

**State of Montana  
Oil & Gas Lease Sale - December 2, 2014  
Lease Sale Results**

The following described lands were offered for oil and gas leasing through oral competitive bidding in the Department of Transportation auditorium, 2701 Prospect Avenue, Helena, Montana, beginning at 9:00 am, December 2, 2014.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
<b>Jefferson</b>									
1	1, 2, 3, 4, 5, 6, 7	2.N	1.W	1	Lots 1, 2, 3, 4, S2N2, S2	* 636.36	\$1.50	\$954.54	PRICE OIL LLC
2	1, 2, 3, 4, 5, 6, 7	3.N	1.W	35	All	* 640.00	\$1.50	\$960.00	PRICE OIL LLC
3	1, 2, 3, 4, 5, 6, 7	3.N	1.W	36	All	* 640.00	\$1.50	\$960.00	PRICE OIL LLC
<b>Roosevelt</b>									
4	1, 2, 3, 4, 5, 6, 9	29.N	55.E	28	W2NE4	80.00	\$70.00	\$5,600.00	NISKU ROYALTY, LP
5	1, 2, 3, 4, 5, 6, 8, 9	30.N	58.E	36	All	640.00	\$330.00	\$211,200.00	HERCO, LLC
<b>Wheatland</b>									
6	1, 2, 3, 4, 5, 6, 7	6.N	15.E	2	Lots 1 thru 10, 13 thru 20, S2	1016.08	\$1.50	\$1,524.12	HERCO, LLC
7	1, 2, 3, 4, 5, 6	6.N	15.E	16	All	640.00	\$1.50	\$960.00	HERCO, LLC

\* Part or all of tract is not state-owned surface

### Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	4,292.44	7

### Oil and Gas Lease Sale Summary

<b>Total Tracts</b>	7
<b>Total Acres</b>	4,292.44
<b>Total Bid Revenue</b>	\$222,158.66
<b>Average Bid Per Acre</b>	\$51.76

**State of Montana**  
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**Stipulations**

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- 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.
- 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 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 9 If whooping cranes are observed on-site, construction and/or maintenance activities shall be suspended until birds leave the area.

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Applicant List**

<b>Tract</b>	<b>Twp</b>	<b>Rng</b>	<b>Sec</b>	<b>Description</b>	<b>Acres</b>	<b>Applicant</b>
<b>Jefferson</b>						
1	2.N	1.W	1	Lots 1, 2, 3, 4, S2N2, S2	636.36	PRICE OIL LLC
2	3.N	1.W	35	All	640.00	PRICE OIL LLC
3	3.N	1.W	36	All	640.00	PRICE OIL LLC
<b>Roosevelt</b>						
4	29.N	55.E	28	W2NE4	80.00	DNRC/LAND BOARD
5	30.N	58.E	36	All	640.00	DIAMOND RESOURCES CO.
<b>Wheatland</b>						
6	6.N	15.E	2	Lots 1 thru 10, 13 thru 20, S2	1016.0	HERCO, LLC
7	6.N	15.E	16	All	640.00	HERCO, LLC

# O&G Leasing Calendar - 2015

	<u>March</u>	<u>June</u>	<u>September</u>	<u>December</u>
	<b>Dec 16</b>	<b>Mar 17</b>	<b>Jun 16</b>	<b>Sep 15</b>
<b>Nomination Deadline (5:00pm)</b>				
Preliminary Tract List Mailed & Posted on Web	Dec 18	Mar 19	Jun 18	Sep 17
Comments Requested by	Jan 23	Apr 24	Jul 24	Oct 23
Final Tract List Mailed & Posted on Web	Feb 9	May 11	Aug 10	Nov 9
<b>Lease Sale</b>	<b>Mar 3</b>	<b>Jun 2</b>	<b>Sep 1</b>	<b>Dec 1</b>
Sale Results Posted on Web	Mar 5	Jun 4	Sep 3	Dec 3
Land Board Consideration	Mar 16	Jun 15	Sep 14	Dec 14

Sales begin promptly at 9:00a.m. in the Department of Transportation Auditorium, 2701 Prospect Avenue, Helena, Montana.

A description of tracts and maps are available on the DNRC website: <http://dnrc.mt.gov/trust/mmb/og>

**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 September 2014.

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
<b>Blaine</b>					
	33 N	20 E	36	Highway tract in NE4SE4	10.40
<b>Carbon</b>					
	5 S	24 E	36	Lot 1, N2, N2SE4, SW4SE4, SW4	635.92
	7 S	21 E	16	All	640.00
	7 S	21 E	17	NE4NW4, S2NW4, NE4, S2	600.00
	8 S	23 E	36	All	640.00
<b>Carter</b>					
	7 S	59 E	16	All	640.00
	7 S	59 E	36	All	640.00
<b>Chouteau</b>					
	19 N	10 E	1	Lots 2, 3, 4, SW4NW4, S2S2, NW4SW4	359.62
	19 N	10 E	2	Lots 1, 2, 3, 4, S2N2, N2SE4, NE4SW4	439.20
	19 N	10 E	11	N2SE4, SE4SE4	120.00
	24 N	7 E	9	W2NE4	80.00
	25 N	3 E	16	All	640.00
	25 N	3 E	22	S2NW4, S2SE4, SW4, Teton Riverbed and related acreage	326.00
	27 N	4 E	16	All	640.00
	27 N	4 E	18	Lots 1, 2, 3, 4, E2W2, E2	563.04
	27 N	6 E	6	Lots 1 thru 7, SE4NW4, S2NE4, SE4, E2SW4	635.57
	27 N	6 E	16	All	640.00
<b>Custer</b>					
	1 N	45 E	36	All	640.00
	1 N	47 E	16	All	640.00
	1 N	47 E	36	All	640.00
	2 N	45 E	16	Lots 1, 2, 3, 4, 5, 7, NW4NW4, N2NE4, NE4SE4, S2S2, Tongue Riverbed and related acreage	492.18
	2 N	45 E	36	All	640.00
	2 N	46 E	16	All	640.00
	2 N	46 E	36	All	640.00
	2 N	47 E	36	All	640.00
	3 N	45 E	30	Lots 3, 4, E2SW4, SE4	319.60
	3 N	46 E	36	All	640.00
	3 N	47 E	16	All	640.00
	4 N	47 E	36	All	640.00
	5 N	45 E	24	N2, NE4SW4, N2SE4, SE4SE4	480.00
	5 N	45 E	25	All (50% mineral interest)	320.00
	5 N	45 E	36	All	640.00

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
<b>Custer (cont.)</b>					
	5 N	46 E	36	All	640.00
	5 N	47 E	12	E2	320.00
	5 N	47 E	16	All	640.00
<b>Daniels</b>					
	34 N	46 E	4	Lots 1, 2, 3, 4, S2N2, S2	640.48
	34 N	46 E	5	Lots 1, 2, 3, 4, S2N2, S2	639.92
	34 N	46 E	11	NW4, S2	480.00
	34 N	46 E	18	Lots 3, 4, N2NE4, SE4, E2SW4	395.34
	34 N	46 E	22	N2	320.00
	34 N	46 E	24	NE4, S2	480.00
	34 N	46 E	26	E2, E2W2	480.00
	34 N	46 E	36	All	640.00
	34 N	47 E	6	Lots 1 thru 7, SE4NW4, S2NE4, E2SE4	487.96
	34 N	47 E	15	NW4, SE4NE4, SE4, S2SW4	440.00
	34 N	47 E	16	All	640.00
	34 N	47 E	25	W2	320.00
	34 N	47 E	29	N2, SE4	480.00
	34 N	47 E	34	E2, S2SW4	400.00
	34 N	47 E	35	S2	320.00
	35 N	46 E	16	All	640.00
	35 N	46 E	17	S2	320.00
	35 N	46 E	31	Lots 1, 2, 3, 4, E2W2	310.76
	35 N	46 E	32	E2	320.00
	35 N	47 E	22	NE4, S2	480.00
	35 N	47 E	25	N2, SE4	480.00
	35 N	47 E	26	NE4, N2SE4	240.00
	35 N	47 E	27	SE4	160.00
	35 N	47 E	31	SE4	160.00
	35 N	47 E	34	All	640.00
<b>Dawson</b>					
	17 N	56 E	6	Lots 6, 7, E2SW4, Yellowstone Riverbed and related acreage	175.32
	17 N	57 E	36	All	640.00
	18 N	57 E	16	Lots 1, 2, 3, 4, 5, NW4, N2NE4, SW4NE4, Yellowstone Riverbed and related acreage	640.00
<b>Garfield</b>					
	13 N	35 E	16	All	640.00
	15 N	41 E	14	W2	320.00
	15 N	41 E	16	All	640.00
	15 N	41 E	36	All	640.00
	15 N	42 E	16	All	640.00
	15 N	42 E	36	All	640.00
	16 N	40 E	16	All	640.00
	16 N	40 E	22	W2	320.00
	16 N	40 E	34	S2NW4, NW4SE4, S2SE4, N2SW4, SE4SW4	320.00
	16 N	41 E	16	All	640.00

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
<b>Garfield (cont.)</b>					
	16 N	41 E	34	S2	320.00
	16 N	41 E	36	All	640.00
	16 N	42 E	16	All	640.00
	16 N	42 E	26	W2	320.00
	16 N	42 E	36	All	640.00
	16 N	43 E	16	All	640.00
	16 N	43 E	20	E2	320.00
	17 N	43 E	36	All	640.00
	18 N	43 E	16	All	640.00
<b>Hill</b>					
	34 N	12 E	27	S2S2, NE4SE4	200.00
	35 N	16 E	13	S2	320.00
<b>Lewis and Clark</b>					
	19 N	5 W	36	All	640.00
<b>Liberty</b>					
	37 N	6 E	2	S2	320.00
<b>McCone</b>					
	27 N	50 E	14	Any and all State interest under the Missouri Riverbed and related acreage	115.00
	27 N	50 E	15	Any and all State interest under the Missouri Riverbed and related acreage	106.50
	27 N	50 E	16	Any and all State interest under the Missouri Riverbed and related acreage	62.00
	27 N	50 E	17	Any and all State interest under the Missouri Riverbed and related acreage	6.00
	27 N	50 E	18	Any and all State interest under the Missouri Riverbed and related acreage	4.00
	27 N	50 E	19	Any and all State interest under the Missouri Riverbed and related acreage	58.00
	27 N	50 E	20	Any and all State interest under the Missouri Riverbed and related acreage	92.00
	27 N	50 E	21	Any and all State interest under the Missouri Riverbed and related acreage	26.50
	27 N	50 E	23	Any and all State interest under the Missouri Riverbed and related acreage	73.00
	27 N	50 E	25	Any and all State interest under the Missouri Riverbed and related acreage	79.50
	27 N	50 E	26	Any and all State interest under the Missouri Riverbed and related acreage	60.00
<b>Musselshell</b>					
	11 N	24 E	36	All	640.00

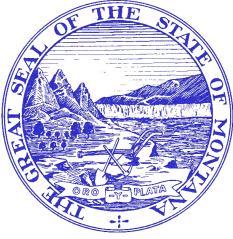
COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
<b>Petroleum</b>					
	12 N	25 E	16	All	640.00
	12 N	25 E	22	SW4SE4, SE4SW4	80.00
	12 N	25 E	26	NW4, S2NE4, S2	560.00
<b>Powder River</b>					
	1 S	45 E	12	S2NW4, SW4NE4, N2SE4, SW4SE4, NW4SW4, SE4SW4	320.00
	1 S	45 E	14	N2N2	160.00
	1 S	46 E	7	Lots 1, 2, 3, 4, E2W2, E2	620.72
	1 S	46 E	18	Lots 1, 2, SE4NW4, NE4SW4	150.00
	1 S	48 E	16	All	640.00
	2 S	48 E	16	All	640.00
	3 S	47 E	36	All	640.00
	9 S	47 E	25	Lots 1, 2, 3, 5, 6, 7, 8, NE4, N2SE4, SE4SE4, SW4SW4, and associated Powder River acreage	563.40
<b>Prairie</b>					
	16 N	50 E	16	All	640.00
	16 N	50 E	26	All	640.00
	16 N	50 E	36	All	640.00
<b>Richland</b>					
	27 N	54 E	16	N2, SE4	480.00
<b>Rosebud</b>					
	1 N	44 E	16	All	640.00
	2 N	41 E	16	All	640.00
	2 N	41 E	36	All	640.00
	2 N	42 E	16	All	640.00
	2 N	43 E	6	Lots 1, 4	94.41
	3 N	41 E	16	All	640.00
	3 N	41 E	36	All	640.00
	3 N	42 E	36	All	640.00
	3 N	43 E	36	All	640.00
	4 N	41 E	16	All	640.00
	4 N	42 E	16	All	640.00
	5 N	39 E	36	E2	320.00
	5 N	41 E	36	All	640.00
	10 N	37 E	16	All	640.00
	11 N	33 E	6	Lots 1, 2, S2NE4, SE4	320.00
	11 N	37 E	16	All	640.00
	12 N	32 E	28	S2	320.00
	12 N	37 E	16	All	640.00
	12 N	37 E	36	All	640.00
	12 N	38 E	16	All	640.00
	13 N	37 E	34	N2	320.00
	13 N	37 E	36	All	640.00
	13 N	38 E	36	All	640.00



COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
<b>Sheridan</b>					
	32 N	59 E	16	Lots 1, 2, 3, 4, W2, below the base of the Charles formation	485.88
	35 N	52 E	11	N2, N2SE4, SE4SE4, NE4SW4	480.00
	35 N	54 E	14	SW4SE4	40.00
	35 N	54 E	16	All	640.00
	35 N	54 E	23	NW4, W2NE4	240.00
	36 N	52 E	16	N2, N2SE4, SW4SE4, SW4	600.00
	36 N	52 E	29	SE4SW4	40.00
<b>Teton</b>					
	22 N	8 W	16	All	640.00
	22 N	8 W	17	S2NW4, N2NE4, SW4NE4	200.00
	22 N	8 W	21	W2E2	160.00
	23 N	8 W	5	Lot 1, SE4NE4	74.60
	24 N	4 W	16	All	640.00
	24 N	4 W	34	S2NE4, N2SE4, NE4SW4, S2SW4, Teton Riverbed and related acreage	288.00
	24 N	4 W	36	All	640.00
<b>Toole</b>					
	34 N	3 E	30	Lots 3, 4, SE4, E2SW4	313.21
<b>Valley</b>					
	32 N	39 E	33	All	640.00
	37 N	36 E	16	All	640.00
<b>Wibaux</b>					
	17 N	58 E	16	All	640.00
	17 N	58 E	36	All	640.00
	17 N	59 E	36	All	640.00
	18 N	57 E	1	Lots 1 thru 9, S2NE4, SE4SW4, SE4, Yellowstone Riverbed and related acreage	664.00
<b>Yellowstone</b>					
	1 N	23 E	16	All	640.00
	1 N	23 E	36	All	640.00
	1 N	25 E	10	All	640.00
	1 S	24 E	4	Lots 1, 2, 3, 4, S2N2, S2	637.60

DEPARTMENT OF NATURAL RESOURCES  
AND CONSERVATION

Trust Land Management Division



STEVE BULLOCK, GOVERNOR

1625 ELEVENTH AVENUE

DIRECTOR'S OFFICE (406) 444-2074  
TELEFAX NUMBER (406) 444-2684

PO BOX 201601  
HELENA, MONTANA 59620-1601

TO ALL INTERESTED PARTIES:

RE: March 3, 2015 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the date of the March 2015 Oil and Gas Lease Sale has been set for **TUESDAY, MARCH 3, 2015**, at 9:00 A.M. in the auditorium of the Department of Transportation building at 2701 Prospect Avenue, Helena, Montana, east of the interstate highway. Please call the Department of Natural Resources and Conservation for detailed directions, if necessary.

The deadline filing date for submitting applications on tracts to be nominated for the sale in March is 5:00pm on December 16, 2014. Applications must be received in this office by that date. If you have any questions, please contact me at [jmason2@mt.gov](mailto:jmason2@mt.gov) or (406) 444-4576.

Julie Mason, Supervisor  
Mineral Leasing Section  
Minerals Management Bureau