

**State of Montana
Oil & Gas Lease Sale - March 1, 2016
Lease Sale Results**

The following described lands were offered for oil and gas leasing through oral competitive bidding in the Department of Transportation auditorium, 2701 Prospect Avenue, Helena, Montana, beginning at 9:00 am, March 1, 2016.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Toole									
1	1, 2, 3, 4, 5, 6	37.N	1.E	22	NE4NW4, NW4SE4	* 80.00	\$1.75	\$140.00	BEYOND HORIZON, LLC
2	1, 2, 3, 4, 5, 6	37.N	1.E	35	NW4NW4	* 40.00	\$2.75	\$110.00	BEYOND HORIZON, LLC

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

Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	120.00	2

Oil and Gas Lease Sale Summary

Total Tracts	2
Total Acres	120.00
Total Bid Revenue	\$250.00
Average Bid Per Acre	\$2.08

State of Montana
Oil & Gas Lease Sale - March 1, 2016
Stipulations

1 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.

2 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.

3 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.

4 The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.

5 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.

6 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.

State of Montana
Oil & Gas Lease Sale - March 1, 2016
Applicant List

Tract	Twp	Rng	Sec	Description	Acres	Applicant
Toole						
1	37.N	1.E	22	NE4NW4, NW4SE4	80.00	STILLWATER PARTNERS LLC
2	37.N	1.E	35	NW4NW4	40.00	STILLWATER PARTNERS LLC

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

Trust Land Management Division



STEVE BULLOCK, GOVERNOR

1625 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 7, 2016 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the date of the June 2016 Oil and Gas Lease Sale has been set for **TUESDAY, JUNE 7, 2016**, at 9:00 A.M. in the auditorium of the Department of Transportation building at 2701 Prospect Avenue, Helena, Montana, east of the interstate highway. 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 22, 2016. Applications must be received in this office by that date.

If you have any questions, please contact me at jmason2@mt.gov or (406) 444-4576.

Julie Mason, Supervisor
Mineral Leasing Section
Minerals Management Bureau