State of Montana

Department of Natural Resources and Conservation

Trust Land Management Division

MONTANA DNRC

Fiscal Year 2012 Annual Report

INTRODUCTION

This report was prepared by the Minerals Management Bureau (MMB) within the Trust Land Management Division and contains information gathered by the Bureau regarding State of Montana mineral leases. The report provides production and revenue information for each lease type managed by the Bureau.

Within each lease type, there are reports providing income by county, area office, and grant. Revenue and pricing information was compiled using the cash basis method of accounting. Oil and gas production information was compiled using information reported on State of Montana DS-450 Royalty Report Form 5 for each royalty month.

For questions or additional information contained in this report, contact Steve Webster by telephone at (406) 444-0292 or e-mail at swebster@mt.gov.

Cover Photo: State Lands Seismic tour courtesy of Steve Webster.

Contents Photo: Gronlie Farms 31-25TFH Oil Well Rig near Medicine Lake courtesy of Trevor Taylor

TABLE OF CONTENTS

INTRODUCTION 1

REVENUE SOURCES 2

LEASES 4

MINERAL ACTIVITY BY FIELD OFFICE 5

OIL AND GAS REVENUE AND PRODUCTION 6

AGGREGATE 9

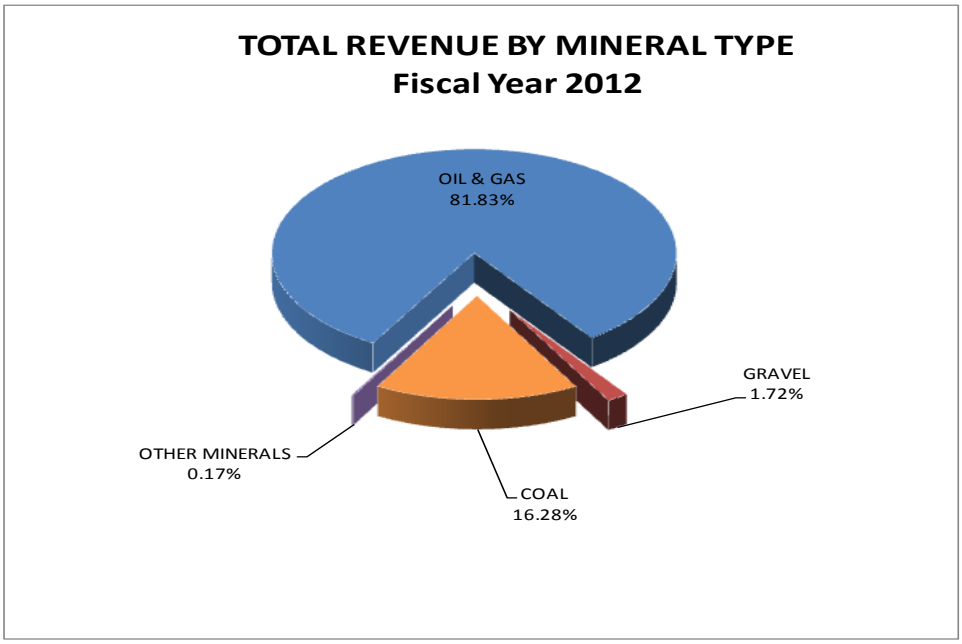
COAL LEASES 10

LAND USE LICENCES 11

METALLIFEROUS MINERAL LEASES 12

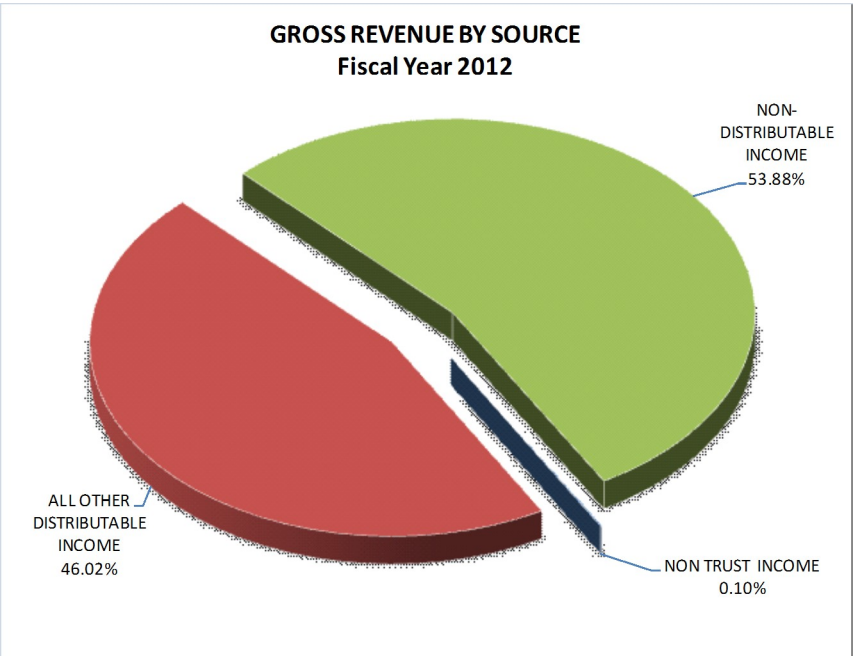
NON-METALLIFEROUS MINERAL LEASES 13

REVENUE SOURCES



Mineral Type & Revenue Source		FY2011	FY2012	% Change from FY11
OIL & GAS-	Rentals/Bonuses/Penalties	$17,535,113	$20,884,053	19.10%
	Royalties *	$15,310,935	$16,560,446	8.16%
	Surface Damages	$182,858	$60,235	-67.06%
	Seismic	$11,700	$10,115	-13.55%
	Total	**$33,040,606**	**$37,514,849**	**13.54%**
GRAVEL -	Rentals	$200	$500	150.00%
	Royalties	$138,827	$788,591	468.04%
	Total	**$139,027**	**$789,091**	**467.58%**
COAL -	Rentals/Bonuses	$66,315	$66,315	**0.00%**
	Royalties	$8,497,021	$7,400,024	-12.91%
	Total	**$8,563,336**	**$7,466,339**	**-12.81%**
OTHER MINERALS –				
LAND USE LICENSE				
	Rentals/Penalties	$17,043	$53,079	211.44%
	Royalties	$5,579	$2,687	-51.84%
	Total	**$22,622**	**$55,766**	**146.51%**
METALLIFEROUS MINERALS				
	Rentals/Penalties	$4,248	$2,983	-29.78%
	Royalties	$1,270	$532	-58.11%
	Total	**$5,518**	**$3,515**	**-36.30%**
NON-METALLIFEROUS MINERALS				
	Rentals/Penalties	$9,946	$14,756	48.36%
	Royalties	$0	$2,160	n/a
	Total	**$9,946**	**$16,916**	**70.08%**
GRAND TOTAL		***$41,781,055***	***$45,846,476***	***9.73%***

** Includes interest and shut-in payments*



GROSS REVENUE FOR SCHOOL TRUST BENEFICIARIES

$45,803,015

GROSS NON-DISTRIBUTABLE INCOME		*GROSS DISTRIBUTABLE INCOME ***	
$24,703,411	53.93%	**$21,099,604**	46.07%

TRUST LAND REVENUE *(by Trust)*

Common Schools	$44,527,394	State Normal School	$44,713
University of Montana	19,437	School for Deaf and Blind	55,754
M.S.U. Morrill	134,892	State Reform School	96,166
M.S.U. 2nd Grant	22,229	Public Buildings **	179,436
Montana Tech	121,460	Veterans Home Income	2,589
		Public Land Trust	$598,945
		Total Trust Grants:	**$45,803,015**

NON-TRUST LAND REVENUE *

Agricultural Experiment Station	$14,900
Department of Fish, Wildlife & Parks	$950
Department of Transportation	$8,304
Department of Public Health and Human Services	134
DNRC – Water Resources Division	19,173
Total Non-Trust Grants:	**$43,461**

TOTAL REVENUE ***$45,846,476***

* *Non-Trust Land income consists of revenue the Department of Natural Resources and Conservation collects as an administrator for various entities. These funds are distributed to the entity upon collection.*

** *Royalties collected on behalf Public Buildings are deposited into their Distributable Trust fund*

LEASES

Oil & Gas Leasing: In FY12, overall leasing increased by 23.4% from FY11, with oil and gas leases accounting for the majority of that gain. 1,443 new oil and gas leases were sold for a bonus of nearly $15.5 million on state trust lands in FY12. The bonus revenue represents an increase of 15.8% over FY11 and was the most in over a decade. Most notably, over 300 leases were issued in Judith Basin County, nearly 300 leases in Lewis and Clark and Cascade counties and another 238 combined leases in Valley and McCone counties, which are adjacent to existing developments in the northeastern corner of the state. Oil and gas leasing alone now accounts for more than 2.6 million of the 6.2 million mineral acres available on state trust lands, which is an increase of 24.5% over FY11.

Seismic Permit activity decreased this past fiscal year to a total of 10 permits covering 17,818 acres. Projects for FY12 were located in the following counties: Blaine (1), Pondera (1), Teton (2), Toole (3), Sheridan (2), and Roosevelt (1).

Land Use Licenses increased by over 25.7% with a count of 44 in FY12 as compared to 35 in FY11. Acreage assigned to those licenses also increased by 37.5% during that same timeframe to 12,368 acres. One LUL for salt water disposal produced royalties in FY12.

Small Volume Permits and Permits to Test for Aggregate are not included in the table below. During FY12, DNRC field offices issued 14 small volume permits and 3 permits to test for aggregate, as compared to the 6 and 14 permits respectively in FY11.

Hard Rock - Industrial Leasing: The total number of metalliferous and non-metalliferous leases decreased 8.3% from FY11 to 11 total leases. Royalties from producing leases were just over $2,691 combined, which more than doubled totals from FY11.

Gravel Permits: Overall permit counts increased by five permits over FY11 for a total of 56. Total acreage assigned to those permits increased by 3.0% from FY11, while producing permits also increased by 4 to a total of 34. The acreage assigned to producing permits increased by 3.8% to 2,431 acres. Scoria permits were primarily responsible for a large increase in royalties in FY12 from FY11. Gravel royalty now ranks fourth behind coal, oil, and gas in royalty revenue generated on state trust lands.

Coal Leasing: The total number of coal leases and associated acreage remained the same in FY12 at 43, however producing leases on state lands decreased from three in FY11 to two in FY12. Acreage associated with producing leases also decreased to 430 acres from 1,070 acres in FY11, which was a drop of 59.8% over the previous fiscal year. Production typically moves on and off state land within the normal sequence of operations.

Summary: While, oil prices remained strong for FY12, increasing for the fourth straight year, Bakken formation speculation has continued to be a major factor for the steady growth in leasing. In FY12, oil and gas leasing activity on state trust lands was the highest seen since the oil boom of the '80's. Acreage associated with all mineral use topped 2.7 million acres on state trust lands for FY12 and which now accounts for approximately 44% of all state owned mineral acreage. Producing leases are now 10.1% of all mineral leasing, while 9.8% of all oil and gas leases are producing.

MMB activities: Activities related to existing leases include collecting royalty and rental payments, auditing, review of all proposed leases, reviewing and approving assignments and tracking working interest ownership, reviewing and preparing for approval of communitization agreements and unit operating agreements, and coordinating with field offices the environmental review and approval of all proposed physical operations on state leases. The bureau also receives all proposals for production to ensure proper resource protection, and allocation.

Type of Lease	No. of Leases	% Change from FY11	Acreage Leased	% Change from FY11	Producing Leases	% Change from FY11	Producing Acreage	% Change from FY11
Coal Leases	43	0.0%	22,105	0.0%	2	-33.3%	430	-59.8%
Gravel Permits	56	9.8%	2,926	3.1%	34	13.3%	2,431	3.8%
Land Use Licenses	44	25.7%	12,368	37.5%	1	-66.7%	640	-50.0%
Metalliferous Leases	4	-20.0%	954	-9.5%	1	0.0%	92	0.0%
Non-Metalliferous Leases	7	0.0%	3,742	0.0%	1	n/a	120	n/a
Seismic Permits	10	-28.6%	17,818	-56.0%	0	0.0%	0	0.0%
Gas Storage Agreements	4	0.0%	8,311	0.0%	0	0.0%	0	0.0%
Oil and Gas Leases	6,546	23.9%	2,650,781	24.5%	641	2.2%	241,476	3.0%
Total Leases	***6,714***	**23.40%**			***680***	**2.41%**		
Total Acres			***2,719,005***	**22.69%**			***245,189***	**2.49%**

Producing Leases Criteria:

Gravel Permits - Includes permits that produced during the fiscal year. Does not include advance royalties paid. Does not include small volume or test permits.

Coal Leases - Includes leases that produced during the fiscal year. Does not include advance royalties.

Land Use Licenses – Includes activities such as salt water disposal, access roads and pipelines constructed on state land.

Metalliferous Leases - Includes leases that produced during the fiscal year. Does not include advance royalties.

Non-Metalliferous Leases - Includes leases that produced during the fiscal year. Does not include advance royalties.

Oil and Gas Leases - Includes any lease with a well that is capable of production.

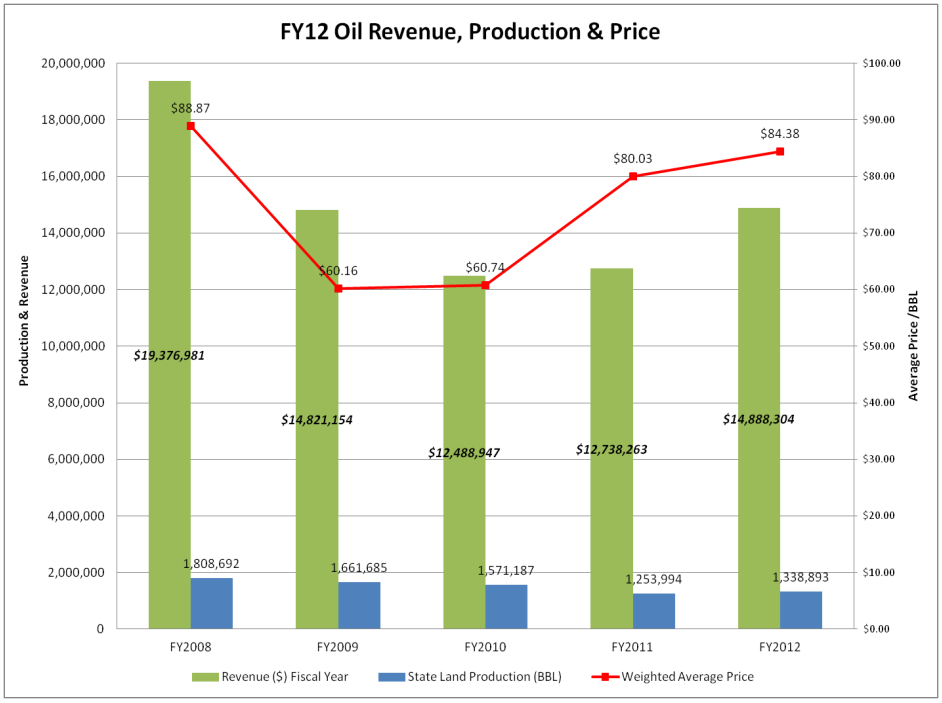
MINERAL ACTIVITY BY FIELD OFFICE

This table represents total field activity by Area office and Unit office. The NELO Lewistown Unit Office includes the Havre field office.

Area Office / Unit Office	Oil & Gas Leases	O&G Wells & Pipelines	Seismic	Coal	M & NM Leases	LULs	Gravel Permits	Gravel Renewals	Small Volume	Test Permits	TOTAL
Bozeman											0
Conrad	107	4	7					2			120
Dillon							1	2	1		4
Helena	294				3		1				298
CLO Total	**401**	**4**	**7**	**0**	**3**	**0**	**2**	**4**	**1**	**0**	**422**
Miles City	222	7	1			1	4		1		236
ELO Total	**222**	**7**	**1**	**0**	**0**	**1**	**4**	**0**	**1**	**0**	**236**
Glasgow	134	3	3			5	3		4	1	153
Lewistown	647	3	1				2		1		654
NELO Total	**781**	**6**	**4**	**0**	**0**	**5**	**5**	**0**	**5**	**1**	**807**
Kalispell											0
Libby											0
Plains									1		1
Stillwater									3		3
Swan River								1			1
NWLO Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**4**	**0**	**5**
Billings	39			1		4			1		45
SLO Total	**39**	**0**	**0**	**1**	**0**	**4**	**0**	**0**	**1**	**0**	**45**
Anaconda							1			1	2
Clearwater									1	1	2
Hamilton									1		1
Missoula						1					1
SWLO Total	**0**	**0**	**0**	**0**	**0**	**1**	**1**	**0**	**2**	**2**	**6**
GRAND TOTAL	***1,443***	***17***	***12***	***1***	***3***	***11***	***12***	***5***	***14***	***3***	***1,521***

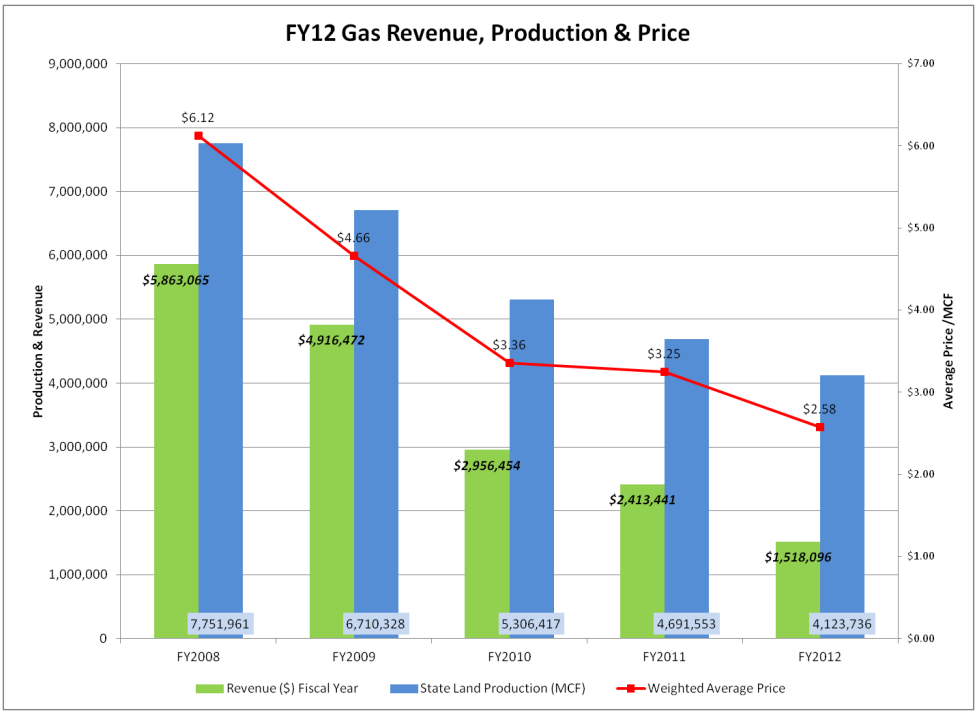
DNRC Area and Unit office field staff conduct on-site reviews and prepare environmental assessments when mineral exploration or development is proposed on state land. These reviews address resource concerns and provide site specific stipulations to mitigate impacts to project development. Stipulations may include such items as restricting work to dry or frozen conditions, noxious weed control, timing restrictions to address wildlife concerns, and reclamation requirements. Field staff also conduct periodic reviews of mineral development to verify that lessees are complying with lease requirements. The table above breaks down the number of reviews by mineral type for the fiscal year 2012.

OIL AND GAS REVENUE AND PRODUCTION



OIL: Oil production remained strong but as in the past five years the normal decline in production curve associated with existing wells continues to affect the state lands production totals. 1,253,994 barrels of oil were produced in FY11, a decrease of 20.2% from last fiscal year. The average price for a barrel of oil produced from state land leases increased to $80.03 from $60.74, which represents an increase of 31.8% over the average price in FY10. Due primarily to the increase in per barrel price, royalty revenue from oil wells on state land still increased slightly by 2.0% from FY10 to $12,738,263. Oil royalties alone accounted for more than 30% of all income received in FY11.

GAS*:* The average price in FY11 for gas was $3.25 per thousand cubic feet (mcf), representing a 3.2% decrease from FY10. Gas prices have now dropped by over 47% since FY08. The Board of Oil and Gas Conservation reports that new gas wells drilled in Montana have declined 67% since the calendar year of 2007. 4,691,553 mcf of gas was produced on state lands in FY11, a decrease of 11.6% from FY10. For FY11, $2,413,441 in gas royalty revenue was collected, down 18.4% from FY10.



Note: Condensate revenue is tracked separately and is not included in the gas chart.

Royalty Income and Production by County (Oil, Gas, Condensate)

County	Oil (BBL)		Gas (MCF)		Condensate (GAL)		Total Royalties
	Royalties*	Production	Royalties*	Production	Royalties*	Production	
Big Horn			$99,473.54	249,892.17			**$99,473.54**
Blaine	$247,866.22	27,416.64	$101,887.83	397,895.96			**$349,754.05**
Carbon	$23,247.28	1,771.72					**$23,247.28**
Chouteau			$34,584.85	126,737.24			**$34,584.85**
Dawson	$307,966.21	28,140.41					**$307,966.21**
Fallon	$2,988,451.77	250,490.40	$214,997.41	732,987.43	$25,212.51	106,422.10	**$3,228,661.69**
Garfield	$36,734.63	3,325.90					**$36,734.63**
Glacier	$54,733.75	5,051.73	$39,836.98	94,446.61	$7,730.53	39,402.80	**$102,301.26**
Golden Valley			$12,343.59	37,197.03			**$12,343.59**
Hill			$166,582.10	616,526.79			**$166,582.10**
Liberty	$676,803.67	68,138.47	$35,276.71	145,690.35			**$712,080.38**
Musselshell	$18,018.44	1,929.36					**$18,018.44**
Petroleum	$17,198.45	843.56					**$17,198.45**
Phillips			$267,156.80	699,221.18			**$267,156.80**
Pondera	$181,024.85	16,892.44	$5,734.60	17,654.37			**$186,759.45**
Powder River	$48,341.80	4,888.64	$720.00	0.00			**$49,061.80**
Richland	$7,182,918.51	623,988.84	$352,520.38	510,824.41	$113,314.31	674,408.83	**$7,648,753.20**
Roosevelt	$1,536,410.31	156,413.56	$32,196.17	29,624.05	$2,541.20	15,837.01	**$1,571,147.68**
Rosebud	$196,077.22	19,529.79	$2,880.00				**$198,957.22**
Sheridan	$720,786.72	67,154.32	$8,924.15	10,202.09			**$729,710.87**
Stillwater			$2,315.01	5,734.00			**$2,315.01**
Sweet Grass			$186.62	789.50			**$186.62**
Teton	$15,751.01	1,767.83					**$15,751.01**
Toole	$387,198.11	38,150.97	$117,437.50	347,390.84	$125.07	491.27	**$504,760.68**
Valley			$18,581.26	85,628.60			**$18,581.26**
Wibaux	$248,774.67	22,998.87	$4,460.48	15,293.87	$5,123.12	24,034.25	**$258,358.27**
Grand Total	**$14,888,303.62**	**1,338,893.45**	**$1,518,095.98**	**4,123,736.49**	**$154,046.74**	**860,596.26**	**$16,560,446.34**

** Totals include interest and shut-in royalty payments*

Note: Production totals represent amounts attributable to state trust land only.

*Top Revenue Producing Counties – **Oil**:($$)*

#1 Richland $7.18 Million

#2 Fallon $2.99 Million

#3 Roosevelt $1.54 Million

*Top Revenue Producing Counties – **Gas**:($$)*

#1 Richland $352 Thousand

#2 Phillips $267 Thousand

#3 Fallon $215 Thousand

Royalty Income by Area and Unit Office (Oil, Gas, Condensate)

Pay Type	CLO	ELO	NELO		SLO	Pay Type Totals
	Conrad	Miles City	Glasgow	Lewistown	Billings	
Oil Royalty	$1,315,511.39	$11,063,103.77	$2,200,935.63	$264,260.57	$38,779.27	$14,882,590.63
Oil Interest		$1,997.08		$804.10		$2,801.18
Oil Royalty Audit		$2,911.81				$2,911.81
Gas Royalty	$197,325.79	$572,646.05	$326,910.60	$313,478.37	$101,103.43	$1,511,464.24
Gas Interest						$0.00
Gas Royalty Audit						$0.00
Shut in Gas	$960.00	$2,880.00		$1,920.00	$871.74	$6,631.74
Condensate Royalty	$7,855.60	$143,649.94	$2,541.20			$154,046.74
AO Totals	***$1,521,652.78***	***$11,787,188.65***	***$2,530,387.43***	***$580,463.04***	***$140,754.44***	***$16,560,446.34***

Note: The Havre field office is now included in the Lewistown Unit, therefore revenue for the two offices is combined and reported under Lewistown.

Royalty and Rental Income by Grant (Oil, Gas, Condensate)

Grant	Bonus Income	Surface Damages	Penalty Income	Rental Income	Seismic Permits	Oil Royalty	Gas Royalty	Condensate Royalty	Total Revenue by Grant
Common Schools	$15,104,385.76	$59,914.60	$1,410,548.98	$3,672,039.62	$10,074.22	$14,371,332.50	$1,468,427.48	$140,841.08	$36,237,564.24
Public Buildings	$108,659.92	$320.00	$10,660.03	$31,656.79	$40.78	$6,640.84	$4,843.73		$162,822.09
School for Deaf & Blind	$42,390.00			$9,780.00					$52,170.00
State Industrial School	$47,040.00		$4,764.91	$32,611.58					$84,416.49
State Normal School	$6,569.32		$1,156.81	$34,979.18			$2,007.55		$44,712.86
University of MT			$2,800.00	$16,536.98					$19,336.98
MSU Morrill	$85,193.72		$6,172.88	$27,340.17			$14,672.65		$133,379.42
MSU 2nd Grant				$16,450.35					$16,450.35
School of Mines	$66,160.00		$3,968.50	$48,873.21					$119,001.71
Veterans Home	$675.62			$1,913.41					$2,589.03
Public Land Trust	$32,688.45		$12,671.12	$25,555.67		$509,485.90	$5,343.27	$13,200.94	$598,945.35
Total Trust	***$15,493,762.79***	***$60,234.60***	***$1,452,743.23***	***$3,917,736.96***	***$10,115.00***	***$14,887,459.24***	***$1,495,294.68***	***$154,042.02***	***$37,471,388.52***
Agricultural Experiment Station				$4,847.45			$10,052.02		$14,899.47
Dept of Transportation			$138.57	$4,511.26		$507.31	$3,147.10		$8,304.24
Galen State Hospital						$133.99			$133.99
Dept of Fish, Wildlife & Parks			$400.00	$340.00		$203.08	$1.77	$4.72	$949.57
Water Resources Division	$5,751.34		$1,371.50	$2,450.32			$9,600.41		$19,173.57
Total Non-Trust	***$5,751.34***	***$0.00***	***$1,910.07***	***$12,149.03***	***$0.00***	***$844.38***	***$22,801.30***	***$4.72***	***$43,460.84***
Grand Total	*$15,499,514.13*	*$60,234.60*	*$1,454,653.30*	*$3,929,885.99*	*$10,115.00*	*$14,888,303.62*	*$1,518,095.98*	*$154,046.74*	*$37,514,849.36*

AGGREGATE

Royalty and Production by County (Sand, Gravel, Rock)

County	CubicYards (Sand & Gravel)		Tons (Rock)		Total Royalty
	* Royalty $	Production	* Royalty $	Production	
Beaverhead	$20,065.00	12,479.00			$20,065.00
Blaine	$11,660.00	12,540.00			$11,660.00
Cascade	$690.85	103.45			$690.85
Chouteau	$187.50	268.00			$187.50
Custer	$3,750.00	250.00			$3,750.00
Daniels	$3,355.50	2,346.00			$3,355.50
Fallon	$7,500.00	7,500.00			$7,500.00
Flathead	$4,025.00	2,700.00			$4,025.00
Gallatin	$2,458.63	2,458.63	$100.00	0.00	$2,558.63
Lake		150.00			$0.00
Lewis and Clark	$2,838.00	2,523.00			$2,838.00
Madison	$42,892.30	39,424.30			$42,892.30
Missoula	$2,929.00	3,501.00	$150.00	10.00	$3,079.00
Musselshell	$150.00	200.00			$150.00
Pondera	$1,632.00	1,032.00			$1,632.00
Powell	$300.00	0.00			$300.00
Ravalli	$680.00	80.00	$75.00	5.00	$755.00
Richland	$429,442.00	247,107.00			$429,442.00
Roosevelt	$166,100.00	44,195.00			$166,100.00
Rosebud	$45,772.00	58,856.00			$45,772.00
Sanders	$84.00	200.00	$19,976.00	773.05	$20,060.00
Silver Bow		40,553.00			$0.00
Teton	$6,015.01	5,412.15			$6,015.01
Toole	$300.00	0.00			$300.00
Wheatland			$7,580.13	279.85	$7,580.13
Yellowstone	$7,883.09	10,510.79			$7,883.09
Grand Total	***$760,709.88***	***494,389.32***	***$27,881.13***	***1,067.90***	***$788,591.01***

** Totals may include advance royalty payments*

Royalty and Rental by Area Office

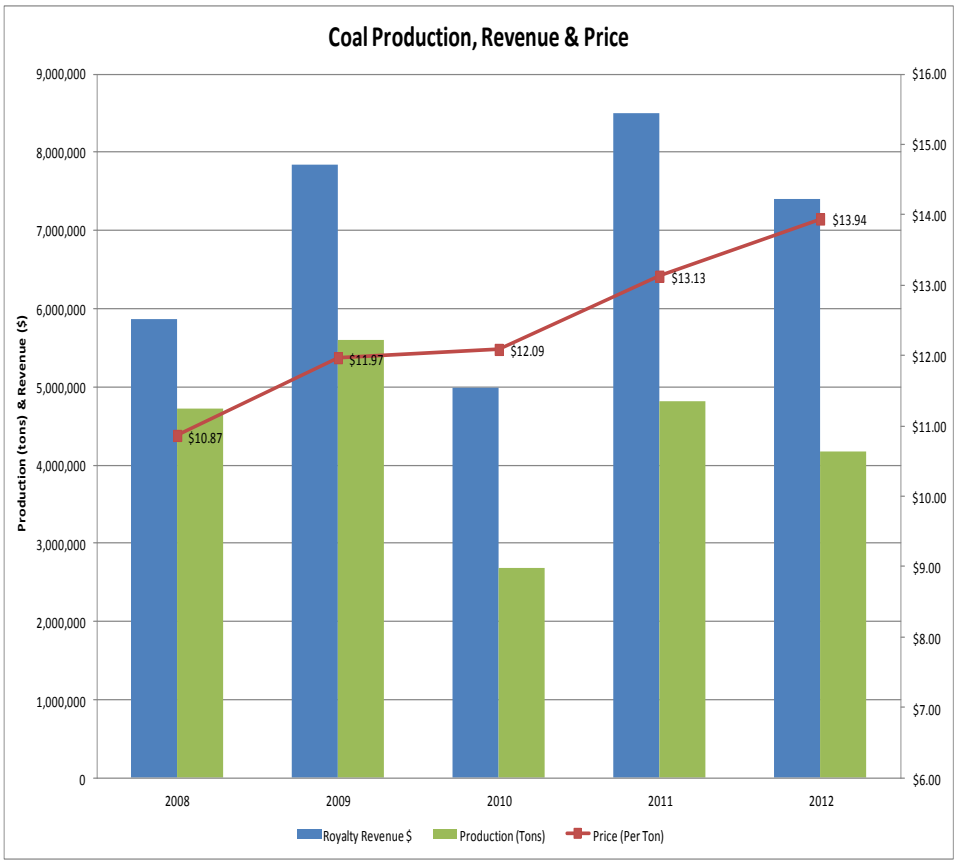
Unit Office/Area Office	*Rental Income*	*Royalty Income*
Bozeman		$45,450.93
Conrad		$7,947.01
Dillon		$20,065.00
Helena		$690.85
***CLO** Area Office Totals*	***$0.00***	***$74,153.79***
Miles City		$486,464.00
***ELO** Area Office Totals*	***$0.00***	***$486,464.00***
Lewistown		$19,427.63
Glasgow		$169,455.50
***NELO** Area Office Totals*	***$0.00***	***$188,883.13***
Plains		$20,060.00
Stillwater		$4,025.00
***NWLO** Area Office Totals*		***$24,085.00***
Billings		$8,033.09
***SLO** Area Office Totals*	***$0.00***	***$8,033.09***
Anaconda	$500.00	$300.00
Clearwater		$5,917.00
Hamilton		$755.00
***SWLO** Area Office Totals*	***$500.00***	***$6,972.00***
Grand Total	***$500.00***	***$788,591.01***

Royalty and Rental by Grant

Grant	*Rental Income*	*Royalty Income*
Common Schools	$500.00	$747,673.87
MSU 2nd Grant		$5,779.00
MSU Morrill		$1,512.50
Public Buildings		$15,734.01
State Industrial School		$11,749.50
School for Deaf & Blind		$3,583.50
School of Mines		$2,458.63
University of Montana		$100.00
Grand Total	***$500.00***	***$788,591.01***

** The Havre field office is now included in the Lewistown Unit, therefore revenue income for the two offices has been combined and is reported under Lewistown.*

COAL LEASES



Production: Coal production on state trust lands decreased 13.2% in FY12 to 4,175,436 tons mined compared to 4,812,590 tons mined in FY11. All coal reported was produced from two state leases in Big Horn County. The volume of coal mined can change significantly from year to year, as mining activity moves onto or off of state land within the normal sequence of operations.

Revenues: All coal revenues received in FY12 on state trust land leases benefit the common schools grant. In FY12, coal revenues totaled $7,400,024. This included a $69,000 prior year audit settlement payment. Royalty revenue decreased 12.9% over FY11. A majority of that decrease was due to the decrease in production. Coal prices received for state land production increased for the seventh straight year to $13.94/ton which was an increase of 6.2% over the FY11 average price of $13.13/ton.

Royalty and Production by County - Coal

County	Royalties ($)	Production (ton)
Big Horn	$7,331,024.44	4,175,436
Rosebud	$69,000.00 *	0
Total	**$7,400,024.44**	**4,175,436**

* *Audit settlement*

Royalty and Rental by Area Office - Coal

Area Office	Royalty Income	Rental Income	Total
ELO	$69,000.00 *	$53,729.16	$53,729.16
SLO	$7,331,024.44	$12,585.93	$7,343,610.37
Total	**$7,400,024.44**	**$66,315.09**	**$7,466,339.53**

Royalty and Rental Income by Grant - Coal

Grant	Royalty Income	Rental Income	Total
Common Schools	$7,400,024.44	$66,315.09	$7,466,339.53
Total	**$7,400,024.44**	**$66,315.09**	**$7,466,339.53**

LAND USE LICENCES

Land Use Licenses:

- Can apply to any type of mineral and are issued for mineral activities that are not included in other types of leases or permits.
- The length of license is determined by each individual situation.
- Examples of licensed activities include salt water disposal, access roads and pipelines to non-State wells, non-mechanized prospecting for minerals, groundwater monitoring wells, gravity surveys, and infrastructure for coal bed methane fields.
- Under a Land Use License for non-mechanized prospecting, the user may explore but cannot remove or sell minerals.

Royalty and Rental Income by County - LUL

County	Royalty Income	Rental Income	Total
Big Horn		$32,840.00	$32,840.00
Carbon		$1,400.00	$1,400.00
Dawson	$2,686.76		$2,686.76
Musselshell		$150.00	$150.00
Richland		$1,500.00	$1,500.00
Roosevelt		$8,150.00	$8,150.00
Sheridan		$9,038.55	$9,038.55
Grand Total	***$2,686.76***	***$53,078.55***	***$55,765.31***

Note: There is no production associated with Salt Water Disposal

Royalty and Rental Income by Area Office - LUL

Area Office - Unit Office		Royalty Income	Rental Income	Total
ELO	Miles City	$2,686.76	$1,650.00	$4,336.76
NELO	Glasgow		$17,188.55	$17,188.55
SLO	Billings		$34,240.00	$34,240.00
Grand Total		***$2,686.76***	***$53,078.55***	***$55,765.31***

Royalty and Rental Income by Grant - LUL

Grant	Royalty Income	Rental Income	Total
Common Schools	$2,686.76	$53,078.55	$55,765.31
Total Trust Income	***$2,686.76***	***$53,078.55***	***$55,765.31***

Note: Rental income includes surface damages not covered under an oil and gas lease.

METALLIFEROUS MINERAL LEASES

Metalliferous Leases cover a variety of commercially marketed metallic minerals such as gold, silver, copper, and gemstones including rubies, garnets and sapphires.

Royalty and Rental Income by County - Metalliferous Minerals

County	Royalty Income	*Rental Income	Total
Fergus (Gold & Assoc. Minerals)	$31.59	$277.08	$308.67
Lincoln (Gold & Assoc. Minerals)	$0.00	$785.83	$785.83
Madison (Garnets)	$500.00	$1,920.00	$2,420.00
Grand Total	***$531.59***	***$2,982.91***	***$3,514.50***

Royalty and Rental Income by Area Office - Metalliferous Minerals

Area Office - Unit Office		Royalty Income	*Rental Income	Total
CLO	Dillon	$500.00	$1,920.00	$2,420.00
NELO	Lewistown	$31.59	$277.08	$308.67
NWLO	Libby	$0.00	$785.83	$785.83
Grand Total		***$531.59***	***$2,982.91***	***$3,514.50***

Royalty and Rental Income by Grant - Metalliferous Minerals

Grant	Royalty Income	*Rental Income	Total
Common Schools	$531.59	$2,982.91	$3,514.50
Total Trust Income	***$531.59***	***$2,982.91***	***$3,514.50***

** Rental figures include bonus & in lieu of exploration payments*

NON-METALLIFEROUS MINERAL LEASES

Non-Metalliferous Leases: Cover a variety of commercially marketed non-metallic minerals such as limestone, bentonite, barite, and peat moss. In FY12 there was one producing lease for barite in Missoula County, and one for peat moss in Beaverhead County.

Royalty and Rental Income by County - Non-Metalliferous Minerals

County	Royalty Income	*Rental Income	Total
Beaverhead	$160.00	$720.00	$880.00
Carter	$0.00	$5,126.00	$5,126.00
Jefferson	$0.00	$5,070.00	$5,070.00
Missoula	$2,000.00	$3,840.00	$5,840.00
Grand Total	***$2,160.00***	***$14,756.00***	***$16,916.00***

Royalty and Rental Income by Area Office - Non-Metalliferous Minerals

Area Office - Unit Office		Royalty Income	*Rental Income	Total
CLO	Dillon	$160.00	$720.00	$880.00
	Helena		$5,070.00	$5,070.00
	Area Office Total	***$160.00***	***$5,790.00***	***$5,950.00***
ELO	Miles City		$5,126.00	$5,126.00
SWLO	Clearwater	$2,000.00	$3,840.00	$5,840.00
Grand Total		***$2,160.00***	***$14,756.00***	***$16,916.00***

Royalty and Rental Income by Grant - Non-Metalliferous Minerals

Grant	Royalty Income	*Rental Income	Total
Capital Buildings	$160.00	$720.00	$880.00
Common Schools	$2,000.00	$14,036.00	$16,036.00
Total Trust Income	***$2,160.00***	***$14,756.00***	***$16,916.00***

** Rental figures include bonus & in lieu of exploration payments*