

**State of Montana  
Oil & Gas Lease Sale - September 6, 2017  
Lease Sale Results**

The following described lands were offered for oil and gas leasing through oral competitive bidding in the Department of Natural Resources and Conservation Montana Room, 1539 Eleventh Avenue, Helena, Montana, beginning at 9:00 am, September 6, 2017.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
<b>Big Horn</b>									
1	1, 2, 3, 4, 5, 6, 7	7.S	40.E	36	All	640.00	\$26.00	\$16,640.00	HOOVER & STACY, INC.
2	2, 3, 4, 5, 6, 17	8.S	39.E	36	All	640.00	\$26.00	\$16,640.00	HOOVER & STACY, INC.
3	1, 2, 3, 4, 5, 6	8.S	42.E	16	NE4NE4	40.00	\$40.00	\$1,600.00	CARIBOU LAND AND LIVESTOCK MONTANA LLC
4	2, 3, 4, 5, 6, 17	9.S	39.E	36	Lots 1, 2, 3, 4, 5, W2NE4, NW4, N2SW4	495.90	\$18.00	\$8,926.20	HOOVER & STACY, INC.
5	2, 3, 4, 5, 6, 17	9.S	40.E	11	S2SE4	80.00	\$25.00	\$2,000.00	HOOVER & STACY, INC.
6	2, 3, 4, 5, 6, 17	9.S	40.E	12	NE4, S2	480.00	\$31.00	\$14,880.00	HOOVER & STACY, INC.
7	2, 3, 4, 5, 6, 17	9.S	40.E	16	All	640.00	\$73.00	\$46,720.00	HOOVER & STACY, INC.
<b>Glacier</b>									
8	1, 2, 3, 4, 5, 6, 10	36.N	5.W	4	Lots 3, 4	* 81.04	\$17.00	\$1,377.68	KEESUN CORP.
9	1, 2, 3, 4, 5, 6	36.N	5.W	6	SE4	* 160.00	\$17.00	\$2,720.00	SOG RESOURCES
10	1, 2, 3, 4, 5, 6	37.N	5.W	9	N2	* 320.00	\$1.50	\$480.00	SANDS OIL COMPANY
11	1, 2, 3, 4, 5, 6, 10	37.N	5.W	32	SE4	* 160.00	\$1.50	\$240.00	SANDS OIL COMPANY
12	1, 2, 3, 4, 5, 6, 10	37.N	5.W	33	S2SW4	* 80.00	\$1.50	\$120.00	SANDS OIL COMPANY
13	1, 2, 3, 4, 5, 6, 10	37.N	6.W	13	E2SE4, S2SW4	* 160.00	\$1.50	\$240.00	SANDS OIL COMPANY
14	1, 2, 3, 4, 5, 6, 10	37.N	6.W	24	N2NW4, S2SE4	* 160.00	\$1.50	\$240.00	SANDS OIL COMPANY
<b>Roosevelt</b>									
15	1, 2, 3, 4, 5, 6, 18	27.N	57.E	6	Lots 1, 2, E2NW4, NE4	* 310.34	\$1.50	\$465.51	JBLS MONTANA, INC.
16	1, 2, 3, 4, 5, 6, 18	27.N	57.E	15	E2E2	* 160.00	\$2.00	\$320.00	KRAKEN OIL & GAS LLC
17	1, 2, 3, 4, 5, 6, 7, 18	27.N	57.E	16	All	640.00	\$2.00	\$1,280.00	KRAKEN OIL & GAS LLC
18	1, 2, 3, 4, 5, 6, 12, 14	27.N	57.E	18	Missouri Riverbed and related acreage	5.00	\$21.00	\$105.00	KRAKEN OIL & GAS LLC
19	1, 2, 3, 4, 5, 6, 12, 14	27.N	57.E	19	Missouri Riverbed and related acreage	154.00	\$2.00	\$308.00	KRAKEN OIL & GAS LLC
20	1, 2, 3, 4, 5, 6, 9, 12, 14, 18	27.N	57.E	21	Lot 3, Missouri Riverbed and related acreage	108.00	\$2.00	\$216.00	KRAKEN OIL & GAS LLC
21	1, 2, 3, 4, 5, 6, 7, 18	27.N	57.E	22	E2NE4, N2S2, SE4SE4	280.00	\$2.00	\$560.00	KRAKEN OIL & GAS LLC
22	1, 2, 3, 4, 5, 6, 18	29.N	58.E	29	SW4	160.00	\$270.00	\$43,200.00	KRAKEN OIL & GAS II LLC
23	1, 2, 3, 4, 5, 6, 18	29.N	58.E	32	N2NW4	80.00	\$320.00	\$25,600.00	KRAKEN OIL & GAS II LLC
<b>Rosebud</b>									
24	1, 2, 3, 4, 5, 6, 7	7.S	41.E	36	Lots 1, 2, 3, 4, N2, N2S2	638.22	\$125.00	\$79,777.50	HOOVER & STACY, INC.
<b>Sweet Grass</b>									
25	1, 2, 3, 4, 5, 6, 8	1.N	13.E	16	All	640.00	\$1.50	\$960.00	CRAZY MOUNTAIN OIL AND GAS LLC
26	1, 2, 3, 4, 5, 6, 7, 8	1.N	16.E	16	E2	320.00	\$1.50	\$480.00	CRAZY MOUNTAIN OIL AND GAS LLC
27	1, 2, 3, 4, 5, 6, 7, 11	1.N	17.E	16	All	640.00	\$1.50	\$960.00	CRAZY MOUNTAIN OIL AND GAS LLC
28	1, 2, 3, 4, 5, 6, 7, 11	2.N	13.E	16	All	640.00	\$1.50	\$960.00	CRAZY MOUNTAIN OIL AND GAS LLC
29	1, 2, 3, 4, 5, 6, 8, 9, 15	2.N	14.E	36	N2	320.00	\$1.50	\$480.00	CRAZY MOUNTAIN OIL AND GAS LLC

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
<b>Sweet Grass</b>									
30	1, 2, 3, 4, 5, 6, 7, 8, 9	2.N	16.E	16	All	* 640.00	\$1.50	\$960.00	CRAZY MOUNTAIN OIL AND GAS LLC
31	1, 2, 3, 4, 5, 6, 7	2.N	16.E	36	Lots 1, 2, 3, 4, N2, N2S2	642.04	\$1.50	\$963.06	CRAZY MOUNTAIN OIL AND GAS LLC
32	1, 2, 3, 4, 5, 6, 7, 11	2.N	17.E	4	Lots 3, 4, S2NW4, SW4	351.73	\$1.50	\$527.60	CRAZY MOUNTAIN OIL AND GAS LLC
33	1, 2, 3, 4, 5, 6, 7	2.N	17.E	10	S2	320.00	\$1.50	\$480.00	CRAZY MOUNTAIN OIL AND GAS LLC
34	1, 2, 3, 4, 5, 6, 11	2.N	17.E	14	E2	320.00	\$1.50	\$480.00	CRAZY MOUNTAIN OIL AND GAS LLC
35	1, 2, 3, 4, 5, 6, 7	2.N	17.E	16	All	640.00	\$1.50	\$960.00	CRAZY MOUNTAIN OIL AND GAS LLC
36	1, 2, 3, 4, 5, 6	3.N	15.E	36	All	640.00	\$1.50	\$960.00	CRAZY MOUNTAIN OIL AND GAS LLC
37	1, 2, 3, 4, 5, 6	3.N	17.E	10	E2NE4, NE4SE4	* 120.00	\$1.50	\$180.00	CRAZY MOUNTAIN OIL AND GAS LLC
38	1, 2, 3, 4, 5, 6, 7	4.N	16.E	16	All	* 640.00	\$1.50	\$960.00	CRAZY MOUNTAIN OIL AND GAS LLC
39	1, 2, 3, 4, 5, 6	4.N	16.E	36	All	640.00	\$1.50	\$960.00	CRAZY MOUNTAIN OIL AND GAS LLC
40	1, 2, 3, 4, 5, 6	4.N	17.E	8	All	640.00	\$1.50	\$960.00	CRAZY MOUNTAIN OIL AND GAS LLC
41	1, 2, 3, 4, 5, 6, 7	4.N	17.E	16	All	640.00	\$1.50	\$960.00	CRAZY MOUNTAIN OIL AND GAS LLC
42	1, 2, 3, 4, 5, 6	4.N	17.E	18	Lots 1, 2, 3, 4, E2W2, E2	* 616.62	\$1.50	\$924.93	CRAZY MOUNTAIN OIL AND GAS LLC
43	1, 2, 3, 4, 5, 6	4.N	17.E	28	All	* 640.00	\$1.50	\$960.00	CRAZY MOUNTAIN OIL AND GAS LLC
44	1, 2, 3, 4, 5, 6, 7	5.N	15.E	16	All	640.00	\$1.50	\$960.00	CRAZY MOUNTAIN OIL AND GAS LLC
45	1, 2, 3, 4, 5, 6, 7	5.N	15.E	20	S2	320.00	\$1.50	\$480.00	CRAZY MOUNTAIN OIL AND GAS LLC
46	1, 2, 3, 4, 5, 6, 7, 9	1.S	16.E	36	W2NW4, NE4NE4, S2NE4, SE4, SE4SW4	* 400.00	\$1.50	\$600.00	CRAZY MOUNTAIN OIL AND GAS LLC
47	1, 2, 3, 4, 5, 6, 7, 9, 15	1.S	17.E	36	NW4NW4, S2NW4, NW4SE4, S2SE4, SW4	400.00	\$1.50	\$600.00	CRAZY MOUNTAIN OIL AND GAS LLC
48	1, 2, 3, 4, 5, 6	2.S	17.E	36	All	640.00	\$1.50	\$960.00	CRAZY MOUNTAIN OIL AND GAS LLC
49	1, 2, 3, 4, 5, 6	3.S	16.E	16	All	640.00	\$1.50	\$960.00	CRAZY MOUNTAIN OIL AND GAS LLC
<b>Toole</b>									
50	1, 2, 3, 4, 5, 6	36.N	2.W	12	SE4	* 160.00	\$1.50	\$240.00	TETON RESOURCES USA, LLC
51	1, 2, 3, 4, 5, 6	36.N	2.W	13	NE4	* 160.00	\$1.50	\$240.00	TETON RESOURCES USA, LLC
52	1, 2, 3, 4, 5, 6, 10, 13	36.N	2.W	16	All	* 640.00	\$1.50	\$960.00	TETON RESOURCES USA, LLC
53	1, 2, 3, 4, 5, 6	36.N	3.W	9	SW4SW4	40.00	\$17.00	\$680.00	KEESUN CORP.
54	2, 3, 4, 5, 6, 16	36.N	3.W	32	W2SE4	80.00	\$15.00	\$1,200.00	KEESUN CORP.

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

# Summary by Lessor

	<b>Total Acres</b>	<b>Total Tracts</b>
Dept. of Natural Resources and Conservation	20,842.89	54

## Oil and Gas Lease Sale Summary

<b>Total Tracts</b>	54
<b>Total Acres</b>	20,842.89
<b>Total Bid Revenue</b>	\$287,611.48
<b>Average Bid Per Acre</b>	\$13.80

**State of Montana**  
**Oil & Gas Lease Sale - September 6, 2017**  
**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 designated sage grouse general habitat. Proposed activities are subject to, and shall comply with, all provisions, stipulations and mitigation requirements of the Montana Sage Grouse Habitat Conservation Strategy, as implemented by Governor's Executive Orders 10-2014, 12-2015, and amendments thereto. Contact the TLMD prior to preparing a project proposal.
- 9 Unless otherwise approved by the Department in writing, wells and related surface infrastructure, including new road construction, are prohibited within 1/2 mile of the centerline of a navigable river, lake or reservoir, and within 1/4 mile of direct perennial tributary streams of navigable waterways, on or adjacent to the tract. No surface occupancy is allowed within the bed of a river, stream, lake or reservoir, islands and accretions or abandoned channels.
- 10 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 11 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.
- 12 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.

- 13 No surface occupancy of the cemetery site is permitted without written approval of TLMD.
- 14 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.
- 15 Due to existing surface uses and the potential for future surface development, utilization of the surface for mineral exploration and development may be restricted or denied. Review of operating plans for exploration and/or development will include consideration of both existing and potential surface development to minimize conflicts and ensure that both mineral and surface uses are consistent with one another and in the best long-term interest of the school trust.
- 16 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.
- 17 No surface occupancy shall be allowed on this tract.
- 18 If whooping cranes are observed on-site, construction and/or maintenance activities shall be suspended until birds leave the area.

**State of Montana**  
**Oil & Gas Lease Sale - September 6, 2017**  
**Applicant List**

Tract	Twp	Rng	Sec	Description	Acres	Applicant
<b>Big Horn</b>						
1	7.S	40.E	36	All	640.00	HOOVER & STACY, INC.
2	8.S	39.E	36	All	640.00	HOOVER & STACY, INC.
3	8.S	42.E	16	NE4NE4	40.00	HOOVER & STACY, INC.
4	9.S	39.E	36	Lots 1, 2, 3, 4, 5, W2NE4, NW4, N2SW4	495.90	HOOVER & STACY, INC.
5	9.S	40.E	11	S2SE4	80.00	HOOVER & STACY, INC.
6	9.S	40.E	12	NE4, S2	480.00	HOOVER & STACY, INC.
7	9.S	40.E	16	All	640.00	HOOVER & STACY, INC.
<b>Glacier</b>						
8	36.N	5.W	4	Lots 3, 4	81.04	SANDS OIL COMPANY
9	36.N	5.W	6	SE4	160.00	SANDS OIL COMPANY
10	37.N	5.W	9	N2	320.00	SANDS OIL COMPANY
11	37.N	5.W	32	SE4	160.00	SANDS OIL COMPANY
12	37.N	5.W	33	S2SW4	80.00	SANDS OIL COMPANY
13	37.N	6.W	13	E2SE4, S2SW4	160.00	SANDS OIL COMPANY
14	37.N	6.W	24	N2NW4, S2SE4	160.00	SANDS OIL COMPANY
<b>Roosevelt</b>						
15	27.N	57.E	6	Lots 1, 2, E2NW4, NE4	310.34	JBLS MONTANA, INC.
16	27.N	57.E	15	E2E2	160.00	JBLS MONTANA, INC.
17	27.N	57.E	16	All	640.00	JBLS MONTANA, INC.
18	27.N	57.E	18	Missouri Riverbed and related acreage	5.00	JBLS MONTANA, INC.
19	27.N	57.E	19	Missouri Riverbed and related acreage	154.00	JBLS MONTANA, INC.
20	27.N	57.E	21	Lot 3, Missouri Riverbed and related acreage	108.00	JBLS MONTANA, INC.
21	27.N	57.E	22	E2NE4, N2S2, SE4SE4	280.00	JBLS MONTANA, INC.
22	29.N	58.E	29	SW4	160.00	FOSSIL HILL RESOURCES LLC
23	29.N	58.E	32	N2NW4	80.00	FOSSIL HILL RESOURCES LLC
<b>Rosebud</b>						
24	7.S	41.E	36	Lots 1, 2, 3, 4, N2, N2S2	638.22	HOOVER & STACY, INC.
<b>Sweet Grass</b>						
25	1.N	13.E	16	All	640.00	CRAZY MOUNTAIN OIL AND GAS LLC
26	1.N	16.E	16	E2	320.00	CRAZY MOUNTAIN OIL AND GAS LLC
27	1.N	17.E	16	All	640.00	CRAZY MOUNTAIN OIL AND GAS LLC
28	2.N	13.E	16	All	640.00	CRAZY MOUNTAIN OIL AND GAS LLC
29	2.N	14.E	36	N2	320.00	CRAZY MOUNTAIN OIL AND GAS LLC
30	2.N	16.E	16	All	640.00	CRAZY MOUNTAIN OIL AND GAS LLC
31	2.N	16.E	36	Lots 1, 2, 3, 4, N2, N2S2	642.04	CRAZY MOUNTAIN OIL AND GAS LLC
32	2.N	17.E	4	Lots 3, 4, S2NW4, SW4	351.73	CRAZY MOUNTAIN OIL AND GAS LLC
33	2.N	17.E	10	S2	320.00	CRAZY MOUNTAIN OIL AND GAS LLC
34	2.N	17.E	14	E2	320.00	CRAZY MOUNTAIN OIL AND GAS LLC
35	2.N	17.E	16	All	640.00	CRAZY MOUNTAIN OIL AND GAS LLC
36	3.N	15.E	36	All	640.00	CRAZY MOUNTAIN OIL AND GAS LLC
37	3.N	17.E	10	E2NE4, NE4SE4	120.00	CRAZY MOUNTAIN OIL AND GAS LLC
38	4.N	16.E	16	All	640.00	CRAZY MOUNTAIN OIL AND GAS LLC
39	4.N	16.E	36	All	640.00	CRAZY MOUNTAIN OIL AND GAS LLC
40	4.N	17.E	8	All	640.00	CRAZY MOUNTAIN OIL AND GAS LLC
41	4.N	17.E	16	All	640.00	CRAZY MOUNTAIN OIL AND GAS LLC
42	4.N	17.E	18	Lots 1, 2, 3, 4, E2W2, E2	616.62	CRAZY MOUNTAIN OIL AND GAS LLC
43	4.N	17.E	28	All	640.00	CRAZY MOUNTAIN OIL AND GAS LLC
44	5.N	15.E	16	All	640.00	CRAZY MOUNTAIN OIL AND GAS LLC
45	5.N	15.E	20	S2	320.00	CRAZY MOUNTAIN OIL AND GAS LLC
46	1.S	16.E	36	W2NW4, NE4NE4, S2NE4, SE4, SE4SW4	400.00	CRAZY MOUNTAIN OIL AND GAS LLC
47	1.S	17.E	36	NW4NW4, S2NW4, NW4SE4, S2SE4, SW4	400.00	CRAZY MOUNTAIN OIL AND GAS LLC
48	2.S	17.E	36	All	640.00	CRAZY MOUNTAIN OIL AND GAS LLC
49	3.S	16.E	16	All	640.00	CRAZY MOUNTAIN OIL AND GAS LLC
<b>Toole</b>						
50	36.N	2.W	12	SE4	160.00	TETON RESOURCES USA, LLC
51	36.N	2.W	13	NE4	160.00	TETON RESOURCES USA, LLC
52	36.N	2.W	16	All	640.00	TETON RESOURCES USA, LLC

---

<b>Tract</b>	<b>Twp</b>	<b>Rng</b>	<b>Sec</b>	<b>Description</b>	<b>Acres</b>	<b>Applicant</b>
53	36.N	3.W	9	SW4SW4	40.00	TETON RESOURCES USA, LLC
54	36.N	3.W	32	W2SE4	80.00	TETON RESOURCES USA, LLC

---

DEPARTMENT OF NATURAL RESOURCES  
AND CONSERVATION

Trust Land Management Division



STEVE BULLOCK, GOVERNOR

1539 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 5, 2017 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the date of the December 2017 Oil and Gas Lease Sale has been set for **TUESDAY, DECEMBER 5, 2017**, at 9:00 a.m. in the Montana Room of the Department of Natural Resources and Conservation building at 1539 Eleventh Avenue, Helena, Montana, across from the Capitol Hill Mall. 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 19, 2017. 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