State of Montana Oil & Gas Lease Sale - June 6, 2023 Lease Sale Results

The following described lands were offered for oil and gas leasing through an online bidding service, EnergyNet, beginning May 31, 2023 and closed on June 6, 2023.

Tract Stipulations	Twp	Rng S	ec Description		Acres	Bid/Acre	Total Bid	Lessee
Daniels								
1 1, 2, 3, 4, 5, 6	36.N	51.E	16 S2		320.00	\$1.50		4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
Richland								
2 1, 2, 3, 4, 5, 6, 10	25.N	51.E	36 ALL	*	640.00	\$2.00		WHITE ROCK ENERGY
3 1, 2, 3, 4, 5, 6, 7, 12	27.N	56.E	22 NE4NE4, SW4NW4, W2SW4		160.00	\$22.00		CLOVE HITCH LLC
Sheridan								
4 1, 2, 3, 4, 5, 6, 10, 12	35.N	54.E	14 SW4SE4		40.00	\$2.50		4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
5 1, 2, 3, 4, 5, 6, 10, 12	35.N	54.E	16 ALL		640.00	\$6.00		NISKU ROYALTY LP
6 1, 2, 3, 4, 5, 6, 8, 12	35.N	54.E	23 NW4, W2NE4		240.00	\$1.50	*	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
7 1, 2, 3, 4, 5, 6, 12	35.N	54.E	26 NW4NE4		40.00	\$2.50	\$100.00	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
8 1, 2, 3, 4, 5, 6, 7, 8, 12	35.N	54.E	36 ALL		640.00	\$6.00		4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
9 1, 2, 3, 4, 5, 6, 8, 10, 12	35.N	55.E	21 NE4NE4, SW4NE4, NW4SE4, S2SE4		200.00	\$7.00		4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
10 1, 2, 3, 4, 5, 6, 8, 10, 12	35.N	55.E	28 NW4NW4, S2NW4, E2NE NE4SW4	4,	240.00	\$7.00	+ ,	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
11 1, 2, 3, 4, 5, 6, 7, 13	36.N	51.E	36 ALL		640.00	\$1.50	*	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
12 1, 2, 3, 4, 5, 6, 8, 9	36.N	52.E	32 E2NW4, E2SE4, SW4SE4 NE4SW4, N2SE4SW4	١,	260.00	\$1.50		4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
13 1, 2, 3, 4, 5, 6, 8	36.N	52.E	36 ALL	*	640.00	\$1.50		4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
Toole								
14 1, 2, 3, 4, 5, 6, 10, 11	35.N	4.W	4 LOTS 1, 2	*	78.48	\$61.00		MONTALBAN OIL & GAS OPERATIONS INC
15 1, 2, 3, 4, 5, 6, 14	36.N	4.W	33 S2SE4	*	80.00	\$1.75	\$140.00	MONTALBAN OIL & GAS OPERATIONS INC

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

Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	4,858.48	15

Oil and Gas Lease Sale Summary

Total Tracts	15
Total Acres	4,858.48
Total Bid Revenue	\$23,837.28
Average Bid Per Acre	\$4.91

State of Montana Oil & Gas Lease Sale - June 6, 2023 Stipulations

- 1 Lessee shall notify and obtain approval from the Department's Trust Land Management Division (TLMD) prior to constructing well pads, roads, power lines, and related facilities that may require surface disturbance on the tract. Lessee shall comply with any mitigation measures stipulated in TLMD's approval.
- 2 Prior to the drilling of any well on or into the lease premises, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.
 - Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.
- 3 The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
- 4 The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises. The lessee's methods of control shall be reviewed and approved by the Department's Unit Office that has jurisdiction for that locale.
- 5 The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
- 6 If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
- 7 Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
- 8 The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.
- 9 Unless otherwise approved by the Department in writing, wells and related surface infrastructure, including new road construction, are prohibited within 1/2 mile of the centerline of a navigable river, lake or reservoir, and within 1/4 mile of direct perennial tributary streams of navigable waterways, on or adjacent to the tract. No surface occupancy is allowed within the bed of a river, stream, lake or reservoir, islands and accretions or abandoned channels.
- 10 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 11 This tract has (an) existing well(s) and related facilities. The lessee has 45 days from the effective date of this lease to determine whether or not to assume responsibility from the former lessee for the well(s) and any existing facilities. The lessee may not enter the well(s) until a change of operator has been filed with, and approved by, the Board of Oil and Gas Conservation. If a change of operator is accepted, the(se) well(s) must be returned to commercial production or plugged and the well site(s) reclaimed within 18 months from the effective date of this lease.
- 12 If whooping cranes are observed on-site, construction and/or maintenance activities shall be suspended until birds leave the area.
- 13 Wildlife species of concern have been identified on or near this tract. Identified species will be avoided, unless otherwise authorized by the TLMD. Additional mitigation measures may also be required.
- 14 This lease is spaced into an adjacent off-tract well.

State of Montana Oil & Gas Lease Sale - June 6, 2023 Applicant List

Tract	Twp	Rng	Sec	Description	Acres	Applicant
Daniel	s					
1	36.N	51.E	16	S2	320.00	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
Richla	nd					
2	25.N	51.E	36	ALL	640.00	WHITE ROCK ENERGY LLC
3	27.N	56.E	22	NE4NE4, SW4NW4, W2SW4	160.00	DNRC/LAND BOARD
Sherid	an					
4	35.N	54.E	14	SW4SE4	40.00	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
5	35.N	54.E	16	ALL	640.00	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
6	35.N	54.E	23	NW4, W2NE4	240.00	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
7	35.N	54.E	26	NW4NE4	40.00	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
8	35.N	54.E	36	ALL	640.00	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
9	35.N	55.E	21	NE4NE4, SW4NE4, NW4SE4, S2SE4	200.00	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
10	35.N	55.E	28	NW4NW4, S2NW4, E2NE4, NE4SW4	240.00	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
11	36.N	51.E	36	ALL	640.00	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
12	36.N	52.E	32	E2NW4, E2SE4, SW4SE4, NE4SW4, N2SE4SW4	260.00	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
13	36.N	52.E	36	ALL	640.00	4-JW LTD DBA 4-JW LIMITED PARTNERSHIP
Toole						
14	35.N	4.W	4	LOTS 1, 2	78.48	SOMONT OIL COMPANY, INC.
15	36.N	4.W	33	S2SE4	80.00	DNRC/LAND BOARD

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

P.O. Box 201601

Helena, Montana 59620-1601

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

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Big Horn					
	8 S	44 E	36	All	640.00
	9 S	43 E	16	All	640.00
	9 S	43 E	36	All	640.00
Hill					
	36 N	15 E	16	All	640.00
Richland					
	23 N	51 E	8	N2	320.00
	23 N	51 E	14	W2	320.00
	23 N	51 E	16	All	640.00
	24 N	51 E	36	All	640.00
	24 N	52 E	16	All	640.00
	24 N	52 E	28	N2	320.00
	24 N	52 E	36	All	640.00
	26 N	51 E	16	S2NW4, NE4, S2	560.00
	26 N	52 E	16	All	640.00
	27 N	53 E	1	Any and all state interest under the Missouri Riverbed and related acreage	49.00
Roosevelt					
				Any and all state interest under the Missouri Riverbed and	
	27 N	53 E	1	related acreage	29.00
	28 N	56 E	16	Lots 1, 2, 3, 4, N2, N2S2	642.28
Toole					
	35 N	1 E	25	NE4	160.00
	35 N	1 E	35	W2E2, E2NW4, SE4SE4, NE4SW4	320.00
	35 N	3 W	16	W2, below the base of the Mission Canyon formation	320.00
	35 N	4 W	29	NW4SW4, S2SW4, below the base of the Cut Bank (Kootenai) formation	120.00
				Lots 1, 2, 3, 4, E2W2, E2SE4, below the base of the Swift	
	35 N	4 W	30	formation	382.40

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
	35 N	4 W	31	Lots 1, 2, E2NW4, below the base of the Swift formation N2NW4, below the base of the Cut Bank (Kootenai)	152.00
	35 N	4 W	32	formation	80.00
	35 N	4 W	36	All, below the base of the Kootenai formation	640.00
Valley					
	30 N	36 E	36	All	640.00

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Trust Land Management Division

GREG GIANFORTE, GOVERNOR

1539 ELEVENTH AVENUE

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

PO BOX 201601 HELENA, MONTANA 59620-1601

TO ALL INTERESTED PARTIES:

RE: September 6, 2023 Oil and Gas Lease Sale

2023 Oil and Gas Lease Sale will be held online during the period of <u>August 31 –</u>

<u>September 6, 2023</u>, through the online auction service, EnergyNet (EnergyNet.com). Please contact EnergyNet for help setting up an account to bid on state tracts. For all other inquiries, contact the Department of Natural Resources and Conservation. In the event details for the September Oil and Gas Lease Sale change, an updated notice will be sent out.

In order to give as much advance notice as possible, please be advised that the September

The deadline filing date for submitting applications on tracts to be nominated for the sale in September is 5:00pm MST on <u>June 20, 2023</u>. Applications must be received in this office by that date. If you have any questions, please contact me at <u>THossfeld@mt.gov</u> or (406) 444-4576.

Theresa Hossfeld, Leasing Specialist Mineral Leasing Section Minerals Management Bureau