

# FISCAL YEAR 2019

State of Montana

Department of Natural Resources and Conservation

Minerals Management Bureau



# **INTRODUCTION**

This report was prepared by the Minerals Management Bureau (MMB or the Bureau) 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.

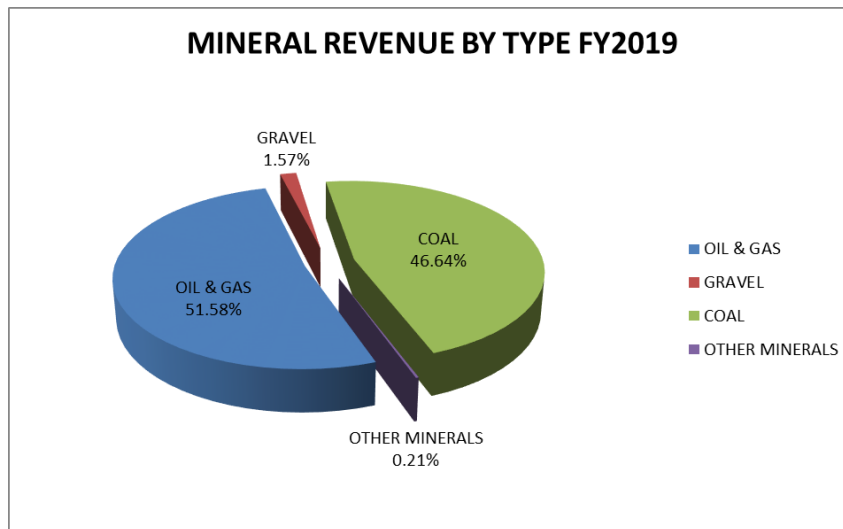
Within each lease type, there are reports providing income by county, area office, and grant. Revenue and pricing information was compiled using the cash basis method of accounting. Oil and gas production was compiled using information reported on the State of Montana Form 5 Royalty Report each month.

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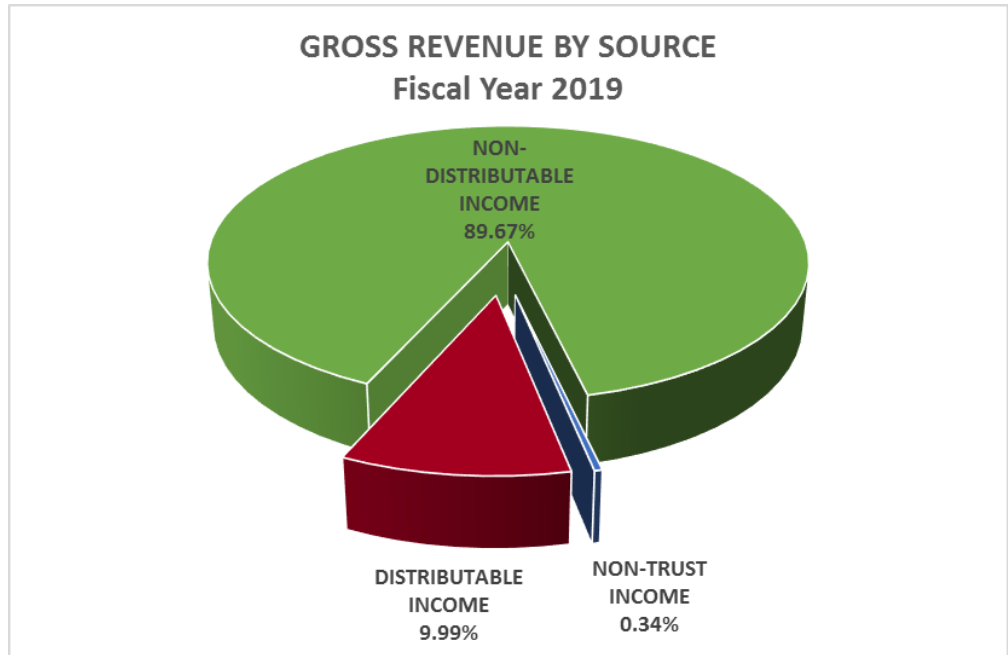
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# REVENUE SOURCES



| <b>Mineral Type &amp; Revenue Source</b> |                                  | <b>FY2018</b>              | <b>FY2019</b>              | <b>% Change from FY18</b> |
|--|----------------------------------|----------------------------|----------------------------|---------------------------|
| OIL & GAS-                               | <i>Rentals/Bonuses/Penalties</i> | \$3,110,997                | \$2,208,226                | -29.02%                   |
|  | <i>Royalties *</i>               | \$9,659,886                | \$10,408,310               | 7.75%                     |
|  | <i>Seismic</i>                   | \$1,217                    | \$1,016                    | -16.52%                   |
|  | <b>Total</b>                     | <b>\$12,772,100</b>        | <b>\$12,617,552</b>        | <b>-1.21%</b>             |
| GRAVEL -                                 | <i>Rentals</i>                   | \$0                        | \$600                      |                           |
|  | <i>Royalties</i>                 | \$553,265                  | \$382,965                  | -30.78%                   |
|  | <b>Total</b>                     | <b>\$553,265</b>           | <b>\$383,565</b>           | <b>-30.67%</b>            |
| COAL -                                   | <i>Rentals/Bonuses</i>           | \$59,075                   | \$38,317                   | -35.14%                   |
|  | <i>Royalties</i>                 | \$6,832,266                | \$11,370,152               | 66.42%                    |
|  | <b>Total</b>                     | <b>\$6,891,342</b>         | <b>\$11,408,469</b>        | <b>65.55%</b>             |
| OTHER MINERALS –                         |                                  |                            |                            |                           |
| LAND USE LICENSE                         |                                  |                            |                            |                           |
|  | <i>Rentals/Penalties</i>         | \$20,868                   | \$1,210                    | -94.20%                   |
|  | <i>Royalties</i>                 | \$1,000                    | \$5,222                    | 422.24%                   |
|  | <b>Total</b>                     | <b>\$21,868</b>            | <b>\$6,432</b>             | <b>-70.59%</b>            |
| METALLIFEROUS MINERALS                   |                                  |                            |                            |                           |
|  | <i>Rentals/Penalties</i>         | \$277                      | \$277                      | 0.00%                     |
|  | <i>Royalties</i>                 | \$0                        | \$0                        | 0%                        |
|  | <b>Total</b>                     | <b>\$277</b>               | <b>\$277</b>               | <b>0.00%</b>              |
| NON-METALLIFEROUS MINERALS               |                                  |                            |                            |                           |
|  | <i>Rentals/Penalties</i>         | \$15,922                   | \$10,556                   | -33.70%                   |
|  | <i>Royalties</i>                 | \$20                       | \$34,881                   | 174305.90%                |
|  | <b>Total</b>                     | <b>\$15,942</b>            | <b>\$45,437</b>            | <b>185.02%</b>            |
| <b>GRAND TOTAL</b>                       |                                  | <b><u>\$20,254,794</u></b> | <b><u>\$24,461,732</u></b> | <b><u>20.77%</u></b>      |

\* Includes interest and shut-in payments



**GROSS REVENUE FOR SCHOOL TRUST BENEFICIARIES**

| GROSS NON-DISTRIBUTABLE REVENUE |        | GROSS DISTRIBUTABLE REVENUE ** |        |
|---------------------------------|--------|--------------------------------|--------|
| <b>\$21,933,681</b>             | 89.97% | <b>\$2,444,042</b>             | 10.03% |

**TRUST LAND REVENUE (by Trust)**

|                       |              |                            |                     |
|-----------------------|--------------|----------------------------|---------------------|
| Common Schools        | \$23,271,859 | State Normal School        | \$3,746             |
| University of Montana | \$960        | School for Deaf and Blind  | \$2,605             |
| M.S.U. Morrill        | \$6,670      | State Reform School        | \$3,803             |
| M.S.U. 2nd Grant      | \$4,101      | Public Buildings **        | \$204,600           |
| Montana Tech          | \$0          | Public Land Trust          | \$879,379           |
|                       |              | <b>Total Trust Grants:</b> | <b>\$24,377,723</b> |

**NON-TRUST LAND REVENUE \***

|  |   |
|--|---|
| Agricultural Experiment Station                | \$2,959                                 |
| Department of Fish, Wildlife & Parks           | \$77,970                                |
| Department of Military Affairs                 | \$162                                   |
| Department of Transportation                   | \$1,681                                 |
| Department of Public Health and Human Services | \$100                                   |
| DNRC – Water Resources Division                | \$1,136                                 |
|  | <b>Total Non-Trust Grants: \$84,009</b> |

**TOTAL REVENUE** **\$24,461,732**

\* Non-Trust Land revenue 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 of Public Buildings are deposited into their Distributable Trust fund

## **LEASES**

**Oil & Gas Leasing:** In FY19, oil and gas leasing decreased by 12.7% from FY18 to a total of 1,298 leases. Quarterly lease sales in FY19 totaled 132 new leases. Bonus revenue for new leases in FY19 totaled just over \$1.16 million compared to \$1.79 million on state trust lands in FY18. The number of producing leases decreased by 7.6% to a total of 611 producing leases, and now make up 47.1% of all oil and gas leases. Oil and gas leases account for a little more than 521 thousand of the 6.2 million mineral acres on State trust lands, which is a decrease of 16.5%.

**Hard Rock – Industrial Leasing:** The total number of metalliferous and non-metalliferous leases remained constant at a total of 8 leases, covering 3,274 acres.

**Gravel Permits:** Permit counts decreased during FY19 by 1 permit. Producing permits decreased by 3 to a total of 27 permits. Gravel royalty revenue in FY19, totaled just above \$383 thousand which was a 30.8% decrease from FY18.

**Coal Leasing:** The number of coal leases decreased to 31 leases covering 14,692 acres with 6 producing on 2,520 acres.

**Land Use Licenses** decreased by 21.1% with a count of 30 in FY19 as compared to 38 in FY18. Acreage assigned to those licenses decreased by 46.2% to 4,618 acres.

**Small Volume Permits and Permits to Test for Aggregate** are not in the table below. During FY19, DNRC field offices issued 10 small volume permits and 8 permits to test for aggregate, as compared to 8 and 5 permits respectively in FY18.

**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.

### **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.

| Type of Lease                   | No. of Leases | % Change from FY18 | Acreage Leased | % Change from FY18 | Producing Leases | % Change from FY18 | Producing Acreage | % Change from FY18 |
|---------------------------------|---------------|--------------------|----------------|--------------------|------------------|--------------------|-------------------|--------------------|
| <i>Coal Leases</i>              | 31            | -11.4%             | 14,692         | -14.3%             | 6                | -14.3%             | 2,520             | -10.0%             |
| <i>Gravel Permits</i>           | 42            | -2.3%              | 1,175          | -13.2%             | 27               | -10.0%             | 977               | -1.6%              |
| <i>Land Use Licenses</i>        | 30            | -21.1%             | 4,618          | -46.2%             | 1                | 0.0%               | 640               | 100.0%             |
| <i>Metalliferous Leases</i>     | 1             | 0.0%               | 92             | 0.0%               | 0                | 0.0%               | 0                 | 0.0%               |
| <i>Non-Metalliferous Leases</i> | 7             | 0.0%               | 3,182          | 0.0%               | 2                | 100.0%             | 200               | 66.7%              |
| <i>Seismic Permits</i>          | 1             | -50.0%             | 4,157          | 419.6%             | 0                | 0.0%               | 0                 | 0.0%               |
| <i>Gas Storage Agreements</i>   | 4             | 0.0%               | 8,311          | 0.0%               | 0                | 0.0%               | 0                 | 0.0%               |
| <i>Oil and Gas Leases</i>       | 1,298         | -12.7%             | 521,156        | -16.5%             | 611              | -7.6%              | 231,097           | -5.9%              |
| <b>Total Leases</b>             | <b>1,414</b>  | <b>-12.50%</b>     |                |                    | <b>647</b>       | <b>-7.57%</b>      |                   |                    |
| <b>Total Acres</b>              |               |                    | <b>557,383</b> | <b>-15.96%</b>     |                  |                    | <b>235,434</b>    | <b>-5.78%</b>      |

## MINERAL ACTIVITY BY FIELD OFFICE

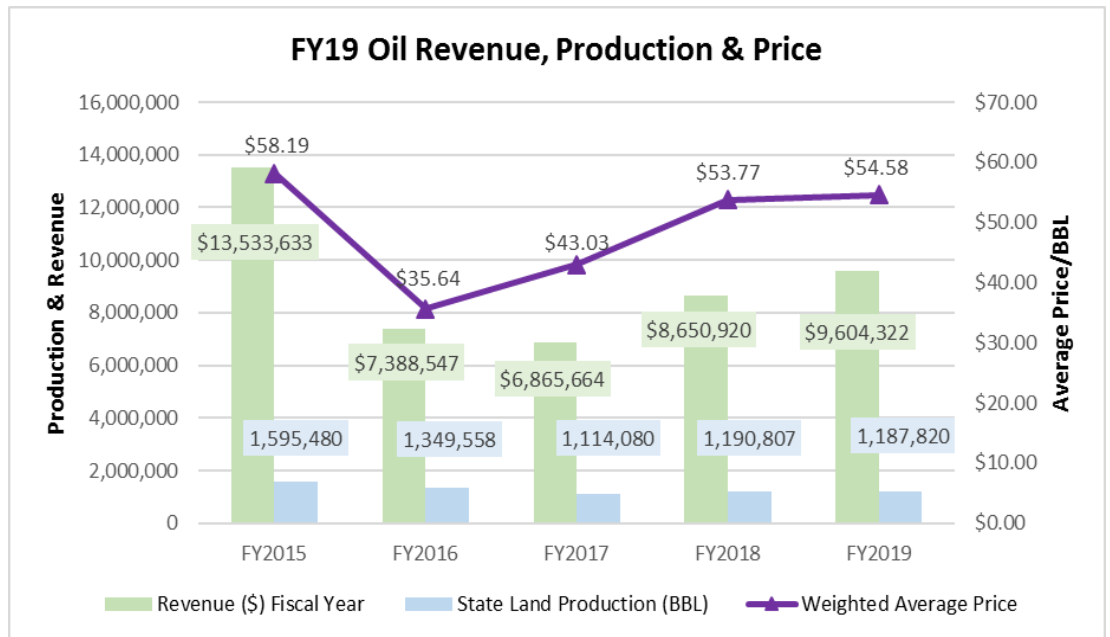
This table represents the total field activity by Area Office and Unit Office

| AREA OFFICE        | UNIT OFFICE              | Oil & Gas Leases | O&G Wells Pipelines | Seismic Permits | Coal Leases | M & NM Leases | Land Use Licenses | Gravel Permits | Gravel Renewals | Small Volume | Test Permits | TOTAL      |
|--------------------|--------------------------|------------------|---------------------|-----------------|-------------|---------------|-------------------|----------------|-----------------|--------------|--------------|------------|
| CLO                | Bozeman                  |                  |                     |                 |             |               |                   |                | 3               |              | 1            |            |
|                    | Conrad                   | 25               | 1                   |                 |             |               |                   |                | 1               |              |              |            |
|                    | Dillon                   |                  |                     |                 |             |               |                   |                | 3               | 1            | 2            |            |
|                    | Helena                   |                  |                     |                 |             |               |                   |                | 3               |              |              |            |
|                    | <b>Area Office Total</b> | <b>25</b>        | <b>1</b>            | <b>0</b>        | <b>0</b>    | <b>0</b>      | <b>0</b>          | <b>0</b>       | <b>10</b>       | <b>1</b>     | <b>3</b>     | <b>40</b>  |
| ELO                |                          | 72               | 1                   | 1               | 0           | 0             | 0                 | 0              | 2               | 0            | 0            |            |
|                    | <b>Area Office Total</b> | <b>72</b>        | <b>1</b>            | <b>1</b>        | <b>0</b>    | <b>0</b>      | <b>0</b>          | <b>0</b>       | <b>2</b>        | <b>0</b>     | <b>0</b>     | <b>76</b>  |
| NELO               | Glasgow                  | 5                | 1                   |                 |             |               |                   |                | 1               | 1            |              |            |
|                    | Havre                    |                  |                     |                 |             |               |                   | 1              |                 | 1            | 3            |            |
|                    | Lewiston                 | 6                |                     |                 |             |               |                   |                |                 |              | 1            |            |
|                    | <b>Area Office Total</b> | <b>11</b>        | <b>1</b>            | <b>0</b>        | <b>0</b>    | <b>0</b>      | <b>0</b>          | <b>1</b>       | <b>1</b>        | <b>2</b>     | <b>4</b>     | <b>20</b>  |
| NWLO               | Kalispell                |                  |                     |                 |             |               |                   |                | 1               |              |              |            |
|                    | Libby                    |                  |                     |                 |             |               |                   |                | 1               |              |              |            |
|                    | Plains                   |                  |                     |                 |             |               |                   |                | 3               | 5            |              |            |
|                    | Stillwater               |                  |                     |                 |             |               |                   |                |                 | 1            |              |            |
|                    | Swan River               |                  |                     |                 |             |               |                   |                |                 |              |              |            |
|                    | <b>Area Office Total</b> | <b>0</b>         | <b>0</b>            | <b>0</b>        | <b>0</b>    | <b>0</b>      | <b>0</b>          | <b>0</b>       | <b>5</b>        | <b>6</b>     | <b>0</b>     | <b>11</b>  |
| SLO                |                          | 24               |                     |                 |             |               |                   | 1              |                 |              |              |            |
|                    | <b>Area Office Total</b> | <b>24</b>        | <b>0</b>            | <b>0</b>        | <b>0</b>    | <b>0</b>      | <b>0</b>          | <b>1</b>       | <b>0</b>        | <b>0</b>     | <b>0</b>     | <b>25</b>  |
| SWLO               | Anaconda                 |                  |                     |                 |             |               |                   |                |                 |              |              |            |
|                    | Clearwater               |                  |                     |                 |             |               |                   |                |                 | 1            |              |            |
|                    | Hamilton                 |                  |                     |                 |             |               |                   |                |                 |              |              |            |
|                    | Missoula                 |                  |                     |                 |             |               |                   |                | 1               |              | 1            |            |
|                    | <b>Area Office Total</b> | <b>0</b>         | <b>0</b>            | <b>0</b>        | <b>0</b>    | <b>0</b>      | <b>0</b>          | <b>0</b>       | <b>1</b>        | <b>1</b>     | <b>1</b>     | <b>3</b>   |
| <b>GRAND TOTAL</b> |                          | <b>132</b>       | <b>3</b>            | <b>1</b>        | <b>0</b>    | <b>0</b>      | <b>0</b>          | <b>2</b>       | <b>19</b>       | <b>10</b>    | <b>8</b>     | <b>175</b> |

**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 for 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 19.

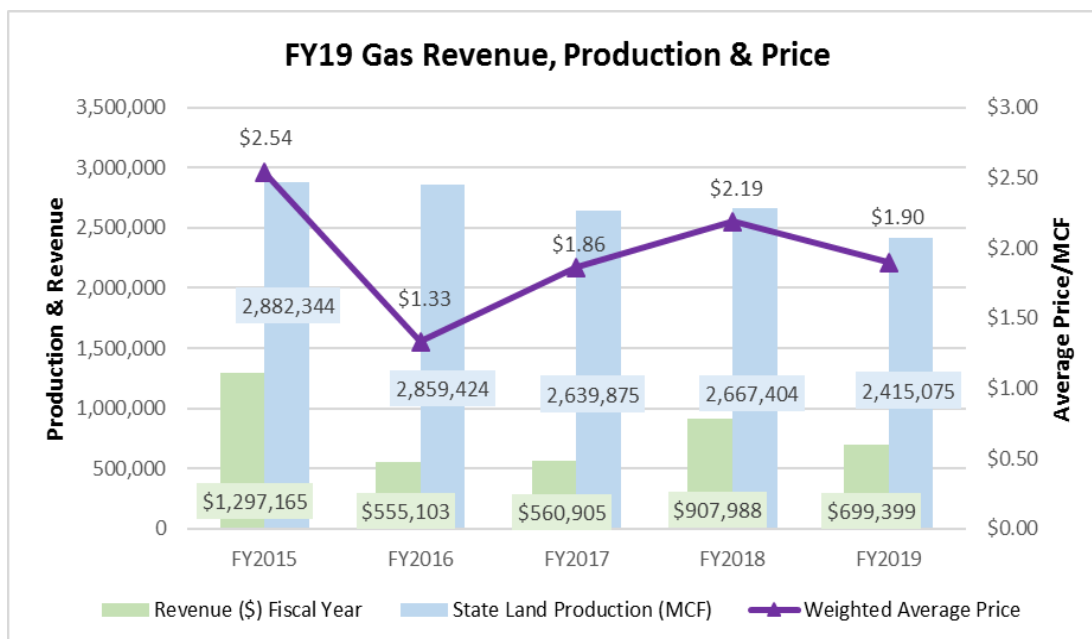
## OIL AND GAS REVENUE AND PRODUCTION

**Oil:** In FY19, oil production remained fairly constant. With the increase in price, oil revenues increased by 11% to \$9.6 million as compared to \$8.6 million in FY18. There were 305 expired or



terminated leases. In FY19 the average price for a barrel of oil produced from State land leases was \$54.58 as compared to \$53.77 in FY18, an increase of 1.5%. Oil royalties alone accounted for 39.3% of all revenue received in FY19.

**Gas:** In FY19, the average price for gas produced on State lands decreased to \$1.90 from \$2.19 per thousand cubic feet (mcf), representing a 13.2% decrease from FY18. Gas production decreased by nearly 250,000 mcf to a total of 2,415,075 thousand cubic feet in FY19. Due to



both a decrease in price and production, royalty revenue decreased by 23% to \$699,399. Gas revenues accounted for 2.8% of all revenue received in FY19.

| County             | Oil (BBL)              |                  | Gas (MCF)            |                  | Condensate (GAL)     |                  | Total Royalties        |
|--------------------|------------------------|------------------|----------------------|------------------|----------------------|------------------|------------------------|
|                    | Royalties*             | Production       | Royalties*           | Production       | Royalties*           | Production       |                        |
| Big Horn           |                        |                  | \$ 3,218.29          | 158              |                      |                  | \$3,218.29             |
| Blaine             | \$ 111,469.28          | 20,309           | \$ 18,707.46         | 134,240          |                      |                  | \$130,176.74           |
| Carbon             | \$ 5,053.63            | 472              |                      |                  |                      |                  | \$5,053.63             |
| Chouteau           |                        |                  | \$ 6,216.35          | 69,608           |                      |                  | \$6,216.35             |
| Dawson             | \$ 413,980.14          | 52,653           |                      |                  |                      |                  | \$413,980.14           |
| Fallon             | \$ 1,478,180.84        | 180,455          | \$ 54,283.80         | 319,503          |                      |                  | \$1,532,464.64         |
| Garfield           | \$ 21,076.42           | 2,605            |                      |                  |                      |                  | \$21,076.42            |
| Glacier            | \$ 24,889.37           | 4,426            | \$ 4,356.26          | 25,820           | \$ 834.18            | 8,757            | \$30,079.81            |
| Golden Valley      |                        |                  | \$ -                 |                  |                      |                  | \$0.00                 |
| Hill               |                        |                  | \$ 42,898.51         | 269,262          |                      |                  | \$42,898.51            |
| Liberty            | \$ 114,664.54          | 18,488           | \$ 8,210.38          | 72,433           |                      |                  | \$122,874.92           |
| McLean, ND         | \$ 26,395.18           | 2,576            | \$ 317.10            | 517              | \$ 442.26            | 3,592            | \$27,154.54            |
| Mountrail, ND      | \$ 47,877.34           | 6,476            | \$ 2,681.23          | 4,799            | \$ 58.64             | 958              | \$50,617.21            |
| Musselshell        | \$ 8,359.10            | 1,432            |                      |                  |                      |                  | \$8,359.10             |
| Petroleum          | \$ 2,253.68            | 610              |                      |                  |                      |                  | \$2,253.68             |
| Phillips           |                        |                  | \$ 93,414.72         | 469,804          |                      |                  | \$93,414.72            |
| Pondera            | \$ 102,704.43          | 13,687           | \$ 304.84            | 4,404            |                      |                  | \$103,009.27           |
| Powder River       | \$ 248,437.83          | 33,316           | \$ 720.00            |                  |                      |                  | \$249,157.83           |
| Richland           | \$ 3,965,075.54        | 520,991          | \$ 242,976.33        | 531,795          | \$ 95,431.78         | 1,322,412        | \$4,303,483.65         |
| Roosevelt          | \$ 2,435,437.65        | 245,426          | \$ 181,146.86        | 239,425          | \$ 7,808.25          | 91,421           | \$2,624,392.76         |
| Rosebud            | \$ 63,939.88           | 10,042           |                      |                  |                      |                  | \$63,939.88            |
| Sheridan           | \$ 237,230.77          | 31,101           | \$ 260.93            | 579              |                      |                  | \$237,491.70           |
| Stillwater         |                        |                  | \$ 829.44            | 2,291            |                      |                  | \$829.44               |
| Sweet Grass        |                        |                  | \$ 6.09              |                  |                      |                  | \$6.09                 |
| Teton              | \$ 6,668.87            | 837              |                      |                  |                      |                  | \$6,668.87             |
| Toole              | \$ 185,921.72          | 28,882           | \$ 29,608.04         | 219,163          | \$ 14.23             | 118              | \$215,543.99           |
| Valley             |                        |                  | \$ 6,705.92          | 39,494           |                      |                  | \$6,705.92             |
| Wibaux             | \$ 104,705.37          | 13,036           | \$ 2,536.30          | 11,781           |                      |                  | \$107,241.67           |
| <b>Grand Total</b> | <b>\$ 9,604,321.58</b> | <b>1,187,820</b> | <b>\$ 699,398.85</b> | <b>2,415,075</b> | <b>\$ 104,589.34</b> | <b>1,427,257</b> | <b>\$10,408,309.77</b> |

\* Totals include interest and shut-in royalty payments

\*\* Royalty figures for all counties within an area or unit office may not equal the sum of royalties in the field office revenues because leases that are split out by grant or county are assigned to only one field office

Top Revenue Producing Counties - Oil

#1 Richland \$3.97 million  
#2 Roosevelt \$2.43 million  
#3 Fallon \$1.48 million

Top Revenue Producing Counties - Gas

#1 Richland \$243 thousand  
#2 Roosevelt \$181 thousand  
#3 Phillips \$93 thousand



| Pay Type           | <i>CLO</i>          | <i>ELO</i>            | <i>NELO</i>           |                     | <i>SLO</i>         | Pay Type Totals        |
|--------------------|---------------------|-----------------------|-----------------------|---------------------|--------------------|------------------------|
|                    | Conrad              | Miles City            | Glasgow               | Lewistown           | Billings           |                        |
| Oil Royalty        | \$434,848.93        | \$6,457,427.67        | \$2,498,173.25        | \$113,722.96        | \$12,460.89        | \$9,516,633.70         |
| Oil Interest       |                     | \$4.64                | \$4,179.31            |                     |                    | \$4,183.95             |
| Oil Royalty Audit  |                     | \$7.09                | \$9,224.32            |                     |                    | \$9,231.41             |
| Gas Royalty        | \$40,479.52         | \$274,035.31          | \$275,219.54          | \$27,162.40         | \$893.82           | \$617,790.59           |
| Gas Interest       |                     | \$8,996.08            | \$1,702.40            |                     |                    | \$10,698.48            |
| Gas Royalty Audit  |                     | \$16,459.00           | \$3,872.53            | \$31,739.92         |                    | \$52,071.45            |
| Shut in Gas        | \$2,000.00          | \$720.00              | \$1,040.00            | \$8,920.00          | \$3,160.00         | \$15,840.00            |
| Condensate Royalty | \$848.41            | \$95,431.78           | \$7,808.25            |                     |                    | \$104,088.44           |
| <i>AO Totals</i>   | <i>\$478,176.86</i> | <i>\$6,853,081.57</i> | <i>\$2,801,219.60</i> | <i>\$181,545.28</i> | <i>\$16,514.71</i> | <i>\$10,330,538.02</i> |

\*Excludes North Dakota Tracts

| Grant                           | <i>Bonus Income</i>    | <i>Penalty Income</i> | <i>Rental Income</i> | <i>Seismic Permits</i> | <i>Oil Royalty</i>     | <i>Gas Royalty</i>   | <i>Condensate Royalty</i> | <i>Total Revenue by Grant</i> |
|---------------------------------|------------------------|-----------------------|----------------------|------------------------|------------------------|----------------------|---------------------------|-------------------------------|
| Common Schools                  | \$ 1,136,172.99        | \$ 321,446.01         | \$ 703,567.46        | \$ 1,016.00            | \$ 8,575,664.50        | \$ 643,297.11        | \$ 92,405.83              | \$ 11,473,569.90              |
| Public Buildings                | \$ -                   | \$ 86.50              | \$ 1,842.14          |                        | \$ 150,069.05          | \$ 17,228.67         | \$ -                      | \$ 169,226.36                 |
| School for Deaf & Blind         | \$ -                   | \$ -                  | \$ -                 |                        | \$ -                   | \$ -                 | \$ -                      | \$ -                          |
| Pine Hills School               | \$ -                   | \$ -                  | \$ -                 |                        | \$ -                   | \$ -                 | \$ -                      | \$ -                          |
| State Normal School             | \$ -                   | \$ 1,500.00           | \$ 1,745.00          |                        | \$ -                   | \$ 492.30            | \$ -                      | \$ 3,737.30                   |
| University of MT                | \$ -                   | \$ -                  | \$ 960.00            |                        | \$ -                   | \$ -                 | \$ -                      | \$ 960.00                     |
| MSU Morrill                     | \$ -                   | \$ -                  | \$ 799.90            |                        | \$ -                   | \$ 5,870.11          | \$ -                      | \$ 6,670.01                   |
| School of Mines                 | \$ -                   | \$ -                  | \$ -                 |                        | \$ -                   | \$ -                 | \$ -                      | \$ -                          |
| Veterans Home                   | \$ -                   | \$ -                  | \$ -                 |                        | \$ -                   | \$ -                 | \$ -                      | \$ -                          |
| Public Land Trust               | \$ 25,510.41           | \$ 2,206.30           | \$ 8,917.64          |                        | \$ 802,784.82          | \$ 28,329.28         | \$ 11,630.89              | \$ 879,379.34                 |
| <i>Total Trust</i>              | <i>\$ 1,161,683.40</i> | <i>\$ 325,238.81</i>  | <i>\$ 717,832.14</i> | <i>\$ 1,016.00</i>     | <i>\$ 9,528,518.37</i> | <i>\$ 695,217.47</i> | <i>\$ 104,036.72</i>      | <i>\$ 12,533,542.91</i>       |
| Agricultural Experiment Station | \$ -                   | \$ -                  | \$ 2,000.00          |                        | \$ -                   | \$ 959.27            | \$ -                      | \$ 2,959.27                   |
| Dept of Transportation          | \$ -                   | \$ 5.70               | \$ 400.00            |                        | \$ 1,034.67            | \$ 209.87            | \$ 30.80                  | \$ 1,681.04                   |
| Dept of Fish, Wildlife & Parks  | \$ -                   | \$ -                  | \$ (100.00)          |                        | \$ 74,551.44           | \$ 3,005.79          | \$ 513.11                 | \$ 77,970.34                  |
| Dept of Military Affairs        | \$ -                   | \$ -                  | \$ -                 |                        | \$ 147.24              | \$ 6.45              | \$ 8.71                   | \$ 162.40                     |
| Galen State Hospital            | \$ -                   | \$ -                  | \$ 29.78             |                        | \$ 69.86               | \$ -                 | \$ -                      | \$ 99.64                      |
| Water Resources Division        | \$ -                   | \$ 651.90             | \$ 484.15            |                        | \$ -                   | \$ -                 | \$ -                      | \$ 1,136.05                   |
| <i>Total Non-Trust</i>          | <i>\$0.00</i>          | <i>\$657.60</i>       | <i>\$2,813.93</i>    | <i>\$0.00</i>          | <i>\$75,803.21</i>     | <i>\$4,181.38</i>    | <i>\$552.62</i>           | <i>\$84,008.74</i>            |
| <i>Grand Total</i>              | <i>\$1,161,683.40</i>  | <i>\$325,896.41</i>   | <i>\$720,646.07</i>  | <i>\$1,016.00</i>      | <i>\$9,604,321.58</i>  | <i>\$699,398.85</i>  | <i>\$104,589.34</i>       | <i>\$12,617,551.65</i>        |

# AGGREGATE

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

| County             | CubicYards (Sand & Gravel) |                   | Tons (Rock)        |               | Total Royalty       |
|--------------------|----------------------------|-------------------|--------------------|---------------|---------------------|
|                    | * Royalty \$               | Production        | * Royalty \$       | Production    |                     |
| Beaverhead         | \$96,433.13                | 79,340.50         |                    |               | \$ 96,433.13        |
| Blaine             | \$1,500.00                 | 0.00              |                    |               | \$ 1,500.00         |
| Carbon             |                            |                   | \$1,650.00         | 55.00         | \$ 1,650.00         |
| Cascade            | \$39,522.76                | 14,086.82         |                    |               | \$ 39,522.76        |
| Daniels            | \$200.00                   | 100.00            |                    |               | \$ 200.00           |
| Fallon             | \$29,256.00                | 15,349.00         |                    |               | \$ 29,256.00        |
| Flathead           |                            |                   | \$25.00            | 3.00          | \$ 25.00            |
| Hill               | \$3,570.00                 | 2,380.00          |                    |               | \$ 3,570.00         |
| Lake               |                            | 3,500.00          |                    |               | \$ -                |
| Lewis and Clark    | \$3,142.45                 | 2,115.96          |                    |               | \$ 3,142.45         |
| Lincoln            | \$8,237.33                 | 27,207.33         |                    |               | \$ 8,237.33         |
| Madison            | \$49,259.48                | 42,700.40         |                    |               | \$ 49,259.48        |
| Meagher            | \$1,200.00                 | 600.00            |                    |               | \$ 1,200.00         |
| Missoula           | \$4,084.50                 | 2,785.00          |                    |               | \$ 4,084.50         |
| Pondera            | \$11,966.25                | 10,999.00         |                    |               | \$ 11,966.25        |
| Powell             | \$150.00                   | 100.00            |                    |               | \$ 150.00           |
| Richland           | \$19,917.00                | 6,639.00          |                    |               | \$ 19,917.00        |
| Rosebud            | \$81,622.31                | 37,393.54         |                    |               | \$ 81,622.31        |
| Sanders            | \$1,900.00                 | 945.00            | \$18,332.00        | 724.26        | \$ 20,232.00        |
| Teton              | \$10,996.50                | 7,130.16          |                    |               | \$ 10,996.50        |
| <b>Grand Total</b> | <b>\$362,957.71</b>        | <b>253,371.71</b> | <b>\$20,007.00</b> | <b>782.26</b> | <b>\$382,964.71</b> |

\* Totals may include advance royalty payments

### Royalty and Rental by Area Office

| Unit Office/Area Office        | Royalty Income      | Rental Income   |
|--------------------------------|---------------------|-----------------|
| Bozeman                        | \$49,259.48         |                 |
| Conrad                         | \$22,962.75         |                 |
| Dillon                         | \$96,433.13         |                 |
| Helena                         | \$41,987.76         |                 |
| <b>CLO Area Office Totals</b>  | <b>\$210,643.12</b> |                 |
| Miles City                     | \$130,795.31        |                 |
| <b>ELO Area Office Totals</b>  | <b>\$130,795.31</b> |                 |
| Glasgow                        | \$200.00            |                 |
| Havre                          | \$5,070.00          |                 |
| <b>NELO Area Office Totals</b> | <b>\$5,270.00</b>   |                 |
| Libby                          | \$8,237.33          | \$300.00        |
| Plains                         | \$20,232.00         | \$300.00        |
| Stillwater                     | \$25.00             |                 |
| Swan River                     |                     |                 |
| <b>NWLO Area Office Totals</b> | <b>\$28,494.33</b>  | <b>\$600.00</b> |
| Billings                       | \$1,650.00          |                 |
| <b>SLO Area Office Totals</b>  | <b>\$1,650.00</b>   |                 |
| Clearwater                     | \$6,111.95          |                 |
| <b>SWLO Area Office Totals</b> | <b>\$6,111.95</b>   |                 |
| <b>Grand Total</b>             | <b>\$382,964.71</b> | <b>\$600.00</b> |

### Royalty and Rental by Grant

| Grant                    | Royalty Income      | Rental Income   |
|--------------------------|---------------------|-----------------|
| Common Schools           | \$352,454.96        | \$ 600.00       |
| Montana State University | \$4,101.25          |                 |
| Pine Hills School        | \$3,802.50          |                 |
| Public Buildings         | \$19,992.75         |                 |
| School for Deaf & Blind  | \$2,605.00          |                 |
| State Normal School      | \$8.25              |                 |
| <b>Grand Total</b>       | <b>\$382,964.71</b> | <b>\$600.00</b> |

## **COAL LEASES**

**Production:** Coal production on State trust lands increased by 31.6% in FY19 to 6,042,086 tons mined compared to 4,591,232 tons mined in FY18. All coal reported was produced from six State leases in Big Horn, Musselshell and Rosebud Counties. The volume of coal mined can change significantly from year to year, as mining activity moves on to or off of state land within the normal sequence of operations. Coal production figures represent the twelve production months during the fiscal year, regardless of the date it was received.

### *Royalty and Production by County - Coal*

| County       | Royalties (\$)         | Production (ton) |
|--------------|------------------------|------------------|
| Big Horn     | \$9,296,594.02         | 5,075,224        |
| Musselshell  | \$520,545.78           | 144,055          |
| Rosebud      | \$1,553,011.95         | 822,808          |
| <b>Total</b> | <b>\$11,370,151.75</b> | <b>6,042,086</b> |

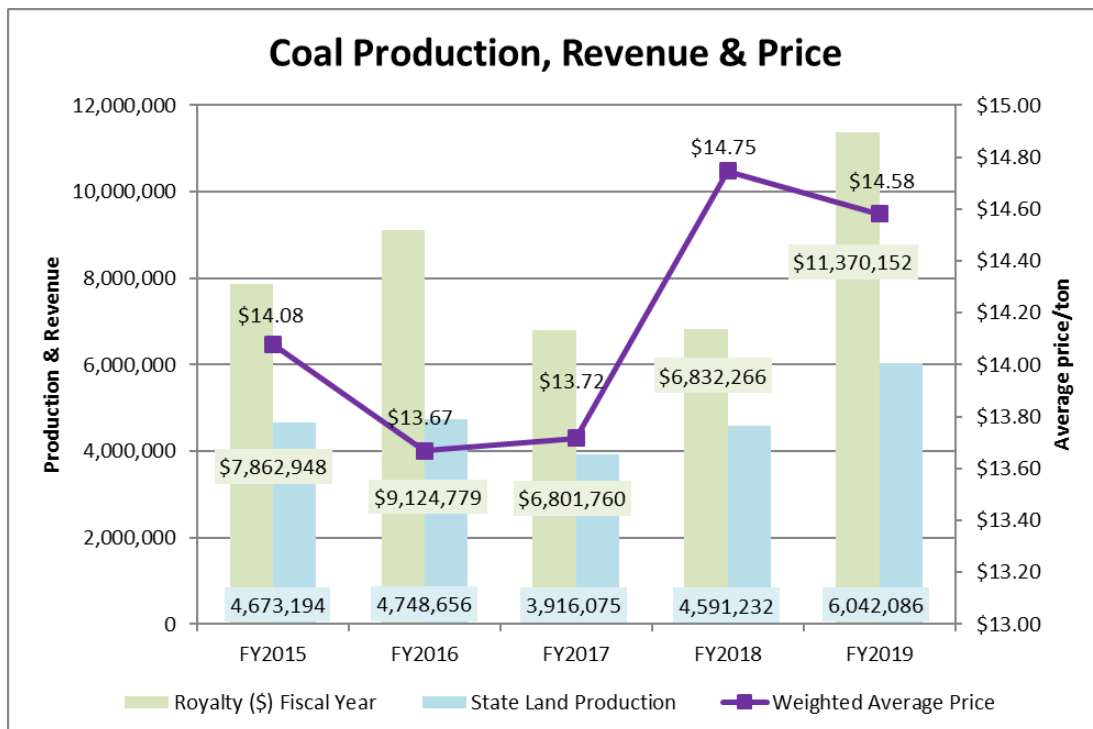
### *Royalty and Rental by Area Office - Coal*

| Area Office  | Royalty Income         | Rental Income      | Total                  |
|--------------|------------------------|--------------------|------------------------|
| ELO          | \$1,553,011.95         | \$29,570.82        | \$1,582,582.77         |
| SLO          | \$9,817,139.80         | \$8,746.23         | \$9,825,886.03         |
| <b>Total</b> | <b>\$11,370,151.75</b> | <b>\$38,317.05</b> | <b>\$11,408,468.80</b> |

### *Royalty and Rental Income by Grant - Coal*

| Grant          | Royalty Income         | Rental Income      | Total                  |
|----------------|------------------------|--------------------|------------------------|
| Common Schools | \$11,370,151.75        | \$38,317.05        | \$11,408,468.80        |
| <b>Total</b>   | <b>\$11,370,151.75</b> | <b>\$38,317.05</b> | <b>\$11,408,468.80</b> |

**Revenues:** In FY19, coal royalty revenues totaled \$11,370,152. Royalty revenue increased by 66.42% over FY18. Average coal prices for State land production decreased to \$14.58 per ton from \$14.75 per ton in FY18. Revenues reported are those received and processed only during the fiscal year. All coal revenues received in FY19 on State trust land leases benefit the common schools grant.



## **LAND USE LICENSES**

### **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 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           |                   | -\$16,140.00      | -\$16,140.00      |
| Dawson             | \$5,222.35        |                   | \$5,222.35        |
| Jefferson          |                   | \$200.00          | \$200.00          |
| Musselshell        |                   | \$150.00          | \$150.00          |
| Richland           |                   | \$1,000.00        | \$1,000.00        |
| Roosevelt          |                   | \$16,000.00       | \$16,000.00       |
| <b>Grand Total</b> | <b>\$5,222.35</b> | <b>\$1,210.00</b> | <b>\$6,432.35</b> |

*Note: There is no production associated with Salt Water Disposal*

*Note: The negative rental income was due to a retroactive decrease of rentals on two leases*

### ***Royalty and Rental Income by Area Office - LUL***

| Area Office - Unit Office | Royalty Income    | Rental Income     | Total             |
|---------------------------|-------------------|-------------------|-------------------|
| CLO Helena                |                   | \$200.00          | \$200.00          |
| ELO Miles City            | \$5,222.35        | \$1,150.00        | \$6,372.35        |
| NELO Glasgow              |                   | \$16,000.00       | \$16,000.00       |
| SLO Billings              |                   | -\$16,140.00      | -\$16,140.00      |
| <b>Grand Total</b>        | <b>\$5,222.35</b> | <b>\$1,210.00</b> | <b>\$6,432.35</b> |

### ***Royalty and Rental Income by Grant - LUL***

| Grant                     | Royalty Income    | Rental Income     | Total             |
|---------------------------|-------------------|-------------------|-------------------|
| Common Schools            | \$5,222.35        | -\$13,790.00      | -\$8,567.65       |
| Public Buildings          |                   | \$15,000.00       | \$15,000.00       |
| <b>Total Trust Income</b> | <b>\$5,222.35</b> | <b>\$1,210.00</b> | <b>\$6,432.35</b> |

## **METALLIFEROUS MINERAL LEASES**

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

### *Royalty and Rental Income by County - Metalliferous Minerals*

| County             | Royalty Income | *Rental Income | Total           |
|--------------------|----------------|----------------|-----------------|
| Fergus (Gold)      |                | \$277.08       | \$277.08        |
| <b>Grand Total</b> |                |                | <b>\$277.08</b> |

### *Royalty and Rental Income by Area Office - Metalliferous Minerals*

| Area Office - Unit Office | Royalty Income | *Rental Income | Total           |
|---------------------------|----------------|----------------|-----------------|
| NELO          Lewistown   |                | \$277.08       | \$277.08        |
| <b>Grand Total</b>        |                |                | <b>\$277.08</b> |

### *Royalty and Rental Income by Grant - Metalliferous Minerals*

| Grant                     | Royalty Income | *Rental Income | Total           |
|---------------------------|----------------|----------------|-----------------|
| Common Schools            |                | \$277.08       | \$277.08        |
| <b>Total Trust Income</b> |                |                | <b>\$277.08</b> |

\* Rental figures include in lieu of exploration payments

## **NON-METALLIFEROUS MINERAL LEASES**

**Non-metalliferous Leases** cover a variety of commercially marketed non-metallic minerals such as gypsum, limestone, bentonite, and peat moss.

### *Royalty and Rental Income by County - Non-Metalliferous Minerals*

| County             | Royalty Income     | *Rental Income     | Total              |
|--------------------|--------------------|--------------------|--------------------|
| Beaverhead         | \$21.25            | \$360.00           | \$381.25           |
| Carter             |                    | \$5,126.00         | \$5,126.00         |
| Jefferson          |                    | \$5,070.00         | \$5,070.00         |
| Judith Basin       | \$34,859.93        |                    | \$34,859.93        |
| <b>Grand Total</b> | <b>\$34,881.18</b> | <b>\$10,556.00</b> | <b>\$45,437.18</b> |

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

| Area Office - Unit Office | Royalty Income     | *Rental Income     | Total              |
|---------------------------|--------------------|--------------------|--------------------|
| CLO          Dillon       | \$21.25            | \$360.00           | \$381.25           |
| Helena                    |                    | \$5,070.00         | \$5,070.00         |
| ELO          Miles City   |                    | \$5,126.00         | \$5,126.00         |
| NELO        Lewistown     | \$34,859.93        |                    | \$34,859.93        |
| <b>Grand Total</b>        | <b>\$34,881.18</b> | <b>\$10,556.00</b> | <b>\$45,437.18</b> |

### *Royalty and Rental Income by Grant - Non-Metalliferous Minerals*

| Grant                     | Royalty Income     | *Rental Income     | Total              |
|---------------------------|--------------------|--------------------|--------------------|
| Common Schools            | \$34,859.93        | \$10,196.00        | \$45,055.93        |
| Public Buildings          | \$21.25            | \$360.00           | \$381.25           |
| <b>Total Trust Income</b> | <b>\$34,881.18</b> | <b>\$10,556.00</b> | <b>\$45,437.18</b> |

\* Rental figures include in lieu of exploration payments