

**State of Montana
Oil & Gas Lease Sale - March 3, 2020
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 3, 2020.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Big Horn									
1	1, 2, 3, 4, 5, 6, 9, 10, 12	2.N	33.E	36	LOT 1, NE4NW4, S2NW4, NE4, S2, BIG HORN RIVERBED AND RELATED ACREAGE	640.00	\$1.50	\$960.00	BRISCOE PETROLEUM, LLC
Liberty									
2	1, 2, 3, 4, 5, 6	34.N	4.E	16	ALL, BELOW THE BASE OF THE BLACKLEAF FORMATION	* 640.00	\$1.50	\$960.00	TAYLOR WELL OPERATING INC.
Pondera									
3	1, 2, 3, 4, 5, 6, 8, 13	28.N	5.W	36	ALL	640.00	\$1.75	\$1,120.00	BALKO INC
Sheridan									
4	1, 2, 3, 4, 5, 6, 8, 15	33.N	57.E	16	ALL	640.00	\$1.50	\$960.00	SAMPSEN, RICHARD E
5	1, 2, 3, 4, 5, 6, 14, 15	33.N	57.E	36	ALL	640.00	\$1.50	\$960.00	SAMPSEN, RICHARD E
Stillwater									
6	1, 2, 3, 4, 5, 6, 7, 11	5.S	17.E	36	W2, W2NE4	* 400.00	\$1.50	\$600.00	SWITCHBACK RANCH, LLC
Toole									
7	1, 2, 3, 4, 5, 6	32.N	1.W	21	ALL, BELOW THE BASE OF THE KOOTENAI FORMATION	* 640.00	\$1.50	\$960.00	SWANSON, TOM E.

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

Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	4,240.00	7

Oil and Gas Lease Sale Summary

Total Tracts	7
Total Acres	4,240.00
Total Bid Revenue	\$6,520.00
Average Bid Per Acre	\$1.54

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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 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 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.
- 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 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.

- 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(s) and any existing facilities. The lessee may not enter the well(s) until a change of operator has been filed with, and approved by, the Board of Oil and Gas Conservation. The(se) well(s) must be returned to commercial production or plugged and the well site (s) reclaimed within 18 months from the effective date of this lease.
- 14 Due to existing surface uses (such as center pivots, wheel lines, etc.) development on this tract may be restricted.
- 15 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
Big Horn						
1	2.N	33.E	36	LOT 1, NE4NW4, S2NW4, NE4, S2, BIG HORN RIVERBED AND RELATED ACREAGE	640.00	BRISCOE PETROLEUM, LLC
Liberty						
2	34.N	4.E	16	ALL, BELOW THE BASE OF THE BLACKLEAF FORMATION	640.00	TAYLOR WELL OPERATING INC.
Pondera						
3	28.N	5.W	36	ALL	640.00	RCS OIL
Sheridan						
4	33.N	57.E	16	ALL	640.00	SAMPSEN, RICHARD E
5	33.N	57.E	36	ALL	640.00	SAMPSEN, RICHARD E
Stillwater						
6	5.S	17.E	36	W2, W2NE4	400.00	SWITCHBACK RANCH, LLC
Toole						
7	32.N	1.W	21	ALL, BELOW THE BASE OF THE KOOTENAI FORMATION	640.00	SWANSON, TOM E.

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 2019.

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Dawson					
	13 N	56 E	16	All	640.00
	16 N	54 E	10	NE4	160.00
	16 N	54 E	12	S2NE4, SE4NW4, NE4SW4	160.00
	16 N	54 E	16	All	640.00
	16 N	54 E	36	Lots 1, 2, 3, 4, N2, N2S2	637.00
	16 N	55 E	16	All	640.00
Glacier					
	37 N	5 W	36	All, below the top of the Ellis formation	640.00
Hill					
	33 N	16 E	18	Lots 1, 2, 3, 4, E2W2, E2	635.56
Powder River					
	6 S	51 E	36	NW4SE4, S2SE4	120.00
	6 S	52 E	36	All	640.00
	7 S	52 E	36	Lots 1, 2, 3, 4, N2, N2S2	640.16
	7 S	53 E	16	All	640.00
	7 S	53 E	36	All	640.00
	9 S	53 E	16	All	640.00
Roosevelt					
	27 N	58 E	26	Missouri Riverbed and related acreage	149.00
Toole					
	31 N	2 W	9	Tract in W2W2	14.56
Valley					
	33 N	38 E	36	All	640.00
	33 N	39 E	31	Lots 1 thru 11, NE4	526.60
	35 N	38 E	16	All	640.00
	37 N	36 E	36	NW4NE4, S2NE4, SE4	280.00
Wibaux					
	11 N	59 E	16	All	640.00
	11 N	59 E	36	All	640.00
	12 N	58 E	16	W2, W2E2, SE4SE4	520.00
	12 N	59 E	16	All	640.00
	12 N	59 E	36	All	640.00
	13 N	56 E	36	All	640.00
	13 N	57 E	36	All	640.00
	13 N	59 E	16	All	640.00

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 2, 2020 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the date of the June 2020 Oil and Gas Lease Sale has been set for **TUESDAY, JUNE 2, 2020**, at 9:00 a.m. in the Montana Room of the Department of Natural Resources and Conservation building at 1539 Eleventh Avenue, Helena, Montana. 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 17, 2020. Applications must be received in this office by that date. If you have any questions, please contact me at thossfeld@mt.gov or (406) 444-4986.

Theresa Hossfeld
Senior Accounting Technician
Mineral Leasing Section
Minerals Management Bureau