

**State of Montana  
Oil & Gas Lease Sale - March 6, 2018  
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, March 6, 2018.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
<b>Richland</b>									
1	1, 2, 3, 4, 5, 6, 7, 10, 16	26.N	57.E	3	Lots 3, 4, S2NW4, SW4SE4, E2SW4	280.46	\$160.00	\$44,873.60	KRAKEN OIL & GAS II LLC
2	1, 2, 3, 4, 5, 6, 16	26.N	57.E	6	NE4SE4	40.00	\$56.00	\$2,240.00	KRAKEN OIL & GAS II LLC
3	1, 2, 3, 4, 5, 6, 7, 16	26.N	57.E	10	E2NW4, W2NE4, NW4SE4, NE4SW4	240.00	\$175.00	\$42,000.00	KRAKEN OIL & GAS II LLC
4	1, 2, 3, 4, 5, 6, 7, 16	26.N	57.E	22	SE4NW4, S2NE4, S2	440.00	\$225.00	\$99,000.00	KRAKEN OIL & GAS II LLC
5	1, 2, 3, 4, 5, 6, 7, 16	26.N	57.E	27	N2, SE4, N2SW4, SE4SW4	600.00	\$335.00	\$201,000.00	KRAKEN OIL & GAS II LLC
6	1, 2, 3, 4, 5, 6, 16	26.N	57.E	33	W2SW4	80.00	\$105.00	\$8,400.00	EMPIRE OIL COMPANY
7	1, 2, 3, 4, 5, 6, 16	26.N	57.E	36	All	640.00	\$330.00	\$211,200.00	KRAKEN OIL & GAS II LLC
<b>Roosevelt</b>									
8	1, 2, 3, 4, 5, 6, 10, 13, 15, 16	27.N	56.E	6	Lots 3, 4, Missouri Riverbed and related acreage	206.00	\$27.00	\$5,562.00	NISKU ROYALTY, LP
9	1, 2, 3, 4, 5, 6, 7, 16	28.N	56.E	30	SE4NW4, S2NE4	120.00	\$27.00	\$3,240.00	NISKU ROYALTY, LP
10	1, 2, 3, 4, 5, 6, 10, 16	28.N	56.E	31	Lot 4, SE4SW4	75.00	\$30.00	\$2,250.00	L6NRG, LLC
<b>Rosebud</b>									
11	1, 2, 3, 4, 5, 6, 9	9.N	33.E	6	Lots 1, 2, 3, 4, 5, SE4NW4, S2NE4	316.87	\$2.50	\$792.18	HOOVER & STACY, INC.
12	1, 2, 3, 4, 5, 6, 9	9.N	33.E	14	E2	320.00	\$1.50	\$480.00	HOOVER & STACY, INC.
13	1, 2, 3, 4, 5, 6, 7, 9	9.N	33.E	16	All	640.00	\$2.75	\$1,760.00	HOOVER & STACY, INC.
14	1, 2, 3, 4, 5, 6, 9	9.N	34.E	16	All	640.00	\$1.50	\$960.00	HOOVER & STACY, INC.
15	1, 2, 3, 4, 5, 6, 9	10.N	32.E	14	SE4	160.00	\$2.00	\$320.00	HOOVER & STACY, INC.
16	1, 2, 3, 4, 5, 6, 9	10.N	32.E	16	All	640.00	\$1.50	\$960.00	HOOVER & STACY, INC.
17	1, 2, 3, 4, 5, 6, 7, 8	10.N	32.E	30	E2NW4, NE4, E2SE4	320.00	\$2.25	\$720.00	HOOVER & STACY, INC.
18	1, 2, 3, 4, 5, 6, 9	10.N	32.E	36	All	640.00	\$3.00	\$1,920.00	HOOVER & STACY, INC.
19	1, 2, 3, 4, 5, 6, 7, 9, 14	10.N	33.E	16	All	640.00	\$20.00	\$12,800.00	HOOVER & STACY, INC.
20	1, 2, 3, 4, 5, 6, 9	10.N	33.E	36	All	640.00	\$29.00	\$18,560.00	HOOVER & STACY, INC.
21	1, 2, 3, 4, 5, 6, 7, 9	10.N	34.E	16	All, below the base of the Kootenai formation	640.00	\$55.00	\$35,200.00	HOOVER & STACY, INC.
22	1, 2, 3, 4, 5, 6, 9	10.N	34.E	32	All, below the base of the Kootenai formation	640.00	\$27.00	\$17,280.00	HISTORIC PROPERTIES LLC
23	1, 2, 3, 4, 5, 6, 7, 9	10.N	34.E	36	All, subject to RR R/W	640.00	\$28.00	\$17,920.00	HISTORIC PROPERTIES LLC
24	1, 2, 3, 4, 5, 6, 9	11.N	33.E	5	Lots 1, 2, 3, 4, S2N2, S2	640.40	\$11.00	\$7,044.40	HOOVER & STACY, INC.
25	1, 2, 3, 4, 5, 6, 9	11.N	33.E	6	Lots 1, 2, S2NE4, SE4	320.00	\$8.00	\$2,560.00	HOOVER & STACY, INC.
26	1, 2, 3, 4, 5, 6, 7, 9	11.N	33.E	9	All	640.00	\$10.00	\$6,400.00	HOOVER & STACY, INC.
27	1, 2, 3, 4, 5, 6, 7, 9	11.N	33.E	16	All	640.00	\$22.00	\$14,080.00	HOOVER & STACY, INC.
28	1, 2, 3, 4, 5, 6, 9	11.N	34.E	4	S2	320.00	\$1.50	\$480.00	HOOVER & STACY, INC.
29	1, 2, 3, 4, 5, 6, 7, 9	11.N	34.E	16	All	640.00	\$10.00	\$6,400.00	HOOVER & STACY, INC.
30	1, 2, 3, 4, 5, 6, 9	11.N	34.E	18	E2E2, SW4NE4, SE4NW4, NE4SW4, NW4SE4	320.00	\$8.00	\$2,560.00	HOOVER & STACY, INC.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
<b>Rosebud</b>									
31	1, 2, 3, 4, 5, 6, 7, 9	11.N	34.E	31	Lots 1, 2, 3, 4, E2, E2W2, below the base of the Cretaceous (3rd Cat Creek) formation	629.08	\$62.00	\$39,002.96	HOOVER & STACY, INC.
32	1, 2, 3, 4, 5, 6, 7, 9	11.N	34.E	36	All	640.00	\$22.00	\$14,080.00	HOOVER & STACY, INC.
33	1, 2, 3, 4, 5, 6, 9	12.N	32.E	12	E2	320.00	\$1.50	\$480.00	HOOVER & STACY, INC.
34	1, 2, 3, 4, 5, 6, 9	12.N	32.E	16	All	640.00	\$1.50	\$960.00	HOOVER & STACY, INC.
35	1, 2, 3, 4, 5, 6, 9	12.N	32.E	26	N2	* 320.00	\$1.50	\$480.00	HOOVER & STACY, INC.
36	1, 2, 3, 4, 5, 6, 9	12.N	32.E	28	S2	320.00	\$1.50	\$480.00	HOOVER & STACY, INC.
37	1, 2, 3, 4, 5, 6, 7, 9	12.N	32.E	36	All	640.00	\$10.00	\$6,400.00	HOOVER & STACY, INC.
38	1, 2, 3, 4, 5, 6, 9	12.N	33.E	16	All	640.00	\$14.00	\$8,960.00	HOOVER & STACY, INC.
39	1, 2, 3, 4, 5, 6, 7, 9	12.N	33.E	31	Lots 11-30	834.02	\$15.00	\$12,510.30	HOOVER & STACY, INC.
40	1, 2, 3, 4, 5, 6, 7, 9	12.N	33.E	31	Lots 1-10, NE4, E2NW4, below the base of the Tyler formation	618.08	\$15.00	\$9,271.20	HOOVER & STACY, INC.
41	1, 2, 3, 4, 5, 6, 7, 9	12.N	33.E	36	Lots 1-24, N2	1244.52	\$21.00	\$26,134.92	HOOVER & STACY, INC.
42	1, 2, 3, 4, 5, 6, 7, 9	12.N	34.E	16	All	640.00	\$10.00	\$6,400.00	HOOVER & STACY, INC.
43	1, 2, 3, 4, 5, 6, 7, 9	12.N	34.E	30	E2	320.00	\$1.50	\$480.00	HOOVER & STACY, INC.
44	1, 2, 3, 4, 5, 6, 7, 9	12.N	34.E	31	Lots 1, 2, 3, 4, E2	377.68	\$1.50	\$566.52	HOOVER & STACY, INC.
45	1, 2, 3, 4, 5, 6, 7, 9	12.N	34.E	36	All	640.00	\$10.00	\$6,400.00	HOOVER & STACY, INC.
46	1, 2, 3, 4, 5, 6, 9	13.N	32.E	34	W2	320.00	\$1.50	\$480.00	HOOVER & STACY, INC.
47	1, 2, 3, 4, 5, 6, 7, 9	13.N	32.E	36	All	640.00	\$10.00	\$6,400.00	HOOVER & STACY, INC.
<b>Sheridan</b>									
48	1, 2, 3, 4, 5, 6, 16	36.N	55.E	36	All	640.00	\$1.75	\$1,120.00	NISKU ROYALTY, LP
49	1, 2, 3, 4, 5, 6, 16	36.N	57.E	36	All	640.00	\$1.75	\$1,120.00	NISKU ROYALTY, LP
50	1, 2, 3, 4, 5, 6, 11, 16	37.N	56.E	36	All	640.00	\$1.75	\$1,120.00	NISKU ROYALTY, LP
51	1, 2, 3, 4, 5, 6, 11, 16	37.N	57.E	36	All	640.00	\$1.75	\$1,120.00	NISKU ROYALTY, LP
<b>Toole</b>									
52	1, 2, 3, 4, 5, 6, 7, 12	35.N	3.W	36	All, less 0.24 acre patented RR R/W in NW4NW4	639.76	\$1.50	\$959.64	FARLEIGH OIL PROPERTIES
53	1, 2, 3, 4, 5, 6, 7, 11	37.N	3.W	36	All	640.00	\$1.50	\$960.00	FARLEIGH OIL PROPERTIES

\* 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	26,741.87	53

## Oil and Gas Lease Sale Summary

<b>Total Tracts</b>	53
<b>Total Acres</b>	26,741.87
<b>Total Bid Revenue</b>	\$914,847.72
<b>Average Bid Per Acre</b>	\$34.21

**State of Montana**  
**Oil & Gas Lease Sale - March 6, 2018**  
**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 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 This lease is located within designated sage grouse core 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.
- 10 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.
- 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.

- 13 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.
- 14 No surface occupancy of the cemetery site is permitted without written approval of TLMD.
- 15 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.
- 16 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 - March 6, 2018**  
**Applicant List**

Tract	Twp	Rng	Sec	Description	Acres	Applicant
<b>Richland</b>						
1	26.N	57.E	3	Lots 3, 4, S2NW4, SW4SE4, E2SW4	280.46	L6NRG, LLC
2	26.N	57.E	6	NE4SE4	40.00	L6NRG, LLC
3	26.N	57.E	10	E2NW4, W2NE4, NW4SE4, NE4SW4	240.00	L6NRG, LLC
4	26.N	57.E	22	SE4NW4, S2NE4, S2	440.00	EMPIRE OIL COMPANY
5	26.N	57.E	27	N2, SE4, N2SW4, SE4SW4	600.00	EMPIRE OIL COMPANY
6	26.N	57.E	33	W2SW4	80.00	L6NRG, LLC
7	26.N	57.E	36	All	640.00	L6NRG, LLC
<b>Roosevelt</b>						
8	27.N	56.E	6	Lots 3, 4, Missouri Riverbed and related acreage	206.00	L6NRG, LLC
9	28.N	56.E	30	SE4NW4, S2NE4	120.00	L6NRG, LLC
10	28.N	56.E	31	Lot 4, SE4SW4	75.00	L6NRG, LLC
<b>Rosebud</b>						
11	9.N	33.E	6	Lots 1, 2, 3, 4, 5, SE4NW4, S2NE4	316.87	HOOVER & STACY, INC.
12	9.N	33.E	14	E2	320.00	HOOVER & STACY, INC.
13	9.N	33.E	16	All	640.00	HOOVER & STACY, INC.
14	9.N	34.E	16	All	640.00	HOOVER & STACY, INC.
15	10.N	32.E	14	SE4	160.00	HOOVER & STACY, INC.
16	10.N	32.E	16	All	640.00	HOOVER & STACY, INC.
17	10.N	32.E	30	E2NW4, NE4, E2SE4	320.00	HOOVER & STACY, INC.
18	10.N	32.E	36	All	640.00	HOOVER & STACY, INC.
19	10.N	33.E	16	All	640.00	HOOVER & STACY, INC.
20	10.N	33.E	36	All	640.00	HOOVER & STACY, INC.
21	10.N	34.E	16	All, below the base of the Kootenai formation	640.00	HOOVER & STACY, INC.
22	10.N	34.E	32	All, below the base of the Kootenai formation	640.00	HOOVER & STACY, INC.
23	10.N	34.E	36	All, subject to RR R/W	640.00	HOOVER & STACY, INC.
24	11.N	33.E	5	Lots 1, 2, 3, 4, S2N2, S2	640.40	HOOVER & STACY, INC.
25	11.N	33.E	6	Lots 1, 2, S2NE4, SE4	320.00	HOOVER & STACY, INC.
26	11.N	33.E	9	All	640.00	HOOVER & STACY, INC.
27	11.N	33.E	16	All	640.00	HOOVER & STACY, INC.
28	11.N	34.E	4	S2	320.00	HOOVER & STACY, INC.
29	11.N	34.E	16	All	640.00	HOOVER & STACY, INC.
30	11.N	34.E	18	E2E2, SW4NE4, SE4NW4, NE4SW4, NW4SE4	320.00	HOOVER & STACY, INC.
31	11.N	34.E	31	Lots 1, 2, 3, 4, E2, E2W2, below the base of the Cretaceous (3rd Cat Creek) formation	629.08	HOOVER & STACY, INC.
32	11.N	34.E	36	All	640.00	HOOVER & STACY, INC.
33	12.N	32.E	12	E2	320.00	HOOVER & STACY, INC.
34	12.N	32.E	16	All	640.00	HOOVER & STACY, INC.
35	12.N	32.E	26	N2	320.00	HOOVER & STACY, INC.
36	12.N	32.E	28	S2	320.00	HOOVER & STACY, INC.
37	12.N	32.E	36	All	640.00	HOOVER & STACY, INC.
38	12.N	33.E	16	All	640.00	HOOVER & STACY, INC.
39	12.N	33.E	31	Lots 11-30	834.02	HOOVER & STACY, INC.
40	12.N	33.E	31	Lots 1-10, NE4, E2NW4, below the base of the Tyler formation	618.08	HOOVER & STACY, INC.
41	12.N	33.E	36	Lots 1-24, N2	1244.5	HOOVER & STACY, INC.
42	12.N	34.E	16	All	640.00	HOOVER & STACY, INC.
43	12.N	34.E	30	E2	320.00	HOOVER & STACY, INC.
44	12.N	34.E	31	Lots 1, 2, 3, 4, E2	377.68	HOOVER & STACY, INC.
45	12.N	34.E	36	All	640.00	HOOVER & STACY, INC.
46	13.N	32.E	34	W2	320.00	HOOVER & STACY, INC.
47	13.N	32.E	36	All	640.00	HOOVER & STACY, INC.
<b>Sheridan</b>						
48	36.N	55.E	36	All	640.00	EMPIRE OIL COMPANY
49	36.N	57.E	36	All	640.00	EMPIRE OIL COMPANY
50	37.N	56.E	36	All	640.00	EMPIRE OIL COMPANY
51	37.N	57.E	36	All	640.00	EMPIRE OIL COMPANY

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<b>Tract</b>	<b>Twp</b>	<b>Rng</b>	<b>Sec</b>	<b>Description</b>	<b>Acres</b>	<b>Applicant</b>
<b>Toole</b>						
52	35.N	3.W	36	All, less 0.24 acre patented RR R/W in NW4NW4	639.76	FARLEIGH OIL PROPERTIES
53	37.N	3.W	36	All	640.00	FARLEIGH OIL PROPERTIES

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**DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION**

P.O. Box 201601

Helena, Montana 59620-1601

The following is a list of oil and gas leases, which expired or terminated in December 2017.

<b>COUNTY</b>	<b>TWP</b>	<b>RNG</b>	<b>SEC</b>	<b>DESCRIPTION</b>	<b>ACRES</b>
<b>Blaine</b>					
	31 N	20 E	16	All	640.00
	31 N	20 E	21	All	640.00
	31 N	21 E	16	All	640.00
	31 N	21 E	22	E2	320.00
	31 N	21 E	26	W2	320.00
	31 N	21 E	27	All	640.00
	31 N	21 E	28	N2NW4	80.00
	31 N	21 E	36	All	640.00
	34 N	19 E	35	NW4NW4	40.00
<b>Dawson</b>					
	13 N	55 E	16	All	640.00
<b>Powder River</b>					
	7 S	51 E	36	All	640.00
<b>Richland</b>					
	22 N	58 E	34	NW4	160.00
	24 N	51 E	20	S2	320.00
	25 N	51 E	16	All	640.00
	27 N	54 E	25	S2SE4	80.00
<b>Sheridan</b>					
	35 N	57 E	16	All	640.00
	37 N	55 E	36	All	640.00
<b>Toole</b>					
	33 N	2 W	15	E2, below the base of the Swift formation	320.00
	34 N	2 W	21	SE4NW4, NW4NE4, N2S2, SE4SE4, SW4SW4, below the base of the Rierdon formation	320.00
	34 N	2 W	28	NW4NW4, S2NW4, E2NE4, N2SE4, NE4SW4, below the base of the Rierdon formation	320.00
	35 N	4 W	34	SW4NE4, E2E2, NW4SE4	240.00



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: June 5, 2018 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the date of the June 2018 Oil and Gas Lease Sale has been set for **TUESDAY, JUNE 5, 2018**, 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 June is 5:00pm on March 20, 2018. 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