

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 1, 2010

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
Beaverhead									
1	1, 2, 3, 4, 5, 6, 7	4.S	9.W	16	All	640.00	\$1.50	\$960.00	GULF WESTERN GEOPHYSICAL, LLC
2	1, 2, 3, 4, 5, 6	4.S	9.W	34	SE4SE4	40.00	\$3.00	\$120.00	TOMMY C. CRAIGHEAD
3	1, 2, 3, 4, 5, 6	5.S	9.W	4	Lots 1, 2, SE4NW4, S2NE4, S2	520.80	\$1.50	\$781.20	GULF WESTERN GEOPHYSICAL, LLC
4	1, 2, 3, 4, 5, 6	5.S	9.W	8	E2, NE4SW4, S2SW4	440.00	\$1.50	\$660.00	GULF WESTERN GEOPHYSICAL, LLC
5	1, 2, 3, 4, 5, 6	5.S	9.W	9	W2, N2NE4	400.00	\$1.50	\$600.00	GULF WESTERN GEOPHYSICAL, LLC
6	1, 2, 3, 4, 5, 6	5.S	9.W	16	N2, N2SE4, SE4SE4	440.00	\$1.75	\$770.00	TOMMY C. CRAIGHEAD
7	1, 2, 3, 4, 5, 6	5.S	9.W	17	N2	320.00	\$1.50	\$480.00	GULF WESTERN GEOPHYSICAL, LLC
8	1, 2, 3, 4, 5, 6	5.S	9.W	22	SE4	160.00	\$1.50	\$240.00	GULF WESTERN GEOPHYSICAL, LLC
9	1, 2, 3, 4, 5, 6	5.S	9.W	28	All	640.00	\$1.75	\$1,120.00	TOMMY C. CRAIGHEAD
10	1, 2, 3, 4, 5, 6	5.S	9.W	29	NW4, SE4	320.00	\$1.50	\$480.00	GULF WESTERN GEOPHYSICAL, LLC
11	1, 2, 3, 4, 5, 6	5.S	9.W	30	SW4NE4	40.00	\$2.75	\$110.00	HAL OWEN
12	1, 2, 3, 4, 5, 6	5.S	9.W	31	S2NW4	80.00	\$1.50	\$120.00	GULF WESTERN GEOPHYSICAL, LLC
13	1, 2, 3, 4, 5, 6	5.S	9.W	32	NE4	160.00	\$1.50	\$240.00	GULF WESTERN GEOPHYSICAL, LLC
14	1, 2, 3, 4, 5, 6	5.S	9.W	33	All	640.00	\$1.75	\$1,120.00	TOMMY C. CRAIGHEAD
15	1, 2, 3, 4, 5, 6	9.S	7.W	18	Lots 1, 2, 3, 4, E2W2, E2	630.61	\$1.50	\$945.92	GULF WESTERN GEOPHYSICAL, LLC
16	1, 2, 3, 4, 5, 6	9.S	7.W	19	Lot 1, NE4NW4, NE4NE4	118.06	\$1.50	\$177.09	GULF WESTERN GEOPHYSICAL, LLC
17	1, 2, 3, 4, 5, 6, 7	9.S	7.W	27	N2, SE4, N2SW4, SE4SW4	600.00	\$1.75	\$1,050.00	TOMMY C. CRAIGHEAD
18	1, 2, 3, 4, 5, 6	9.S	7.W	28	NE4NE4	40.00	\$2.50	\$100.00	GULF WESTERN GEOPHYSICAL, LLC
19	1, 2, 3, 4, 5, 6	9.S	7.W	29	W2SW4	* 80.00	\$1.50	\$120.00	GULF WESTERN GEOPHYSICAL, LLC
20	1, 2, 3, 4, 5, 6	9.S	7.W	30	Lots 1, 2, 3, E2W2, S2NE4, SE4	* 515.31	\$1.50	\$772.96	GULF WESTERN GEOPHYSICAL, LLC
21	1, 2, 3, 4, 5, 6	9.S	7.W	31	Lots 1, 2, E2NW4, N2NE4	* 236.87	\$1.50	\$355.30	GULF WESTERN GEOPHYSICAL, LLC
22	1, 2, 3, 4, 5, 6	9.S	8.W	9	NW4, S2	480.00	\$1.50	\$720.00	GULF WESTERN GEOPHYSICAL, LLC
23	1, 2, 3, 4, 5, 6	9.S	8.W	10	SW4SW4	40.00	\$2.50	\$100.00	GULF WESTERN GEOPHYSICAL, LLC
24	1, 2, 3, 4, 5, 6	9.S	8.W	11	S2SE4	80.00	\$1.50	\$120.00	GULF WESTERN GEOPHYSICAL, LLC
25	1, 2, 3, 4, 5, 6	9.S	8.W	13	All	640.00	\$1.50	\$960.00	GULF WESTERN GEOPHYSICAL, LLC
26	1, 2, 3, 4, 5, 6	9.S	8.W	14	SW4SW4	40.00	\$2.50	\$100.00	GULF WESTERN GEOPHYSICAL, LLC
27	1, 2, 3, 4, 5, 6	9.S	8.W	15	All	640.00	\$1.50	\$960.00	GULF WESTERN GEOPHYSICAL, LLC
28	1, 2, 3, 4, 5, 6, 7	9.S	8.W	16	All	640.00	\$1.75	\$1,120.00	TOMMY C. CRAIGHEAD
29	1, 2, 3, 4, 5, 6, 7	9.S	8.W	21	NE4	160.00	\$1.50	\$240.00	GULF WESTERN GEOPHYSICAL, LLC
30	1, 2, 3, 4, 5, 6	9.S	8.W	22	N2	320.00	\$1.50	\$480.00	GULF WESTERN GEOPHYSICAL, LLC
31	1, 2, 3, 4, 5, 6	9.S	8.W	23	N2, NW4SE4, SW4	520.00	\$1.50	\$780.00	GULF WESTERN GEOPHYSICAL, LLC

Tract	Stip	Twp	Rge	Sec	Description		Acres	Bid \$/Acr	Total Price	Lessee
32	1, 2, 3, 4, 5, 6, 7	9.S	8.W	24	NE4NW4, NE4, S2SW4	*	280.00	\$1.50	\$420.00	GULF WESTERN GEOPHYSICAL, LLC
33	1, 2, 3, 4, 5, 6	9.S	8.W	25	NE4	*	160.00	\$1.50	\$240.00	GULF WESTERN GEOPHYSICAL, LLC
34	1, 2, 3, 4, 5, 6, 7	9.S	8.W	32	All		640.00	\$1.50	\$960.00	GULF WESTERN GEOPHYSICAL, LLC
35	1, 2, 3, 4, 5, 6, 7	9.S	8.W	36	All	*	640.00	\$1.75	\$1,120.00	TOMMY C. CRAIGHEAD
36	1, 2, 3, 4, 5, 6, 7	9.S	9.W	16	All		640.00	\$1.75	\$1,120.00	TOMMY C. CRAIGHEAD
37	1, 2, 3, 4, 5, 6, 7	9.S	9.W	36	All		640.00	\$1.50	\$960.00	GULF WESTERN GEOPHYSICAL, LLC
Blaine										
38	1, 2, 3, 4, 5, 6, 7	27.N	18.E	36	All		640.00	\$1.75	\$1,120.00	DEVON ENERGY PRODUCTION COMPANY, LP
39	1, 2, 3, 4, 5, 6, 7	28.N	18.E	36	All		640.00	\$1.75	\$1,120.00	TOMMY C. CRAIGHEAD
40	1, 2, 3, 4, 5, 6, 10	33.N	17.E	25	NW4, NW4NE4, S2NE4, S2		600.00	\$1.75	\$1,050.00	YATES PETROLEUM CORPORATION
41	1, 2, 3, 4, 5, 6, 7	34.N	18.E	24	Lots 1, 2, 3, 4, W2, W2E2	*	641.12	\$2.00	\$1,282.24	YATES PETROLEUM CORPORATION
42	1, 2, 3, 4, 5, 6, 7	34.N	19.E	29	W2		320.00	\$1.75	\$560.00	YATES PETROLEUM CORPORATION
43	1, 2, 3, 4, 5, 6, 9	34.N	22.E	16	All		640.00	\$3.00	\$1,920.00	YATES PETROLEUM CORPORATION
44	1, 2, 3, 4, 5, 6	34.N	22.E	36	All		640.00	\$5.50	\$3,520.00	YATES PETROLEUM CORPORATION
45	1, 2, 3, 4, 5, 6	34.N	24.E	12	E2, less 1 acre in the SE4SE4		319.00	\$5.75	\$1,834.25	YATES PETROLEUM CORPORATION
46	1, 2, 3, 4, 5, 6	34.N	24.E	16	All		640.00	\$10.50	\$6,720.00	YATES PETROLEUM CORPORATION
47	1, 2, 3, 4, 5, 6	34.N	24.E	32	All		640.00	\$10.50	\$6,720.00	YATES PETROLEUM CORPORATION
48	1, 2, 3, 4, 5, 6	34.N	24.E	36	All		640.00	\$12.75	\$8,160.00	YATES PETROLEUM CORPORATION
49	1, 2, 3, 4, 5, 6	34.N	25.E	7	Lots 3, 4, SE4, E2SW4		310.26	\$2.25	\$698.08	YATES PETROLEUM CORPORATION
50	1, 2, 3, 4, 5, 6	34.N	25.E	16	All		640.00	\$5.25	\$3,360.00	YATES PETROLEUM CORPORATION
51	1, 2, 3, 4, 5, 6	34.N	25.E	36	All		640.00	\$1.75	\$1,120.00	YATES PETROLEUM CORPORATION
52	1, 2, 3, 4, 5, 6	35.N	23.E	16	All		640.00	\$18.00	\$11,520.00	SOLANO ENERGY GROUP, LLC
53	1, 2, 3, 4, 5, 6	35.N	23.E	36	All		640.00	\$12.75	\$8,160.00	YATES PETROLEUM CORPORATION
54	1, 2, 3, 4, 5, 6	35.N	24.E	16	All		640.00	\$20.00	\$12,800.00	TOMMY C. CRAIGHEAD
55	1, 2, 3, 4, 5, 6	35.N	24.E	26	W2		320.00	\$15.25	\$4,880.00	YATES PETROLEUM CORPORATION
56	1, 2, 3, 4, 5, 6	35.N	24.E	35	N2		320.00	\$19.00	\$6,080.00	TOMMY C. CRAIGHEAD
57	1, 2, 3, 4, 5, 6	35.N	24.E	36	All	*	640.00	\$15.25	\$9,760.00	YATES PETROLEUM CORPORATION
58	1, 2, 3, 4, 5, 6	35.N	25.E	16	All		640.00	\$19.00	\$12,160.00	SOLANO ENERGY GROUP, LLC
59	1, 2, 3, 4, 5, 6	35.N	25.E	31	Lots 1, 2, 3, 4, E2W2, E2		619.32	\$19.00	\$11,767.08	TOMMY C. CRAIGHEAD
60	1, 2, 3, 4, 5, 6	35.N	25.E	34	SE4		160.00	\$17.25	\$2,760.00	YATES PETROLEUM CORPORATION
61	1, 2, 3, 4, 5, 6	35.N	25.E	35	NE4, S2		480.00	\$17.25	\$8,280.00	YATES PETROLEUM CORPORATION
62	1, 2, 3, 4, 5, 6	35.N	25.E	36	All		640.00	\$18.50	\$11,840.00	YATES PETROLEUM CORPORATION
63	1, 2, 3, 4, 5, 6	36.N	22.E	16	All		640.00	\$18.00	\$11,520.00	SOLANO ENERGY GROUP, LLC

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
64	1, 2, 3, 4, 5, 6	36.N	23.E	36	All	640.00	\$20.50	\$13,120.00	YATES PETROLEUM CORPORATION
65	1, 2, 3, 4, 5, 6	36.N	24.E	16	All	* 640.00	\$19.00	\$12,160.00	SOLANO ENERGY GROUP, LLC
66	1, 2, 3, 4, 5, 6, 8	36.N	24.E	36	Lots 1, 2, 3, 4, N2, N2S2	637.20	\$19.00	\$12,106.80	SOLANO ENERGY GROUP, LLC
67	1, 2, 3, 4, 5, 6	36.N	25.E	16	All	640.00	\$23.00	\$14,720.00	SOLANO ENERGY GROUP, LLC
68	1, 2, 3, 4, 5, 6	36.N	25.E	36	All	* 640.00	\$19.25	\$12,320.00	TOMMY C. CRAIGHEAD
69	1, 2, 3, 4, 5, 6, 13	37.N	22.E	16	All	640.00	\$23.00	\$14,720.00	SOLANO ENERGY GROUP, LLC
70	1, 2, 3, 4, 5, 6	37.N	22.E	36	All	* 640.00	\$22.00	\$14,080.00	SOLANO ENERGY GROUP, LLC
71	1, 2, 3, 4, 5, 6	37.N	23.E	16	All	* 640.00	\$22.50	\$14,400.00	SOLANO ENERGY GROUP, LLC
72	1, 2, 3, 4, 5, 6	37.N	23.E	36	All	* 640.00	\$20.00	\$12,800.00	SOLANO ENERGY GROUP, LLC
73	1, 2, 3, 4, 5, 6	37.N	24.E	16	All	640.00	\$19.50	\$12,480.00	SOLANO ENERGY GROUP, LLC
74	1, 2, 3, 4, 5, 6	37.N	24.E	36	All	640.00	\$20.50	\$13,120.00	SOLANO ENERGY GROUP, LLC
75	1, 2, 3, 4, 5, 6	37.N	25.E	16	All	640.00	\$28.25	\$18,080.00	YATES PETROLEUM CORPORATION
76	1, 2, 3, 4, 5, 6	37.N	25.E	36	All	640.00	\$25.25	\$16,160.00	SOLANO ENERGY GROUP, LLC
77	1, 2, 3, 4, 5, 6	37.N	26.E	16	All	640.00	\$30.00	\$19,200.00	TOMMY C. CRAIGHEAD
Chouteau									
78	1, 2, 3, 4, 5, 6, 9	26.N	16.E	35	All	640.00	\$2.00	\$1,280.00	HANCOCK ENTERPRISES
79	1, 2, 3, 4, 5, 6	27.N	14.E	1	Lots 3, 4, S2NW4, S2	* 480.21	\$3.75	\$1,800.79	HANCOCK ENTERPRISES
80	1, 2, 3, 4, 5, 6, 7	27.N	14.E	22	N2, N2SE4, SW4SE4, SW4	600.00	\$11.25	\$6,750.00	HANCOCK ENTERPRISES
81	1, 2, 3, 4, 5, 6	27.N	14.E	23	N2, SE4, N2SW4	560.00	\$11.25	\$6,300.00	HANCOCK ENTERPRISES
82	1, 2, 3, 4, 5, 6	27.N	14.E	25	All	640.00	\$11.00	\$7,040.00	HANCOCK ENTERPRISES
83	1, 2, 3, 4, 5, 6	27.N	14.E	26	NE4NW4, S2NW4, NE4, S2	600.00	\$13.25	\$7,950.00	HANCOCK ENTERPRISES
84	1, 2, 3, 4, 5, 6	27.N	14.E	27	All	640.00	\$13.25	\$8,480.00	HANCOCK ENTERPRISES
85	1, 2, 3, 4, 5, 6	27.N	14.E	28	All	640.00	\$14.25	\$9,120.00	HANCOCK ENTERPRISES
86	1, 2, 3, 4, 5, 6, 8	27.N	14.E	31	Lots 1, 2, 3, 4, E2W2, E2	* 629.76	\$14.25	\$8,974.08	HANCOCK ENTERPRISES
87	1, 2, 3, 4, 5, 6, 7	27.N	14.E	33	All	640.00	\$14.25	\$9,120.00	HANCOCK ENTERPRISES
88	1, 2, 3, 4, 5, 6	27.N	14.E	34	All	640.00	\$14.25	\$9,120.00	HANCOCK ENTERPRISES
89	1, 2, 3, 4, 5, 6	27.N	14.E	35	All	640.00	\$14.25	\$9,120.00	HANCOCK ENTERPRISES
90	1, 2, 3, 4, 5, 6, 7	27.N	15.E	19	Lots 1, 2, 3, 4, E2W2, NE4, NE4SE4, W2SE4	595.52	\$14.75	\$8,783.92	HANCOCK ENTERPRISES
91	1, 2, 3, 4, 5, 6	27.N	15.E	32	SW4SW4	40.00	\$14.75	\$590.00	HANCOCK ENTERPRISES
Fergus									
92	1, 2, 3, 4, 5, 6	23.N	19.E	36	NW4, N2NE4, S2SE4	320.00	\$25.25	\$8,080.00	A. J. HOLT
93	1, 2, 3, 4, 5, 6, 9	23.N	20.E	36	N2, SW4	480.00	\$25.25	\$12,120.00	A. J. HOLT
Garfield									
94	1, 2, 3, 4, 5, 6	19.N	39.E	16	All	640.00	\$1.50	\$960.00	DON W. HRYHOR

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bid \$/Acr	Total Price	Lessee
95	1, 2, 3, 4, 5, 6, 7, 9	20.N	39.E	13	NW4, NE4NE4, S2NE4, S2	600.00	\$1.50	\$900.00	DON W. HRYHOR
96	1, 2, 3, 4, 5, 6, 7	20.N	39.E	15	N2N2	160.00	\$1.50	\$240.00	DON W. HRYHOR
97	1, 2, 3, 4, 5, 6	20.N	39.E	16	All	640.00	\$1.50	\$960.00	DON W. HRYHOR
Musselshell									
98	1, 2, 3, 4, 5, 6	11.N	24.E	17	N2, SW4, W2SE4, SE4SE4	600.00	\$14.25	\$8,550.00	TRUE OIL LLC
Phillips									
99	1, 2, 3, 4, 5, 6, 7	25.N	23.E	36	All	640.00	\$1.50	\$960.00	SOLANO ENERGY GROUP, LLC
100	1, 2, 3, 4, 5, 6, 7	34.N	27.E	16	All	640.00	\$26.25	\$16,800.00	YATES PETROLEUM CORPORATION
101	1, 2, 3, 4, 5, 6	34.N	27.E	36	All	640.00	\$30.25	\$19,360.00	YATES PETROLEUM CORPORATION
Roosevelt									
102	1, 2, 3, 4, 5, 6, 11, 12	27.N	56.E	2	Missouri Riverbed and related acreage	44.00	\$305.00	\$13,420.00	URSA RESOURCES GROUP LLC
103	1, 2, 3, 4, 5, 6, 11, 12	27.N	59.E	32	Missouri Riverbed and related acreage	171.00	\$1,700.00	\$290,700.00	OASIS PETROLEUM NORTH AMERICA LLC
104	1, 2, 3, 4, 5, 6, 14	28.N	58.E	28	Highway tract in the SE4NW4	0.30	\$350.00	\$105.00	WILLIS OIL & GAS, INC.

Summary by Lessor

<i>Dept of Natural Resources & Conservation</i>	50469.04	103
<i>Dept of Transportation</i>	0.3	1

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

Oil and Gas Lease Sale Summary

Lease Sale Totals	Tracts	104
	Acres	50,469.34
	Total Bid Revenue	\$839,484.71
	Avg Bid Per Acre	\$16.63

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, 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.

Stipulations

11. This tract contains navigable riverbeds. No surface occupancy is allowed within the bed of the navigable river, abandoned channels, or on islands and accretions. In addition, upon completion of a successful well, where river title is disputed, the lessee will file an interpleader action under Rule 22, M.R.Civ.P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which the title is disputed. The lessee shall name all potential royalty claimants as defendants.
12. If the lessee completes a successful oil and/or gas well, and if land title is disputed, the lessee shall fund professional land surveys as needed to determine the location and acreage encompassed by the spacing and/or pooling unit and the state lease acreage within that unit. Surveys shall be conducted by a licensed land surveyor acceptable to the Department, and shall be prepared pursuant to survey requirements provided by the Department. If necessary, the lessee will file an interpleader action under Rule 22, M.R.Civ.P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which title is disputed. The lessee shall name all potential royalty claimants as defendants.
13. 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 and any existing facilities. The lessee may not enter the well until a change of operator has been filed with, and approved by, the Board of Oil and Gas Conservation.
14. No surface occupancy shall be allowed on any portion of this tract, which is indicated as right-of-way on the official highway plans on file at the Department of Transportation in Helena, Montana, without prior written approval from TLMD.