

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, 9:00 am, June 5, 2007

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
<b>Blaine</b>									
1	1, 2, 3, 4, 5, 6	28.N	22.E	6	Lots 1, 2, 3, 4, S2N2, S2	638.72	\$6.00	\$3,832.32	RETAMCO OPERATING, INC.
2	1, 2, 3, 4, 5, 6	28.N	22.E	7	All	640.00	\$6.00	\$3,840.00	RETAMCO OPERATING, INC.
3	2, 3, 4, 5, 6, 10	28.N	22.E	16	Lots 1, 2, 3, 4, W2, W2E2	639.04	\$16.25	\$10,384.40	LONEWOLF ENERGY, INC.
4	2, 3, 4, 5, 6, 10	29.N	22.E	16	Lots 1 thru 8, E2W2, E2	725.68	\$16.25	\$11,792.30	LONEWOLF ENERGY, INC.
5	2, 3, 4, 5, 6, 10	29.N	22.E	36	All	640.00	\$20.25	\$12,960.00	LONEWOLF ENERGY, INC.
6	2, 3, 4, 5, 6, 10	29.N	23.E	16	All	640.00	\$17.25	\$11,040.00	LONEWOLF ENERGY, INC.
7	2, 3, 4, 5, 6, 10	29.N	24.E	16	All	640.00	\$25.25	\$16,160.00	LONEWOLF ENERGY, INC.
8	2, 3, 4, 5, 6, 10	29.N	24.E	36	All	640.00	\$25.25	\$16,160.00	LONEWOLF ENERGY, INC.
9	2, 3, 4, 5, 6, 10	29.N	25.E	16	All	640.00	\$20.00	\$12,800.00	RETAMCO OPERATING, INC.
10	2, 3, 4, 5, 6, 10	29.N	25.E	36	All	640.00	\$16.00	\$10,240.00	RETAMCO OPERATING, INC.
11	1, 2, 3, 4, 5, 6	36.N	20.E	36	All	640.00	\$60.00	\$38,400.00	RETAMCO OPERATING, INC.
<b>Golden Valley</b>									
12	1, 2, 3, 4, 5, 6	9.N	19.E	16	All	* 640.00	\$1.50	\$960.00	CHARLES M. HAUPTMAN
13	1, 2, 3, 4, 5, 6	10.N	19.E	36	All	640.00	\$1.50	\$960.00	CHARLES M. HAUPTMAN
<b>Judith Basin</b>									
14	1, 2, 3, 4, 5, 6	13.N	15.E	8	All	640.00	\$1.50	\$960.00	A. R. EVANS & ASSOCIATES
15	1, 2, 3, 4, 5, 6	13.N	15.E	16	All	640.00	\$1.50	\$960.00	A. R. EVANS & ASSOCIATES
16	1, 2, 3, 4, 5, 6	14.N	15.E	16	E2	* 320.00	\$1.50	\$480.00	A. R. EVANS & ASSOCIATES
17	1, 2, 3, 4, 5, 6	14.N	15.E	22	E2	320.00	\$1.50	\$480.00	A. R. EVANS & ASSOCIATES
18	1, 2, 3, 4, 5, 6	14.N	15.E	26	W2	320.00	\$2.00	\$640.00	HEMUS, LTD.
19	1, 2, 3, 4, 5, 6	14.N	15.E	29	S2SE4	80.00	\$2.00	\$160.00	HEMUS, LTD.
20	1, 2, 3, 4, 5, 6	14.N	15.E	32	SE4NW4, NE4, NW4SE4	240.00	\$2.00	\$480.00	HEMUS, LTD.
<b>Phillips</b>									
21	2, 3, 4, 5, 6, 10	29.N	26.E	16	All	640.00	\$13.25	\$8,480.00	PTARMIGAN LANDS LP
22	1, 2, 3, 4, 5, 6	31.N	33.E	36	All	640.00	\$140.00	\$89,600.00	RETAMCO OPERATING, INC.
23	1, 2, 3, 4, 5, 6, 9	33.N	34.E	15	SW4NE4, W2SE4, SE4SE4	160.00	\$30.00	\$4,800.00	RETAMCO OPERATING, INC.
24	1, 2, 3, 4, 5, 6, 7	33.N	34.E	16	All	640.00	\$30.00	\$19,200.00	RETAMCO OPERATING, INC.
25	1, 2, 3, 4, 5, 6	36.N	32.E	16	All	640.00	\$110.00	\$70,400.00	RETAMCO OPERATING, INC.
<b>Powder River</b>									
26	2, 3, 4, 5, 6, 10	6.S	48.E	16	All	640.00	\$1.50	\$960.00	CARIBOU LAND AND LIVESTOCK MONTANA LLC

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
27	2, 3, 4, 5, 6, 10	6.S	48.E	36	All	640.00	\$1.50	\$960.00	CARIBOU LAND AND LIVESTOCK MONTANA LLC
<b>Rosebud</b>									
28	1, 2, 3, 4, 5, 6, 7	6.S	41.E	16	All	640.00	\$1.50	\$960.00	CARIBOU LAND AND LIVESTOCK MONTANA LLC
29	1, 2, 3, 4, 5, 6, 7	6.S	41.E	36	Lots 1, 2, 3, 4, W2, W2E2	638.45	\$1.50	\$957.68	CARIBOU LAND AND LIVESTOCK MONTANA LLC
30	1, 2, 3, 4, 5, 6, 7	7.S	41.E	16	All	640.00	\$1.50	\$960.00	CARIBOU LAND AND LIVESTOCK MONTANA LLC
<b>Wheatland</b>									
31	1, 2, 3, 4, 5, 6	10.N	18.E	36	All	640.00	\$1.50	\$960.00	CHARLES M. HAUPTMAN
<b>Yellowstone</b>									
32	1, 2, 3, 4, 5, 6	3.N	23.E	36	All	640.00	\$1.50	\$960.00	DARYL E. BEEMAN
33	1, 2, 3, 4, 5, 6, 8	3.N	24.E	16	All	640.00	\$1.50	\$960.00	DARYL E. BEEMAN
34	1, 2, 3, 4, 5, 6, 8	3.N	24.E	36	All	640.00	\$1.50	\$960.00	DARYL E. BEEMAN
35	1, 2, 3, 4, 5, 6	4.N	24.E	10	E2, SW4	480.00	\$1.50	\$720.00	DARYL E. BEEMAN
36	1, 2, 3, 4, 5, 6, 8	4.N	24.E	14	SW4	160.00	\$1.50	\$240.00	DARYL E. BEEMAN
37	1, 2, 3, 4, 5, 6	4.N	24.E	16	All	* 640.00	\$1.50	\$960.00	DARYL E. BEEMAN
38	1, 2, 3, 4, 5, 6	4.N	24.E	36	All	* 640.00	\$1.50	\$960.00	DARYL E. BEEMAN
39	1, 2, 3, 4, 5, 6	4.N	25.E	16	All	640.00	\$1.50	\$960.00	FORWARD ENERGY LLC

### *Summary by Lessor*

*Dept of Natural Resources & Conservation*

22001.89

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

#### **Oil and Gas Lease Sale Summary**

<b>Lease Sale Totals</b>	<b>Tracts</b>	39
	<b>Acres</b>	22,001.89
	<b>Total Bid Revenue</b>	\$358,646.70
	<b>Avg Bid Per Acre</b>	\$16.30

## 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, 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 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 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 10 This lease includes areas that may be environmentally sensitive. Therefore, if the lessee intends to conduct any activities on the lease premises, the lessee shall submit to TLMD one copy of an Operating Plan or Amendment to an existing Operating Plan, describing in detail the proposed activities. No activities shall occur on the tract until the Operating Plan or Amendments have been approved in writing by the Director of the Department. TLMD shall review the Operating Plan or Amendment and notify the lessee if the Plan or Amendment is approved or disapproved.

After an opportunity for an informal hearing with the lessee, surface activity may be denied or restricted on all or portions of any tract if the Director determines in writing that the proposed surface activity will be detrimental to trust resources and therefore not in the best interests of the trust.

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**DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION**

P.O. Box 201601

Helena, Montana 59620-1601

June 5, 2007

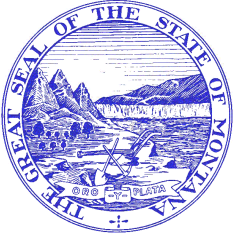
The following is a list of oil and gas leases which terminated or expired in March 2007.

<u>COUNTY</u>	<u>TWP</u>	<u>RNG</u>	<u>SEC</u>	<u>DESCRIPTION</u>	<u>ACRES</u>
Big Horn	1S	30E	35	ALL	640.00
	1S	31E	21	ALL	640.00
	1S	33E	16	ALL	640.00
	2S	32E	12	E½W½	160.00
	2S	32E	13	Lots 1, 2	84.80
	8S	39E	16	ALL	640.00
	8S	39E	36	ALL	640.00
Carbon	5S	20E	36	W½, N½NE¼, SW¼NE¼	440.00
Daniels	34N	47E	2	Lots 3, 4, S½NW¼, SW¼	321.95
	34N	47E	22	SW¼, NE¼, N½NW¼	400.00
	34N	47E	23	S½NW¼, S½	400.00
	34N	47E	26	N½, N½SW¼	400.00
	34N	47E	27	N½, N½SE¼	400.00
	34N	48E	15	E½	320.00
	35N	44E	3	Lots 1, 2, 3, 4, S½N½, S½	639.40
	35N	44E	8	NE¼, S½	480.00
	35N	44E	9	ALL	640.00
	35N	44E	10	ALL	640.00
	35N	44E	11	ALL	640.00
	35N	44E	14	ALL	640.00
	35N	44E	15	ALL	640.00
	35N	44E	16	ALL	640.00
	37N	43E	4	Lot 8, S½	360.00
Phillips	27N	27E	4	Lot 3, SW¼NW¼, NW¼SE¼	120.24
	27N	27E	5	SE¼NE¼, N½SE¼, SW¼SE¼	160.00
	27N	27E	11	S½N½	160.00
	27N	27E	12	SW¼NW¼, NW¼SE¼, S½SE¼, N½SW¼	240.00
	27N	28E	7	NE¼SW¼	40.00
	27N	28E	8	S½SE¼	80.00
	28N	28E	31	Lots 1, 4, NE¼NW¼, N½NE¼, SE¼SW¼	231.82
	Rosebud	11N	32E	36	E½NE¼, SW¼NE¼, S½NW¼, S½
Sheridan	34N	54E	36	ALL	640.00
	35N	52E	11	N½, N½SE¼, SE¼SE¼, NE¼SW¼, limited to the Bakken formation only	480.00

<u>COUNTY</u>	<u>TWP</u>	<u>RNG</u>	<u>SEC</u>	<u>DESCRIPTION</u>	<u>ACRES</u>
Sheridan	36N	53E	16	ALL, limited to Bakken formation only	640.00
	36N	57E	16	N $\frac{1}{2}$	320.00
Teton	25N	8W	16	Lots 1, 2, 3, 4, W $\frac{1}{2}$ W $\frac{1}{2}$ , NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$	549.04
	26N	8W	5	Lot 2, SW $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$	168.22
	26N	8W	16	Lots 1, 2, 4, 5, W $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$	519.48
Toole	33N	2E	28	NE $\frac{1}{4}$	160.00

DEPARTMENT OF NATURAL RESOURCES  
AND CONSERVATION

Trust Land Management Division



BRIAN SCHWEITZER, 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: September 5, 2007 Oil and Gas Lease Sale

In order to give as much advance notice as possible, this notice is to advise that the date of the September 2007 Oil and Gas Lease Sale has been set for **WEDNESDAY, SEPTEMBER 5, 2007**, 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 September is 5:00pm on June 26, 2007. Applications must be received in this office by that date. If you have any questions, please contact me at [j david@mt.gov](mailto:j david@mt.gov) or (406) 444-4576.

Julie David, Supervisor  
Mineral Leasing Section  
Minerals Management Bureau