

**State of Montana
Oil & Gas Lease Sale - September 1, 2015
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, September 1, 2015.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Blaine									
1	1, 2, 3, 4, 5, 6, 8	35.N	20.E	36	All, below the base of the Eagle formation	* 640.00	\$1.50	\$960.00	BEHM ENERGY, INC.
2	1, 2, 3, 4, 5, 6, 7, 8, 10	36.N	20.E	36	All	640.00	\$11.00	\$7,040.00	BEHM ENERGY, INC.
Richland									
3	1, 2, 3, 4, 5, 6, 11	25.N	55.E	12	NW4NW4, S2NW4, SW4	280.00	\$0.00	\$0.00	NO BID
Roosevelt									
4	1, 2, 3, 4, 5, 6, 9, 11	30.N	59.E	16	Lots 1, 2, 3, 4, W2	526.24	\$11.00	\$5,788.64	HERCO, LLC
Toole									
5	1, 2, 3, 4, 5, 6	34.N	1.W	36	N2NE4, N2SE4NW4, S2S2, NW4SW4, E2NE4SW4	320.00	\$7.00	\$2,240.00	THOR RESOURCES USA, LLC
Yellowstone									
6	1, 2, 3, 4, 5, 6, 8	2.N	23.E	36	All	640.00	\$1.50	\$960.00	DECA RESOURCES USA, LLC

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

Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	3,046.24	6

Oil and Gas Lease Sale Summary

Total Tracts Offered	6
Total Acres Offered	3,046.24
Total Tracts Sold	5
Total Acres Sold	2,766.24
Total Bid Revenue	\$16,988.64
Average Bid Per Acre	\$6.14

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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 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. The lessee's methods of control shall be reviewed and approved by the Department's Unit Office that has jurisdiction for that locale.
- 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 This lease is located within MT-DFWP sage grouse general habitat. Active sage grouse lek(s) is/are not currently known to exist on or within two miles of this lease. Sage grouse lek distribution and status can change as new data is acquired. Proposed activities must comply with the Montana Sage Grouse Habitat Conservation Strategy and amendments thereto.
- 9 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 10 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.
- 11 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**

Tract	Twp	Rng	Sec	Description	Acres	Applicant
Blaine						
1	35.N	20.E	36	All, below the base of the Eagle formation	640.00	BREKHUS, SCOTT
2	36.N	20.E	36	All	640.00	BREKHUS, SCOTT
Richland						
3	25.N	55.E	12	NW4NW4, S2NW4, SW4	280.00	DNRC/LAND BOARD
Roosevelt						
4	30.N	59.E	16	Lots 1, 2, 3, 4, W2	526.24	DNRC/LAND BOARD
Toole						
5	34.N	1.W	36	N2NE4, N2SE4NW4, S2S2, NW4SW4, E2NE4SW4	320.00	JOHNSON, ERIC H
Yellowstone						
6	2.N	23.E	36	All	640.00	DECA RESOURCES USA, LLC

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: December 1, 2015 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the date of the December 2015 Oil and Gas Lease Sale has been set for **TUESDAY, DECEMBER 1, 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 December is 5:00pm on September 15, 2015. Applications must be received in this office by that date. If you have any questions, please contact me at jmason2@mt.gov or (406) 444-4576.

Julie Mason, Supervisor
Mineral Leasing Section
Minerals Management Bureau