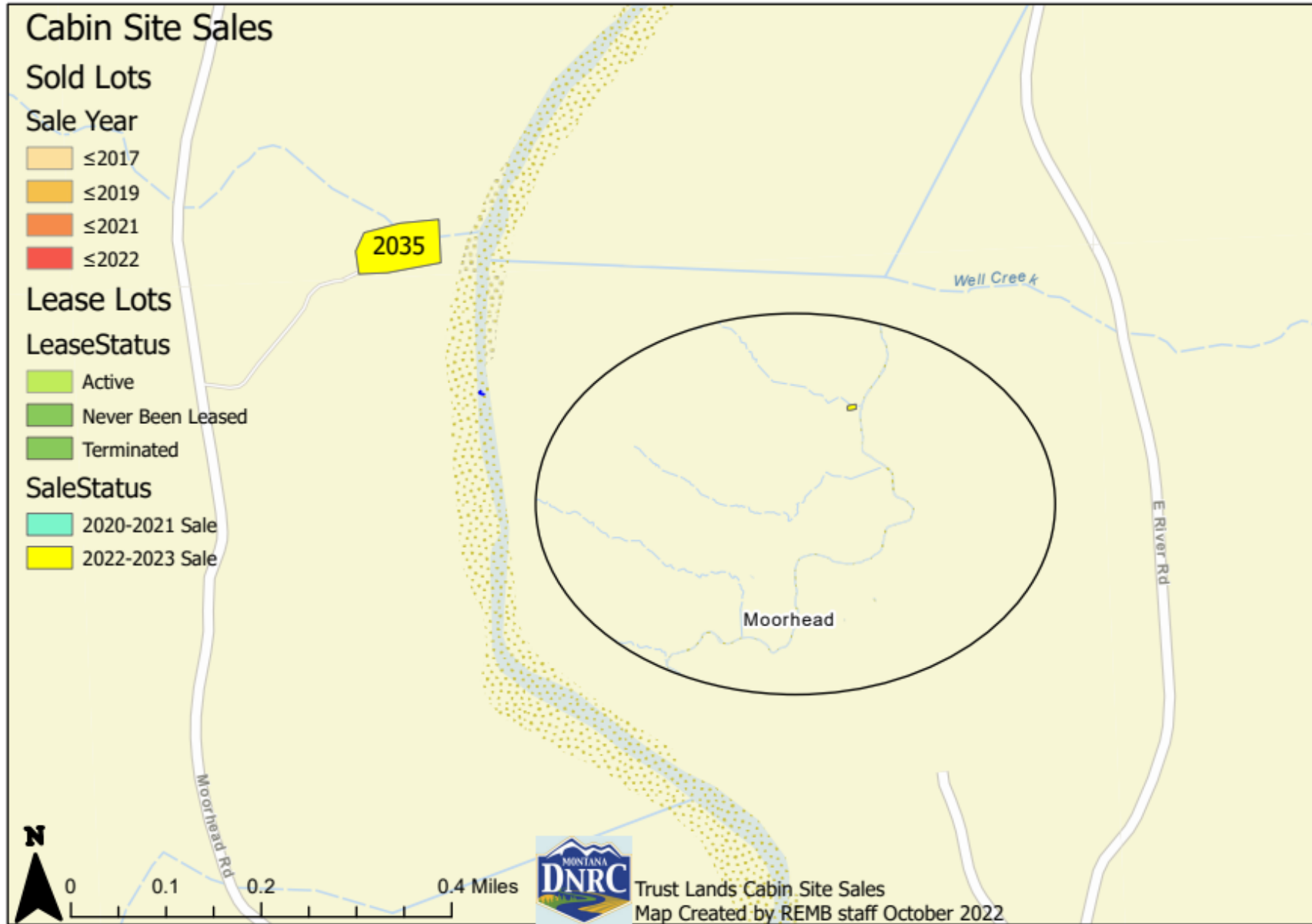
The appraisal of this cabin site was prepared by Montana General Certified Appraisers J. Scott Crosby and Valerie Crosby of Crosby Analytics from Cowley, Wyoming.

<b>Sale No.</b>	<b>Appraised Land Value</b>	<b>Appraised Improvements Value</b>
<b>2035</b>	\$13,000	\$92,000

**DNRC Recommendation**

The DNRC recommends that the Land Board set the minimum bid for this home site at the appraised land value and the maximum value of compensation for the improvements shown above.

# Sale 2035, Powder River County



# 0823-5

## EASEMENTS

**Land Board Agenda Item  
August 21, 2023**

**0823-5 Easements**

**Location: Madison, Missoula, Park, Richland, Roosevelt, Sweet Grass and  
Wibaux Counties**

**Trust Benefits: Common Schools and Public Land Trust (Nav. Rivers)**

**Trust Revenue: Common Schools = \$174,446.00  
Public Land Trust = \$ 3,438.00**

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## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Northwestern Energy  
1903 S. Russell St.  
Missoula, MT 59801

Application No.: 19561  
R/W Purpose: a buried 8" natural gas pipeline  
Lessee Agreement: N/A (Nav. River)  
Acreage: 0.06  
Compensation: \$2,228.00  
Legal Description: 20-foot strip across the Clark Fork River in E2SW4, Sec. 22,  
Twp. 13N, Rge. 19W, Missoula County  
Trust Beneficiary: Public Land Trust – Navigable Rivers

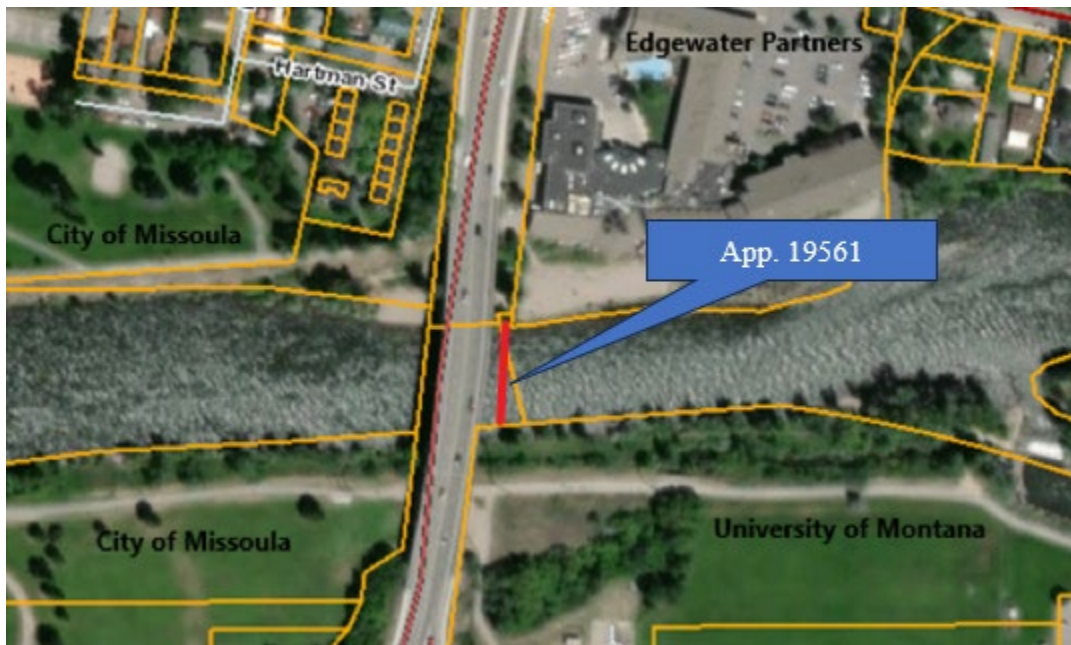
### Item Summary

Northwestern Energy is requesting an easement to install a buried 8" natural gas pipeline across the Clark Fork River in Missoula.. This pipeline is intended to replace an existing pipeline that was authorized under a historic easement in 2017. The existing pipeline currently runs under the Double Tree Hotel and also impacts lands owned by UM. This new pipeline is proposed to be located south of the existing line for easier accessibility and lower risk associated with safety concerns. The existing pipeline will be purged, capped and left in place under the existing easement authorization. Consistent with other oil and gas pipelines, the proposed easement will be for a 30-year term.

### DNRC Recommendation

The DNRC recommends approval of the application of Northwestern Energy for a 30-year term.

Application #19561



APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: 3 Rivers Telephone Co-op, Inc.  
PO Box 429  
Fairfield, MT 59436

Application No.: 19583  
R/W Purpose: a buried fiber optic telecommunications cable  
Lessee Agreement: ok  
Acreage: 1.43  
Compensation: \$3,575.00  
Legal Description: 10-foot strip through S2SE4, SE4SW4, NW4SW4, Sec. 36,  
Twp. 5S, Rge. 1W, Madison County  
Trust Beneficiary: Common Schools

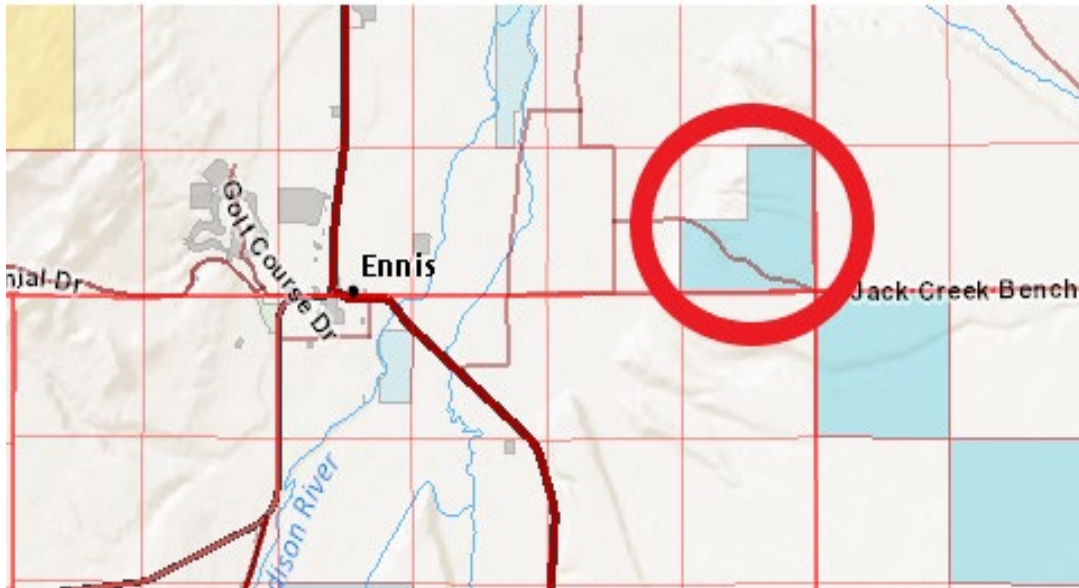
Item Summary

3 Rivers Telephone Co-op, Inc. is requesting an easement to install buried fiber optic telecommunications facilities across state land. The project will provide upgraded service capabilities for rural residents in the Ennis Exchange area and allow for future growth capabilities. The new fiber optic cable will be trenched in existing cable corridors, therefore minimal impacts are expected to occur. The proposed route is the most direct route between terminus locations.

DNRC Recommendation

The DNRC recommends approval of the application of 3 Rivers Telephone Co-op, Inc.

Application #19583





APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Dry Prairie Rural Water Authority  
PO Box 577  
Culbertson, MT 59218

Application No.: 19584  
R/W Purpose: a buried 6" water pipeline  
Lessee Agreement: ok  
Acreage: 1.12  
Compensation: \$1,001.00  
Legal Description: 30-foot strip through S2SE4, Sec. 36, Twp. 30N, Rge. 55E,  
Roosevelt County  
Trust Beneficiary: Common Schools

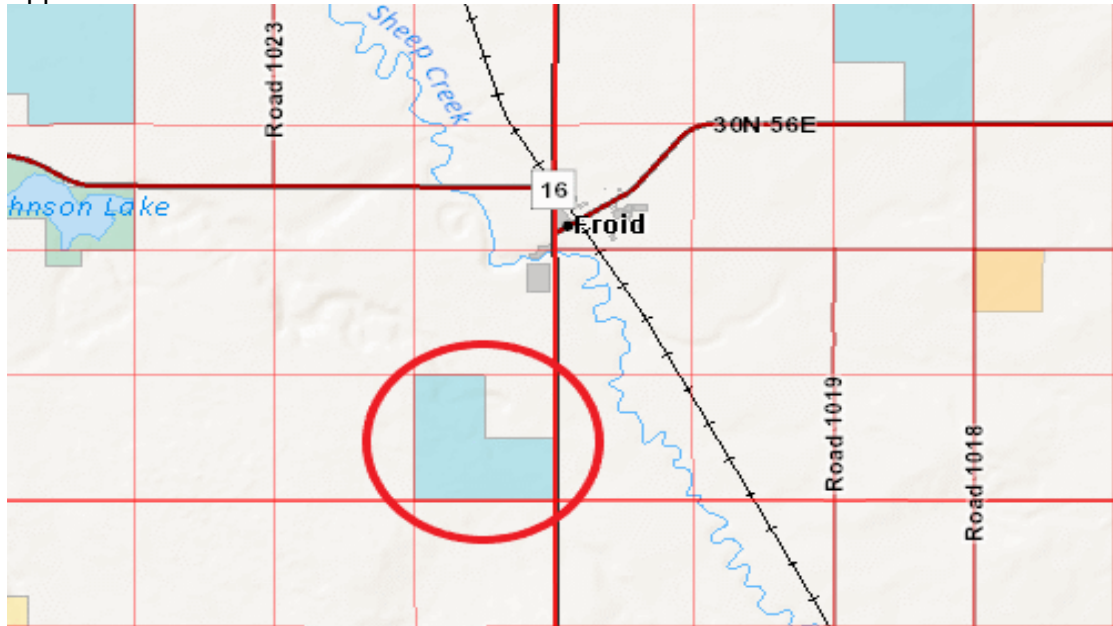
Item Summary

Dry Prairie Rural Water Authority has requested an easement for a 6" water pipeline associated with the federally funded water system under construction to bring quality drinking water to the residents of Roosevelt county. The selected route across state lands is the most cost effective route. Other routes were rejected base upon engineering design requirements, topographical features, and increased cost.

DNRC Recommendation

The DNRC recommends approval of the application of Dry Prairie Rural Water Authority.

Application #19584



APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre, MT 59501

Application No.: 19585  
R/W Purpose: a buried fiber optic cable  
Lessee Agreement: N/A (Nav. River)  
Acreage: 0.13  
Compensation: \$655.00  
Legal Description: 20-foot strip across the Yellowstone River in NE4SE4, Sec. 35,  
Twp. 1N, Rge. 13E, Sweet Grass County  
Trust Beneficiary: Public Land Trust – Navigable Rivers

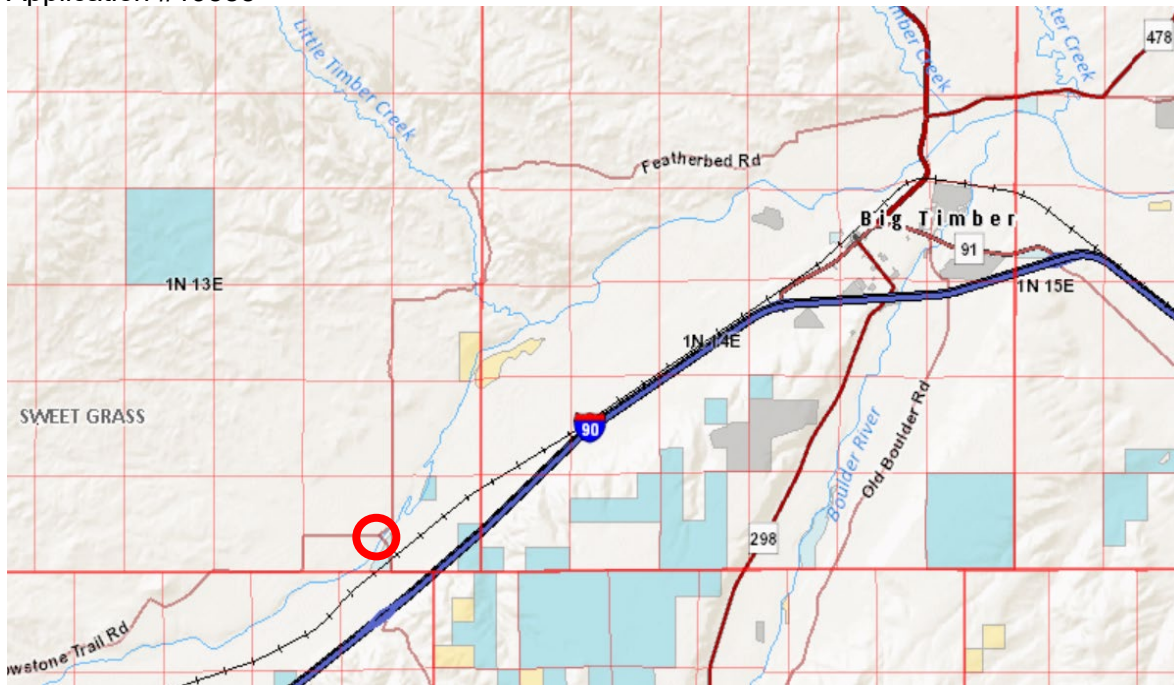
Item Summary

Triangle Telephone Cooperative Association, Inc. is requesting an easement to replace existing copper telecommunications facilities and install buried fiber optic telecommunications facilities in the Big Timber Exchange. The project will provide upgraded service capabilities to the Big Timber area and allow for future growth capabilities. The proposed route is the most direct route between terminus locations.

DNRC Recommendation

The DNRC recommends approval of the application of Triangle Telephone Cooperative Association, Inc.

Application #19585



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre, MT 59501

Application No.: 19586  
R/W Purpose: a buried fiber optic cable  
Lessee Agreement: N/A (Nav. River)  
Acreage: 0.11  
Compensation: \$555.00  
Legal Description: 20-foot strip across the Yellowstone River in NE4SW4, Sec. 15,  
Twp. 1S, Rge. 12E, Park County  
Trust Beneficiary: Public Land Trust – Navigable Rivers

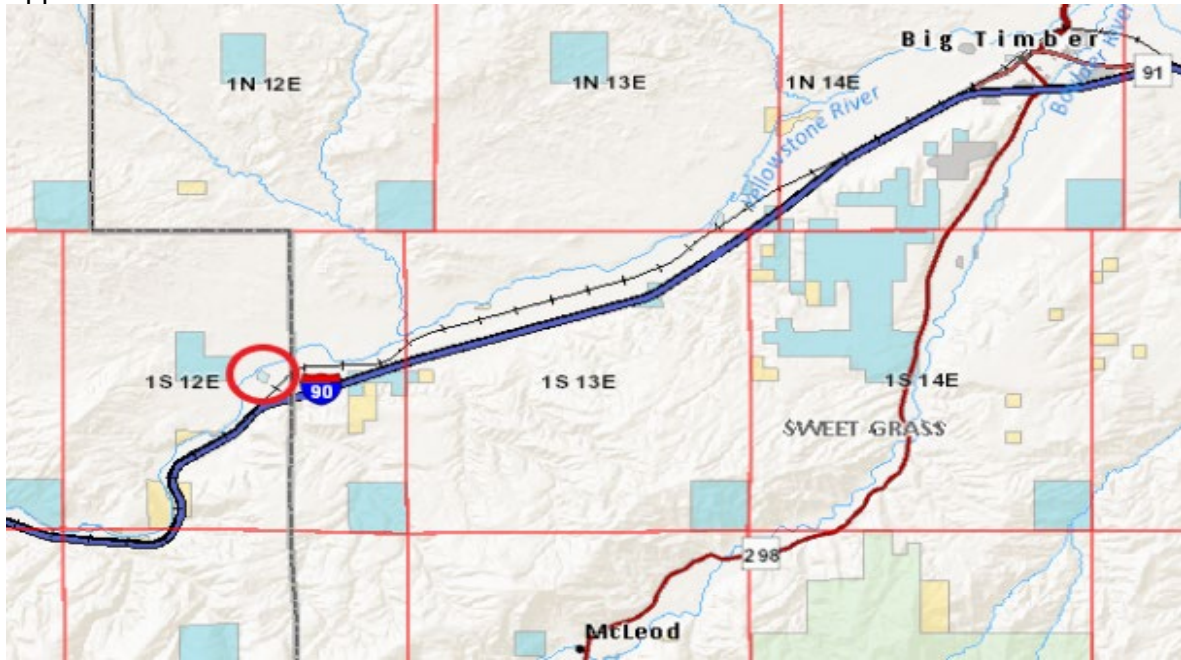
### Item Summary

Continuation of Triangle Telephone Cooperative Association applications.

### DNRC Recommendation

The DNRC recommends approval of the application of Triangle Telephone Cooperative Association, Inc.

Application # 19586



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Glacier Peak Midstream, LLC  
14649 Brigham Drive  
Williston, ND 58801

Application No.: 19587  
R/W Purpose: a buried 8" crude oil pipeline, a buried 4" fresh water pipeline and  
a buried 8" produced water pipeline

Lessee Agreement: ok  
Acreage: 6.13  
Compensation: \$144,185.00  
Legal Description: 50-foot strip through E2W2, Sec. 36, Twp. 26N, Rge. 59E,  
Richland County  
Trust Beneficiary: Common Schools

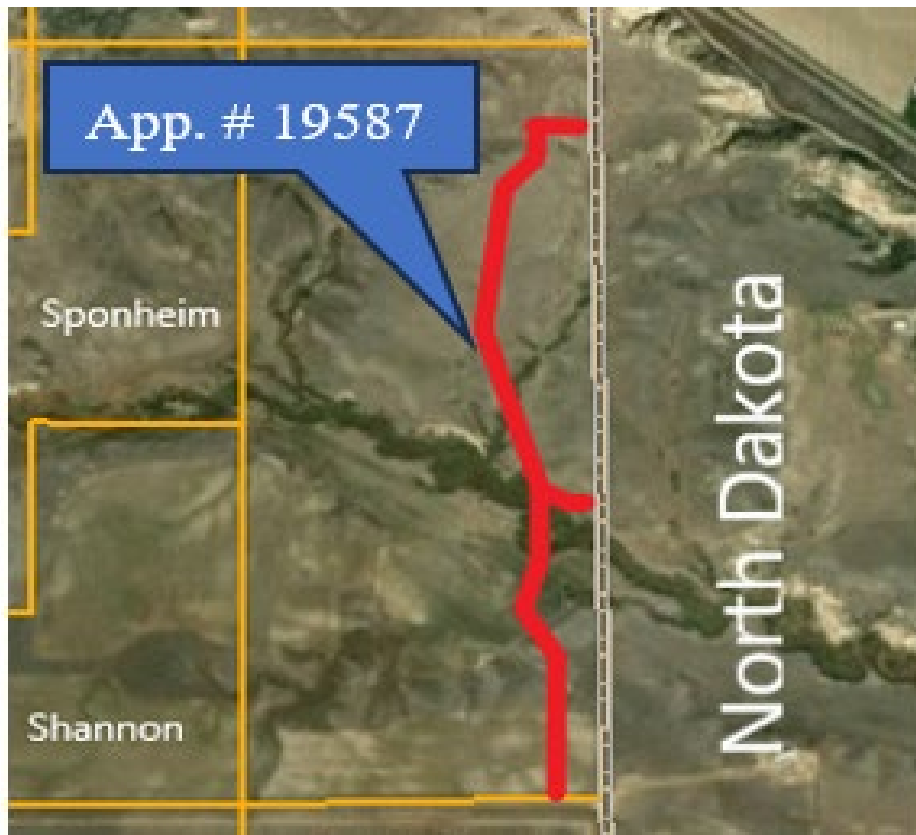
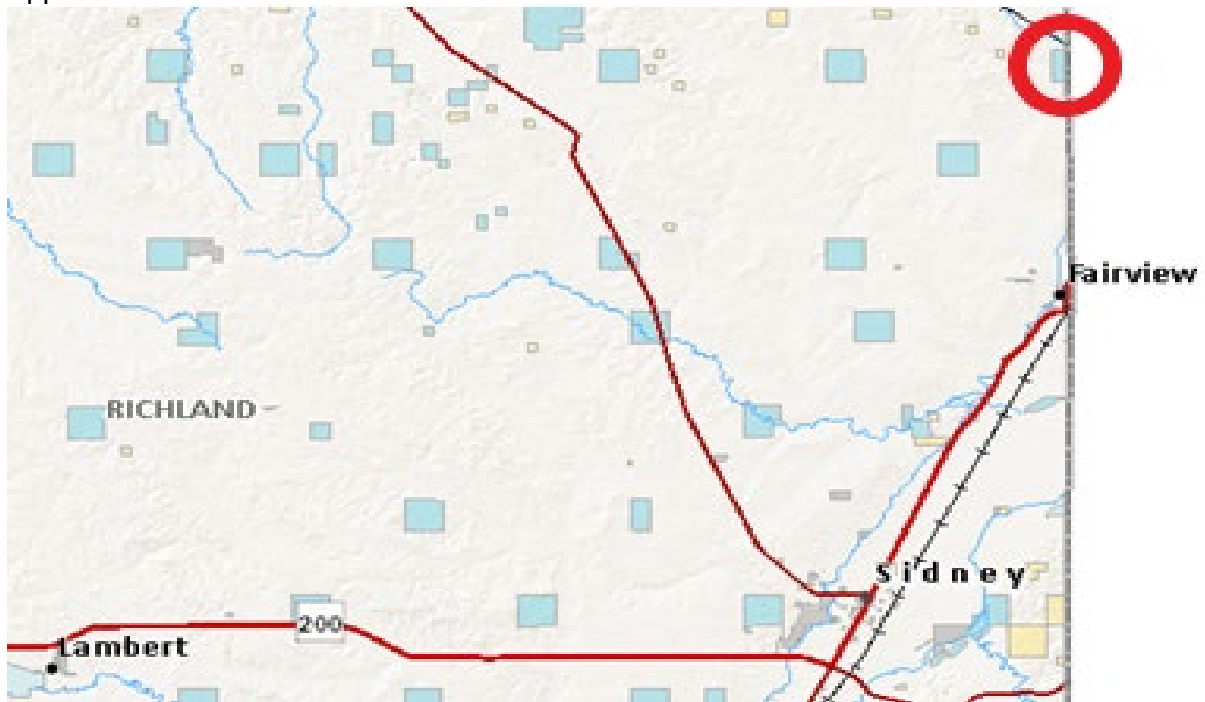
### Item Summary

Glacier Peak Midstream, LLC has requested an easement to install 3 pipelines in a 50-foot corridor to across state land in order to transport hydrocarbons and affiliated oil and gas production products. The proposed route is the most direct route between terminuses, avoids floodplains and residential areas, abd limits exposure to protected lands, canals and sensitive areas. Consistent with other oil and gas pipelines, the proposed easement will be for a term of 30 years.

### DNRC Recommendation

The DNRC recommends approval of the application of Glacier Peak Midstream, LLC for a 30-year term easement.

Application #19587





APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Hiland Crude, LLC  
1001 Louisiana Street  
Houston, TX 77002

Application No.: 19589  
R/W Purpose: a buried 8" crude oil pipeline  
Lessee Agreement: ok  
Acreage: 0.79  
Compensation: \$23,961.00  
Legal Description: 30-foot strip through Gov. Lot 4, SW4SW4, Sec. 36, Twp. 27N,  
Rge. 59E, Roosevelt County  
Trust Beneficiary: Common Schools

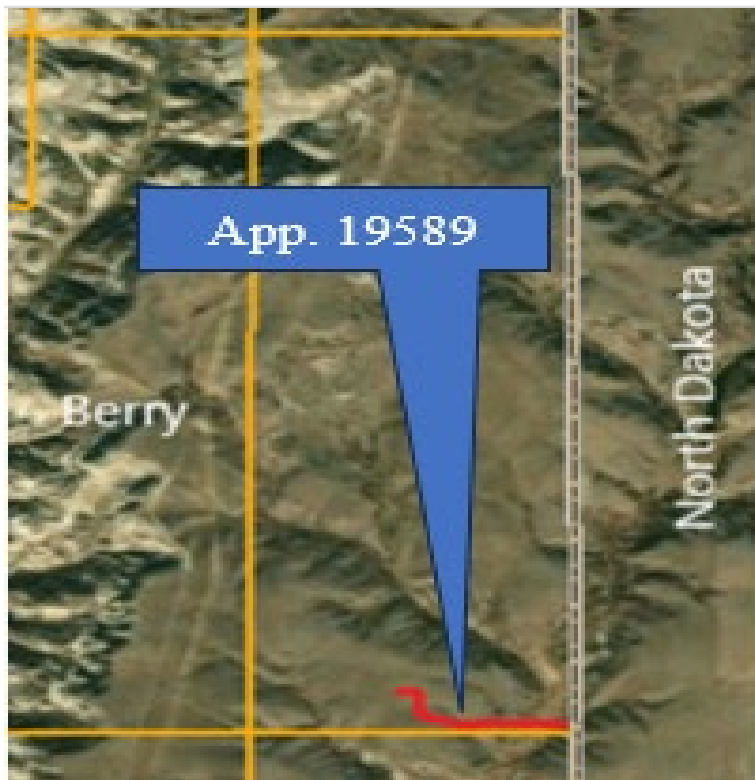
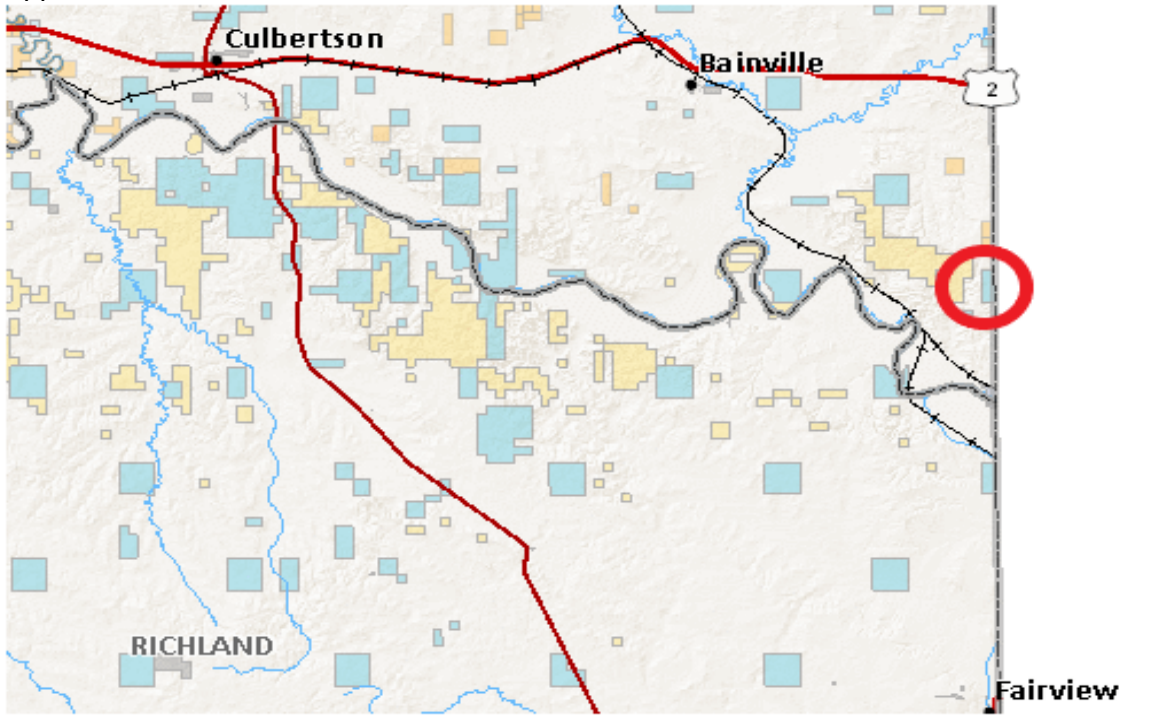
Item Summary

Hiland Crude, LLC has requested an easement to install an 8" crude oil pipeline across state land in order to carry crude oil from the Prima Billion Well Pad located on State Land into North Dakota and tie into an existing line. The proposed route is the most direct route between terminuses and the route of least disturbance. Consistent with other oil and gas pipelines, the proposed easement will be for a term of 30 years.

DNRC Recommendation

The DNRC recommends approval of the application of Hiland Crude, LLC for a 30-year term easement.

Application #19589



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Goldenwest Electric Cooperative, Inc.  
PO Box 177  
Wibaux, MT 59353

Application No.: 19590  
R/W Purpose: an overhead 7.2kV distribution line  
Lessee Agreement: ok  
Acreage: 2.874  
Compensation: \$1,724.00  
Legal Description: 30-foot strip through N2N2, Sec. 16, Twp. 12N, Rge. 59E,  
Wibaux County  
Trust Beneficiary: Common Schools

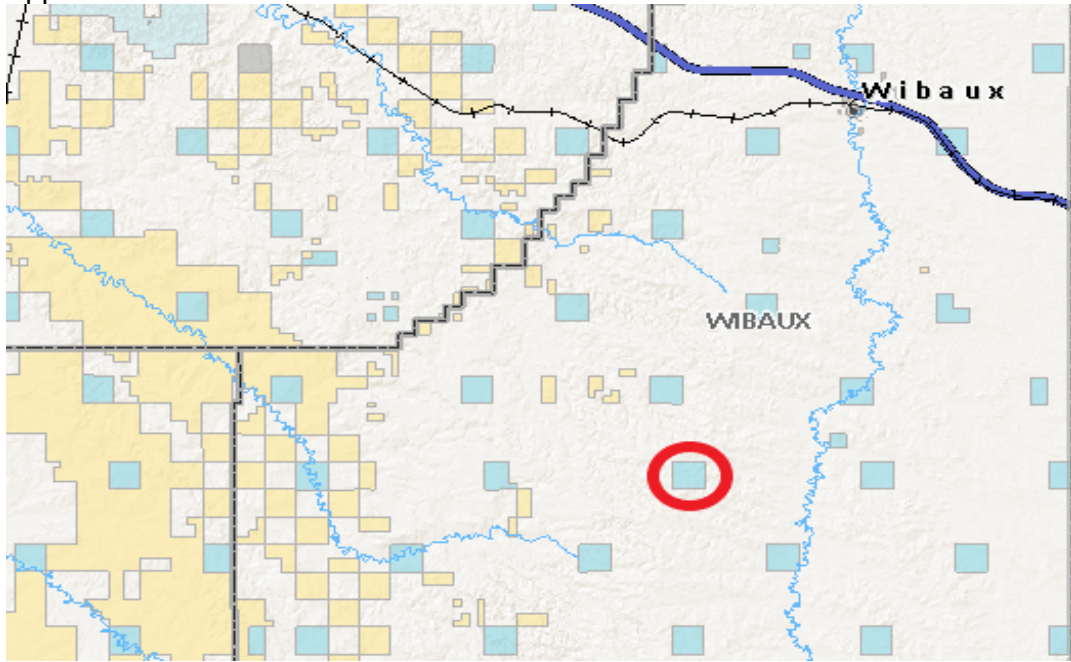
### Item Summary

Goldenwest Electric Cooperative, Inc. has requested an easement to install a 7.2kV single pole overhead electric distribution line that is required to serve a remote valve location for Bridger pipeline. The electric service to Bridger Pipeline will provide reliable power for opening and closing a valve on their existing pipeline. The proposed route is the most direct route between terminuses and the route of least disturbance.

### DNRC Recommendation

The DNRC recommends approval of the application of Goldenwest Electric Cooperative, Inc.

Application #19590



# 0823-6

PROPERTY MANAGEMENT

Litigation Authority

**Land Board Agenda Item  
August 21, 2023**

**0823-6 Litigation Authority Regarding Unauthorized Individual at Commercial Lease Site**

**Location: Olney, MT, Flathead County**

**Trust Benefits: MSU Morrill, MSU-Eastern/UM-Western**

**Trust Revenue: N/A**

**Item Summary**

The DNRC became aware of an unauthorized individual who is operating and occupying a commercial lease site that is currently under lease by the DNRC. The DNRC believes this unauthorized individual may be responsible for numerous lease violations and have put this person, and the lessee, on notice thereof. The DNRC is working to resolve these issues and may seek cancellation of the commercial lease, in addition to pursuing civil action to remove the unauthorized individual from state trust lands.

**DNRC Recommendation**

The DNRC recommends Land Board approval for DNRC legal counsel to pursue a civil action if necessary.