

State of Montana
Oil & Gas Lease Sale - September 1, 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, September 1, 2020.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Dawson									
1	1, 2, 3, 4, 5, 6, 7, 9	13.N	56.E	16	ALL	640.00	\$1.50	\$960.00	PRIMARY FUELS, LLC
2	1, 2, 3, 4, 5, 6	16.N	54.E	10	NE4	160.00	\$1.50	\$240.00	PRIMARY FUELS, LLC
3	1, 2, 3, 4, 5, 6	16.N	54.E	12	S2NE4, SE4NW4, NE4SW4	160.00	\$1.50	\$240.00	PRIMARY FUELS, LLC
4	1, 2, 3, 4, 5, 6, 7	16.N	54.E	16	ALL	640.00	\$1.75	\$1,120.00	ENERGY LAND SERVICES, LLC
5	1, 2, 3, 4, 5, 6, 7, 10, 13, 14	16.N	54.E	36	LOTS 1, 2, 3, 4, N2, N2S2	637.00	\$1.50	\$955.50	PRIMARY FUELS, LLC
6	1, 2, 3, 4, 5, 6, 7	16.N	55.E	16	ALL	* 640.00	\$1.75	\$1,120.00	ENERGY LAND SERVICES, LLC
Toole									
7	1, 2, 3, 4, 5, 6, 8, 10	34.N	1.W	7	LOTS 1, 2, E2NW4, E2SE4, BELOW THE BASE OF THE MADISON FORMATION	234.02	\$21.00	\$4,914.42	SWANSON, TOM E.
8	1, 2, 3, 4, 5, 6	34.N	1.W	16	E2, BELOW THE BASE OF * THE MADISON GROUP FORMATION	320.00	\$21.00	\$6,720.00	SWANSON, TOM E.
9	1, 2, 3, 4, 5, 6	34.N	2.W	36	ALL, BELOW THE BASE OF THE REIRDON FORMATION	640.00	\$31.00	\$19,840.00	SWANSON, TOM E.
10	1, 2, 3, 4, 5, 6, 10	35.N	2.W	25	SE4NE4, SE4, BELOW THE BASE OF THE MADISON FORMATION	200.00	\$6.00	\$1,200.00	SWANSON, TOM E.
11	1, 2, 3, 4, 5, 6	36.N	1.W	14	ALL	640.00	\$1.50	\$960.00	SWANSON, TOM E.
12	1, 2, 3, 4, 5, 6, 7, 12	36.N	1.W	23	N2	320.00	\$1.50	\$480.00	SWANSON, TOM E.
13	1, 2, 3, 4, 5, 6	36.N	1.W	36	ALL	* 640.00	\$1.50	\$960.00	SWANSON, TOM E.
14	1, 2, 3, 4, 5, 6, 11	37.N	4.W	16	ALL, BELOW THE TOP OF THE ELLIS GROUP	640.00	\$25.00	\$16,000.00	NORTHWESTERN CORPORATION DBA NORTHWESTERN ENERGY
15	1, 2, 3, 4, 5, 6, 11	37.N	4.W	30	NE4, BELOW THE TOP OF * THE ELLIS GROUP	160.00	\$41.00	\$6,560.00	NORTHWESTERN CORPORATION DBA NORTHWESTERN ENERGY
16	1, 2, 3, 4, 5, 6, 11	37.N	4.W	32	W2, W2SE4, BELOW THE * TOP OF THE ELLIS GROUP	400.00	\$50.00	\$20,000.00	NORTHWESTERN CORPORATION DBA NORTHWESTERN ENERGY

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

Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	7,071.02	16

Oil and Gas Lease Sale Summary

Total Tracts	16
Total Acres	7,071.02
Total Bid Revenue	\$82,269.92
Average Bid Per Acre	\$11.63

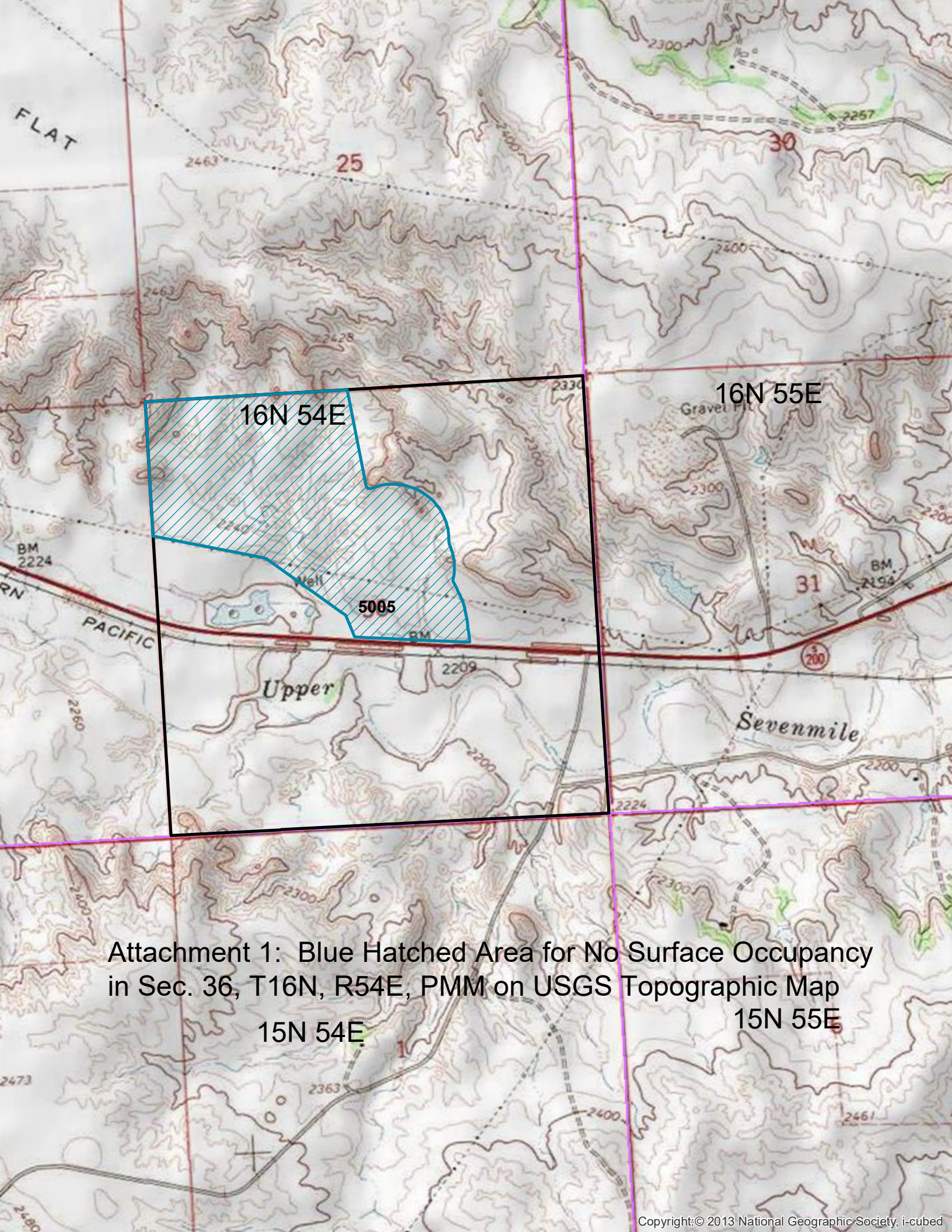
State of Montana
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Stipulations

- 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 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 11 A gas storage unit exists on this tract. TLMD will solicit comments from the gas storage operator (if other than lessee) if drilling through the gas storage reservoir is proposed, and TLMD may include reasonable protective stipulations in approving lessee's operating plan. As part of its regulatory review, the BOGC may also require protective measures to ensure no impact to the gas storage reservoir.
- 12 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.

- 13 No surface occupancy will be permitted in the hatched portion of the DFWP easement area shown on the accompanying topographic map and 2017 aerial photo (unless otherwise approved in writing by the Director of MT Dept. of Fish, Wildlife and Parks).
- 14 MT Dept. of Fish, Wildlife and Parks (MT-DFWP) holds a permanent public park and recreation easement D-12389 on 357.28 surface acres, more or less, approximately north of the right-of-way of MT State Highway No. 200S for the development, maintenance and operation of a public shooting range, including associated facilities. DNRC will consult with MT-DFWP regarding oil and gas activity proposed on their easement area.

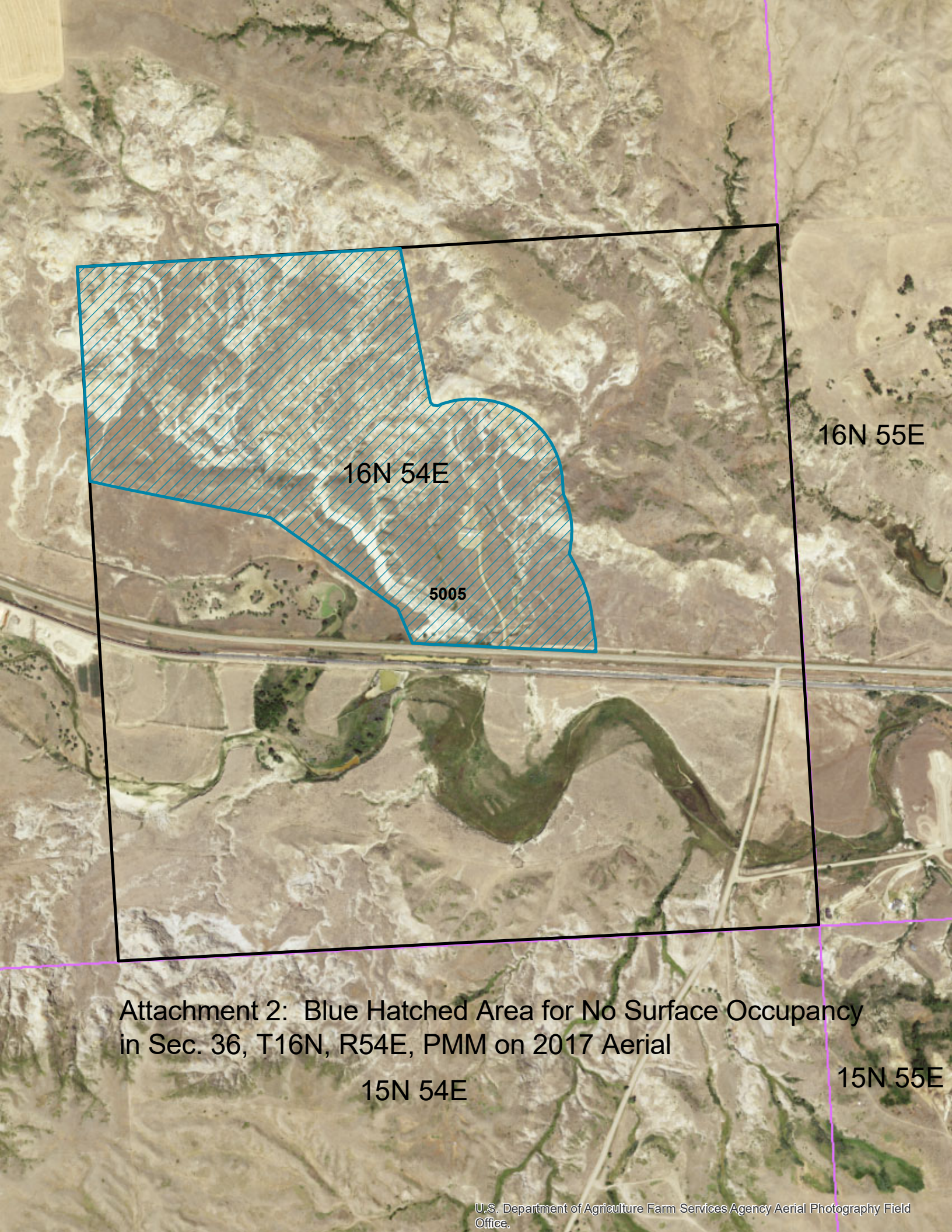
If the lessee proposes oil and gas activity on the easement area, lessee shall coordinate with MT-DNRC and MT-DFWP to determine a suitable location of proposed oil and gas well(s), related facilities and equipment for possible development and production within the easement area, but outside the no-surface-occupancy area. The location of the well(s), equipment and facilities shall be reasonable and shall not cause undue hardship to the oil and gas lessee. MT-DFWP's easement requires written concurrence that the proposed uses do not unreasonably conflict with their rights under the easement. The lessee will also work and coordinate with MT-DNRC if proposing any activity outside the MT-DFWP easement area on this tract.



Attachment 1: Blue Hatched Area for No Surface Occupancy in Sec. 36, T16N, R54E, PMM on USGS Topographic Map

15N 54E

15N 55E



16N 55E

16N 54E

5005

Attachment 2: Blue Hatched Area for No Surface Occupancy
in Sec. 36, T16N, R54E, PMM on 2017 Aerial

15N 54E

15N 55E

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Applicant List

Tract	Twp	Rng	Sec	Description	Acres	Applicant
Dawson						
1	13.N	56.E	16	ALL	640.00	PRIMARY FUELS, LLC
2	16.N	54.E	10	NE4	160.00	PRIMARY FUELS, LLC
3	16.N	54.E	12	S2NE4, SE4NW4, NE4SW4	160.00	PRIMARY FUELS, LLC
4	16.N	54.E	16	ALL	640.00	PRIMARY FUELS, LLC
5	16.N	54.E	36	LOTS 1, 2, 3, 4, N2, N2S2	637.00	PRIMARY FUELS, LLC
6	16.N	55.E	16	ALL	640.00	PRIMARY FUELS, LLC
Toole						
7	34.N	1.W	7	LOTS 1, 2, E2NW4, E2SE4, BELOW THE BASE OF THE MADISON FORMATION	234.02	SOG RESOURCES
8	34.N	1.W	16	E2, BELOW THE BASE OF THE MADISON GROUP FORMATION	320.00	SOG RESOURCES
9	34.N	2.W	36	ALL, BELOW THE BASE OF THE REIRDON FORMATION	640.00	SOG RESOURCES
10	35.N	2.W	25	SE4NE4, SE4, BELOW THE BASE OF THE MADISON FORMATION	200.00	SWANSON, TOM E.
11	36.N	1.W	14	ALL	640.00	SWANSON, TOM E.
12	36.N	1.W	23	N2	320.00	SWANSON, TOM E.
13	36.N	1.W	36	ALL	640.00	SWANSON, TOM E.
14	37.N	4.W	16	ALL, BELOW THE TOP OF THE ELLIS GROUP	640.00	PETRO-SENTINEL LLC
15	37.N	4.W	30	NE4, BELOW THE TOP OF THE ELLIS GROUP	160.00	PETRO-SENTINEL LLC
16	37.N	4.W	32	W2, W2SE4, BELOW THE TOP OF THE ELLIS GROUP	400.00	PETRO-SENTINEL LLC

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 June 2020.

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Big Horn	2 N	33 E	35	Lot 1, Big Horn Riverbed and related acreage	143.60
Blaine	33 N	17 E	25	NW4, NW4NE4, S2NE4, S2	600.00
	34 N	18 E	24	Lots 1, 2, 3, 4, W2, W2E2	641.12
	34 N	19 E	29	W2	320.00
	34 N	22 E	16	All	640.00
	34 N	22 E	36	All	640.00
	34 N	24 E	12	E2, less 1 acre in the SE4SE4	319.00
	34 N	24 E	16	All	640.00
	34 N	24 E	32	All	640.00
	34 N	24 E	36	All	640.00
	34 N	25 E	7	Lots 3, 4, SE4, E2SW4	310.26
	34 N	25 E	16	All	640.00
	34 N	25 E	36	All	640.00
	35 N	23 E	36	All	640.00
	35 N	24 E	26	W2	320.00
	35 N	24 E	36	All	640.00
	35 N	25 E	34	SE4	160.00
	35 N	25 E	35	NE4, S2	480.00
	35 N	25 E	36	All	640.00
	36 N	23 E	36	All	640.00
	37 N	25 E	16	All	640.00
Custer	3 N	51 E	16	All	640.00
	4 N	51 E	36	Lots 1, 2, 3, 4, N2, N2S2	633.63
	4 N	52 E	16	All	640.00
	5 N	51 E	36	Lots 1 thru 12, N2	752.32
	5 N	52 E	36	All interest of the State within Section 36	760.00
	5 N	53 E	31	Lots 4, 5, 6, 7, 8	170.60
	5 N	53 E	36	All	640.00
	6 N	51 E	16	All	640.00
	6 N	51 E	36	All	640.00
	6 N	52 E	16	All	640.00
	6 N	52 E	36	All	640.00
	7 N	50 E	36	All	640.00
	7 N	51 E	36	Lots 1 thru 8, SE4NW4, NE4NE4, E2SE4, SW4SW4	428.06
	7 N	52 E	36	All	640.00
	7 N	53 E	36	All	640.00

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Daniels					
	34 N	44 E	11	N2	320.00
	34 N	44 E	12	N2, SE4	480.00
	34 N	44 E	14	S2NE4, S2	400.00
	34 N	44 E	15	W2, W2SE4	400.00
	34 N	44 E	25	S2SW4	80.00
	34 N	44 E	26	S2N2, S2	480.00
	34 N	44 E	34	NW4NW4, S2N2, N2SE4	280.00
	34 N	44 E	35	S2NW4, E2, N2SW4	480.00
	34 N	44 E	36	N2, N2S2, SW4SW4	520.00
	34 N	45 E	7	Lots 1, 2, 3, 4, E2W2, E2	629.84
	34 N	45 E	8	All	640.00
	34 N	45 E	9	SE4SW4, W2W2	200.00
	34 N	45 E	16	All	640.00
	34 N	45 E	17	N2	320.00
	34 N	45 E	18	Lots 3, 4, E2, E2SW4	475.68
	34 N	45 E	19	NE4NE4	40.00
	34 N	45 E	20	NE4	160.00
	34 N	45 E	21	N2NW4, NE4	240.00
	34 N	45 E	28	SE4, SW4SW4	200.00
	34 N	45 E	29	W2NW4	80.00
	34 N	45 E	31	NE4NW4, NE4	200.00
	34 N	45 E	32	NE4	160.00
	34 N	45 E	33	NW4NW4, SE4	200.00
	35 N	44 E	2	Lots 1, 2, 3, 4, S2N2, SW4	479.48
	35 N	44 E	11	All	640.00
	35 N	44 E	12	All	640.00
	35 N	44 E	35	SW4	160.00
	35 N	44 E	36	All	640.00
	35 N	45 E	4	Lots 1, 2, 3, 4, S2N2, S2	639.44
	35 N	45 E	6	Lots 3, 4, 5, 6, 7, SE4NW4, SE4, E2SW4	465.12
	35 N	45 E	7	Lots 1, 2, 3, 4, E2W2, E2	625.48
	35 N	45 E	8	E2	320.00
	35 N	45 E	16	All	640.00
	35 N	45 E	17	NW4, E2E2, SW4SE4	360.00
	35 N	45 E	18	Lots 1, 2, 3, 4, E2W2	306.60
	35 N	45 E	19	Lots 1, 2, E2SE4	153.75
	35 N	45 E	20	N2NW4	80.00
	35 N	45 E	21	W2	320.00
	35 N	45 E	28	W2	320.00
	35 N	45 E	29	All	640.00
	35 N	45 E	31	Lots 3, 4	75.10
	35 N	45 E	32	N2, E2SE4	400.00
	35 N	45 E	33	N2, W2SE4, SW4	560.00
	36 N	44 E	1	Lots 1, 2, 3, 4, S2N2, S2	644.72
	36 N	44 E	2	Lots 1, 2, S2NE4, SE4	321.80
	36 N	45 E	6	SE4	160.00
Dawson					
	21 N	54 E	16	All	640.00
	21 N	55 E	6	Lots 1 thru 7, SE4NW4, S2NE4, SE4, E2SW4	634.20

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Musselshell					
	9 N	23 E	16	All	640.00
	9 N	25 E	16	All	640.00
	10 N	24 E	36	All	640.00
Phillips					
	34 N	27 E	16	All	640.00
	34 N	27 E	36	All	640.00
Powder River					
	8 S	45 E	36	All	640.00
Richland					
	22 N	53 E	16	All	640.00
	22 N	54 E	36	All	640.00
Sheridan					
	32 N	58 E	36	All	640.00
	36 N	58 E	16	All	640.00
	37 N	58 E	16	Lots 1, 2, 3, N2, SW4	558.16
Valley					
	30 N	37 E	36	All	640.00
	30 N	38 E	16	All	640.00
	31 N	37 E	16	All	640.00
	31 N	37 E	36	All	640.00
	31 N	39 E	1	Lots 1, 2, S2NE4, S2	480.06
	31 N	39 E	11	All	640.00
	31 N	39 E	15	All	640.00
	31 N	39 E	16	All	640.00
	31 N	39 E	21	NE4, W2SE4	240.00
	35 N	40 E	36	All	640.00
Wheatland					
	6 N	14 E	36	All	640.00
	7 N	14 E	36	All	640.00
	7 N	15 E	34	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: December 1, 2020 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the date of the December 2020 Oil and Gas Lease Sale has been set for **TUESDAY, DECEMBER 1, 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 December is 5:00pm on September 15, 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) 444-4576.

Theresa Hossfeld
Mineral Leasing Specialist
Mineral Leasing Section
Minerals Management Bureau