

**State of Montana  
Oil & Gas Lease Sale - September 4, 2019  
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 4, 2019.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
<b>Richland</b>									
1	1, 2, 3, 4, 5, 6, 11, 12	27.N	56.E	4	MISSOURI RIVERBED AND RELATED ACREAGE	138.00	\$1.75	\$241.50	KRAKEN OIL & GAS II LLC
2	1, 2, 3, 4, 5, 6, 11, 12	27.N	56.E	5	MISSOURI RIVERBED AND RELATED ACREAGE	150.00	\$1.75	\$262.50	KRAKEN OIL & GAS II LLC
3	1, 2, 3, 4, 5, 6, 11, 12	27.N	56.E	8	MISSOURI RIVERBED AND RELATED ACREAGE	165.00	\$1.75	\$288.75	KRAKEN OIL & GAS II LLC
4	1, 2, 3, 4, 5, 6, 8, 11, 12	27.N	56.E	13	LOT 8, MISSOURI RIVERBED AND RELATED ACREAGE	127.00	\$1.75	\$222.25	KRAKEN OIL & GAS II LLC
<b>Sheridan</b>									
5	1, 2, 3, 4, 5, 6, 7, 15	31.N	57.E	36	ALL	640.00	\$15.00	\$9,600.00	STEWART GEOLOGICAL, INC.
6	1, 2, 3, 4, 5, 6, 15	32.N	57.E	16	N2NE4	* 80.00	\$1.50	\$120.00	MONKOTA PETROLEUM CORPORATION
7	1, 2, 3, 4, 5, 6, 9, 10, 15	32.N	59.E	16	LOTS 1, 2, 3, 4, W2	485.88	\$7.00	\$3,401.16	MONKOTA PETROLEUM CORPORATION
8	1, 2, 3, 4, 5, 6, 15	35.N	57.E	16	ALL	* 640.00	\$1.50	\$960.00	MONKOTA PETROLEUM CORPORATION
9	1, 2, 3, 4, 5, 6, 15	35.N	57.E	36	ALL	* 640.00	\$1.50	\$960.00	MONKOTA PETROLEUM CORPORATION
10	1, 2, 3, 4, 5, 6, 7, 10, 14, 15	35.N	58.E	36	LOTS 1-12, W2	* 866.52	\$1.50	\$1,299.78	MONKOTA PETROLEUM CORPORATION
11	1, 2, 3, 4, 5, 6, 9, 15	36.N	57.E	16	ALL	640.00	\$11.00	\$7,040.00	MONKOTA PETROLEUM CORPORATION
<b>Toole</b>									
12	1, 2, 3, 4, 5, 6	37.N	4.W	5	W2SE4, S2SW4	160.00	\$1.50	\$240.00	PETRO-SENTINEL LLC
13	1, 2, 3, 4, 5, 6	37.N	4.W	6	SE4SE4	40.00	\$2.50	\$100.00	PETRO-SENTINEL LLC
14	1, 2, 3, 4, 5, 6, 13	37.N	4.W	8	NE4	160.00	\$1.50	\$240.00	PETRO-SENTINEL LLC
15	1, 2, 3, 4, 5, 6	37.N	4.W	14	S2SW4	* 80.00	\$1.50	\$120.00	PETRO-SENTINEL LLC
16	1, 2, 3, 4, 5, 6	37.N	4.W	23	E2	* 320.00	\$1.50	\$480.00	PETRO-SENTINEL LLC
17	1, 2, 3, 4, 5, 6	37.N	4.W	24	ALL	* 640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC
18	1, 2, 3, 4, 5, 6	37.N	4.W	25	ALL	640.00	\$1.50	\$960.00	PETRO-SENTINEL LLC

\* 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	6,612.40	18

## Oil and Gas Lease Sale Summary

<b>Total Tracts</b>	18
<b>Total Acres</b>	6,612.40
<b>Total Bid Revenue</b>	\$27,495.94
<b>Average Bid Per Acre</b>	\$4.16

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**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 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.
- 8 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.
- 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 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.

- 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**

<b>Tract</b>	<b>Twp</b>	<b>Rng</b>	<b>Sec</b>	<b>Description</b>	<b>Acres</b>	<b>Applicant</b>
<b>Richland</b>						
1	27.N	56.E	4	MISSOURI RIVERBED AND RELATED ACREAGE	138.00	MONKOTA PETROLEUM CORPORATION
2	27.N	56.E	5	MISSOURI RIVERBED AND RELATED ACREAGE	150.00	MONKOTA PETROLEUM CORPORATION
3	27.N	56.E	8	MISSOURI RIVERBED AND RELATED ACREAGE	165.00	MONKOTA PETROLEUM CORPORATION
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<b>Sheridan</b>						
5	31.N	57.E	36	ALL	640.00	MONKOTA PETROLEUM CORPORATION
6	32.N	57.E	16	N2NE4	80.00	MONKOTA PETROLEUM CORPORATION
7	32.N	59.E	16	LOTS 1, 2, 3, 4, W2	485.88	MONKOTA PETROLEUM CORPORATION
8	35.N	57.E	16	ALL	640.00	MONKOTA PETROLEUM CORPORATION
9	35.N	57.E	36	ALL	640.00	MONKOTA PETROLEUM CORPORATION
10	35.N	58.E	36	LOTS 1-12, W2	866.52	MONKOTA PETROLEUM CORPORATION
11	36.N	57.E	16	ALL	640.00	MONKOTA PETROLEUM CORPORATION
<b>Toole</b>						
12	37.N	4.W	5	W2SE4, S2SW4	160.00	PETRO-SENTINEL LLC
13	37.N	4.W	6	SE4SE4	40.00	PETRO-SENTINEL LLC
14	37.N	4.W	8	NE4	160.00	PETRO-SENTINEL LLC
15	37.N	4.W	14	S2SW4	80.00	PETRO-SENTINEL LLC
16	37.N	4.W	23	E2	320.00	PETRO-SENTINEL LLC
17	37.N	4.W	24	ALL	640.00	PETRO-SENTINEL LLC
18	37.N	4.W	25	ALL	640.00	PETRO-SENTINEL 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 3, 2019 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the date of the December 2019 Oil and Gas Lease Sale has been set for **TUESDAY, DECEMBER 3, 2019**, 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 December is 5:00pm on September 17, 2019. 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