

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 2, 2009

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
<b>Big Horn</b>									
1	1, 2, 3, 4, 5, 6	8.S	44.E	16	All	640.00	\$3.00	\$1,920.00	W. J. HARVEY
<b>Blaine</b>									
2	1, 2, 3, 4, 5, 6	27.N	19.E	10	SE4NW4, S2NE4, SE4, NE4SW4	320.00	\$1.50	\$480.00	DEVON ENERGY PRODUCTION COMPANY, LP
3	1, 2, 3, 4, 5, 6	27.N	19.E	11	S2N2, S2	480.00	\$12.00	\$5,760.00	HANCOCK ENTERPRISES
4	1, 2, 3, 4, 5, 6	27.N	19.E	12	S2N2, S2	480.00	\$1.50	\$720.00	DEVON ENERGY PRODUCTION COMPANY, LP
5	1, 2, 3, 4, 5, 6	27.N	19.E	14	N2, N2S2	480.00	\$1.50	\$720.00	DEVON ENERGY PRODUCTION COMPANY, LP
6	1, 2, 3, 4, 5, 6, 9	27.N	19.E	24	S2N2, S2	480.00	\$56.00	\$26,880.00	HANCOCK ENTERPRISES
7	1, 2, 3, 4, 5, 6	27.N	19.E	28	N2NW4, SE4NW4, NE4	280.00	\$28.00	\$7,840.00	HANCOCK ENTERPRISES
8	1, 2, 3, 4, 5, 6	27.N	19.E	29	NE4	160.00	\$1.50	\$240.00	DEVON ENERGY PRODUCTION COMPANY, LP
<b>Carbon</b>									
9	1, 2, 3, 4, 5, 6, 9	4.S	24.E	16	All	640.00	\$1.50	\$960.00	ST. GEORGE COAL CO., INC.
<b>Carter</b>									
10	1, 2, 3, 4, 5, 6, 8	1.S	59.E	16	All	640.00	\$1.50	\$960.00	HANCOCK ENTERPRISES
11	1, 2, 3, 4, 5, 6	1.S	59.E	18	Lots 3, 4, E2SW4	150.81	\$1.50	\$226.22	HANCOCK ENTERPRISES
12	1, 2, 3, 4, 5, 6	1.S	59.E	19	NE4NW4, W2NE4, SE4NE4	160.00	\$1.50	\$240.00	HANCOCK ENTERPRISES
13	1, 2, 3, 4, 5, 6	1.S	59.E	36	All	640.00	\$1.50	\$960.00	HANCOCK ENTERPRISES
14	1, 2, 3, 4, 5, 6	1.S	60.E	16	All	640.00	\$1.50	\$960.00	HANCOCK ENTERPRISES
15	1, 2, 3, 4, 5, 6, 9	2.S	59.E	16	All	640.00	\$1.50	\$960.00	HANCOCK ENTERPRISES
16	1, 2, 3, 4, 5, 6	2.S	59.E	36	All	640.00	\$1.50	\$960.00	HANCOCK ENTERPRISES
17	1, 2, 3, 4, 5, 6	2.S	60.E	16	All	640.00	\$1.50	\$960.00	HANCOCK ENTERPRISES
<b>Daniels</b>									
18	1, 2, 3, 4, 5, 6, 8	34.N	45.E	2	Lots 1, 2, 3, 4, S2N2, S2	642.16	\$3.00	\$1,926.48	W. J. HARVEY
19	1, 2, 3, 4, 5, 6	34.N	45.E	3	Lots 1, 4, SW4NW4, SE4NE4, E2SE4, W2SW4	320.68	\$3.50	\$1,122.38	W. J. HARVEY
20	1, 2, 3, 4, 5, 6	34.N	45.E	10	W2	320.00	\$5.25	\$1,680.00	W. J. HARVEY
21	1, 2, 3, 4, 5, 6, 8	34.N	45.E	11	E2	320.00	\$7.50	\$2,400.00	TOMMY C. CRAIGHEAD
22	1, 2, 3, 4, 5, 6, 8	34.N	45.E	12	N2NE4, SE4SE4, W2SW4	200.00	\$6.00	\$1,200.00	W. J. HARVEY
23	1, 2, 3, 4, 5, 6	34.N	45.E	13	E2NE4, SE4, SE4SW4	280.00	\$6.25	\$1,750.00	W. J. HARVEY
24	1, 2, 3, 4, 5, 6	34.N	45.E	14	N2N2, S2SE4, E2SW4	320.00	\$6.25	\$2,000.00	W. J. HARVEY
25	1, 2, 3, 4, 5, 6, 11	34.N	45.E	15	W2, W2SE4	400.00	\$6.25	\$2,500.00	W. J. HARVEY

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
26	1, 2, 3, 4, 5, 6, 11	34.N	45.E	22	All	640.00	\$6.25	\$4,000.00	W. J. HARVEY
27	1, 2, 3, 4, 5, 6, 11	34.N	45.E	23	All	640.00	\$10.00	\$6,400.00	TOMMY C. CRAIGHEAD
28	1, 2, 3, 4, 5, 6, 11	34.N	45.E	24	NE4NW4, N2NE4, S2	440.00	\$7.00	\$3,080.00	W. J. HARVEY
29	1, 2, 3, 4, 5, 6, 11	34.N	45.E	25	All	640.00	\$12.25	\$7,840.00	W. J. HARVEY
30	1, 2, 3, 4, 5, 6, 11	34.N	45.E	26	All	640.00	\$12.75	\$8,160.00	W. J. HARVEY
31	1, 2, 3, 4, 5, 6	34.N	45.E	27	NE4, S2	480.00	\$11.75	\$5,640.00	W. J. HARVEY
32	1, 2, 3, 4, 5, 6	34.N	45.E	34	N2N2, S2	480.00	\$10.50	\$5,040.00	TOMMY C. CRAIGHEAD
33	1, 2, 3, 4, 5, 6, 8	34.N	45.E	36	All	640.00	\$20.00	\$12,800.00	TOMMY C. CRAIGHEAD
34	1, 2, 3, 4, 5, 6, 8	34.N	46.E	8	N2, SE4, E2SW4	* 560.00	\$11.00	\$6,160.00	W. J. HARVEY
35	1, 2, 3, 4, 5, 6, 8	34.N	46.E	16	All	640.00	\$11.00	\$7,040.00	W. J. HARVEY
36	1, 2, 3, 4, 5, 6	34.N	46.E	17	N2, W2SW4	* 400.00	\$11.00	\$4,400.00	W. J. HARVEY
37	1, 2, 3, 4, 5, 6	34.N	46.E	19	Lot 1, E2NW4, E2NE4	197.79	\$11.00	\$2,175.69	TOMMY C. CRAIGHEAD
38	1, 2, 3, 4, 5, 6, 7	34.N	46.E	20	NW4, SE4NE4, NE4SE4	240.00	\$10.00	\$2,400.00	TOMMY C. CRAIGHEAD
39	1, 2, 3, 4, 5, 6, 7	34.N	46.E	21	S2NW4, N2SW4	160.00	\$8.00	\$1,280.00	W. J. HARVEY
40	1, 2, 3, 4, 5, 6, 11	34.N	46.E	28	SW4	* 160.00	\$7.75	\$1,240.00	W. J. HARVEY
41	1, 2, 3, 4, 5, 6	34.N	46.E	29	N2NE4, SW4SW4	120.00	\$8.00	\$960.00	TOMMY C. CRAIGHEAD
42	1, 2, 3, 4, 5, 6, 11	34.N	46.E	30	Lots 1, 2, 3, 4, E2W2, E2	631.60	\$6.00	\$3,789.60	W. J. HARVEY
43	1, 2, 3, 4, 5, 6	34.N	46.E	31	Lots 1, 2, 3, 4, E2W2, SE4	472.04	\$5.75	\$2,714.23	W. J. HARVEY
44	1, 2, 3, 4, 5, 6	34.N	46.E	32	SW4SE4, NW4SW4, S2SW4	* 160.00	\$5.25	\$840.00	W. J. HARVEY
45	1, 2, 3, 4, 5, 6, 11	34.N	46.E	33	NW4, SW4NE4, SE4, N2SW4	* 440.00	\$11.75	\$5,170.00	W. J. HARVEY
46	1, 2, 3, 4, 5, 6	35.N	45.E	34	NW4, W2SW4	240.00	\$5.25	\$1,260.00	W. J. HARVEY
47	1, 2, 3, 4, 5, 6	35.N	45.E	35	S2NE4, S2	400.00	\$5.25	\$2,100.00	W. J. HARVEY
48	1, 2, 3, 4, 5, 6, 8	35.N	45.E	36	All	640.00	\$5.25	\$3,360.00	W. J. HARVEY
49	1, 2, 3, 4, 5, 6, 8	35.N	46.E	33	E2NW4, NE4	240.00	\$5.25	\$1,260.00	W. J. HARVEY
<b>Dawson</b>									
50	1, 2, 3, 4, 5, 6	21.N	51.E	14	S2	320.00	\$1.50	\$480.00	W. J. HARVEY
51	1, 2, 3, 4, 5, 6, 8	21.N	51.E	16	All	640.00	\$1.50	\$960.00	W. J. HARVEY
52	1, 2, 3, 4, 5, 6	21.N	51.E	36	All	640.00	\$1.50	\$960.00	W. J. HARVEY
53	1, 2, 3, 4, 5, 6	21.N	52.E	4	Lots 2, 3, S2NW4, SW4	319.62	\$1.50	\$479.43	W. J. HARVEY
54	1, 2, 3, 4, 5, 6, 8	21.N	52.E	16	All	640.00	\$1.50	\$960.00	W. J. HARVEY
55	1, 2, 3, 4, 5, 6, 8	22.N	51.E	12	S2	320.00	\$1.50	\$480.00	W. J. HARVEY
56	1, 2, 3, 4, 5, 6, 11	22.N	51.E	16	All	* 640.00	\$1.50	\$960.00	W. J. HARVEY
57	1, 2, 3, 4, 5, 6	22.N	51.E	32	E2	* 320.00	\$1.50	\$480.00	W. J. HARVEY

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
58	1, 2, 3, 4, 5, 6	22.N	51.E	36	All	640.00	\$1.50	\$960.00	W. J. HARVEY
59	1, 2, 3, 4, 5, 6	22.N	52.E	14	SE4, SE4SW4	200.00	\$1.50	\$300.00	W. J. HARVEY
60	1, 2, 3, 4, 5, 6, 8	22.N	52.E	16	All	640.00	\$1.50	\$960.00	W. J. HARVEY
61	1, 2, 3, 4, 5, 6	22.N	52.E	28	N2NE4, SE4NE4, S2S2, NE4SE4	320.00	\$1.50	\$480.00	W. J. HARVEY
62	1, 2, 3, 4, 5, 6, 10	23.N	50.E	12	S2	320.00	\$1.50	\$480.00	W. J. HARVEY
63	1, 2, 3, 4, 5, 6	23.N	50.E	16	All	640.00	\$1.50	\$960.00	W. J. HARVEY
64	1, 2, 3, 4, 5, 6, 10	23.N	50.E	36	All	640.00	\$1.50	\$960.00	W. J. HARVEY
<b>Glacier</b>									
65	1, 2, 3, 4, 5, 6, 12	35.N	5.W	2	SW4SW4, below the base of the Swift formation	40.00	\$2.50	\$100.00	QUICKSILVER RESOURCES INC.
66	1, 2, 3, 4, 5, 6, 12	35.N	5.W	11	NW4, below the base of the Swift formation	160.00	\$1.50	\$240.00	QUICKSILVER RESOURCES INC.
<b>Hill</b>									
67	1, 2, 3, 4, 5, 6	33.N	13.E	16	All	640.00	\$1.50	\$960.00	NFR BEAR PAW BASIN LLC
<b>McCone</b>									
68	1, 2, 3, 4, 5, 6	24.N	50.E	16	All	640.00	\$1.50	\$960.00	W. J. HARVEY
69	1, 2, 3, 4, 5, 6, 8, 10	24.N	50.E	36	W2, N2NE4, W2SE4	480.00	\$1.50	\$720.00	W. J. HARVEY
70	1, 2, 3, 4, 5, 6, 8	26.N	50.E	36	All	640.00	\$1.50	\$960.00	W. J. HARVEY
<b>Richland</b>									
71	1, 2, 3, 4, 5, 6	20.N	57.E	16	All	640.00	\$49.25	\$31,520.00	PETRO-HUNT LLC
72	1, 2, 3, 4, 5, 6, 8	23.N	51.E	2	S2N2, N2S2	320.00	\$1.50	\$480.00	W. J. HARVEY
73	1, 2, 3, 4, 5, 6, 8	23.N	51.E	8	N2	320.00	\$1.50	\$480.00	W. J. HARVEY
74	1, 2, 3, 4, 5, 6	23.N	51.E	36	All	640.00	\$1.50	\$960.00	W. J. HARVEY

### *Summary by Lessor*

*Dept of Natural Resources & Conservation*

32974.7

74

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

#### Oil and Gas Lease Sale Summary

<b>Lease Sale Totals</b>	<b>Tracts</b>	74
	<b>Acres</b>	32,974.70
	<b>Total Bid Revenue</b>	\$213,674.03
	<b>Avg Bid Per Acre</b>	\$6.48

## 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 Active sage grouse lek(s) have been identified on or adjacent to this tract. No activities shall occur on the tract until the proposed action has been approved in writing by the Director of the Department. If surface activity is proposed on the tract, the department will consult with the Director of the Department of Fish, Wildlife and Parks for his or her comments, concerns and recommendations. Additional mitigation measures may be required, including no-surface-occupancy buffers and/or timing restrictions, which may encompass part or all of the tract.
- 10 Unless otherwise approved by the Department in writing, wells and related surface infrastructure, including new road construction, are prohibited within 1/4 mile of the mean high water mark of a navigable river, lake or reservoir, including direct tributary streams of navigable waterways, on or adjacent to this tract. No surface occupancy is allowed within the bed of a river, stream, lake or reservoir, islands and accretions or abandoned channels.
- 11 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 12 Any activity within 1/8 mile of the river, stream, floodplain, or lake/reservoir on or adjacent to this tract must be approved in writing by the TLMD prior to commencement. No surface occupancy is allowed within the bed of the river and/or stream, abandoned channels, the bed of the lake/reservoir, or on islands and accretions associated with the river, stream, or lake/reservoir.