

**AGENDA**  
**REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS**  
**December 15, 2014, at 9:00 a.m.**  
**Justice Building, 215 N. Sanders, Supreme Court Chambers**  
**Helena, MT**

**ACTION ITEMS**

- 1214-1 **FWP: Land Acquisitions**  
**A. Fish Creek Wildlife Management Area Addition**  
*Benefits: N/A (non-trust land)*  
*Location: Mineral County*  
**Approved 5-0**
- B. Beartooth Wildlife Management Area Addition**  
*Benefits: N/A (non-trust land)*  
*Location: Lewis and Clark County*  
**Approved 5-0**
- 1214-2 **Montana Heritage Commission: 351 Transfer to Madison County**  
*Benefits: N/A (non-trust land)*  
*Location: Madison County*  
**Approved 5-0**
- 1214-3 **Timber Sale: Miner's Glory**  
*Benefits: Common Schools*  
*Location: Beaverhead County*  
**Approved 5-0**
- 1214-4 **Island Quitclaim Deed: Craig Roberts et al.**  
*Benefits: Common Schools*  
*Location: Sanders County (Clark Fork River)*  
**Approved 5-0**
- 1214-5 **Oil and Gas Lease Sale (December 2, 2014)**  
*Benefits: Common Schools*  
*Location: Jefferson, Roosevelt, Wheatland Counties*  
**Approved 5-0**
- 1214-6 **Communitization Agreements**  
**A. Sherri 2658 43-9H Well – Oasis Petroleum**  
*Benefits: Common Schools*  
*Location: Richland County*  
**B. Burning Tree Moon 36-4-HID3 Well – Enerplus Resources**  
*Benefits: Common Schools*  
*Location: Richland County*  
**Approved 5-0**
- 1214-7 **Land Banking Parcel: Set Minimum Bid for Sale – Skyview Ridge**  
*Benefits: Common Schools*  
*Location: Yellowstone County*  
**Approved 5-0**
- 1214-8 **Land Exchange: Preliminary Approval – Gallatin County Landfill**  
*Benefits: University of Montana*  
*Location: Gallatin County*  
**Approved 5-0**

~~Withdrawn 1214-9 **Sale of Cabin and Home Site: Final Approval for Sale – Sale 711**~~

*Benefits: Pino Hills  
Location: Missoula County*

**1214-10 Easements**

**A. DNRC Easements**

*Benefits: Common Schools, Eastern – MSU/Western – UM, Public Land Trust  
Location: Big Horn, Blaine, Chouteau, Fergus, Flathead, Jefferson, Pondera*

**B. Reciprocal Access Agreement – Shay Lake Road Users Association**

*Benefits: Common Schools  
Location: Lake County*

**C. Settlement Agreement and Encroachment – Hansen**

*Benefits: Common Schools  
Location: Granite County*

**Approved 5-0**

**INFORMATION ITEM**

**1214-11 Whitefish Neighborhood Plan: Ten-Year Assessment and Progress Report on Implementing the Plan**

*Benefits: Multiple trusts  
Location: Flathead County*

**PUBLIC COMMENT**



# 1214-1

## FWP: LAND ACQUISITIONS

- A. Fish Creek Wildlife Management Area
- B. Beartooth Wildlife Management Area

**Land Board Agenda Item  
December 15, 2014**

**1214-1A FWP: Land Acquisition – Fish Creek Wildlife Management Area Addition**

**Location: Mineral County**

**Trust Benefits: N/A (non-trust land)**

**Trust Revenue: N/A (non-trust land)**

**Item Summary**

Montana Fish, Wildlife and Parks (FWP) propose to acquire a 148-acre addition to the Fish Creek Wildlife Management Area (FCWMA). The property is located south of Tarkio in Mineral County, Montana (map attached). It lies within the 34,573 acre FCWMA that was acquired in 2010 from The Nature Conservancy (TNC).

The Fish Creek drainage provides significant winter range and other seasonal habitats for elk, mule deer, white-tailed deer, and moose. It also supports diverse populations of predators, furbearers and upland game birds, including black bear, mountain lion, wolf, mountain grouse, and wild turkey. Grizzly bear use of the area was documented in 2014 and is expected to increase in the future as this species continues to expand into historically occupied areas. In addition, Fish Creek is the largest tributary watershed in the middle Clark Fork River region and is considered the most valuable stronghold for bull trout and other native fish. The proposed acquisition contains approximately 0.5- mile of the main stem of Fish Creek. Fish Creek is also a popular, high quality trout fishery that supports more than 4,000 angler-days per year, with the majority of those angler days occurring on the main stem of Fish Creek and lower portions of the West Fork of Fish Creek.

FWP will acquire the property from Five Valleys Land Trust (FVLT) for \$350,000 using \$120,000 grant from the Thompson Falls mitigation fund, a contribution of \$6,000 from Westslope Trout Unlimited, and \$224,000 Pittman-Robertson funds.

The environmental assessment was open to public comment from October 8, 2014, through November 7, 2014, during which a public hearing was held at the Alberton Community Center on October 21. A total of 81 comments were received, of which: 73 were in favor of FWP acquiring the property; three registered conditional support; and five opposed the acquisition.

FWP Commission approval is pending. The proposal will be presented to the FWP Commission at the December 11 commission meeting.

**FWP Recommendation**

FWP recommends approval by the Land Board to proceed with the purchase of the 148-acre addition to the FCWMA.

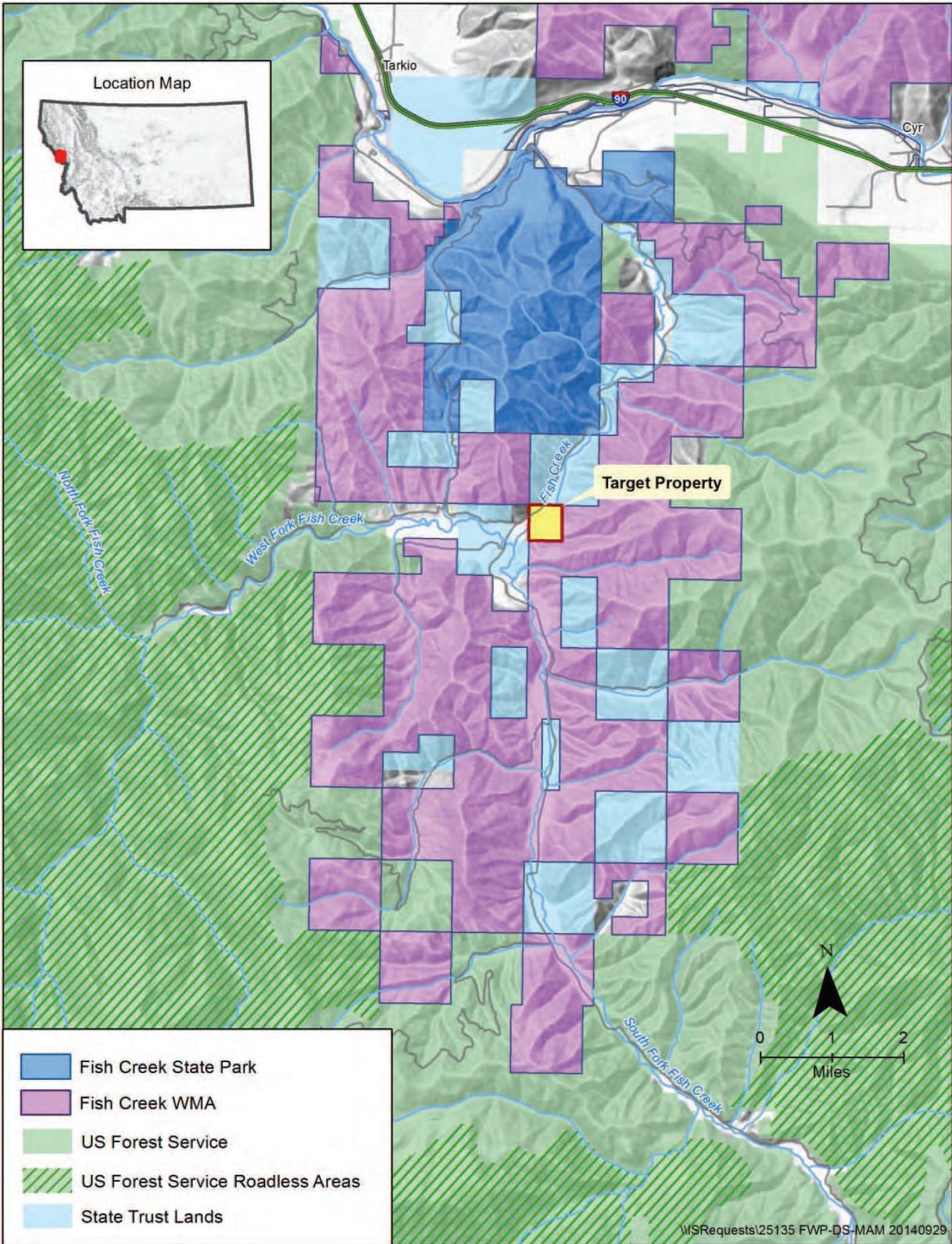


Figure 1. Location map of Fish Creek WMA and State Park and the proposed acquisition (“target property”).



# *Montana Fish, Wildlife & Parks*

Region 2  
3201 Spurgin Road  
Missoula, MT 59804  
December 1, 2014

Dear Interested Citizens:

Thank you for your thoughtful reviews and comments on a proposal by Montana Fish, Wildlife and Parks (FWP) to purchase approximately 148 acres of wildlife habitat and add it to the Fish Creek Wildlife Management Area in Mineral County.

Enclosed is a decision document in which FWP explains its rationale for recommending that the Fish & Wildlife Commission and the State Board of Land Commissioners approve this transaction as proposed. Upon completion of the public involvement process, FWP accepts the draft environmental assessment (EA) as final. The decision document also summarizes all public comments on the proposed acquisition, and explains how FWP considered and incorporated these comments in formulating a recommendation.

FWP will request approval for the purchase of the subject lands at the monthly Fish & Wildlife Commission meeting scheduled for December 11, 2014, in Helena. FWP will request approval from the State Board of Land Commissioners at its regularly scheduled meeting in December, also in Helena. These meetings are open to the public, as are other regularly scheduled Commission and Land Board meetings.

Please feel free to contact me at 406-542-5500 with any questions you may have. Thank you for your interest and participation.

Sincerely,

Randy Arnold  
Regional Supervisor

**DECISION NOTICE**  
**FWP Purchase of a 148-Acre Addition to the**  
**Fish Creek Wildlife Management Area**  
**December 1, 2014**

**Proposal**

Montana Fish, Wildlife and Parks (FWP) proposed to acquire a 148-acre addition to its Fish Creek Wildlife Management Area (FCWMA), through a purchase from the Five Valleys Land Trust (FVLT). The property is a private inholding within the 34,573-acre FCWMA and is also bordered by Montana Department of Natural Resources and Conservation (DNRC) lands.

This property was formerly owned by Plum Creek Timber Company (PCTC), and is one of several inholdings that had been sold to private buyers prior to the Nature Conservancy's acquisition of the PCTC lands in Fish Creek. The proposed addition is located immediately downstream of the Forks confluence of the South and West Forks of Fish Creek, and includes approximately 0.5-mile of Fish Creek and its associated riparian corridor (25 acres), as well as adjacent upland habitat for elk and other wildlife species. The main stem of Fish Creek is on a portion of the key migratory corridor and sub-adult rearing area for fluvial bull trout. Confluence areas of drainages are especially important for travel corridors, and these areas often support wider riparian habitats than non-confluence areas. In addition to Fish Creek, the property includes approximately ½-mile of a small unnamed creek.

Management of the property would be under the guidance of the Fish Creek WMA and Fish Creek State Park Interim Preliminary Management Plan (MFWP 2009).

**Public Review Process**

FWP is required by the Montana Environmental Policy Act (MEPA) to assess potential impacts of its proposed actions to the human and physical environments, evaluate those impacts through an interdisciplinary approach, including public input, and make a decision based on this information. FWP released a draft environmental assessment (EA; "FVLT Addition to Fish Creek Wildlife Management Area") for public review of this proposal on October 8, 2014 and accepted public comment until 5:00 P.M. on November 7, 2014.

Legal notices of the proposed addition and its Draft EA availability were published in the following newspapers (dates): *Independent Record* (Helena; October 8, 15), *Mineral Independent* (Plains; October 15, 22), and *Missoulian* (October 8, 15). FWP issued a statewide news release regarding this proposal on October 8, 2014.

FWP mailed 30 copies of the EA, and emailed approximately 42 notifications of the EA's availability, to adjacent landowners and interested individuals, groups and (non-FWP) agencies. The EA was available for public review and comment on FWP's web site (<http://fwp.mt.gov/>, "Public Notices") beginning October 8 through November 7, 2014.

A public hearing to explain the project, answer questions and take public comment was held in Alberton on October 21 (6:30 p.m.) at the Alberton Community Center.

## Summary of Public Comment

FWP received 74 emailed or written comments (Appendix A), representing 63 people, 11 organizations and one agency. Individual commenters were from the following Montana towns: 24 from Missoula; 5 from Alberton; 2 each from Helena, Huson and Whitefish; one each from Billings, Bozeman, Chester, Darby, Emigrant, Hamilton, Kalispell, Stevensville, Thompson Falls, and Victor; and 16 did not indicate a town.

- Seventy commenters supported the acquisition. Of these, 4 made comments identical to commenter #49, and 5 commenters included the identical 4 points as listed in commenter #20.
- One did not support the acquisition.
- The support of 3 commenters appeared to be contingent on actions that FWP does not contemplate for this acquisition.

Also, the public hearing generated comments from 7 additional people, which were presented orally at the meeting or in writing on the comment sheets provided at the meeting (Appendix B). Of these, 3 supported the proposal and 4 opposed it.

In total, 73 individuals or organizations supported the proposal, 3 others registered conditional support with conditions that were outside the scope of this decision, and 5 opposed the proposal.

The public hearing provided a very worthwhile and constructive forum for discussion during the question-and-answer period of the evening. Opinions and issues reflected on FWP's four-year history of managing the Fish Creek Wildlife Management Area and the separate Fish Creek State Park. Some people expected better maintained road surfaces, greater vehicular access, more signage, dedicated ATV trails, opportunities for firewood cutting, and a new utility corridor across the WMA to deliver power to private properties upstream. While it was generally understood and acknowledged that some of these issues did not pertain directly to the management of the proposed 148-acre addition to the WMA, they did affect some people's willingness to support more habitat acquisition.

Noxious weed occurrence, particularly spotted knapweed, was a topic of concern pertaining to the proposed addition as well as the WMA overall. A neighbor suggested that he uses biological controls to help manage noxious weeds in sensitive areas where herbicides would not be appropriate.

The question of revenues to Mineral County also came up for discussion at the public meeting, and FWP repeated that the agency does make payments to the county in the same amount as the property taxes that would be assessed to a private landowner. The concern was raised that the county could receive more tax revenue from a private landowner if the landowner developed the property. Alternatively, others opined that people visit Mineral County for its pristine landscapes and outdoor recreation opportunities on public land, and that public access of any kind to the proposed WMA addition would probably be denied under private ownership.

**Regional Supervisor’s recommendation on FWP’s purchase of the addition to the Fish Creek WMA**

This proposal for FWP to purchase the 148-acre parcel and add it to the Fish Creek WMA received overwhelming public support during the public review period. Supporters emphasized the benefits of stream protection and public access that would accrue from the purchase, and even some who opposed the proposal acknowledged that the matter of adding this relatively small parcel to the WMA was not at the heart of their concerns. Therefore, I am pleased to recommend that FWP complete this purchase and manage it as part of the Fish Creek WMA, and wish to acknowledge the funding partners, particularly Five Valleys Land Trust for their enabling role that served both FWP and the willing seller.

The conversation with the local community has been an important outcome of this process. Since acquiring the 34,573-acre Fish Creek WMA in June 2010, FWP has put tens of thousands of dollars to work on the ground toward noxious weed control and management. Roads have been repaired and maintained. Sedimentation has been reduced by storing segments of selected closed roads. The traditional open-road system has largely been maintained open to motorized vehicles. FWP has operated a check station at the mouth of Fish Creek in the past two hunting seasons to get a clear understanding of hunting patterns and observations. Numerous other management activities have been undertaken, and while much is left to be done, FWP is working hard to properly manage the Fish Creek WMA.

In the course of this latest public involvement process, FWP has learned that many of the efforts that we see as priorities and accomplishments in the management of Fish Creek WMA do not match the unmet needs seen by some local residents, and we have misunderstood each other as to what our objectives mean to FWP and how they are received by the public. We appreciate how openly people have been willing to share their observations and perceptions, and we see some opportunities before us to address needs of mutual interest. We have learned a lot in these past weeks of public engagement.

With the purchase in 2010, FWP implemented an interim management plan for Fish Creek WMA, which is in need of revision. FWP and some others particularly in Mineral County see the revision of the management plan as a path toward greater cooperation and better communication as we go forward.

---

Randy Arnold  
Region 2 Supervisor  
Montana Fish, Wildlife & Parks

---

Date

**Land Board Agenda Item  
December 15, 2014**

**1214-1B FWP: Land Acquisitions – Beartooth Wildlife Management Area Addition**

**Location: Lewis and Clark County**

**Trust Benefits: N/A (non-trust land)**

**Trust Revenue: N/A (non-trust land)**

**Item Summary:**

Montana Fish, Wildlife and Parks (FWP) proposes to purchase by fee title, 2,840 acres known as "Whitetail Prairie" from the Rocky Mountain Elk Foundation (RMEF) for its appraised value. The property adjoins the 32,320 acre FWP owned and managed Beartooth Wildlife Management Area (BWMA). Whitetail Prairie property is located within eight miles east of Craig and 29 miles northeast of Helena, Montana in the Big Belt Mountain complex (map attached).

Specific objectives of the project include:

- a. to protect and manage grassland vegetation, with emphasis on rough fescue to provide winter range for approximately 1,500 elk, 500 mule deer, 200 white-tailed deer and 100 bighorn sheep;
- b. secure a large amount of high quality Missouri River watershed fisheries habitat. The property incorporates portions of three streams (Frazier, Wegner and Cottonwood), which are tributaries of the Missouri River. Westslope cutthroat trout inhabit 0.75 miles of Cottonwood Creek located on the property which is part of a 10.5 mile rehabilitation project completed in 2010 by FWP on Cottonwood Creek; and
- c. expand the 32,320-acre BWMA, providing perpetual public recreational access to an additional 3,720 acres (2,840 acres of private lands, 640 acres of Department of Natural Resources and Conservation lands, and 240 acres of Bureau of Land Management lands (previously inaccessible).

RMEF purchased the property for \$4,500,000 and FWP will purchase the property from RMEF for the appraised value of \$4,075,000 (\$3,056,250 of Pittman Robertson funds and \$1,018,750 of Habitat Montana funds).

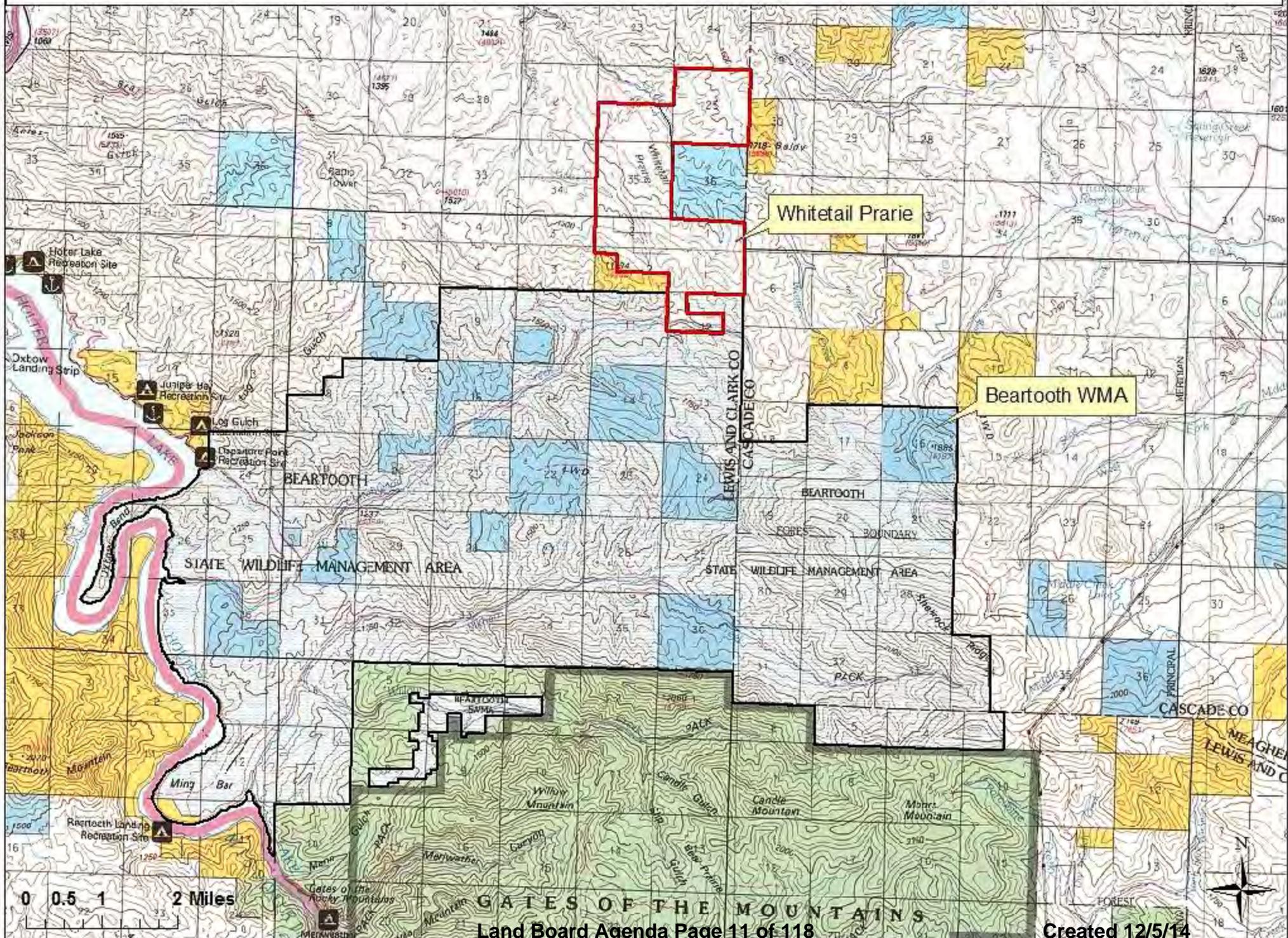
A public comment period for the environmental assessment (EA) was established and available from October 6 through November 4, 2014. A public meeting was held at the Wolf Creek School on October 20, 2014. Written comments totaled 61 responses (57 individuals and four organized groups). Fifty-five respondents supported FWP purchasing the Whitetail Prairie property from RMEF and six respondents were opposed/neutral to the acquisition.

FWP Commission approval is pending. The proposal will be presented to the FWP Commission at the December 11 commission meeting.

**FWP Recommendation**

FWP recommends the Land Board approve the FWP acquisition of the 2,840-acre addition to the BWMA acre for \$4,075,000.

# Exhibit C. Whitetail Prairie Acquisition / Conservation Easement





## **Montana Fish, Wildlife & Parks**

Ladies and Gentlemen:

Recently you received documents regarding a Montana Fish, Wildlife & Parks (FWP) proposal to purchase by fee title 2,840 acres known as "Whitetail Prairie" from Rocky Mountain Elk Foundation (RMEF) for its appraised value. The land is located within FWP Administrative Region 4 and is approximately eight (8) miles east of Craig and 29 miles northeast of Helena in the Big Belt Mountains. Whitetail Prairie adjoins the FWP owned and managed 32,320 acre Beartooth Wildlife Management Area.

Comments received regarding the Whitetail Prairie Acquisition Proposal are summarized in the enclosed Decision Notice. No modifications were made to the documents you received as a result of the public review period. Please consider your previous copies of the draft Environmental Assessment and Management Plan as final.

It is my recommendation to purchase Whitetail Prairie fee title from Rocky Mountain Elk Foundation utilizing FWP Habitat Montana and U.S. Fish and Wildlife Service Pittman Robertson dollars, subject to approval by the Fish and Wildlife Commission. The Commission will be asked to approve the purchase at their December 11, 2014 meeting. The Montana Board of Land Commissioners will ultimately have final review and vote at their regularly scheduled meeting on December 15, 2014, should the Fish and Wildlife Commission approve the Department's recommendation to purchase the parcel.

Thank you for your interest and involvement.

Sincerely,

A handwritten signature in cursive script that reads "Gary Bertellotti". The signature is written in black ink and is positioned above the typed name.

Gary Bertellotti  
Region 4 Supervisor  
Montana Fish, Wildlife & Parks  
Great Falls, MT 59405  
(406) 454-5840  
[gbertellotti@mt.gov](mailto:gbertellotti@mt.gov)

**Decision Notice**  
**“Whitetail Prairie Addition” to Beartooth Wildlife Management Area**  
**Environmental Assessment**

Prepared By:  
Montana Fish, Wildlife & Parks  
Region 4 Wildlife Division  
4600 Giant Springs Rd.  
Great Falls MT 59405

November 18, 2014

**INTRODUCTION**

Montana Fish, Wildlife & Parks (FWP) has the authority under law (MCA 87-1-201) to protect, enhance and regulate the use of Montana's fish and wildlife resources for public benefit now and in the future. In 1987, the Montana Legislature passed House Bill (HB) 526, which earmarked hunting license revenues to secure wildlife habitat through lease, conservation easement or fee title acquisition (MCA 87-1-241 and 242). This is now referred to as FWP's Habitat Montana Program. Habitat Montana recognizes that certain native plant communities constituting wildlife habitat are worthy of perpetual conservation. Those communities include intermountain grasslands, sagebrush grasslands and riparian corridors. Whitetail Prairie includes such habitats and warrants conservation considerations. A fee title option was offered to FWP by Voegelé's Inc., owners of Whitetail Prairie. This offer reflects the landowners' desire to maintain and protect the property's wildlife and fisheries habitats forever for the benefit of the public and the resource. FWP asked Rocky Mountain Elk Foundation (RMEF) to partner on the project, who is helping fund and facilitate the transaction. The purchase would guarantee public recreational access for hunting, trapping, hiking and wildlife viewing on the project area.

As with other FWP property interest proposals, the Montana Fish and Wildlife Commission must approve any easement or acquisition proposed by the Department. Should the Fish and Wildlife Commission approve the Department's proposal for this purchase, the Montana Board of Land Commissioners is also required to review and approve/disapprove this action as it has a value greater than \$100,000 and is larger than 100 acres. This Decision Notice is part of that evaluation process.

After reviewing public comment on the proposed purchase, the FWP Region 4 Supervisor recommends that the Fish and Wildlife Commission approve the fee title purchase of Whitetail Prairie from RMEF.

**MONTANA ENVIRONMENTAL POLICY ACT PROCESS**

FWP is required to assess impacts to the human and physical environment under the Montana Environmental Policy Act (MEPA). The Whitetail Prairie acquisition proposal and its effects were documented by FWP in an Environmental Assessment.

**PUBLIC COMMENT**

A public comment period for the Environmental Assessment (EA) was established and available from October 6 through November 4, 2014. A public notice of the proposed action was offered to about 50 newspapers and news outlets in the state, and was also placed on the FWP website under "Public Notices". A public meeting was held at the Wolf Creek School on October 20, 2014. Approximately 150 copies of the Environmental Assessment were electronically distributed to adjacent landowners, sportsmen groups, MT Stockgrowers, County Commissioners and other interested parties. Copies were available at the FWP Region 4 Headquarters during indicated comment period. Alternatives available in the draft EA for comment as follows:

*Alternative A:* No Action. Under the No Action Alternative, FWP would not purchase the Whitetail Prairie property from the Rocky Mountain Elk Foundation, who then as a result, would sell to another buyer by listing the property on the open market.

*Alternative B:* Acquisition of the Whitetail Prairie property. This alternative addresses the option of FWP purchasing the property fee title from RMEF utilizing FWP's Habitat Montana and U.S. Fish and Wildlife Service Pittman Robertson dollars.

All public comments received remain on file at the Great Falls FWP office and are available for public review. Consideration and evaluation of public comment is distilled in the attached Public Comment and Issues Addendum to the EA.

*Public Meeting:* A public meeting was held at the Wolf Creek School on October 20, 2014 having one (1) member of the public in attendance. FWP representation included: Gary Bertellotti – Region 4 Supervisor, Graham Taylor – Region 4 Wildlife Manager, Cory Loecker - Region 4 Great Falls Area Wildlife Biologist, Tegan Winters and Bryan Golie - Area Game Wardens. Copies of the EA and Management Plan were made available to all attendees, as was a comment sheet.

*Written Comments:* Written comment totaled 61 responses (57 individuals and 4 organized groups). Fifty five (55) responses endorsed Alternative B - "Proposed Action" of FWP purchasing Whitetail Prairie fee title from RMEF, with six (6) respondents opposing/neutral to the "Proposed Action". Further analysis of comment follows:

<b>Comment opposed/neutral to purchasing Whitetail Prairie (Alt A - "No Action")</b>	<b>6</b>
<b><u>Comment supporting purchase of Whitetail Prairie (Alt B - "Proposed Action")</u></b>	<b><u>55</u></b>
<b>Total comments received (one nonresident)</b>	<b>61</b>

Comments/responses are included in a Public Comment and Issues Addendum attached to this Decision Notice.

**FINDING OF NO SIGNIFICANT IMPACT**

Based on the analysis in the EA and in consideration of public comment addressed in the Addendum, FWP has selected the "Proposed Action" Alternative B. This decision is in the best interest of the public, wildlife and wildlife habitat resources and is consistent with current

Habitat Montana program guidelines, goals and objectives. FWP has reviewed the EA and applicable laws, regulations and policies and has determined that this action will not have a significant effect on the human environment. Therefore, an Environmental Impact Statement is not necessary.

**MODIFICATIONS TO ENVIRONMENTAL ANALYSIS AND MANAGEMENT PLAN**

No modifications to the Environmental Analysis or Management Plan were made as a result of the public review period.

**DECISION**

Utilizing the Environmental Analysis, Management Plan and public comment, a decision must be rendered by FWP that addresses the interests and issues identified for this proposed project. Given results of FWP's analysis coupled with public comment, FWP's purchase of the Whitetail Prairie from RMEF utilizing FWP Habitat Montana and U.S. Fish and Wildlife Service Pittman Robertson funds is warranted. After review of this proposal and the corresponding public support and comment, it is my recommendation that FWP purchase the Whitetail Prairie property from RMEF subject to approval by the Fish and Wildlife Commission.

**CONCLUSION**

By notification of this Decision Notice, the draft EA is hereby made the final EA. The finding of selection of Alternative B - "Proposed Action" is the product of this Decision Notice.



Gary Bertellotti  
Region 4 Supervisor  
Montana Fish, Wildlife & Parks  
4600 Giant Springs Rd.  
Great Falls, MT 59405

11/18/2014  
Date

# 1214-2

MONTANA HERITAGE COMMISSION:  
351 TRANSFER TO MADISON COUNTY

**Land Board Agenda Item  
December 15, 2014**

**1214-2 Montana Heritage Commission: 351 Transfer to Madison County**

**Location: Madison County**

**Trust Benefits: N/A (non-trust land)**

**Revenue: \$186,500 (non-trust)**

**Item Summary**

The Montana Heritage Commission proposes to transfer 0.689 acres of land across from the Madison County Courthouse in Virginia City to Madison County to construct a parking lot to serve the Madison County Courthouse and its future Annex Building.

**Proponent:**

Montana Heritage Commission

**Sale Price:**

\$186,500

**Beneficiary:**

Non-Trust Land

**Background:**

At Madison County's June 15, 2013, commission meeting, the county formally requested to purchase Lots 1-12, Block 156 in Virginia City from the Montana Heritage Commission as part of the Madison County Courthouse expansion project.

Madison County along with the Montana Heritage Commission believe that the sale of this property will provide significant benefit to Madison County by allowing them to proceed with the county office expansion plans which will better serve the county's residents. Madison County's current courthouse lacks the space necessary for the effective operation of county business and is not Americans with Disabilities Act (ADA) accessible.

Sale or exchange of property under the 77-2-351, MCA, requires consultation with the appropriate legislative committee. The Montana Heritage Commission received authorization to sell the property from the Legislative Council at their November 13, 2014, meeting.

A reversionary clause will be placed in the deed that requires the property to be used for a public purpose or it will revert to the state.

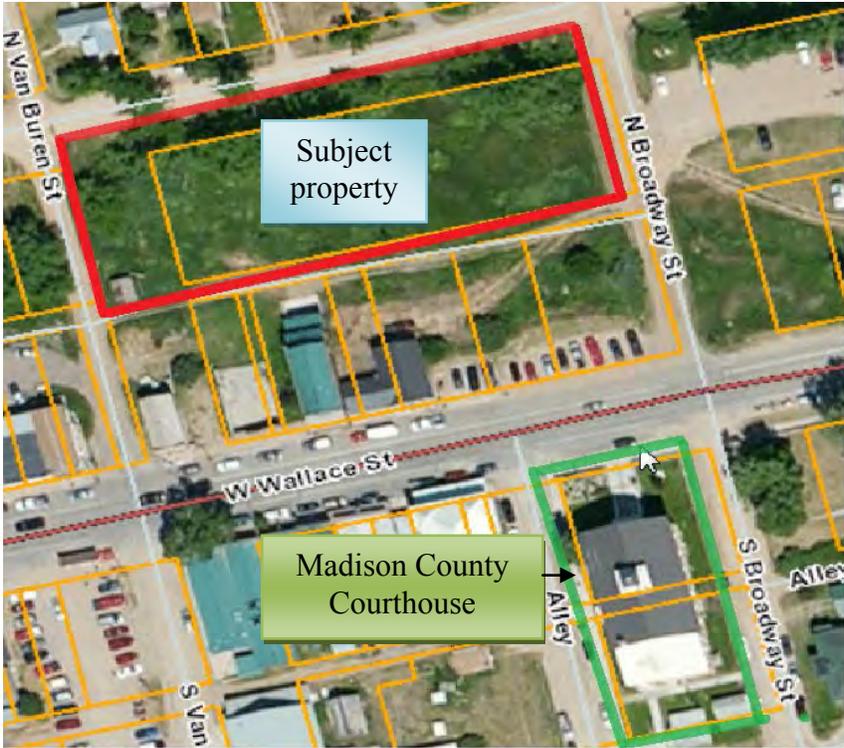
**Process:**

An appraisal was completed on June 3, 2014, listing a market value of \$186,500. A public hearing was held in Virginia City on August 29, 2013, which included public comments. In addition, a cultural resource evaluation was completed and no historical significance was noted.

**Montana Heritage Commission Recommendation:**

The Montana Heritage Commission requests Land Board approval of the request to sell the property to Madison County for the appraised value of \$186,500.

Location Map



# 1214-3

TIMBER SALE: MINER'S GLORY

**Land Board Agenda Item  
December 15, 2014**

**1214-3 Timber Sale: Miner's Glory**

**Location: Beaverhead County  
Section 36, T14S-R2W**

**Trust Benefits: Common Schools**

**Trust Revenue: \$132,640 (estimated, minimum bid)**

**Item Summary**

The Miner's Glory timber sale is located approximately six miles west of Jackson, MT in the west Big Hole Valley. The sale includes six harvest units totaling 196 acres with an estimated sale volume of 6,000 tons (1,000 MBF) of sawlogs and 2,000 tons (200 MBF) of post and rail material. The minimum bid value is \$19.44 per ton for sawlogs and \$8.00 per ton for post and rail material which would generate \$132,640 for the Common School Trust and \$10,960 in Forest Improvement fees. This sale is within the Habitat Conservation Plan (HCP) project area.

Salvage harvest treatments are designed to remove dead and dying timber in overstocked stands that are currently infested with mountain pine beetle and spruce budworm while reducing forest fuels. Regeneration harvest prescriptions will be used for the mature lodgepole pine stands and individual selection or group selection will be used for Douglas fir, spruce and subalpine fir species stands. Riparian corridors and wildlife habitat cover will be managed in accordance with HCP objectives. Decadent aspen colonies present will benefit through the reduction of conifer encroachment to open the canopy and stimulate natural regeneration. Old growth is not present in this sale.

Approximately 0.5 miles of temporary new road construction will be needed and existing roads on the state parcel will be used and maintained. A temporary haul bridge will be installed across Miner Creek in accordance with the stream crossing permit. The bridge will be removed and the site reclaimed upon completion of the sale. All new roads will be physically closed and stabilized with slash, grass-seed, and erosion control features. All roads on this parcel will be managed for non-motorized vehicle use post-harvest.

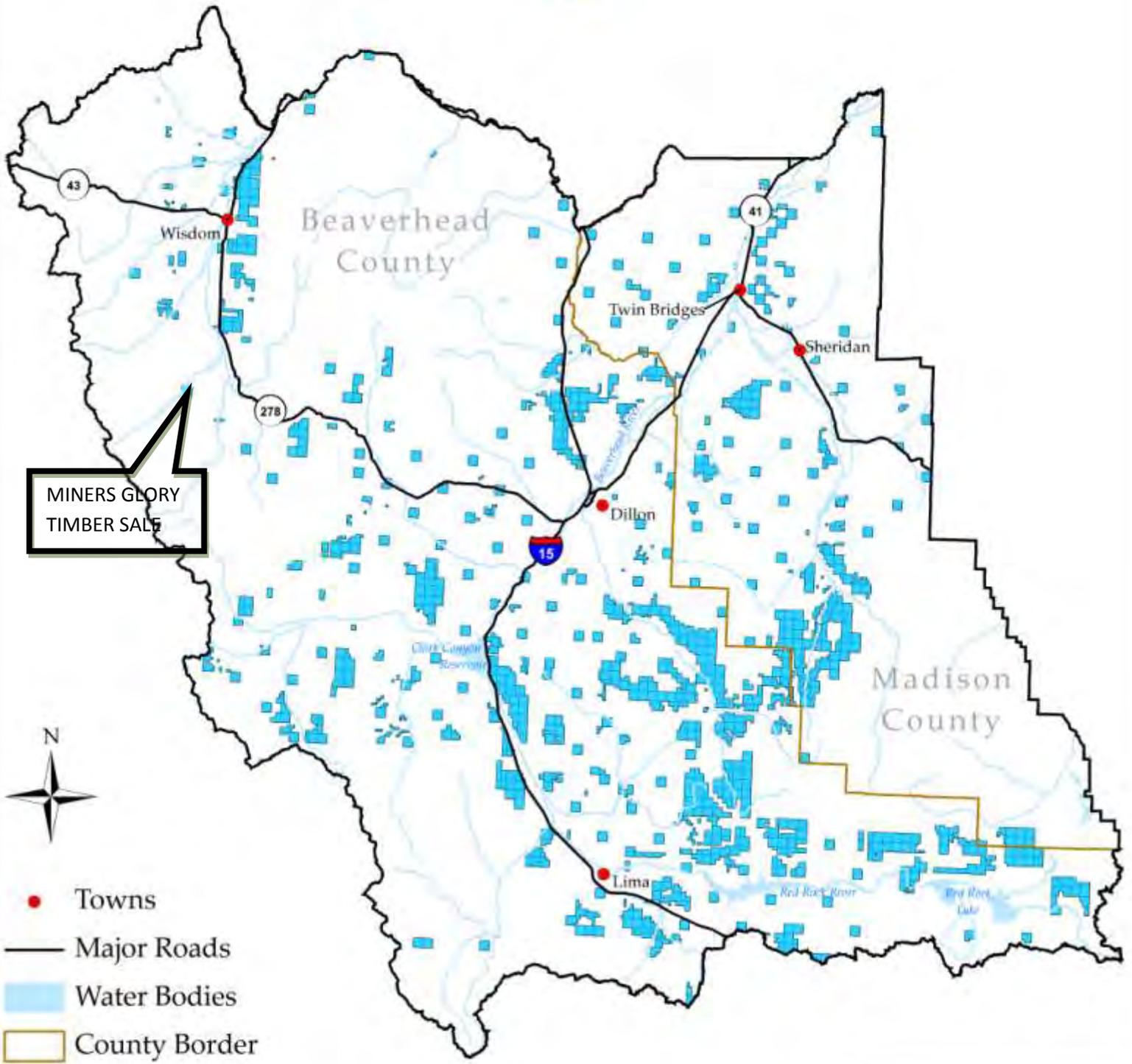
This state trust section has legal public road access from the Miner Lakes county road and the state highway.

Scoping for this project was conducted through legal publications in the *Dillon Tribune* and the *Montana Standard* and through letters to members of the statewide and local timber sale scoping lists. Phone calls and personal meetings with neighboring private landowners, Beaverhead County Officials, and Montana Department of Fish, Wildlife, and Parks (FWP) officials have taken place with no adverse concerns raised. All voiced support for this proposal. Department of Natural Resources and Conservation (DNRC) specialists have reviewed the proposal and identified the issues to be analyzed and identified harvest mitigation measures to reduce potential impacts.

**DNRC Recommendation**

The director recommends the Land Board direct DNRC to sell the Miner's Glory Timber Sale.

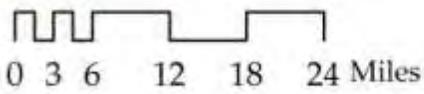
# MINERS GLORY TIMBER SALE VICINITY MAP DILLON UNIT



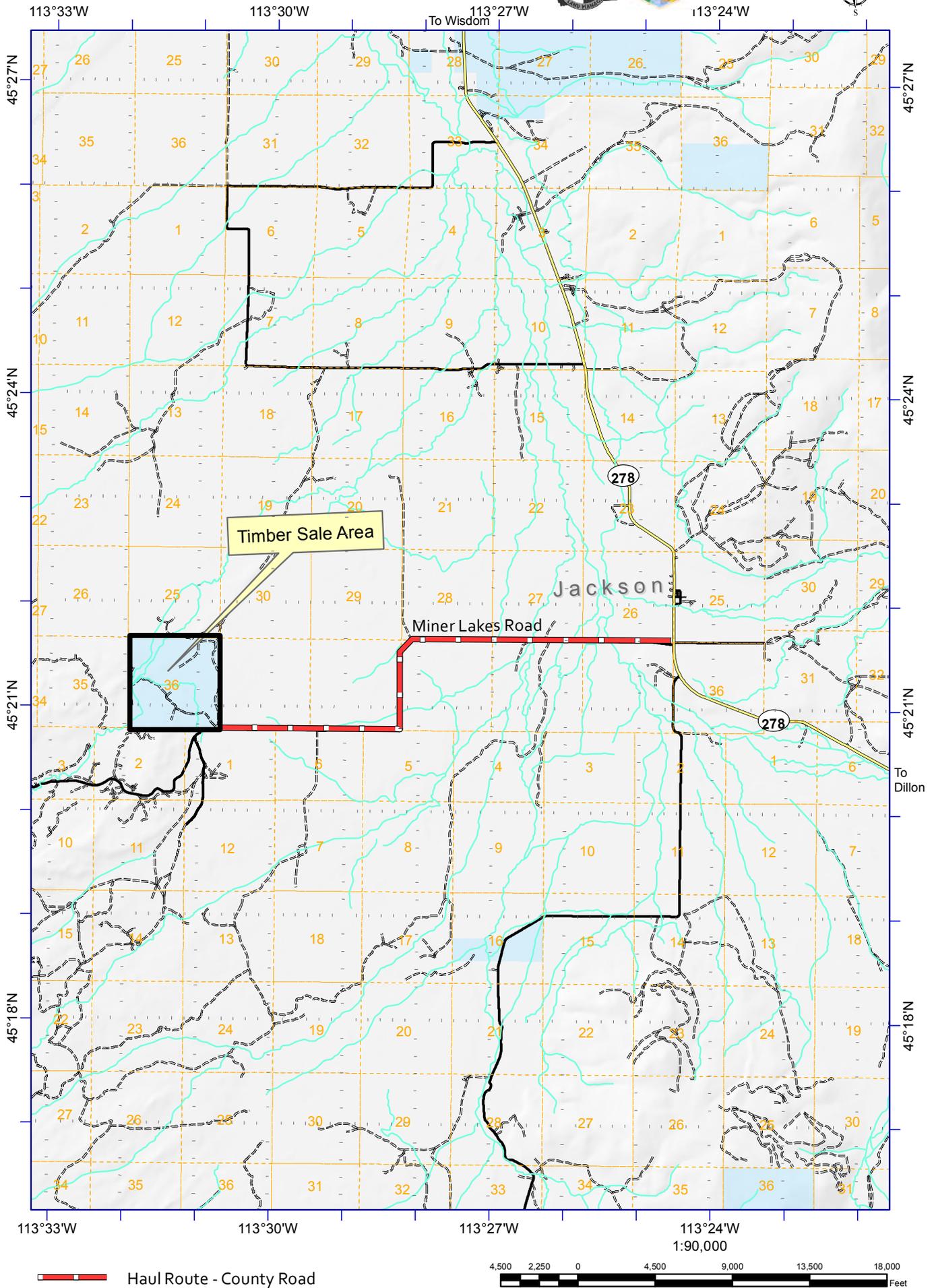
MINERS GLORY  
TIMBER SALE



- Towns
- Major Roads
- Water Bodies
- County Border
- Rivers
- State Trust Land

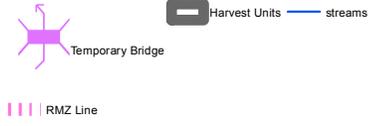
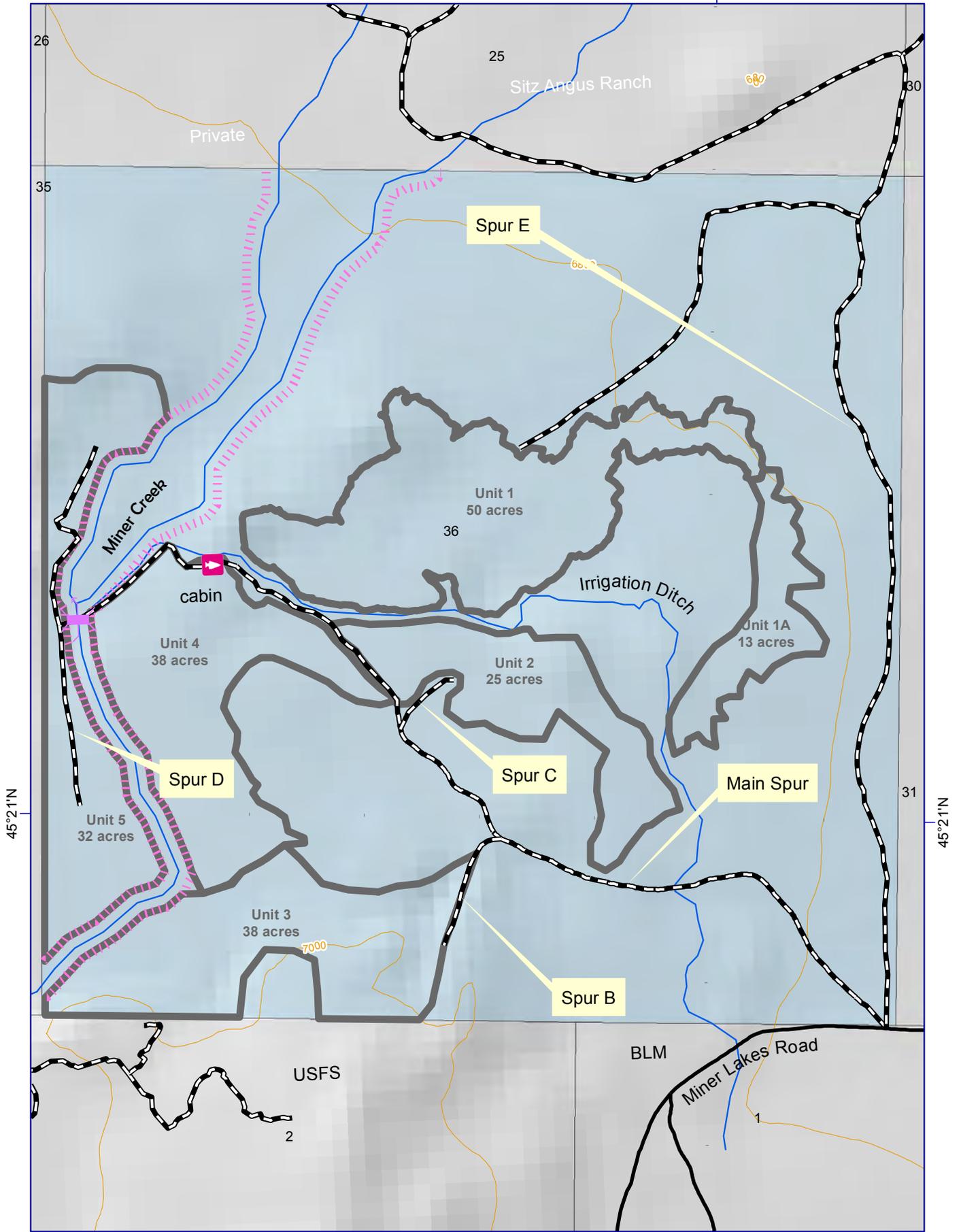


Miner's Glory Timber Sale Haul Route  
Section 36, T5S, R16W, Beaverhead County



Haul Route - County Road





# 1214-4

ISLAND QUITCLAIM DEED:  
CRAIG ROBERTS ET AL.

**Land Board Agenda Item  
December 15, 2014**

**1214-4 Island Quitclaim Deed: Craig Roberts et al.**

**Location: Sanders County (Clark Fork River)**

**Trust Benefits: Common Schools**

**Trust Revenue: N/A – Resolution of Title**

**Item Summary**

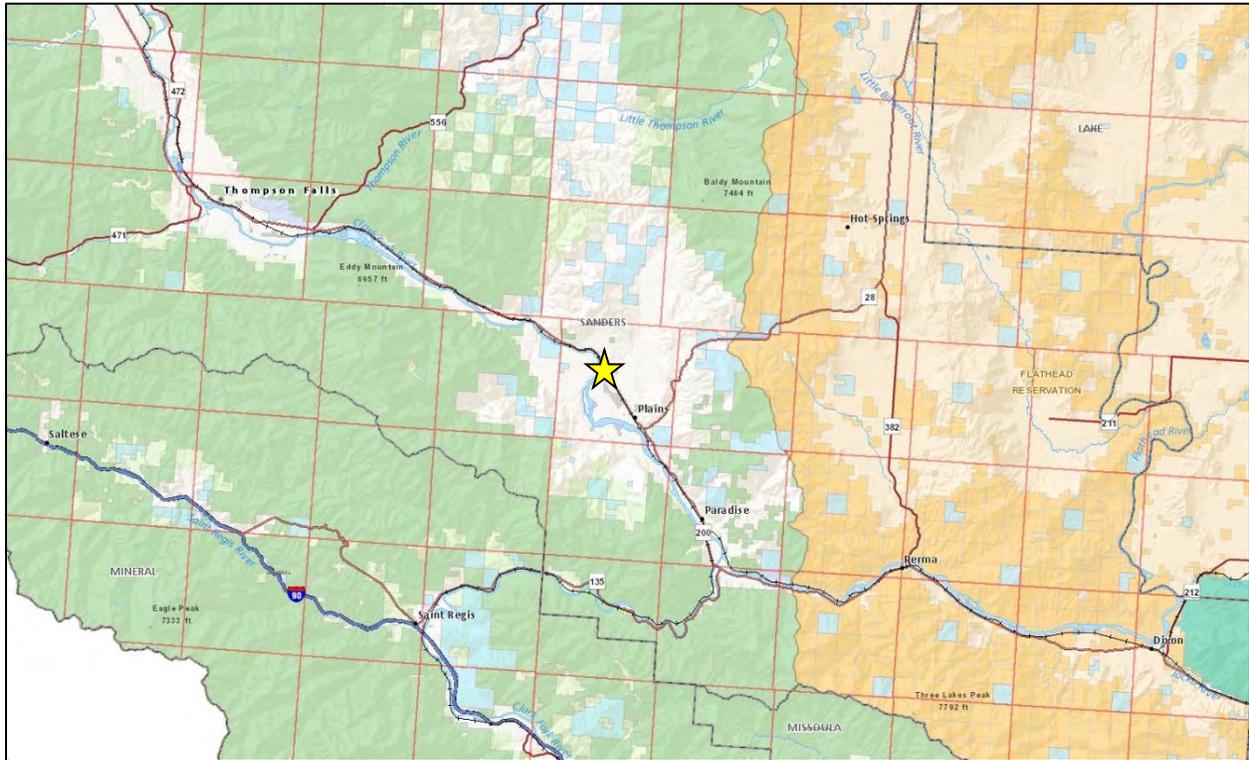
The Department of Natural Resources and Conservation (DNRC) received an inquiry from private landowners regarding the ownership of a parcel of land located adjacent to the Clark Fork River near Plains, Montana. Craig Roberts, Catherine Roberts, and Bruce Hartford purchased property east of the river many years ago. This purchase included the area that is now before the Land Board. Mr. Roberts is familiar with navigable riverbed ownership, and realized the state could have a basis for asserting ownership of the property. A DNRC review determined that the primary landform is an island that formed up out of the bed of the Clark Fork River after statehood, and therefore would be owned by the state. Craig Roberts et al., have agreed to quitclaim the subject property to the state in order to resolve title in favor of the Common School Trust.

Attached are a copy of the property survey, an aerial photograph with an overlay of the approximate location of the survey area, and the quitclaim deed.

**DNRC Recommendation**

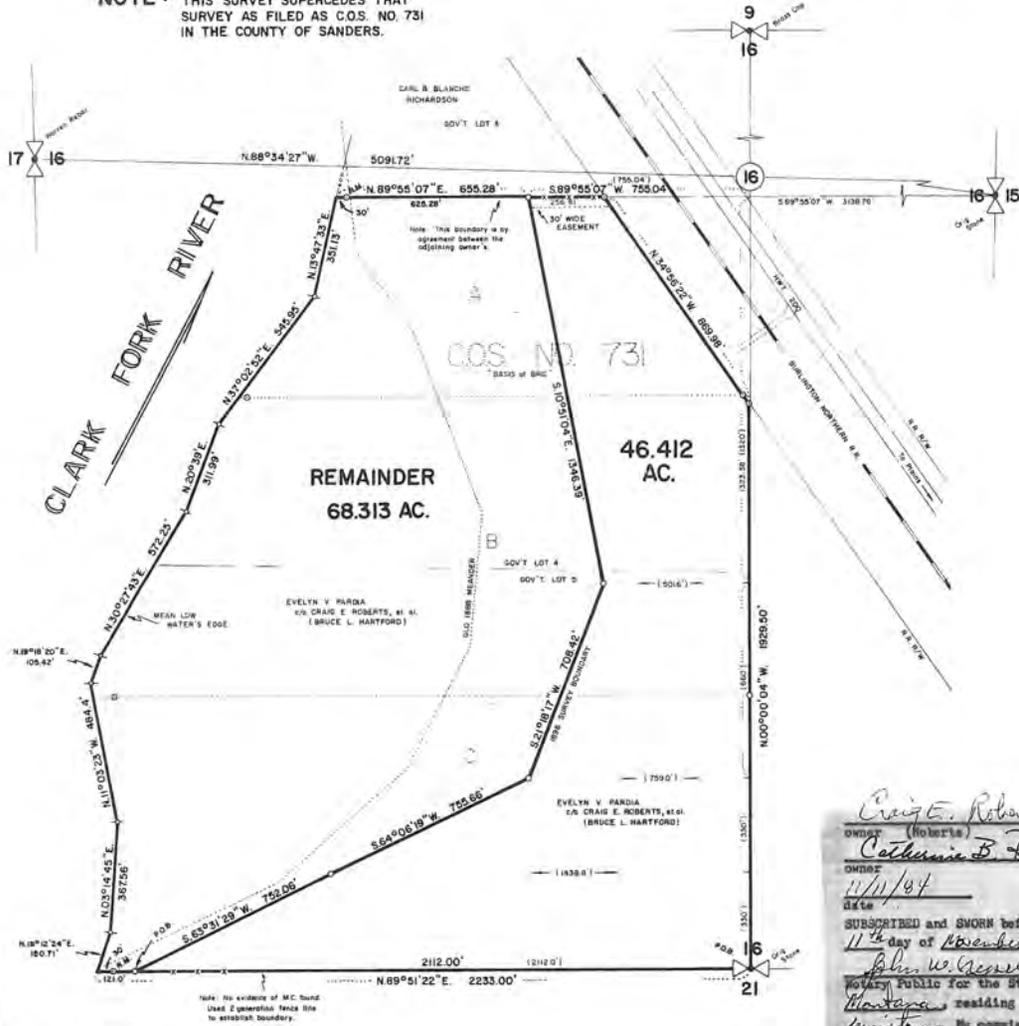
The director recommends the Land Board accept the quitclaim deed, and thereby resolve title to the subject property.

Vicinity Map  
Clark Fork River – Sanders County  
T20N-R26E-16



# CERTIFICATE OF SURVEY

**NOTE:** THIS SURVEY SUPERCEDES THAT SURVEY AS FILED AS C.O.S. NO. 731 IN THE COUNTY OF SANDERS.



## PURPOSE OF SURVEY

THE PURPOSE OF THIS DIVISION OF LAND IS TO CREATE AN IRREGULAR PARCEL OF LAND GREATER THAN TWENTY (20) ACRES IN SIZE, AND THE SUBJECT PARCEL MUST BE SURVEYED PURSUANT TO SECTION 76-3-401, M.C.A.

## LEGAL DESCRIPTIONS

A PARCEL OF LAND BEING A PORTION OF GOV'T. LOTS 4 AND 5 OF SECTION 16, T20N, R26W, P9W, AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH QUARTER CORNER OF SECTION 16; THENCE N.00°00'00"W., ALONG THE NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 16, 1929.50', TO THE INTERSECTION WITH THE SOUTHWESTERLY RIGHT-OF-WAY OF THE BURLINGTON NORTHERN RAILROAD; THENCE N.34°56'22"W., ALONG SAID RIGHT-OF-WAY, 869.98'; THENCE LEAVING SAID RIGHT-OF-WAY, S.57°55'07"W., 256.81'; THENCE S.10°51'04"W., 1346.39'; THENCE S.21°18'17"W., 708.42'; THENCE S.64°06'19"W., 755.66'; THENCE S.63°31'29"W., 752.06', TO THE SOUTH LINE OF SAID SECTION 16; THENCE N.89°51'22"W., ALONG SAID SOUTH LINE, 2112.00', BACK TO THE TRUE POINT OF BEGINNING, CONTAINING 46.412 ACRES, AND SUBJECT TO A 30' WIDE EASEMENT ON THE NORTH BOUNDARY OF DESCRIBED PARCEL AND AS SHOWN ON THIS CERTIFICATE OF SURVEY.

REMARKS: A PARCEL OF LAND BEING A PORTION OF GOV'T LOTS 4 AND 5 OF SECTION 16, T20N, R26W, P9W, AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SECTION 16; THENCE S.89°51'22"W., ALONG THE SOUTH LINE OF SAID SECTION 16, 2112.00', TO THE TRUE POINT OF BEGINNING; THENCE ALONG SAID SOUTH LINE S.89°51'22"W., 121.0', TO A POINT ON THE MEAN LOW WATER'S EDGE OF THE CLARK FORK RIVER; THENCE ALONG SAID MEAN LOW WATER'S EDGE FOLLOWING MEANDERING COURSES: N.18°12'24"W., 150.71'; N.03°14'45"W., 367.56'; N.11°03'23"W., 484.4'; N.19°18'20"W., 105.42'; N.30°27'43"W., 572.25'; N.20°39'E., 311.99'; N.37°02'52"W., 545.95'; N.13°47'33"W., 351.13'; THENCE LEAVING SAID LOW WATER'S EDGE, N.89°55'07"W., 655.28'; THENCE S.10°51'04"W., 1346.39'; THENCE S.21°18'17"W., 708.42'; THENCE S.64°06'19"W., 755.66'; THENCE S.63°31'29"W., BACK TO THE POINT OF BEGINNING, AND CONTAINING 68.313 ACRES.

## BOUNDARY AGREEMENT

WE, THE UNDERSIGNED LANDOWNERS, DO HEREBY AGREE THAT THE BEARING AND DISTANCES THAT CONSTITUTE THE NORTH BOUNDARIES OF THE ABOVE DESCRIBED PARCELS AND AS SHOWN ON THIS CERTIFICATE, AND WHICH CLOSELY FOLLOW AN EXISTING OLD FENCE AND OCCUPATION LINE, BECOME THE CORNER AND MUTUAL BOUNDARY BETWEEN US. THIS BOUNDARY LINE TAKES PRECEDENCE AND SUPERCEDES PREVIOUS PROPERTY DESCRIPTIONS AND WILL BECOME TRANSFERRABLE AS THE CORNER AND MUTUAL BOUNDARY TO ALL HEIRS AND/OR ASSIGNS.

<p><i>Craig E. Roberts</i> OWNER (Roberts) <i>Catherine B. Roberts</i> OWNER 11/11/84 date SUBSCRIBED AND SWORN before me this 11<sup>th</sup> day of November, 1984. <i>John W. Gensel</i> Notary Public for the State of Montana, residing at: <i>Missoula</i> My commission expires: 7/2/85.</p>	<p><i>Carl B. Richardson</i> OWNER (Richardson) <i>Blanche Richardson</i> OWNER 11/11/84 date SUBSCRIBED AND SWORN before me this 11<sup>th</sup> day of Nov, 1984. <i>George McCallum</i> Notary Public for the State of Montana, residing at: <i>Blaine</i> My commission expires: April 17, 1986.</p>	<p><i>Bruce L. Hartford</i> OWNER (Hartford) 11-11-84 date SUBSCRIBED AND SWORN before me this 11<sup>th</sup> day of November, 1984. <i>John W. Gensel</i> Notary Public for the State of Montana, residing at: <i>Missoula</i> My commission expires: 2/2/85.</p>
---	--	---



SURVEY PREPARED FOR BRUCE HARTFORD

**CERTIFICATE OF SURVEYOR**

I, H. GENE WARREN, A REGISTERED LAND SURVEYOR DO HEREBY CERTIFY THAT I HAVE PERFORMED THE SURVEY SHOWN ON THE ATTACHED PLAT ON THAT SUCH SURVEY WAS PERFORMED UNDER MY SUPERVISION TO MY BEST KNOWLEDGE AND ABILITY; THAT SAID SURVEY IS TRUE AND COMPLETE AS SHOWN AND THE MONUMENTS FOUND AND SET OCCUPY THE POSITION SHOWN THEREON.

DATED THIS 16<sup>th</sup> DAY OF Nov, 1984

*H. Gene Warren*  
H. GENE WARREN 2734 S

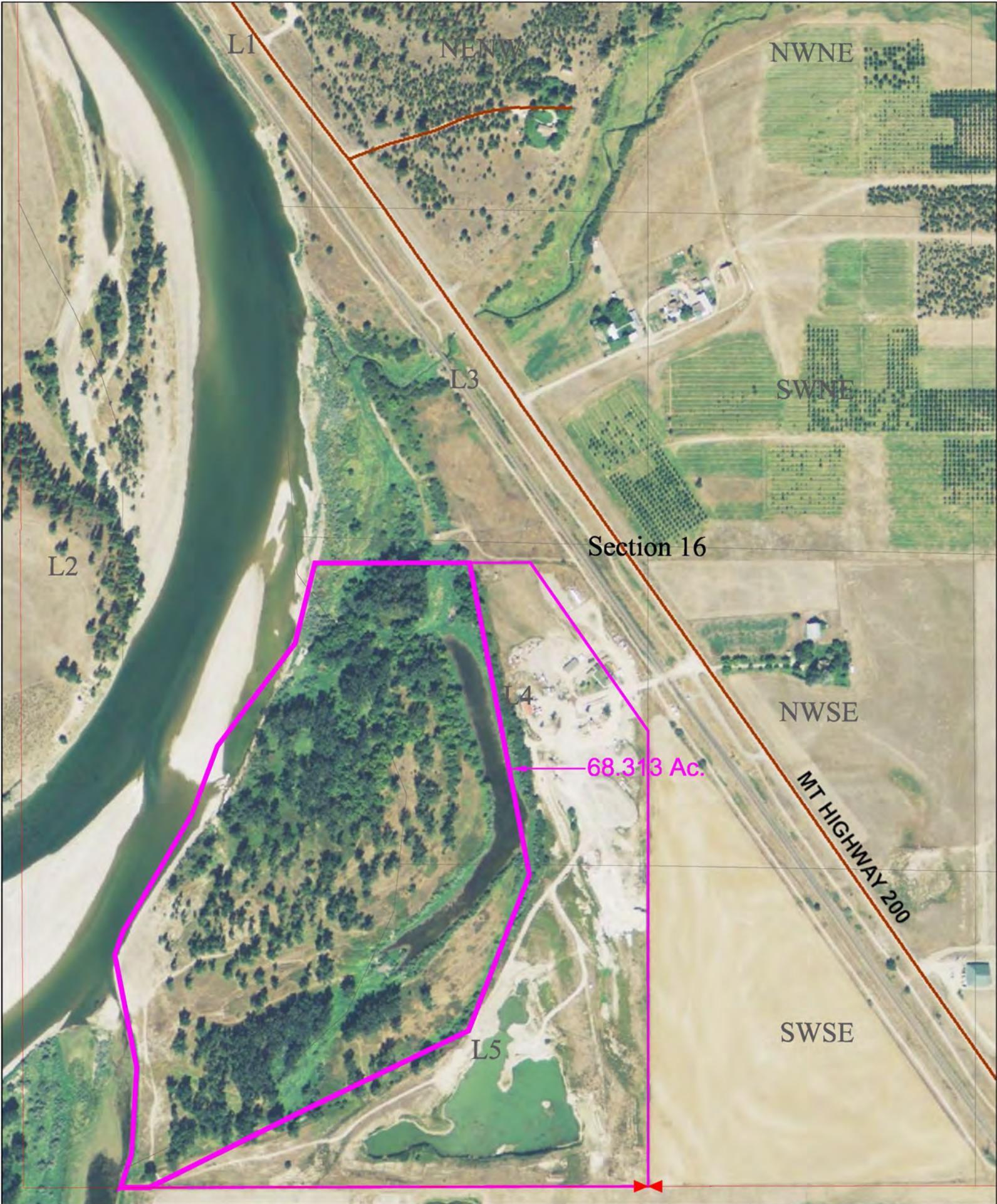


## CERTIFICATE OF CLERK & RECORDER

STATE OF MONTANA  
COUNTY OF SANDERS } S.S.  
FILED FOR RECORD THIS 16 DAY OF Nov, 1984 AT 10:45 O'CLOCK AM  
*Steve Hansen*  
COUNTY CLERK & RECORDER, SANDERS CO., MONTANA  
*By Gensel Notary*

1/4	SEC.	T.	R.
16	20N	26W	
SANDERS COUNTY PRINCIPAL MERIDIAN, MONTANA			

CERTIFICATE OF SURVEY NO. 756



Overlay of Partial Island Delineation and 1984 Survey on Aerial and PLSS Map



Map Description: Site Map  
 Location: T20N - R26W, Section 16  
 Date: January 8, 2014  
 Prepared By: TK & TT



By: \_\_\_\_\_  
Craig E. Roberts

STATE OF MONTANA            )  
  : ss  
County of Fergus            )

This instrument was acknowledged before me on \_\_\_\_\_(date) by Craig E. Roberts.

(Seal)

\_\_\_\_\_  
(Signature of notarial officer)  
\_\_\_\_\_  
(Name - typed, stamped, or printed)  
Notary Public for the State of Montana  
Residing at \_\_\_\_\_  
My Commission expires \_\_\_\_\_

By: \_\_\_\_\_  
Catherine B. Roberts

STATE OF MONTANA            )  
  : ss  
County of Fergus            )

This instrument was acknowledged before me on \_\_\_\_\_(date) by Catherine B. Roberts.

(Seal)

\_\_\_\_\_  
(Signature of notarial officer)  
\_\_\_\_\_  
(Name - typed, stamped, or printed)  
Notary Public for the State of Montana  
Residing at \_\_\_\_\_  
My Commission expires \_\_\_\_\_

# 1214-5

OIL AND GAS LEASE SALE

(DECEMBER 2, 2014)

**Land Board Agenda Item  
December 15, 2014**

**1214-5 Oil and Gas Lease Sale (December 2, 2014)**

**Location: Jefferson, Roosevelt, and Wheatland Counties**

**Trust Benefits: Common Schools**

**Trust Revenue: \$222,158.66**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) held an oil and gas lease sale on December 2, 2014, in the auditorium at the Montana Department of Transportation building. A total of seven tracts were offered for lease. Seven tracts were leased for a total of \$222,158.66. The seven tracts that were sold covered a total of 4,292.44 acres. The average bid per acre was \$51.76.

The high competitive bid for the December 2, 2014, sale was \$330 per acre and the largest total bid was \$211,200 for Tract 5 in Roosevelt County.

**DNRC Recommendation**

The director requests Land Board approval to issue the leases from the December 2, 2014, oil and gas lease sale.

**State of Montana  
Oil & Gas Lease Sale - December 2, 2014  
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, December 2, 2014.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
<b>Jefferson</b>									
1	1, 2, 3, 4, 5, 6, 7	2.N	1.W	1	Lots 1, 2, 3, 4, S2N2, S2	* 636.36	\$1.50	\$954.54	PRICE OIL LLC
2	1, 2, 3, 4, 5, 6, 7	3.N	1.W	35	All	* 640.00	\$1.50	\$960.00	PRICE OIL LLC
3	1, 2, 3, 4, 5, 6, 7	3.N	1.W	36	All	* 640.00	\$1.50	\$960.00	PRICE OIL LLC
<b>Roosevelt</b>									
4	1, 2, 3, 4, 5, 6, 9	29.N	55.E	28	W2NE4	80.00	\$70.00	\$5,600.00	NISKU ROYALTY, LP
5	1, 2, 3, 4, 5, 6, 8, 9	30.N	58.E	36	All	640.00	\$330.00	\$211,200.00	HERCO, LLC
<b>Wheatland</b>									
6	1, 2, 3, 4, 5, 6, 7	6.N	15.E	2	Lots 1 thru 10, 13 thru 20, S2	1016.08	\$1.50	\$1,524.12	HERCO, LLC
7	1, 2, 3, 4, 5, 6	6.N	15.E	16	All	640.00	\$1.50	\$960.00	HERCO, LLC

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

### Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	4,292.44	7

### Oil and Gas Lease Sale Summary

<b>Total Tracts</b>	7
<b>Total Acres</b>	4,292.44
<b>Total Bid Revenue</b>	\$222,158.66
<b>Average Bid Per Acre</b>	\$51.76

**State of Montana**  
**Oil & Gas Lease Sale - December 2, 2014**  
**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.
- 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 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 9 If whooping cranes are observed on-site, construction and/or maintenance activities shall be suspended until birds leave the area.

# 1214-6

## COMMUNITIZATION AGREEMENTS

- A. **Sherri 2658 43-9H Well – Oasis Petroleum**
- B. **Burning Tree Moon 36-4-HID3 Well – Enerplus Resources**

**Land Board Agenda Item  
December 15, 2014**

**1214-6A Communitization Agreement: Sherri 2658 43-9H Well – Oasis Petroleum**

**Location: Richland County  
T26N R58E Sections 16 & 21**

**Trust Benefits: Common Schools**

**Trust Revenue: Unknown**

**Item Summary**

Oasis Petroleum has filed a request with the Department of Natural Resources and Conservation (DNRC) for the approval of a communitization agreement to communitize state-owned acreage in conformity with Montana Board of Oil and Gas Conservation (BOGC) regulations.

A communitization agreement brings together small tracts of land within a spacing unit for the distribution of production revenue. The agreement allows the State to receive its proper royalty share of revenue from the spacing unit and must be approved by the Land Board and DNRC.

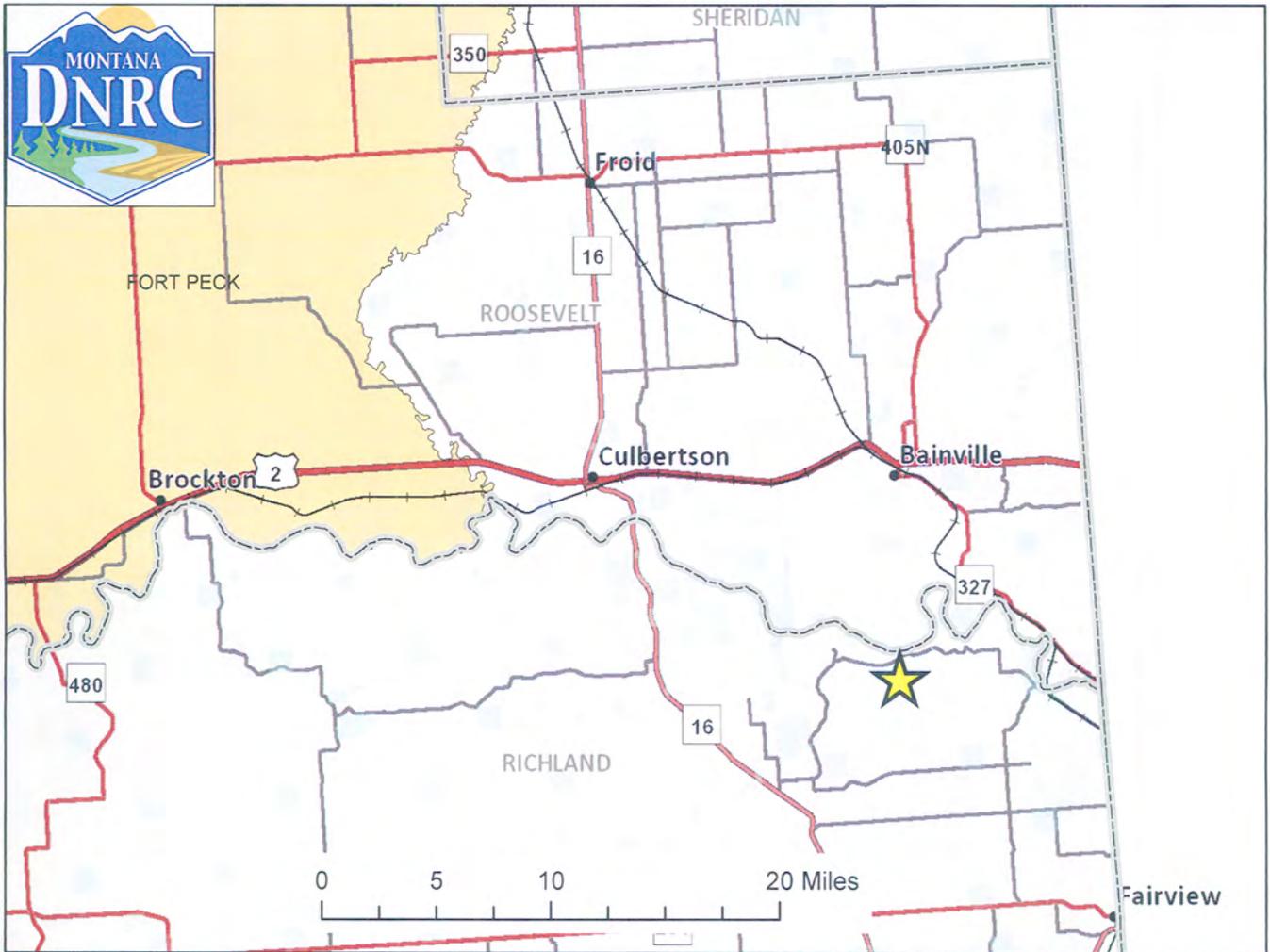
The Sherri 2658 43-9H well is a horizontal Bakken/Three Forks formation oil well. The well is located approximately eight miles south of Bainville, and was drilled on private land on the SW4SE4 of Section 9. The state owns 640 of the 1280 mineral acres in the permanent spacing unit that will be communitized. The agreement would encompass additional wells if any are completed in the spacing unit.

The state tract comprises 50 percent of the communitized area. The state will consequently receive 6.50 percent of all production revenues (13 percent royalty rate x 50 percent tract participation).

**DNRC Recommendation**

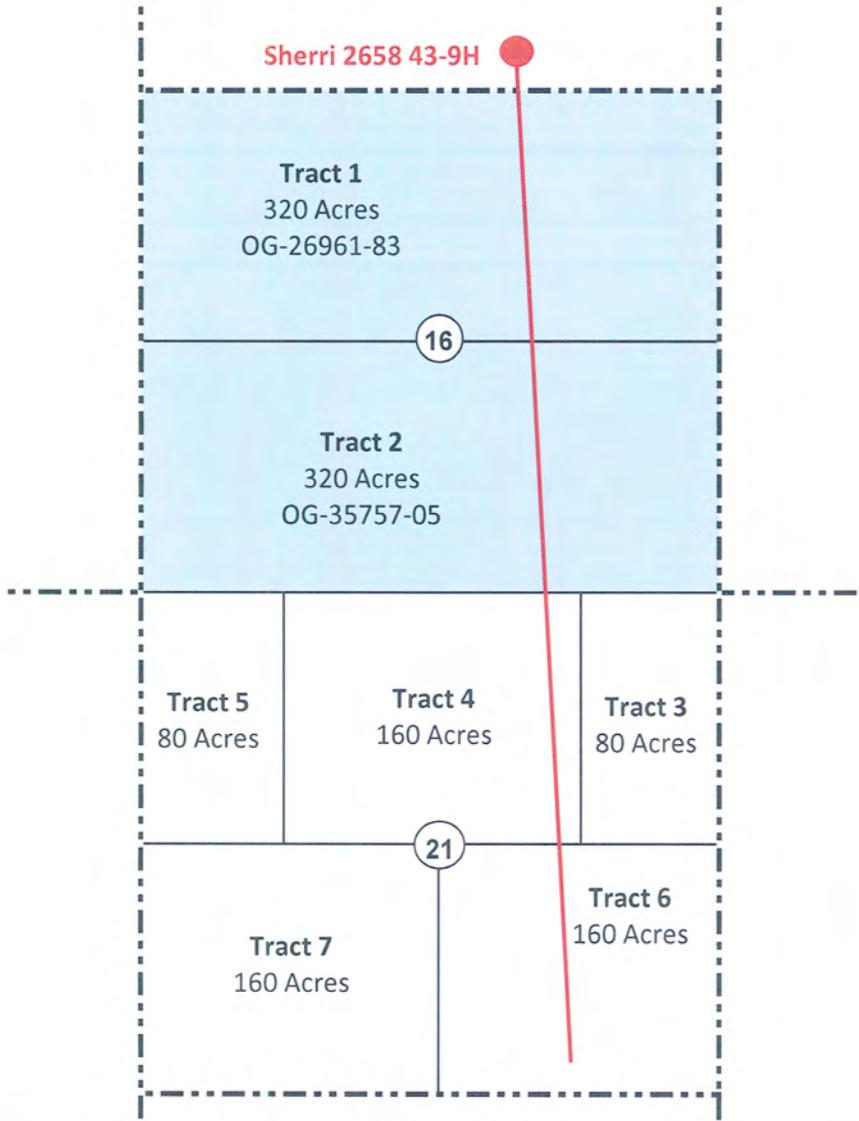
The director recommends the Land Board approve this communitization agreement.

# Vicinity Map Sherri 2658 43-9H Well



# Township 26 North Range 58 East

## Sections 16 & 21



### Recapitulation

Tract No.	Type	Acres	Tract Participation	Royalty %	Owners Interest Decimal
1	State of Montana OG-26961-83	320.00	25.00%	13.00%	0.032500
2	State of Montana OG-35757-05	320.00	25.00%	13.00%	0.032500
3	Fee	80.00	6.25%	various	0.008301
4	Fee	160.00	12.50%	various	0.021250
5	Fee	80.00	6.25%	12.50%	0.007813
6	Fee	160.00	12.50%	12.50%	0.015625
7	Fee	160.00	12.50%	12.50%	0.015625
Total		1280.00	100%		

\* The Operator of the Communitized Area is Oasis Petroleum North America LLC

**Land Board Agenda Item  
December 15, 2014**

**1214-6B Communitization Agreement: Burning Tree Moon 36-4-HID3 Well - Enerplus**

**Location: Richland County  
T25N R54E Section 36  
T24N R55E Section 5**

**Trust Benefits: Common Schools**

**Trust Revenue: Unknown**

**Item Summary**

Enerplus Resources has filed a request with the Department of Natural Resources and Conservation (DNRC) for the approval of a communitization agreement to communitize state owned acreage in conformity with Montana Board of Oil and Gas Conservation (BOGC) regulations.

A communitization agreement brings together small tracts of land within a spacing unit for the distribution of production revenue. The agreement allows the state to receive its proper royalty share of revenue from the spacing unit and must be approved by the Land Board and DNRC.

The Burning Tree Moon 36-4-HID3 well is a horizontal Bakken/Three Forks formation oil well. The well is located approximately 14 miles north of Lambert, and was drilled on state land in the NW4NW4 of Section 36. The state owns 640 of the 869.96 mineral acres in the permanent spacing unit that will be communitized. The agreement would encompass additional wells if any are completed in the spacing unit.

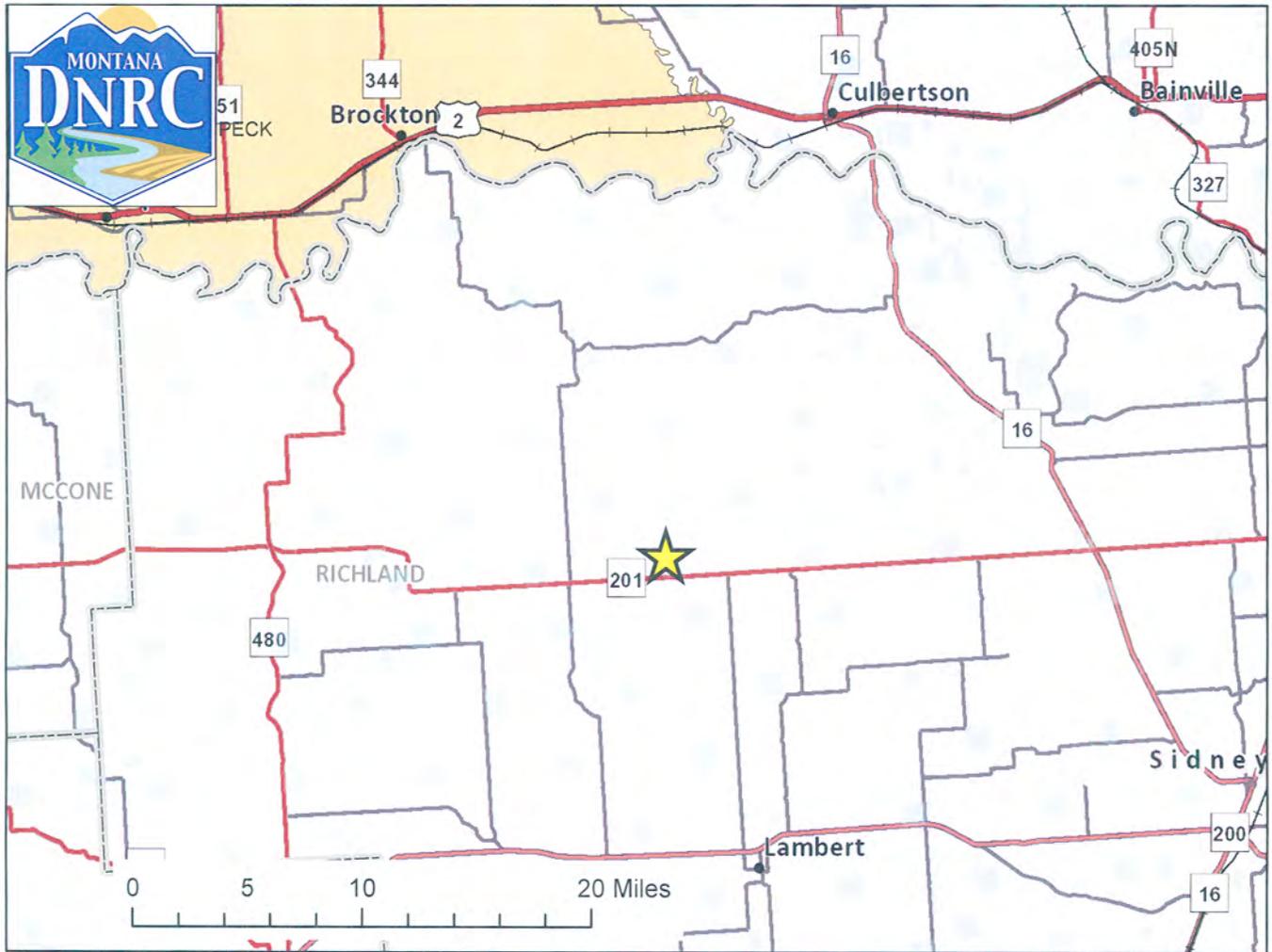
The state tract comprises 73.566601 percent of the communitized area. The state will consequently receive 9.56366 percent of all production revenues (13 percent royalty rate x 73.566601 percent tract participation).

**DNRC Recommendation**

The director recommends the Land Board approve this communitization agreement.

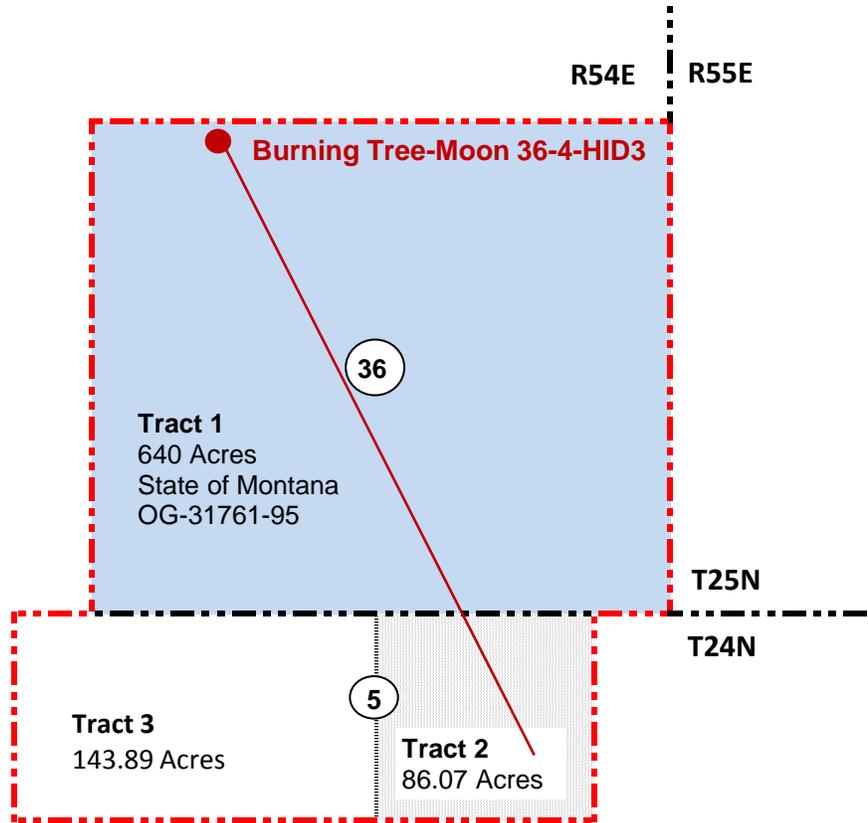
# Vicinity Map

## Burning Tree-Moon 36-4-HID3 Well



# Township 25 North Range 54 East

## Sections 36 & 5



### Recapitulation

Tract No.	Type	Acres	Tract Participation	Royalty %	Owners Interest Decimal
1	State of Montana OG-31761-95	640.00	73.566601%	13.00%	0.0956366
2	Fee	86.07	9.893558%	16.00%	0.0158297
3	Fee	143.89	16.539841%	16.00%	0.0264637
Total		869.96	100.000000%		

*\* The Operator of the Communitized Area is Enerplus Resources*

# 1214-7

LAND BANKING PARCEL:  
SET MINIMUM BID FOR SALE –  
SKYVIEW RIDGE

**Land Board Agenda Item  
December 15, 2014**

**1214-7 Land Banking Parcel: Set Minimum Bid for Sale – Sky View Ridge**

**Location: Yellowstone County**

**Trust Benefits: Common Schools**

**Trust Revenue: N/A**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid on Skyview Ridge Subdivision First Filing, residential lots (40.2 acres) which was nominated for sale in Yellowstone County. The sale was nominated by the DNRC – Southern Land Office and is located within the city of Billings.

Sale #	# of Acres	Legal	Nominator	Trust
387	40.2	Lots 5-9 Block 1, Blocks 3 through 6, Block 9 and Block 12 in Skyview Ridge Subdivision, Section 20, T1N-R26E	DNRC – Southern Land Office	Common Schools

The parcel is currently used primarily for livestock grazing purposes. The parcel is surrounded by residential and commercial development and the highest and best use of the land is for residential development as subdivided.

The parcel is legally accessible from Wicks Lane and Governor's Boulevard.

No potentially negative issues were identified through the Montana Environmental Policy Act (MEPA) process regarding the sale of this parcel.

**Economic Analysis:**

Short-term – The average rate of return on the sale parcel is 0.01%. The parcel would continue to receive this return if it remains in state ownership.

Long-term – An in-kind payment for the construction of infrastructure for the commercial lots is anticipated and will allow the state to lease the commercial lots. Recent commercial leases on trust lands range from 4.0% to 6.0% annual return to the trust.

**Cultural/Paleontological Resources:**

The state parcel proposed for sale was inventoried to Class III standards for cultural and paleontological resources in 2004. No paleontologic resources were identified, but one cultural resource consisting of three low-profile cairns (rock clusters) was tested, formally recorded, evaluated, and determined not to be a heritage property. A formal report of findings has been prepared and filed with the Montana State Historic Preservation Office per the requirements of the Montana State Antiquities Act.

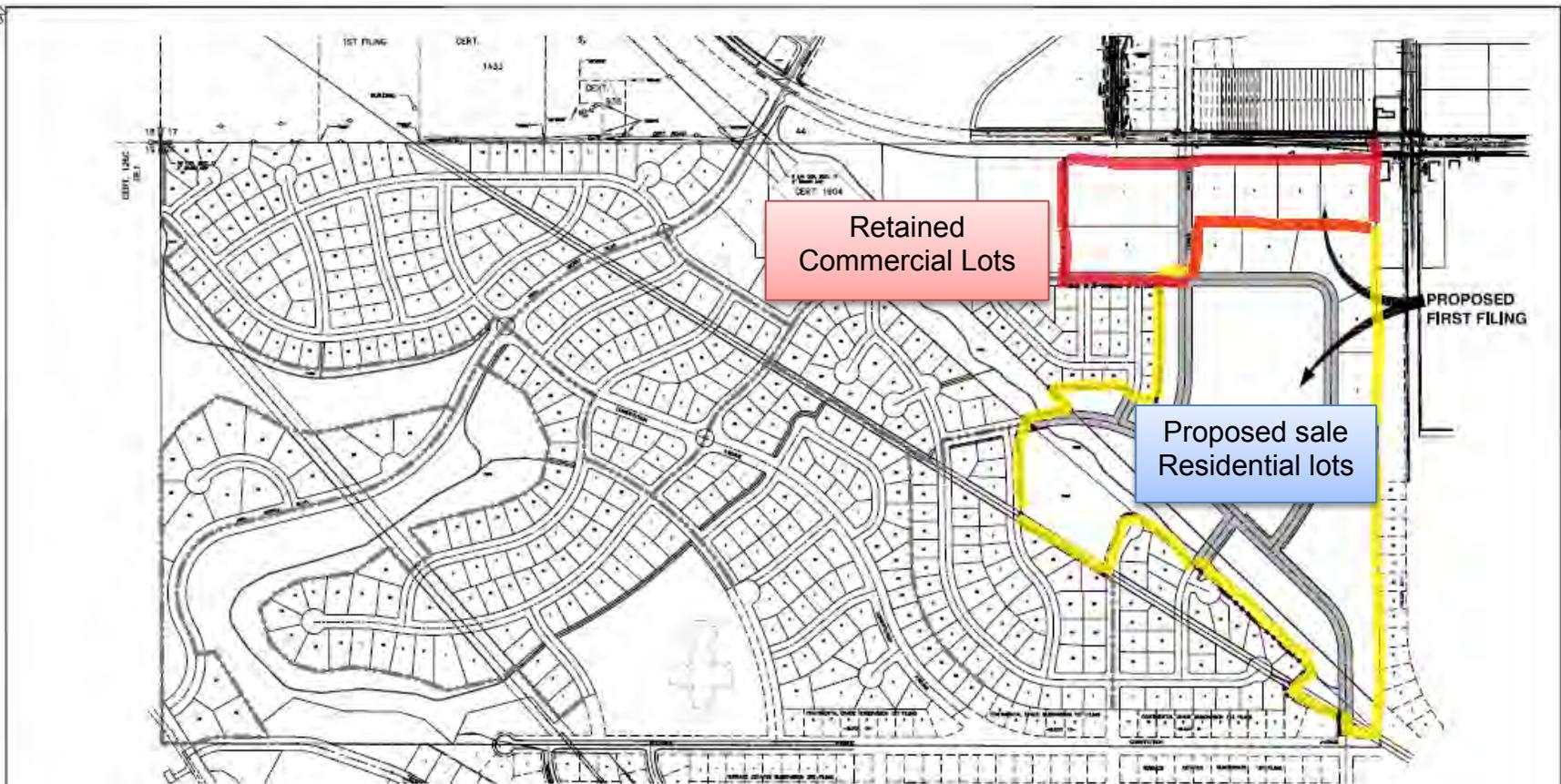
**Appraised Value:**

Sale #	Appraised Value of Land	Minimum Bid
387	\$900,000	\$1,061,162 in-kind payment

**DNRC Recommendation**

The director recommends the Land Board set the minimum bid for the parcel at the amount shown above as an in-kind payment for the construction of infrastructure for the commercial lots.

# Skyview Ridge Sale Map



## SKYVIEW RIDGE SUBDIVISION

PREPARED FOR:



SCALE 1" = 200'

PREPARED BY:



**HODDER, INC.**  
Engineering, Planning and Surveying  
2111 East Grand Ave.  
Ogden, Utah 84401  
Phone (801) 424-2000  
www.hodder.com

SKYVIEW\_RIDGE\_PLANS-11/11/14 11/11/14 SHEET 1 OF 1 0402100

# 1214-8

LAND EXCHANGE: PRELIMINARY APPROVAL  
– GALLATIN COUNTY LANDFILL

**Land Board Agenda Item  
December 15, 2014**

**1214-8 Land Exchange: Preliminary Approval for Gallatin County Landfill Land Exchange**

**Location: Gallatin County**

**Trust Benefits: Common Schools, University of Montana**

**Trust Revenue: N/A**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) requests preliminary approval of a land exchange proposal with Gallatin County involving 636.13 acres of state land for 634.49 acres of private land in Gallatin County. Both properties are located approximately 12 miles northwest of Belgrade.

**Acres:**

<b>State Trust Land (DNRC)</b>			
<b>County</b>	<b>Legal Description</b>	<b>Trust</b>	<b>Acres</b>
Gallatin	Lots 1-7, SE $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ , Section 6, T1N-R3E	U of M	627.31±
Gallatin	Lot A, Minor Sub 403, Section 36, T2N-R2E	Common Schools	8.82±
			<b>636.13±</b>
<b>Gallatin County Land</b>			
<b>County</b>	<b>Legal Description</b>	<b>Acres</b>	
Gallatin	ALL, Section 1, T1N-R2E	634.49±	

**Location:** Gallatin County

**Beneficiary** University of Montana, Common Schools

**PUBLIC INVOLVEMENT PROCESS AND RESULTS**

A scoping letter requesting public comment was sent out October 27, 2014, and the comment period ran through November 28, 2014. The letter was sent to neighboring landowners, interested parties and the Gallatin County Commissioners. No comments were received.

**EXCHANGE CRITERIA ANALYSIS**

The following preliminary review documents how the land exchange meets or exceeds the land exchange criteria and accrues benefits to the University of Montana and Common Schools Trust beneficiaries.

**1. EQUAL OR GREATER VALUE**

Both the trust and Gallatin County lands will be appraised to determine actual values if the Board gives preliminary approval for this proposed exchange. Preliminary review of the 636.13± acres of state trust land indicates an estimated value with legal access of \$512,000. Preliminary review of the 634.49 acres of Gallatin County land indicates an estimated value with legal access of \$554,000.

*Preliminarily Meets Criteria*

## **2. STATE LAND BORDERING ON NAVIGABLE LAKES AND STREAMS**

The state trust land offered in this exchange contains no navigable rivers or streams, and neither does the Gallatin County lands.

*Criteria is N/A*

## **3. EQUAL OR GREATER INCOME TO THE TRUST**

The state property is generating revenue from a grazing lease for an annual return of \$4,968, plus a lease to Gallatin County for a scale house for an annual return of \$6,479.53. Total annual return on the state lands is \$11,447.53.

The Gallatin County property is projected to generate income from agriculture and grazing leases that would total \$8,381.44 annually.

Gallatin County is willing to make a donation to the permanent fund or find other income producing options to compensate for the \$3,066.09 difference in annual return.

*With Contingency, Preliminarily Meets Criteria*

## **4. EQUAL OR GREATER ACREAGE**

DNRC would exchange to Gallatin County approximately 636.13± acres of trust land for approximately 634.49± acres of Gallatin County property as shown on the attached map. The acreage received by the trust would be essentially the same as what was exchanged to Gallatin County.

*Preliminarily Meets Criteria*

## **5. CONSOLIDATION OF STATE LAND**

This exchange proposal would create a contiguous and accessible block of four sections of state ownership, where no block previously existed.

*Preliminarily Meets Criteria*

## **6. POTENTIAL FOR LONG-TERM APPRECIATION**

Both parcels involved have the potential for long-term appreciation. The parcels are adjacent to each other, all things being equal they would be expected to appreciate at the same rate, but the state ground is encumbered by a landfill which could be a future liability.

*Preliminarily Meets Criteria*

## **7. ACCESS**

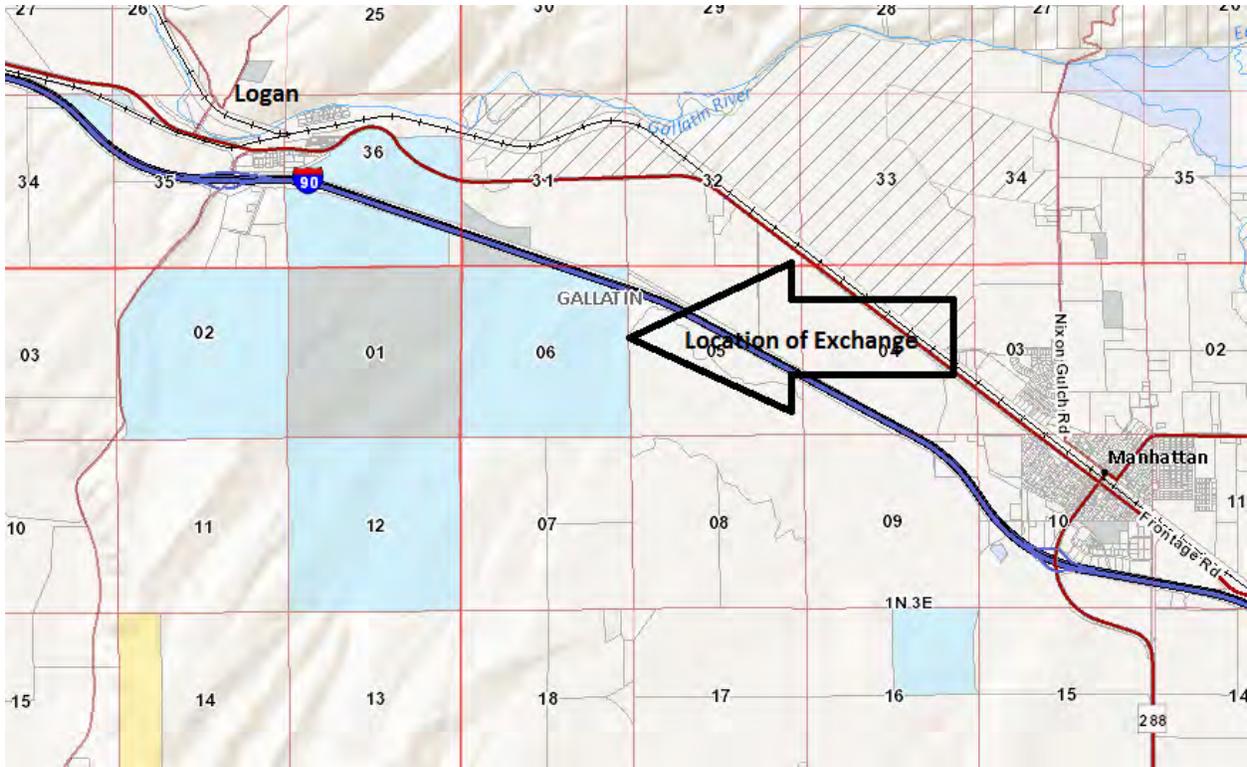
The state does not currently have legal access to Section 6, T1N-R3E which has been proposed for exchange to Gallatin County. As part of this exchange proposal the state would get access to Section 1, T1N-R2E the parcel proposed for the state to receive in the exchange, and would gain access to Section 12, T1N-R2E.

*Preliminarily Meets Criteria*

## **DNRC RECOMMENDATIONS**

The director believes this proposed land exchange would benefit the trust beneficiaries, and the state of Montana. The director requests that this exchange receive preliminary approval from the Land Board. If approved by the board, DNRC would execute a non-binding agreement to initiate the land exchange with Gallatin County, and would begin a detailed evaluation.

### Exchange Location Map



### Exchange Parcels



Land Received by State    Land Received by Gallatin County

# 1214-9

SALE OF CABIN AND HOME SITE:

FINAL APPROVAL FOR SALE – SALE 711

**Item Withdrawn**

**Land Board Agenda Item  
December 15, 2014**

**1214-9 Sale of Cabin and Home Sites: Final Approval for Sale – Sale 711**

**Location: Missoula County**

**Trust Benefits: Pine Hills**

**Trust Revenue: \$150,000**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) is requesting final approval on one cabin site nominated for sale in Missoula County. The sale was nominated by the lessee and is located approximately ten miles south of Seeley Lake.

Sale #	# of Acres	Legal	Nominator	Trust
711	0.83	Lot 16, Elbow Lake, Section 00, T15N-R14W	Tim & Cheryl Schwenk	Pine Hills

The parcel is currently leased as a cabin site and produces an average income for residential leases statewide.

The parcel will be sold with the access that is currently provided under the lease agreement.

**Economic Analysis:**

Short term – The average rate of return on the sale parcel is 2.06 percent. The parcel would continue to receive this return if it remained in state ownership.

Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through DNRC's land banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 1.97 percent on acquisitions with income generated from annual lease payments.

**Cultural/Paleontological Resources:**

A Class I level of cultural resource inventory was conducted for the proposed sale. Home sites typically contain numerous structures and the ground surfaces within most home sites have been disturbed over the course of many years of occupation and development. This sale will have no effect to state owned heritage properties.

**Background:**

In March 2014, the board granted preliminary approval for this parcel to continue through the land banking sale evaluation process. In October 2014 the board set the minimum bid for the land at the appraised value below:

Sale #	Minimum Bid of Land	Appraised Value of Improvements
711	\$150,000	\$45,000

**Sale Price:**

The cabin site was sold at a public auction on December 8, 2014. The parcel had only one bidder, who was the current lessee and improvements owner, and the parcel was sold for the minimum bid amount listed above.

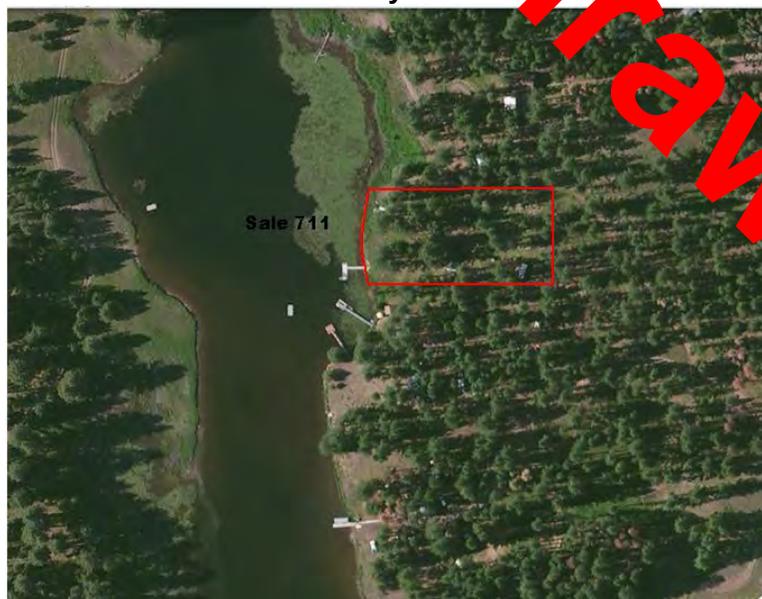
**DNRC Recommendation**

The director recommends final approval for the cabin site lot at the appraised value shown above. The sale will be closed within 30 days of final approval by the board.

**Missoula County Sale Location Map**



**Sale #71**  
Lot 16, Elbow Lake, Section 20, T1N-R14W  
Tim & Cheryl Schwab



# 1214-10

## EASEMENTS

- A. DNRC Easements
- B. Reciprocal Access Agreement – Shay Lake Road Users Association
- C. Settlement Agreement and Encroachment - Hansen

**Land Board Agenda Item  
December 15, 2014**

**1214-10A Easements: DNRC Easements**

**Location: Big Horn, Blaine, Chouteau, Fergus, Flathead, Jefferson, Pondera**

**Trust Benefits: Common Schools, Public Land Trust, Eastern - MSU/Western –  
UM**

**Trust Revenue: Common Schools = \$36,339  
Eastern - MSU/Western - UM = \$5,613  
Public Land Trust = \$100**

**Item Table of Contents**

<b>Applicant</b>	<b>Right-of-Way Purpose</b>	<b>Term</b>	<b>Page(s)</b>
Robert & Donna Robb	Historic Private Access Road	Permanent	1-3
Triangle Telephone Coop. Assoc., Inc.	New Telecommunications Utility	Permanent	4-30
Marias River Bird Preserve	Historic Private Access Road	Permanent	31-32
ZY Brown Ranch, Inc.	Historic Private Access Road	Permanent	33-34
The Ernest T. Rouse, Jr. Family Trust, Et. Al.	New Private Access Road	Permanent	35-36
Clancy LLC	Historic Private Access Road	Permanent	37-38
Powder River Energy Corporation	New Electric Utility	Permanent	39-40

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Robert & Donna Robb  
906 East Flat Rock Ridge  
Flagstaff AZ 86001

Application No.: 16733  
R/W Purpose: a private access road for the purpose of conducting normal farming and ranching operations

Lessee Agreement: N/A (Historic)  
Acreage: 1.01  
Compensation: \$455.00  
Legal Description: 20-foot strip through SWSW4, Sec. 21 and NW4NW4, NW4SE4 Sec. 28, Twp. 22N, Rge. 19E, Fergus County

Trust Beneficiary: Common Schools

Item Summary

Applicant is requesting approval for the use of an existing road to access their private lands for the purpose of conducting normal farming and ranching operations. The road has been in place for years and authorization for continued use is being requested pursuant to 77-1-130, MCA, which allows for recognition of such historic access.

DNRC Recommendation

The director recommends approval of this historic right of way application.

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Robert & Donna Robb  
906 East Flat Rock Ridge  
Flagstaff AZ 86001

Application No.: 16734  
R/W Purpose: a private access road to a single family residence and associated  
outbuildings and for conducting normal farming and ranching  
operations

Lessee Agreement: N/A (Historic)  
Acreage: 0.69  
Compensation: \$311.00  
Legal Description: 20-foot strip through SW4SW4, Sec. 28, Twp. 22N, Rge. 19E,  
Fergus County  
Trust Beneficiary: Common Schools

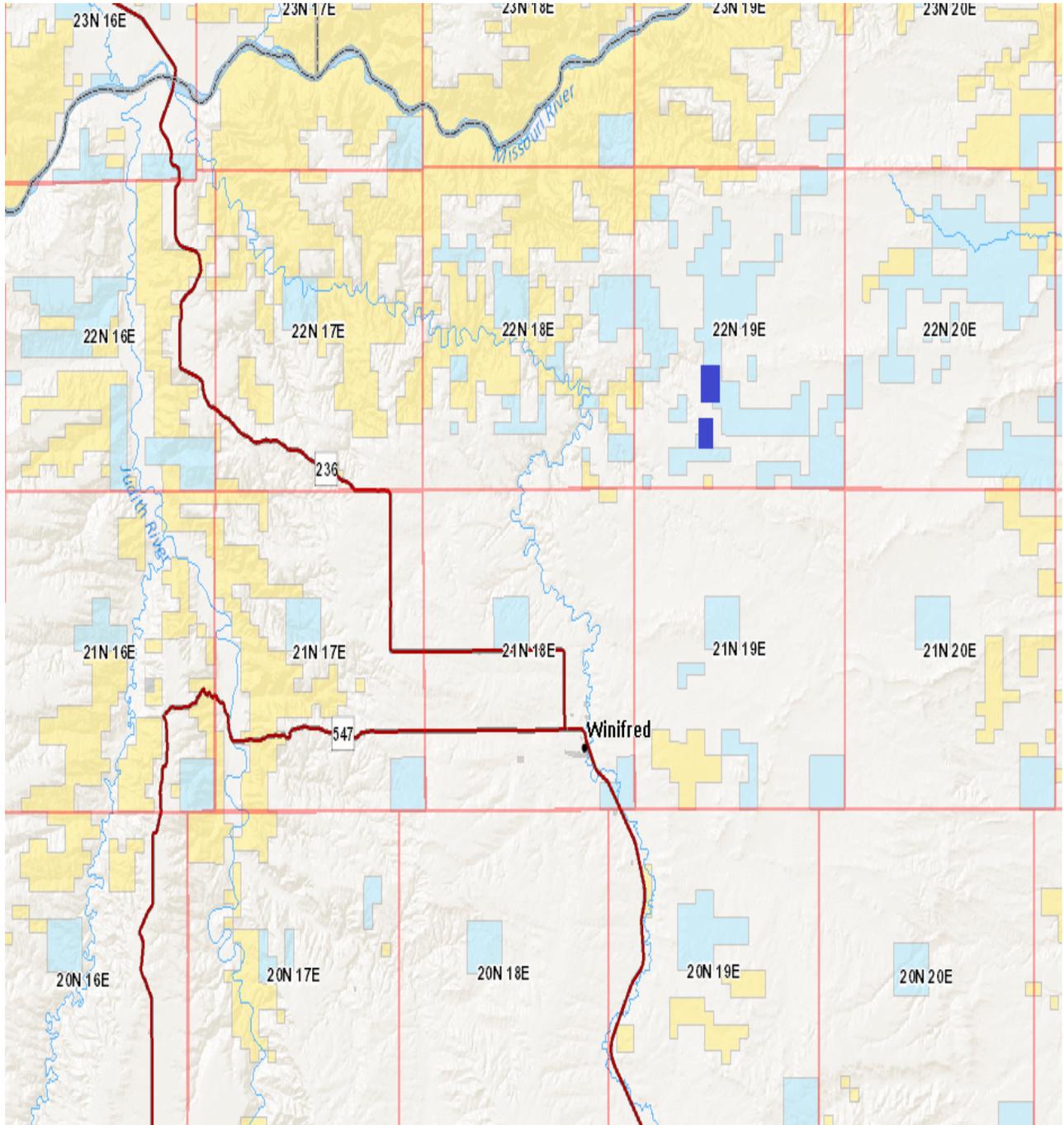
Item Summary

See page 1

DNRC Recommendation

See page 1

---



APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16735  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 0.21  
Compensation: \$3793.00  
Legal Description: 20-foot strip through NE4NE4, Sec. 16, Twp. 18N, Rge. 17E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

Triangle Telephone Cooperative Association, Inc. has made application for installation of new underground telecommunications facilities to upgrade their current facilities and services to the Winifred Exchange serving area in and around Winifred. This project is known as the Winifred FTTP Upgrade. This project involves 23 parcels of state land, in which one crosses the Missouri River. All will be buried cable except for across the Missouri River, which will be overhead. The proposed route was determined by field survey as the most direct route between terminus locations while also providing access to existing and future network considerations. This project crosses through sage grouse core and general habitat areas. Pursuant to *Sage Grouse Executive Order No. 10-2014* special stipulations will be placed in the easement document to address mitigation measures, such as restrictions related to construction time periods.

DNRC Recommendation

The director recommends approval of this telecommunications upgrade project.

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16736  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 1.84  
Compensation: \$1840.00  
Legal Description: 20-foot strip through Government Lot 4, SW4NW4, NW4SW4,  
Sec. 4, Twp. 18N, Rge. 19E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16737  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 2.5  
Compensation: \$2247.00  
Legal Description: 20-foot strip through W2NW4, SE4NW4, E2SW4,  
Sec. 16, Twp. 19N, Rge. 19E,  
Fergus County

Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16738  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: needed  
Acreage: 3.77  
Compensation: \$6396.00  
Legal Description: 20-foot strip through NW4SW4, S2S2, NE4SE4,  
Sec. 16, Twp. 20N, Rge. 16E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16739  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 2.18  
Compensation: \$1515.00  
Legal Description: 20-foot strip through W2NW4, E2SW4,  
Sec. 16, Twp. 20N, Rge. 17E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16740  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 2.45  
Compensation: \$1103.00  
Legal Description: 20-foot strip through S2S2, Sec. 9, Twp. 20N, Rge. 19E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16741  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 2.12  
Compensation: \$954.00  
Legal Description: 20-foot strip through NE4SW4, N2SE4,  
Sec. 7, Twp. 22N, Rge. 18E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

Department Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16742  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 2.09  
Compensation: \$941.00  
Legal Description: 20-foot strip through SE4NW4, N2SW4, NW4SE4,  
Sec. 8, Twp. 22N, Rge. 18E,  
Fergus County

Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16743  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 1.16  
Compensation: \$522.00  
Legal Description: 20-foot strip through N2SE4, Sec. 11, Twp. 22N, Rge. 18E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16744  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 3.56  
Compensation: \$1877.00  
Legal Description: 20-foot strip through W2W2, NE4NW4,  
Sec. 18, Twp. 22N, Rge. 19E,  
Fergus County

Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16745  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: needed  
Acreage: 1.86  
Compensation: \$837.00  
Legal Description: 20-foot strip through E2NW4, SE4SW4, SW4SE4,  
Sec. 19, Twp. 22N, Rge. 19E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16746  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 1.43  
Compensation: \$644.00  
Legal Description: 20-foot strip through NE4SW4, S2SW4,  
Sec. 27, Twp. 22N, Rge. 19E,  
Fergus County

Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16747  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 0.97  
Compensation: \$437.00  
Legal Description: 20-foot strip through E2NE4, Sec. 32, Twp. 22N, Rge. 19E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16748  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 0.65  
Compensation: \$293.00  
Legal Description: 20-foot strip through SW4NW4, Sec. 33, Twp. 22N, Rge. 19E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16749  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 0.61  
Compensation: \$275.00  
Legal Description: 20-foot strip through SE4NE4, Sec. 1, Twp. 22N, Rge. 20E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
Po Box 1220  
Havre MT 59501

Application No.: 16750  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 1.08  
Compensation: \$486.00  
Legal Description: 20-foot strip through S2SE4, Sec. 4, Twp. 22N, Rge. 20E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16751  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 1.41  
Compensation: \$635.00  
Legal Description: 20-foot strip through W2SW4, NW4NE4,  
Sec. 9, Twp. 22N, Rge. 20E,  
Fergus County

Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16752  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 0.61  
Compensation: \$275.00  
Legal Description: 20-foot strip through NW4NW4, Sec. 16, Twp. 22N, Rge. 20E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16753  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 0.63  
Compensation: \$284.00  
Legal Description: 20-foot strip through NE4NW4, Sec. 20, Twp. 22N, Rge. 20E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16754  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 1.63  
Compensation: \$734.00  
Legal Description: 20-foot strip through Government Lot 4, W2SE4,  
Sec. 4, Twp. 22N, Rge. 21E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16755  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 1.13  
Compensation: \$509.00  
Legal Description: 20-foot strip through N2NE4, Sec. 10, Twp. 22N, Rge. 21E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16756  
R/W Purpose: a buried telecommunications cable  
Lessee Agreement: ok  
Acreage: 2.42  
Compensation: \$1089.00  
Legal Description: 20-foot strip through N2N2, Sec. 11, Twp. 22N, Rge. 21E,  
Fergus County  
Trust Beneficiary: Common Schools

Item Summary

See page 4

DNRC Recommendation

See page 4

---

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Triangle Telephone Cooperative Association, Inc.  
PO Box 1220  
Havre MT 59501

Application No.: 16757  
R/W Purpose: an overhead telecommunications cable over the Missouri River  
Lessee Agreement: ok  
Acreage: 0.2  
Compensation: \$100.00  
Legal Description: 20-foot strip through Government Lots 2 & 3 across the Missouri River, Sec. 27, Twp. 23N, Rge. 18E, Fergus & Blaine Counties

Trust Beneficiary: Public Lands

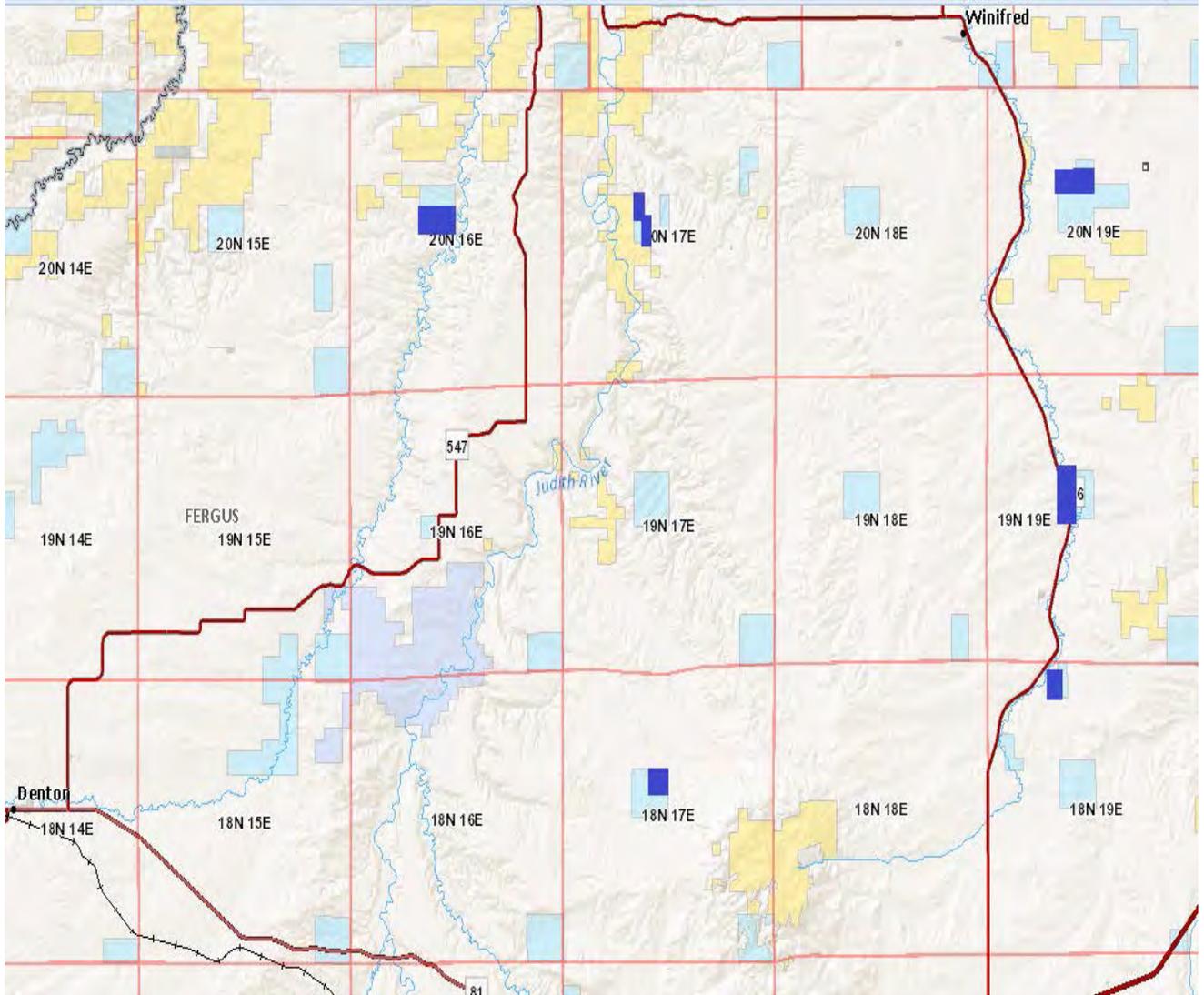
Item Summary

See page 4

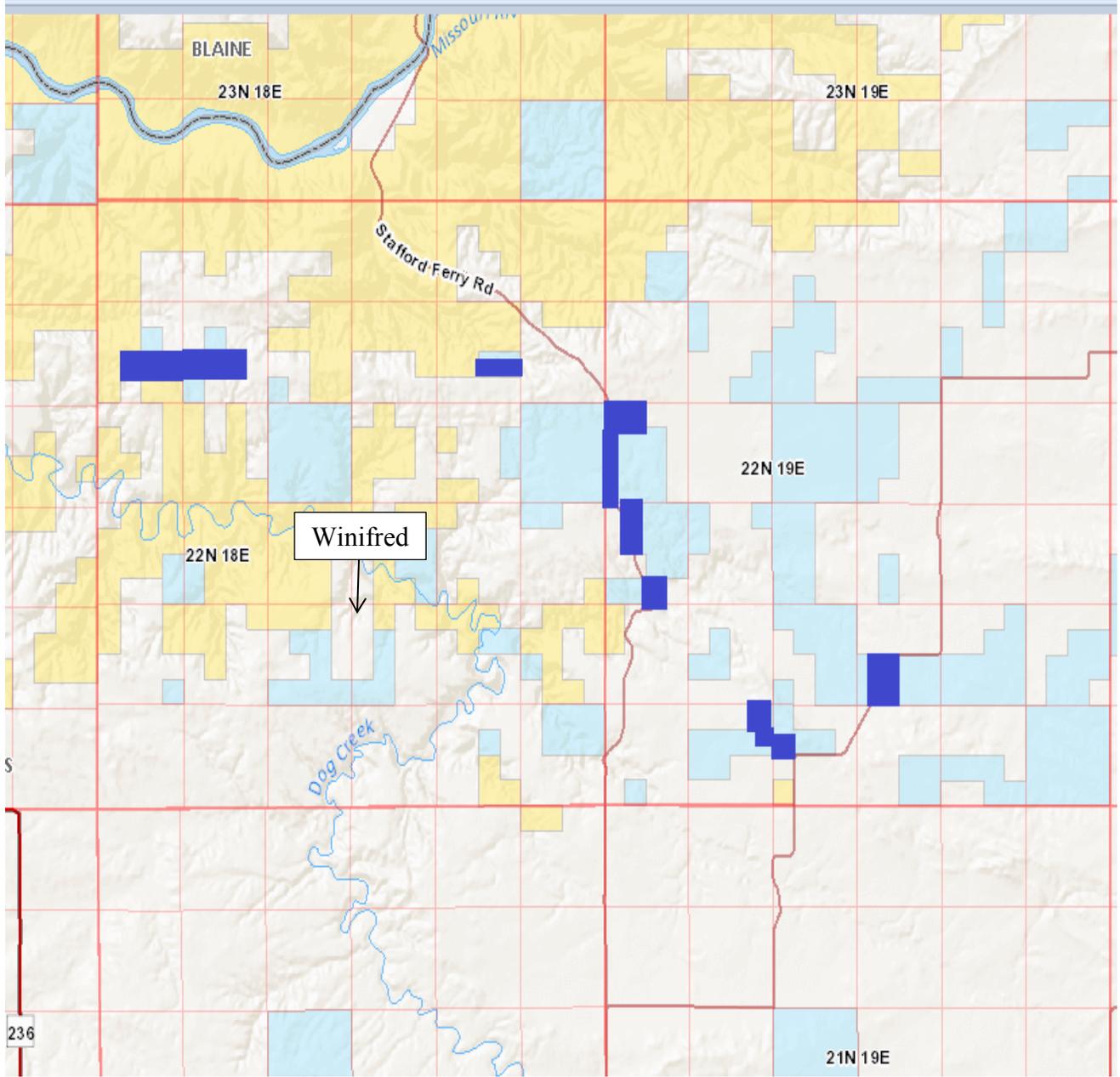
DNRC Recommendation

See page 4

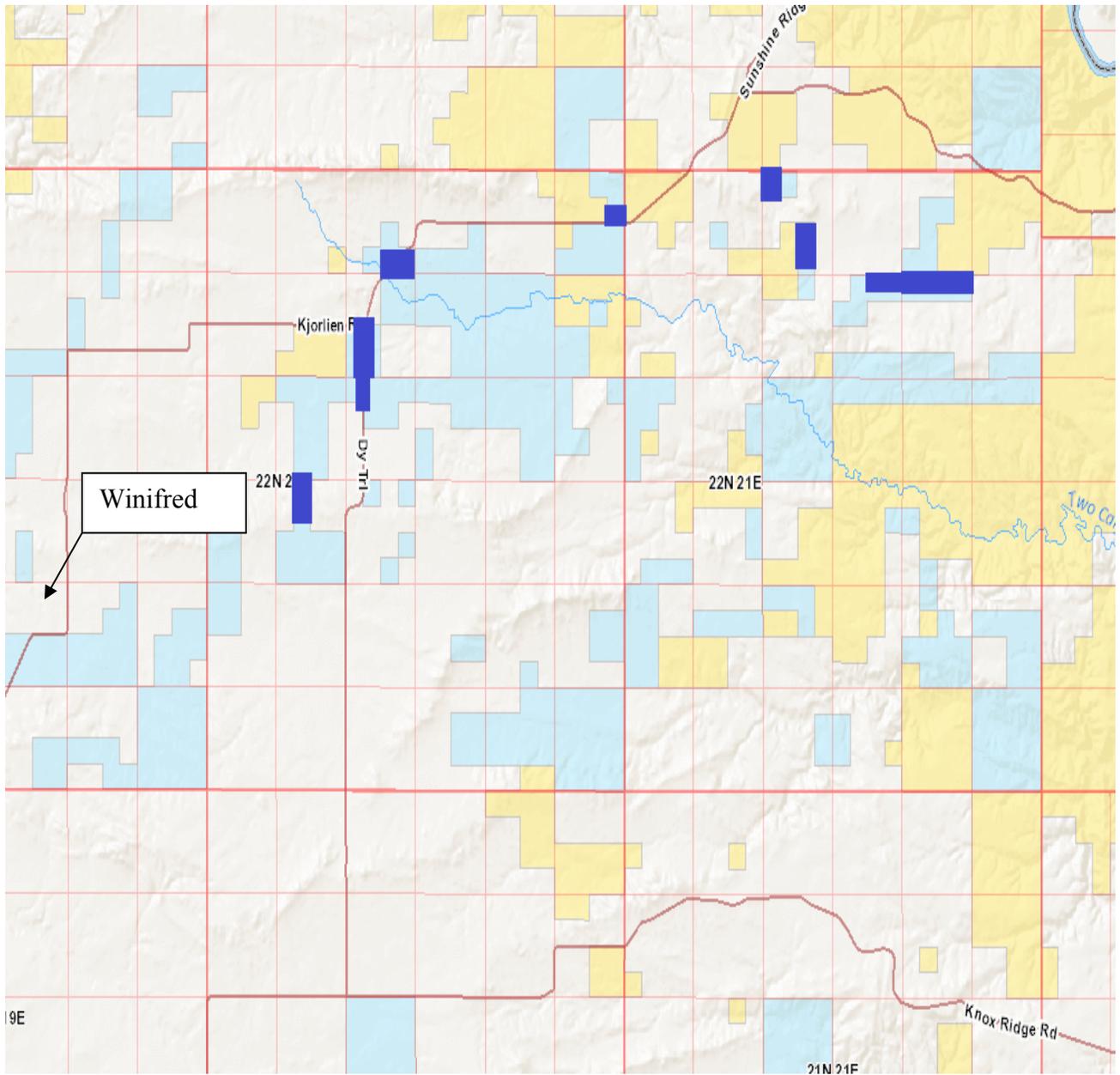
---



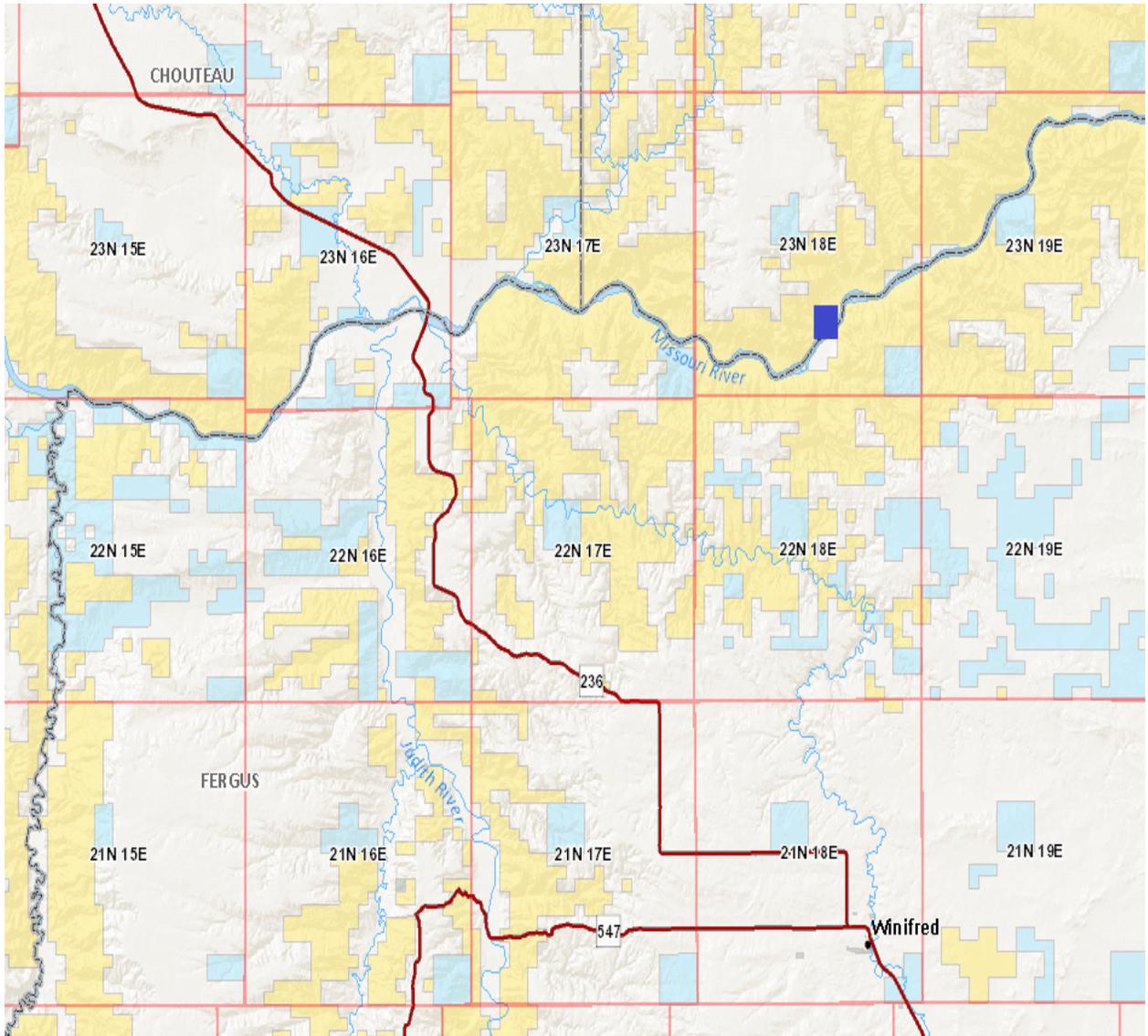
Applications 16735-16740



Applications 16741-16748



Applications 16749-16756



Application 16757

APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Marias River Bird Preserve  
200 Hubbart Dam Road  
Marion MT 59925

Application No.: 16758  
R/W Purpose: a private access road for the purpose of conducting normal farming and ranching operations

Lessee Agreement: N/A (Historic)  
Acreage: 1.04  
Compensation: \$312.00  
Legal Description: 30-foot strip through SE4SE4, Sec. 15, Twp. 31N, Rge. 4W, Pondera County  
Trust Beneficiary: Common Schools

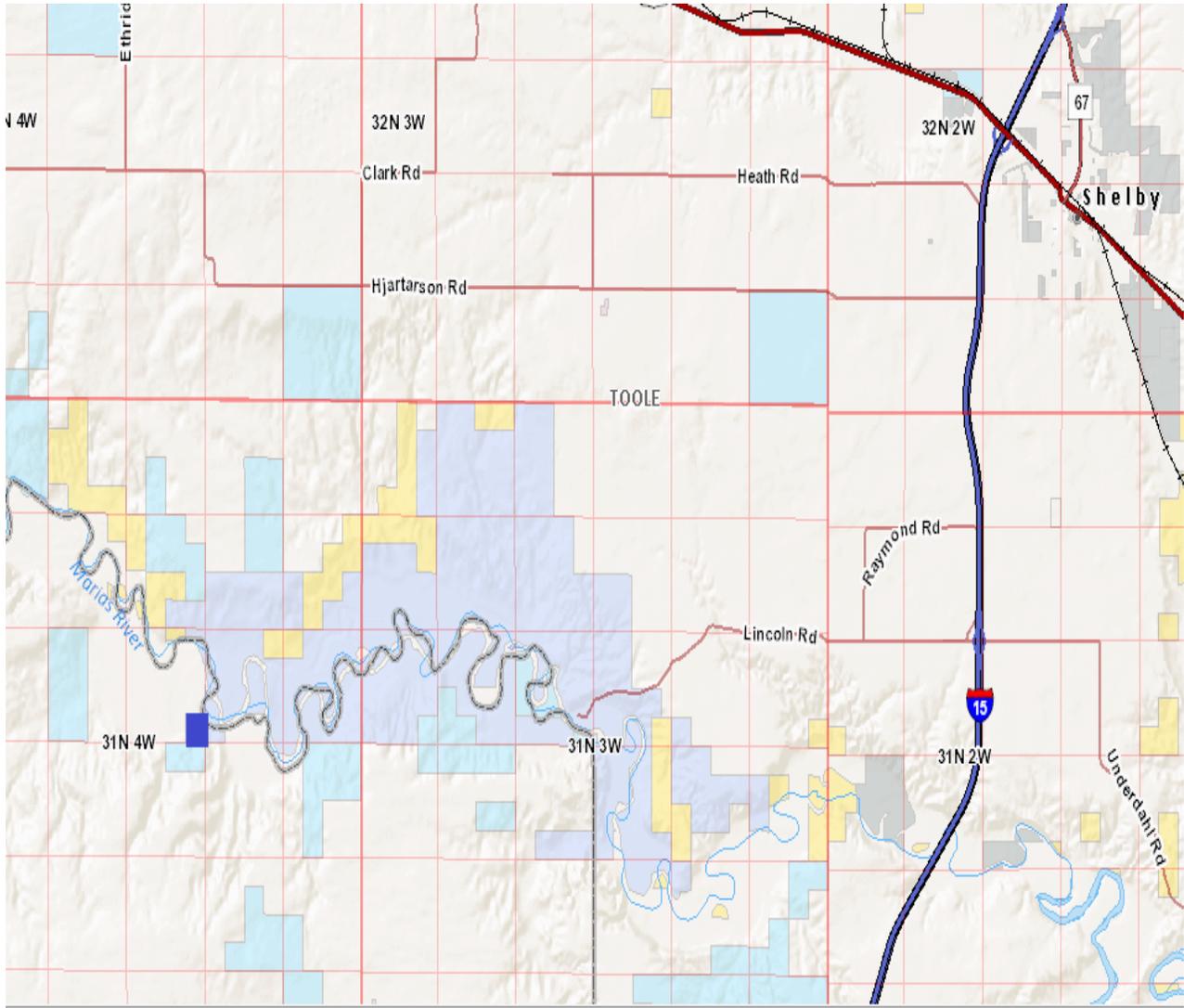
Item Summary

Applicant is requesting approval for the use of an existing road to access their private lands for the purpose of conducting normal farming and ranching operations. The historic road runs along the Marias River and has eroded away over periods of time. Applicant has historically bladed in new road along the edge of the river as a result. Legal staff has confirmed that the continuance of this practice along the bank of the river does meet historic access definitions and, therefore, they are able to request this easement pursuant to 77-1-130, MCA. However, DNRC will stipulate in an easement document that the applicant must acquire any applicable permits associated with such work near the river for any future activities related to road reconstruction.

DNRC Recommendation

The director recommends approval of this historic right of way application.

---



APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: ZY Brown Ranch, Inc.  
43 Chase Hill Drive  
Big Sandy MT 59520

Application No.: 16761  
R/W Purpose: a private access road for the purpose of conducting normal farming and ranching operations

Lessee Agreement: N/A (Historic)  
Acreage: 1.36  
Compensation: \$408.00  
Legal Description: 10-foot strip through S2NW4, N2NE4, SW4NE4, N2SW4, Sec. 36, Twp. 24N, Rge. 16E, Chouteau County

Trust Beneficiary: Common Schools

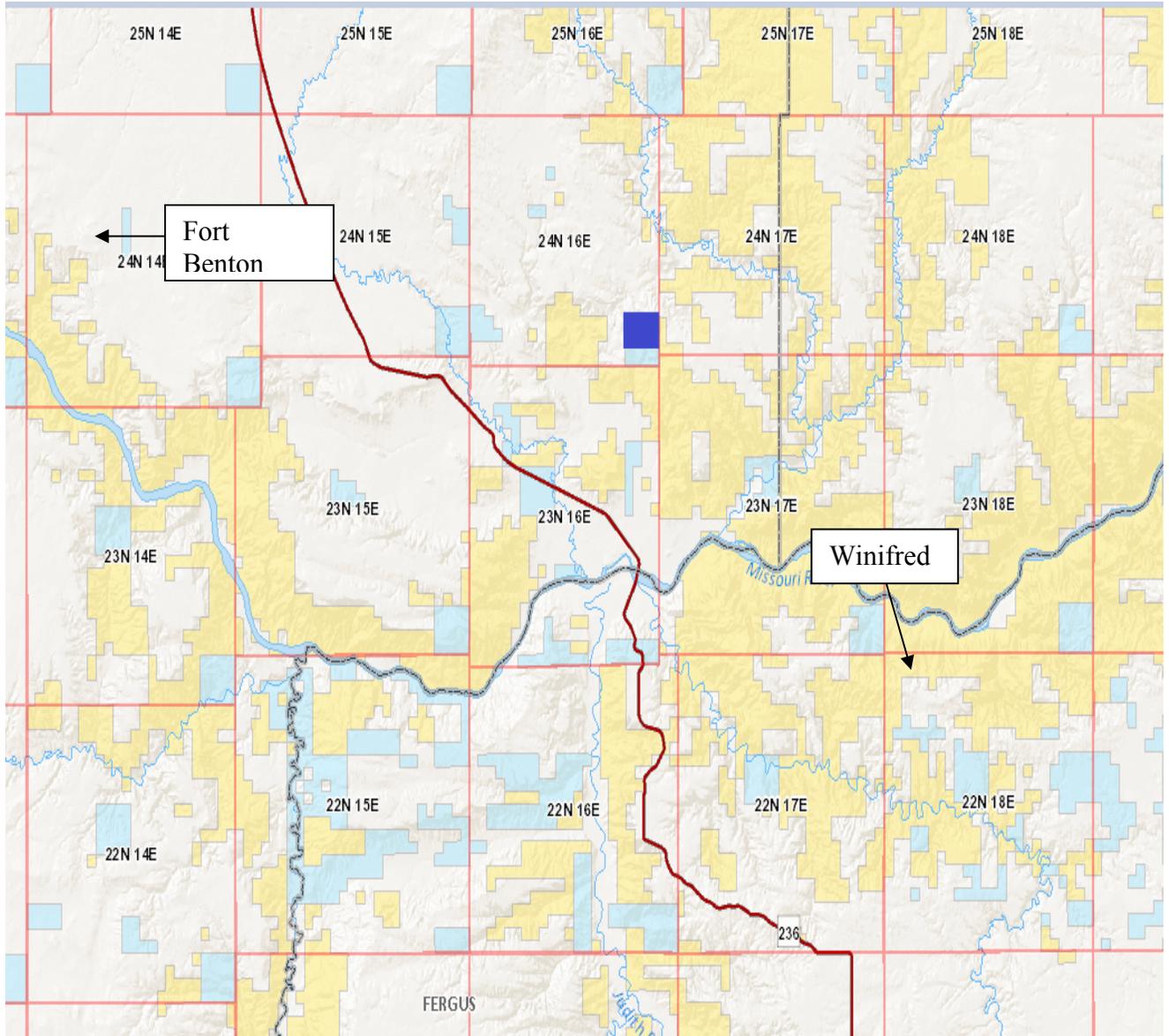
Item Summary

Applicant is requesting approval for the use of an existing road to access their private lands for the purpose of conducting normal farming and ranching operations. The road has been in place for years and authorization for continued use is being requested pursuant to 77-1-130, MCA, which allows for recognition of such historic access.

DNRC Recommendation

The director recommends approval of this historic right of way application.

---



APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: The Ernest T. Rouse, Jr. Family Trust, The Berram B. Culver, Jr.  
GST Exempt Trust and The Jane M. Culver GST Exempt Trust  
6 Wickersham Lane  
Saint Louis MO 63124

Application No.: 16762  
R/W Purpose: a private access road to a single family residence and associated  
outbuildings

Lessee Agreement: ok  
Acreage: 3.04  
Compensation: \$5613.00  
Legal Description: 40-foot strip through E2, Sec. 6, Twp. 30N, Rge. 22W,  
Flathead County  
Trust Beneficiary: State Normal School

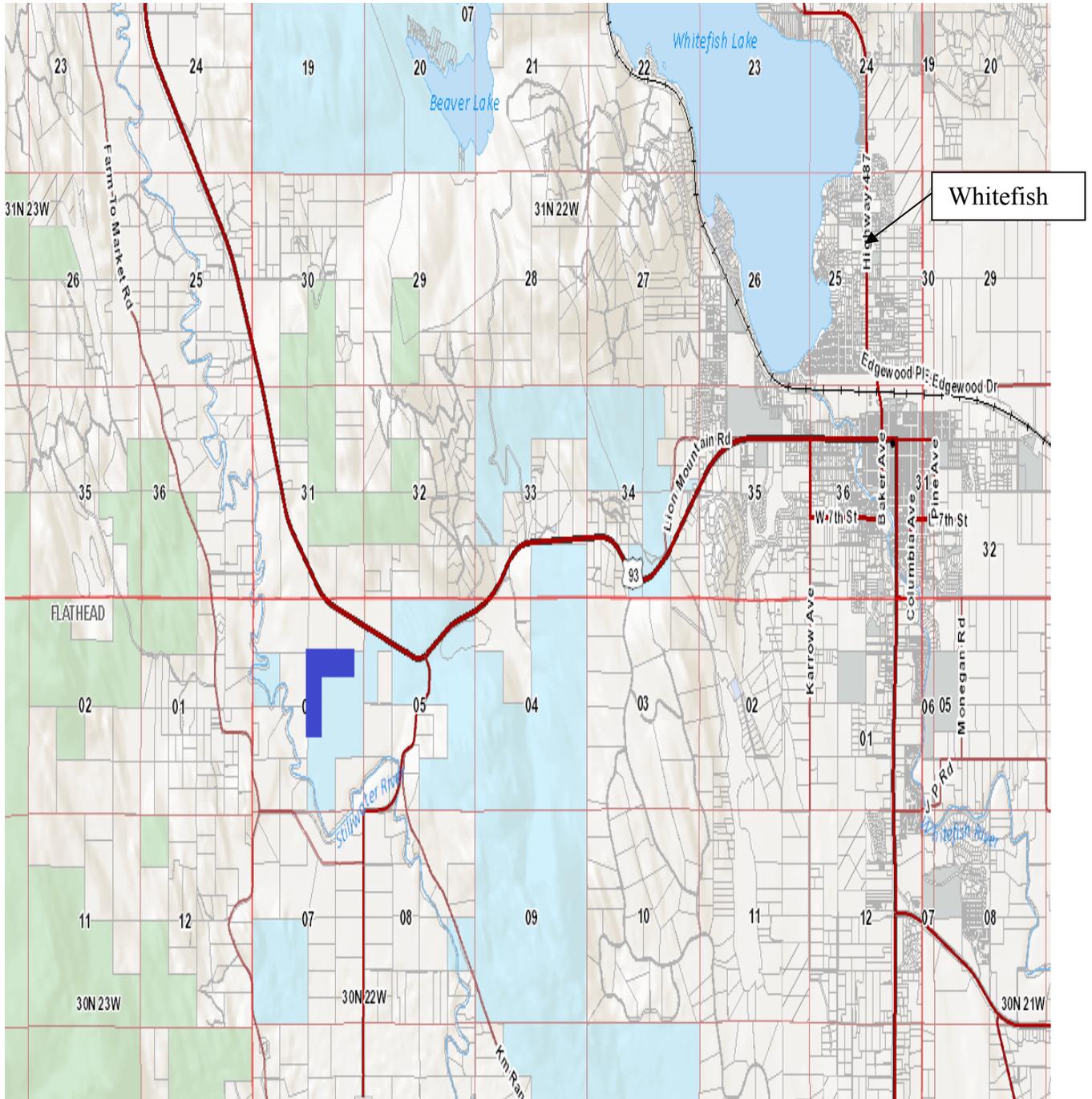
Item Summary

The Ernest T. Rouse, Jr. Family Trust, et.al., has made application to convert an existing 30-year term easement into a permanent easement. The original easement was granted in 2001 under a former *Land Board Access Policy* that only allowed for 30-year term easements. That policy was amended in 2006 for several reasons, including issuance of access easements for permanent terms. The easement was also issued prior to the Legislature authorizing the historic right of way process, which the Rouse family would have qualified for and would have received a permanent easement under had it been available to them at the time. As they had paid full market value for a term easement in 2001, the Department has apportioned a credit for the remaining 17 years in the term of the existing easement and assessed a new value that represents the fair market value of the easement as of today, minus the credit.

DNRC Recommendation

The director recommends approval of the conversion of this existing term easement into a permanent easement.

---



APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Clancy LLC  
3962 Myra Ave  
Los Alamitos Ca 90720

Application No.: 16763  
R/W Purpose: private access road for the purpose of conducting normal farming and ranching operations and timber management

Lessee Agreement: N/A (Historic)  
Acreage: 1.87  
Compensation: \$6867.00  
Legal Description: 30-foot strip through N2SW4, SW4SW4,  
Sec. 16, Twp. 8N, Rge. 3W,  
Jefferson County

Trust Beneficiary: Common Schools

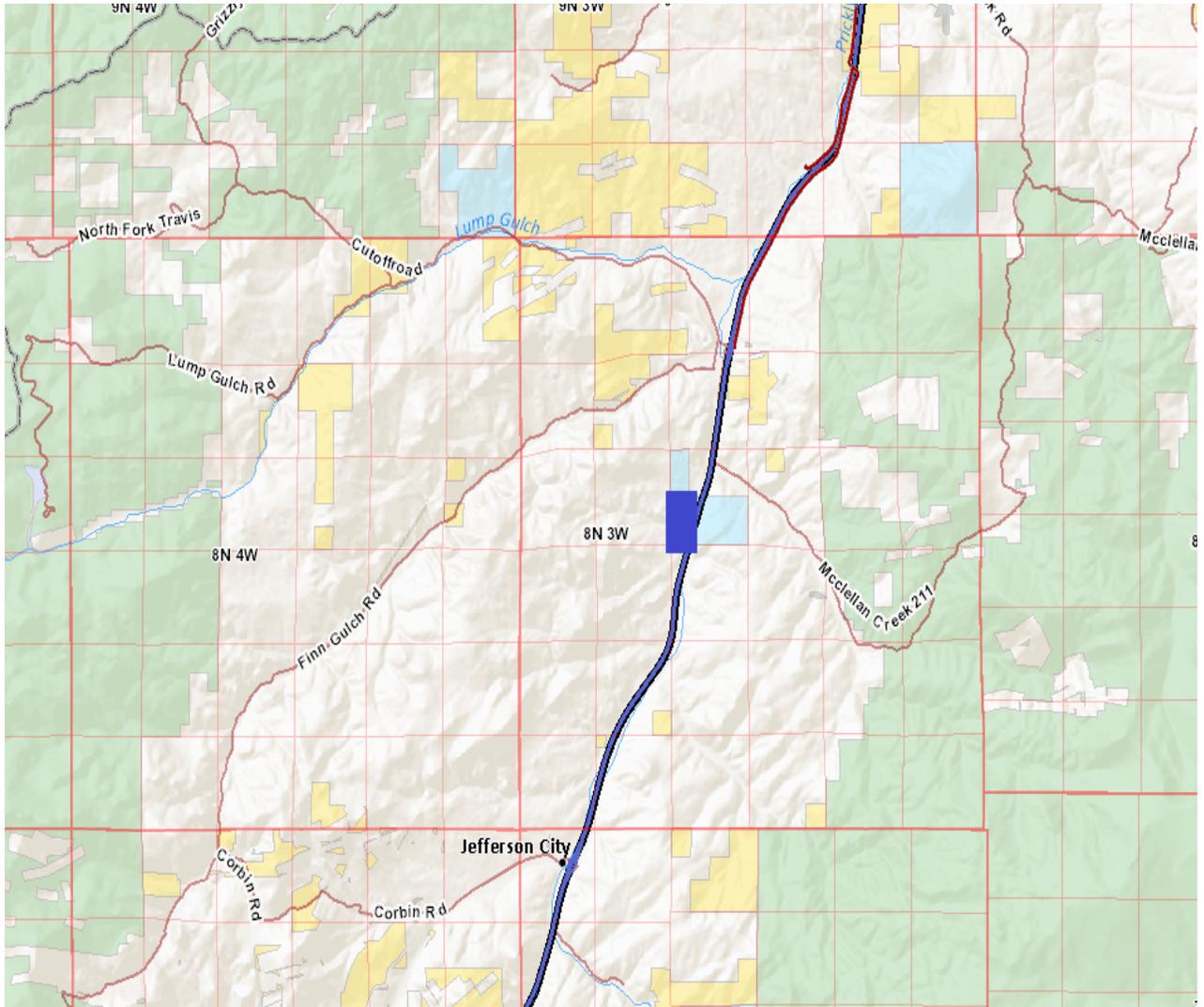
Item Summary

Applicant is requesting approval for the use of an existing road to access their private lands for the purpose of conducting normal farming and ranching operations. The road has been in place for years and authorization for continued use is being requested pursuant to 77-1-130, MCA, which allows for recognition of such historic access.

DNRC Recommendation

The director recommends approval of this historic right of way application.

---



APPLICANTS AND RIGHTS OF WAY INFORMATION

---

Applicant: Powder River Energy Corporation  
PO Box 930  
Sundance WY 82729

Application No.: 16764  
R/W Purpose: a 14.4kV buried distribution line  
Lessee Agreement: ok  
Acreage: 0.22  
Compensation: \$300.00  
Legal Description: 20-foot strip through NE4SW4, Sec. 22, Twp. 9S, Rge. 40E,  
Big Horn County  
Trust Beneficiary: Common Schools

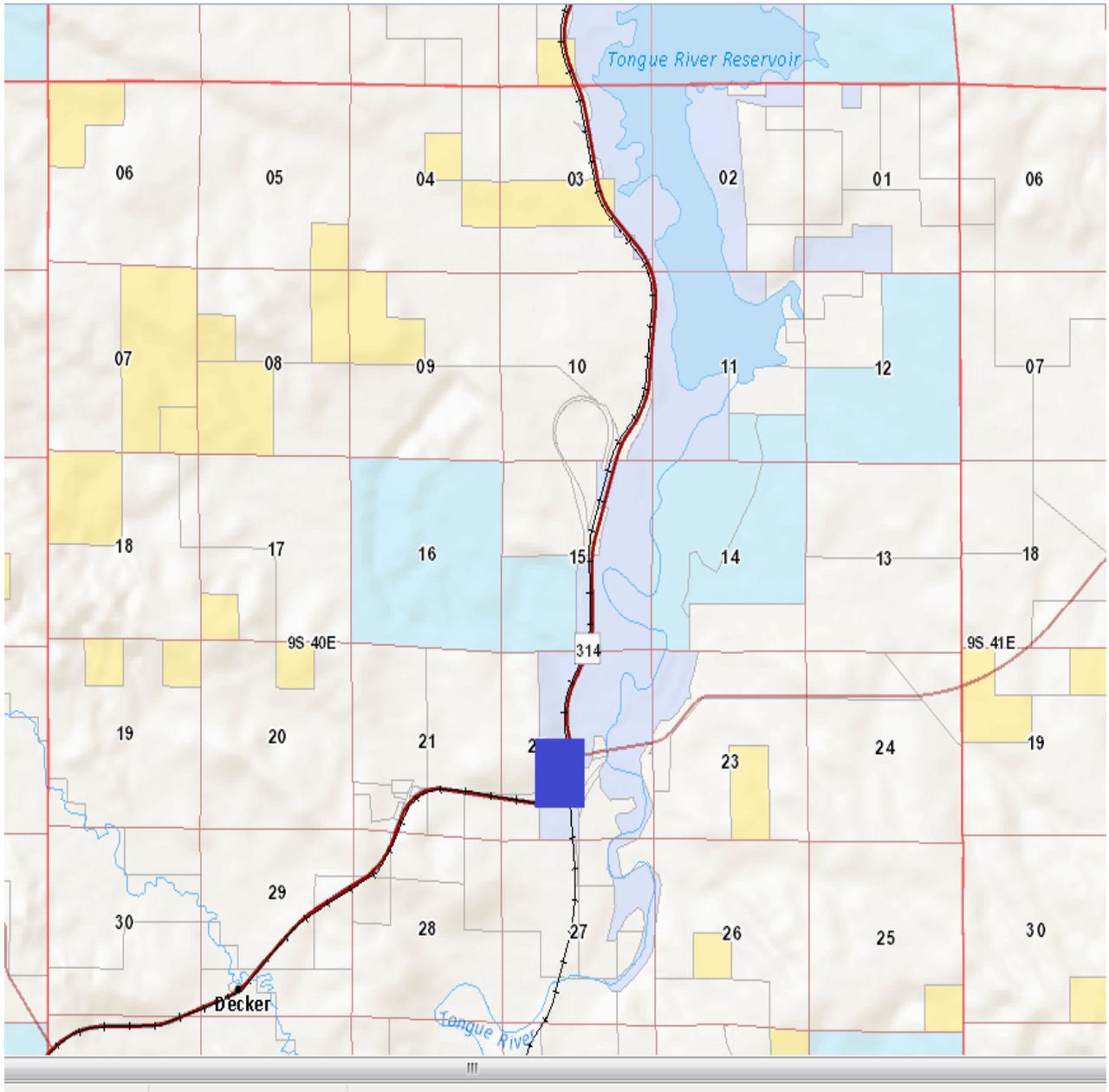
Item Summary

Powder River Energy Corporation has submitted application for a 14.4kV buried distribution line. This line will serve the nearby Burlington Northern Santa Fe (BNSF) Railroad. The line will take off from an existing power pole and be bored under Montana Highway 314 and then have a short jog to tie into the BNSF railroad system on the north side of the highway. This project is in general sage grouse general habitat area. Pursuant to *Sage Grouse Executive Order No. 10-2014* special stipulations will be placed in the easement document to address mitigation measures, such as restrictions related to construction time periods.

DNRC Recommendation

The director recommends approval of this right of way application.

---



**Land Board Agenda Item  
December 15, 2014**

**1214-10B Reciprocal Access Agreement – Shay Lake Road Users Association**

**Location: Lake County**

**Trust Benefits: Common Schools**

**Trust Revenue: \$190,821 to \$196,335**

**Item Summary**

**I. Applicant:**

Shay Lake Road Users Association, Inc.  
636 Newberry Circle, Kalispell, MT 59901

**II. Purpose of Reciprocal Access Agreement:**

Department of Natural Resources and Conservation (DNRC) state land is intermingled with Shay Lake Road Users Association (RUA) members' property. In order for both parties to gain legal access, they have proposed to exchange easements as part of this Reciprocal Access Agreement (Agreement). Each party will grant perpetual non-exclusive easements for the purpose of constructing, reconstructing, maintaining, repairing, and using a road or road segment for all lawful purposes, including utilities.

Over the course of several years multiple opportunities have been offered to all landowners using Shay Lake Road to form and join a proposed RUA to receive the benefit of sharing in the cost of acquisition of the state easement. Currently the RUA membership includes 22 of the 26 owners, which comprises 95% of the private ownership accessed. Four land owners have chosen to not participate in this endeavor at this time and, therefore, are not members of the RUA and will not enjoy legal access to their lands through this reciprocal agreement. In the Agreement the net excess cost payable to the state for an easement to the lands of the 22 participants is \$190,821. If all landowners participated and were members of the RUA, the net excess cost payable to the state would be \$196,335. In the interest of giving these four landowners a final opportunity to participate, one or all could choose to do so before the final easements are executed and exchanged and buy in to the Agreement and share in the cost of obtaining the easement from the state at a range between \$190,821 and \$196,335. Alternatively, should none of these landowners participate prior to easements being exchanged between the state and the RUA and subsequently desire to become a member of the RUA and receive the benefits of an easement to their property, they will be required to satisfy the requirements outlined in the RUA bylaws to become a member and will have to pay 100% of the value of an easement across state at their own expense and not on the shared basis with existing RUA members. The individual cost to these four landowners outside of participation in the shares and through the RUA at this point in time currently ranges from \$103,000 to \$106,000 for land and road values.

**Legal Description (R/W):**

Lake County:

State Land burdened - Sec. 18, 19, and 30, T23N, R17W – 15.08 acres (C.S.)

\*State Land benefited - T23N, R17W

Sec. 7 (all lands west of the Swan River)

Sec. 18 (all lands west of the Swan River)

Sec. 19 (Govt Lots 1 – 4)

Sec. 30 (all lands west of the Swan River)

T24N, R17W

Sec. 19 (all lands west of the Swan River)

Sec. 30 (all lands west of the Swan River)

T23N, R18W

Sec. 1 (all lands west of the Swan River)

Sec. 2 (all)

Sec. 3 (all)

Sec. 9 (E1/2)

Sec. 10 (all)

Sec. 11 (all)

Sec. 12 (all lands west of the Swan River)

Sec. 14 (all)

Sec. 15 (all)

Sec. 16 (all)

Sec. 17 (S1/2)

Sec. 21 (all)

Sec. 22 (all)

Sec. 23 (all)

Sec. 24 (all)

Sec. 25 (all)

Sec. 26 (all)

Sec. 27 (all)

Sec. 28 (all)

Sec. 29 (all)

Sec. 30 (E1/2)

Sec. 32 (all)

Sec. 33 (all)

Sec. 35 (all)

Sec. 36 (all)

T24N, R18W

Sec. 22 (all)

Sec. 23 (all)\*

Sec. 24 (all lands west of the Swan River)

Sec. 25 (all lands west of the Swan River)

Sec. 26 (all)

Sec. 27 (all)

Sec. 28 (E1/2)

Sec. 34 (all)

Sec. 35 (all)

Sec. 36 (all lands west of the Swan River)

\*All state lands benefited are C.S., except NE1/4SW1/4 Sec. 23, T24N, R18W (D.B.)

RUA Land burdened - none (grant across third party private in SE1/4NW1/4 Sec. 19, T23N, R17W)

RUA Land benefited - RUA members in Sec. 6, T22N, R17W, and in Sec. 19, 30 and 31, T23N, R17W

**Total R/W Acres:**  
 State grant to RUA: 15.08 acres  
 RUA grant to State: 1.5 acres

**Total R/W Miles:**  
 State grant to RUA: 3.11 miles  
 RUA grant to State: 0.21 mile

**III. General Information:**

Land Office: NWLO  
 Unit Office: Swan  
 County: Lake  
 Affected Trusts: Common Schools (C.S.) and Deaf and Blind (D.B.)  
 Land Classification: Forest

**VI. Costs to be Borne by Each Party:**

Excess costs, by land value and road costs are summarized as follows:

	EXCESS COSTS with all but 4 owners	
	State owes RUA	RUA owes State
Land Value	\$ 4,836	\$ 61,042
Road Costs	\$ 7,331	\$ 141,946
Total Value/Costs	\$ 12,167	\$ 202,988

**NET BALANCE**

Land Value		\$ 56,206
Road Costs		\$ 134,615
Subtotals		\$ 190,821

TOTAL LAND AND ROAD \$ 190,821

	EXCESS COSTS with 100% of owners	
	State owes RUA	RUA owes State
Land Value	\$ 4,820	\$ 62,680
Road Costs	\$ 7,098	\$ 145,573
Total Value/Costs	\$ 11,918	\$ 208,253

**NET BALANCE**

Land Value		\$ 57,860
Road Costs		\$ 138,475
Subtotals		\$ 196,335

TOTAL LAND AND ROAD \$ 196,335

\* The remaining net balance of \$190,821 to \$196,335 that the RUA owes state will be paid in cash at the time of conveyance.

**VII. Results of MEPA Analysis:**

No significant impacts are expected and no further analysis required

**VIII. Benefits to State:**

1. Describe the rights regarding which DNRC lands are being accessed.  
 Provides full permanent access for all lawful purposes including utilities to 20,836 acres of state trust lands, in all or portions of 41 different sections (see above).

20,796 acres (C.S.)  
 40 acres (D.B.)  
 TOTAL: 20,836 acres

2. *Describe the public access situation and the effects of this agreement.*
  - The public currently has access to state trust lands being accessed in this agreement via adjacent state and Forest Service ownership.
3. *Describe other benefits associated with completing the agreement.*
  - Provides for an integrated transportation system which reduces road densities and potential resource impacts to water quality and wildlife habitat.
  - Provides for acquisition costs to be shared and thereby reduces access acquisition costs, shared financial obligations for road maintenance, resurfacing, weed management, and road reconstruction, if need be, to current road standards.
  - Provides for legal access for forest management opportunities, including utilities for other uses if need be.

**DNRC Recommendation**

The director recommends approval of this proposed Reciprocal Access Agreement with the Shay Lake Road Users Association, Inc. pursuant to the compensation range of \$190,821 and \$196,335 as described above to accommodate inclusion of the four non-participating land owners to the Agreement in the event any or all choose to participate prior to execution and exchange of easement documents.

Additionally, the director recommends the Land Board approve and authorize the DNRC to modify the state to RUA easement in regards to tenement served and to assess 100% of land value and a proportionate share of road value to be determined at the time of participation for any or all of the four non-participating landowners who request inclusion within the RUA after execution and exchange of easement documents to the RUA.

# SHAY LAKE Reciprocal Access Agreement

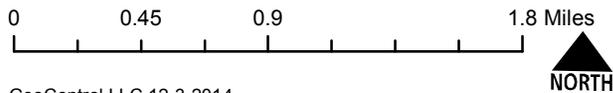
MONTANA DEPARTMENT OF NATURAL  
RESOURCES AND CONSERVATION  
and  
SHAY LAKE ROAD USERS  
ASSOCIATION

Lake County, Principal Meridian, Montana

## LEGEND

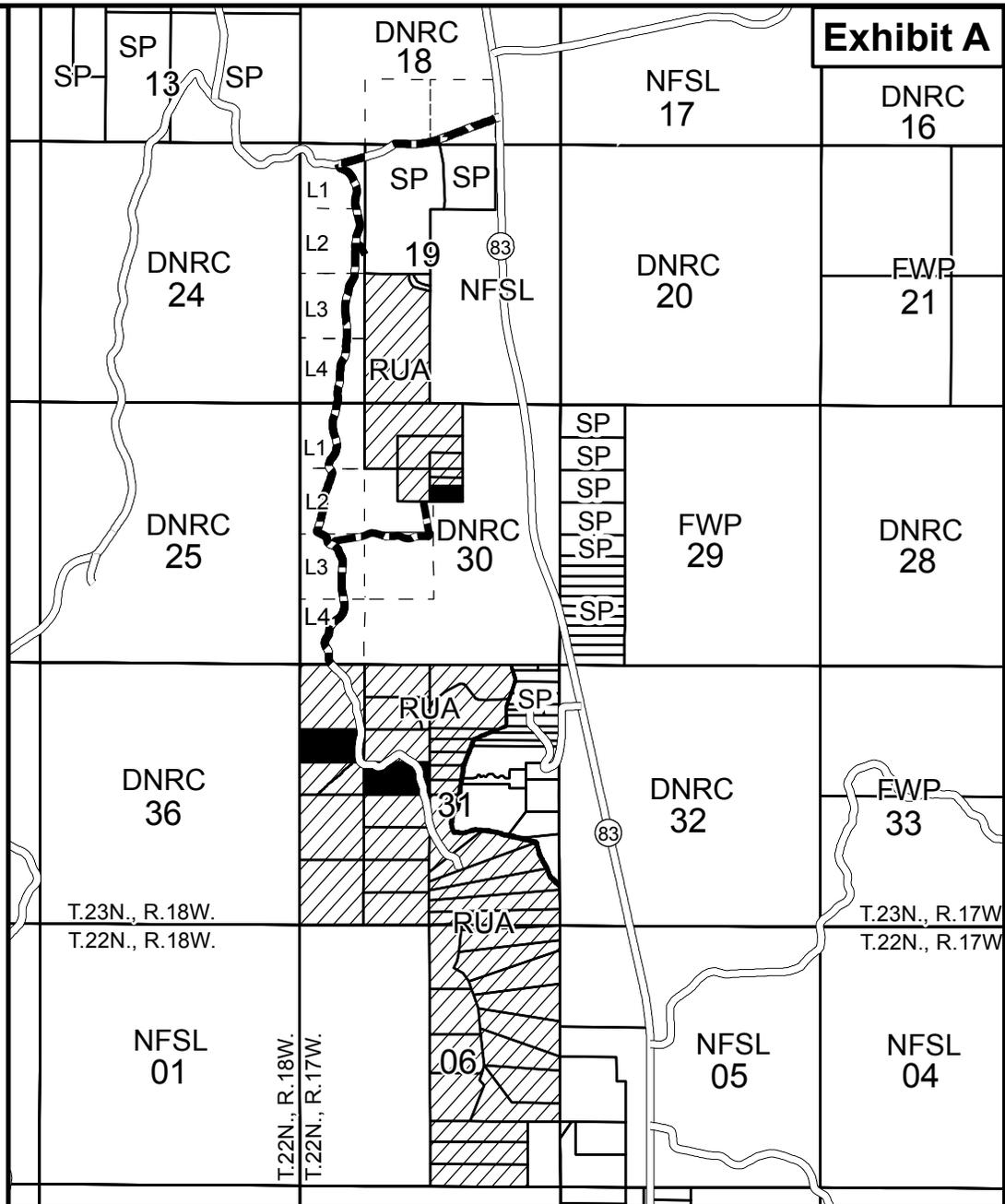
-  Section Subdivision
-  Easement from DNRC to RUA
- DNRC Department of Natural Resources and Conservation
- RUA Shay Lake Road User Association Members
-  Dominant Tenement
-  Owners not participating
- SP Other Small Private
- NFSL National Forest System Land
- FWP Department of Fish, Wildlife and Parks

R/W Width = 40 feet  
R/W Area = 15.08 acres



GeoControl LLC 12-3-2014

**Exhibit A**



**Land Board Agenda Item  
December 15, 2014**

**1214-10C Settlement Agreement and Encroachment –Hansen**

**Location: Granite County**

**Trust Benefits: Common Schools**

**Trust Revenue: \$50,000**

**Item Summary**

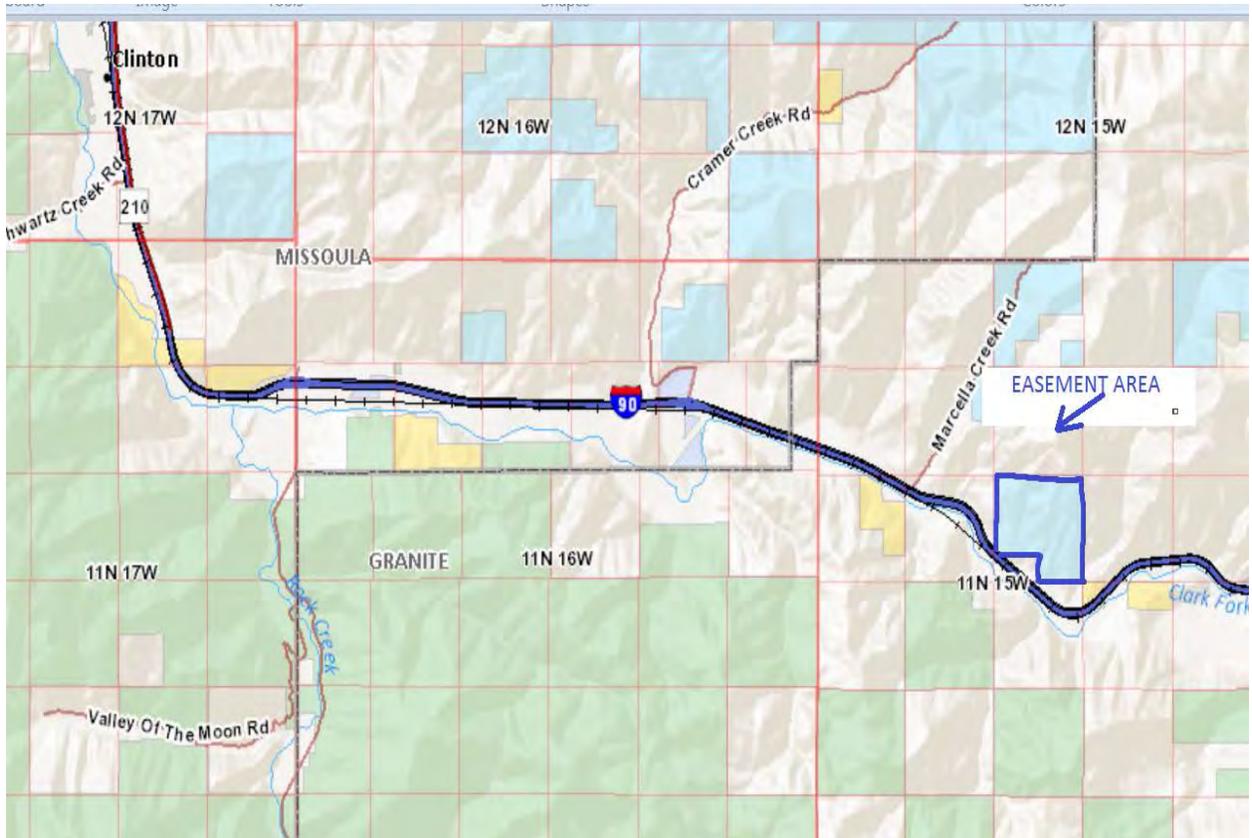
In 2013 the Department of Natural Resources and Conservation (DNRC) was notified that a portion of a private residence was encroaching upon Section 16, Township 11 North, Range 15 West in Granite County. The landowners, David and Carol Hansen, were in the process of having their property surveyed when the surveyor discovered that a portion of the existing home built in 2004 had been constructed upon state land. An appraisal conducted in November, 2013 established the value of a one-acre encroachment for this structure to be \$32,000.

Pursuant to the attached settlement agreement, the Hansens have agreed to pay \$18,000 for the civil penalty imposed by 77-1-125, MCA, for constructing a structure on state lands without permission, and additionally acquire a one-acre encroachment easement for \$32,000.

**DNRC Recommendation**

The director recommends the Land Board approve the *Settlement Agreement and Release* and grant approval for the issuance of an encroachment easement to David and Carol Hansen upon the terms described in the agreement.

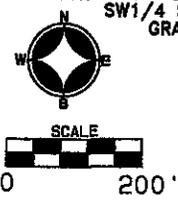
HANSEN EASEMENT ENCROACHMENT



1/4 CORNER FOUND 3-1/4" ALUM. CAP ELI 3713 S

**EASEMENT EXHIBIT**

DAVID AND CAROL HANSEN, CLINTON, MONTANA  
SW1/4 SECTION 16, T.11N., R.15W.,  
GRANITE COUNTY, MONTANA.



BASIS OF BEARING  
G.P.S. DERIVED GEODETIC NORTH

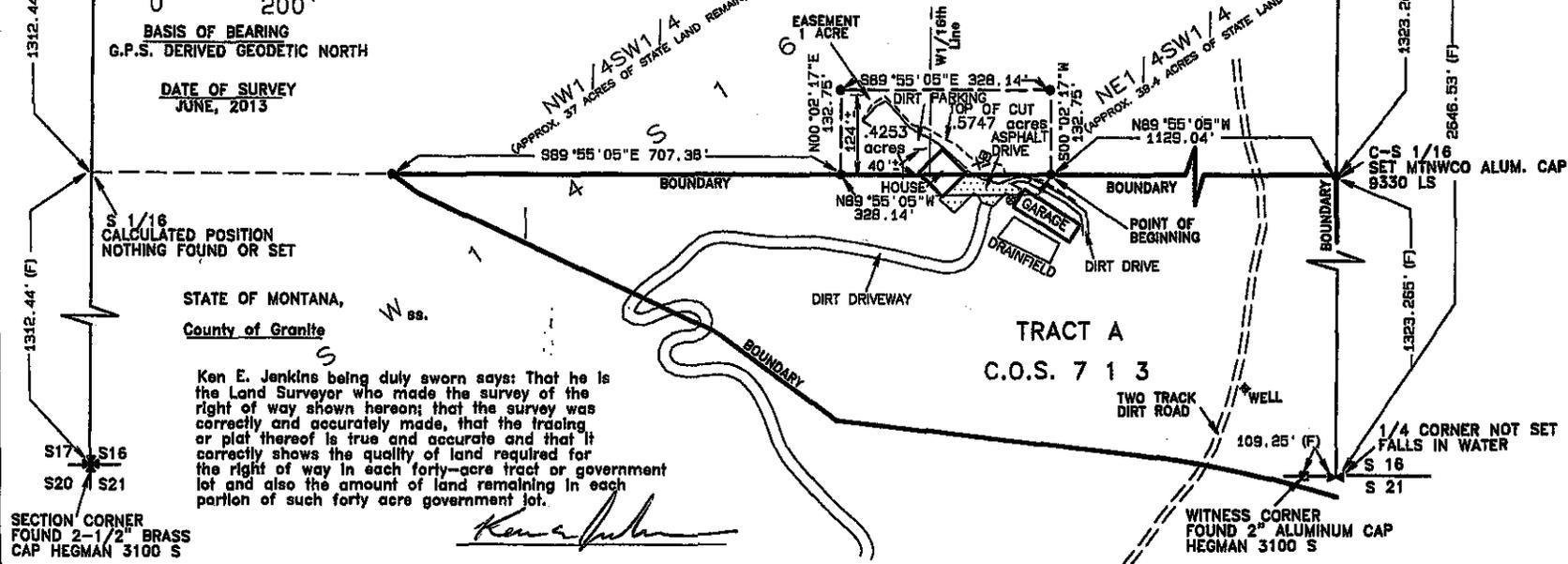
DATE OF SURVEY  
JUNE, 2013

**EASEMENT LEGAL DESCRIPTION**

An easement located in the Southwest one-quarter (SW1/4) of Section 16, T.11N., R.15W., P.M.M., Granite County, Montana, being more particularly described as follows:  
Commencing at the Center-South one-sixteenth corner (C-S1/16), Section 16, T.11N., R.15W.; thence N89°55'05"W, 1129.04 feet to the True Point of Beginning; thence N89°55'05"W, 328.14 feet; thence N00°02'17"E, 132.75 feet; thence S89°55'05"E, 328.14 feet; thence S00°02'17"W, 132.75 feet to the True Point of Beginning.  
Containing one (1) acre of land, more or less.

STATE OF MONTANA

C1/4 CORNER S16 PER SECTION BREAKDOWN THIS SURVEY



S 1/16 CALCULATED POSITION NOTHING FOUND OR SET

STATE OF MONTANA,  
County of Granite

Ken E. Jenkins being duly sworn says: That he is the Land Surveyor who made the survey of the right of way shown hereon; that the survey was correctly and accurately made, that the tracing or plat thereof is true and accurate and that it correctly shows the quality of land required for the right of way in each forty-acre tract or government lot and also the amount of land remaining in each portion of such forty acre government lot.

*Ken E. Jenkins*

SECTION CORNER FOUND 2-1/2" BRASS CAP HEGMAN 3100 S

WITNESS CORNER FOUND 2" ALUMINUM CAP HEGMAN 3100 S

Subscribed and sworn to before me on this 7 day of AUGUST, 2013

J LOUISE ADAMS  
NOTARY PUBLIC for the State of Montana  
Residing at Missoula, MT  
My Commission Expires March 11, 2014

*J. Louise Adams*  
Notary Public for the State of Montana  
Residing at MISSOULA, MT  
My Commission Expires MARCH 11, 2014



SURVEYING MAPPING PLANNING CONSULTING  
P.O. BOX 8777, MISSOULA, MT 59807 PHONE 406-721-4033 FAX 406-721-4066

- LEGEND**
- = SET 1-1/4" RED PLASTIC CAP (MONTANA NW CO 9330 LS)
  - ⊠ = FOUND MONUMENT AS NOTED
  - ▲ = FOUND 1-1/4" O.P.C. (B. THOMPSON 8795 LS)
  - O.P.C. = ORANGE PLASTIC CAP
  - x = FROST FREE
  - ☒ = CISTERN
  - ⊙ = SEPTIC TANK

PREPARED AT THE REQUEST OF: DAVE HANSEN MTNCO PROJECT NO. 1940-13 D750

Tommy H. Butler  
Valerie A. Balukas  
Trust Lands Attorneys  
Montana Department of Natural  
Resources and Conservation  
P.O. Box 201601  
Helena, MT 59620-1601  
(406) 444-1309

BEFORE THE STATE BOARD OF LAND COMMISSIONERS  
AND THE MONTANA DEPARTMENT OF NATURAL  
RESOURCES AND CONSERVATION

\*\*\*\*\*

IN THE MATTER OF NOTICE OF VIOLATION )  
AND PROPOSED PENALTY PURSUANT TO ) SETTLEMENT AGREEMENT  
§77-1-125, MCA, ISSUED TO DAVID AND ) AND RELEASE  
CAROL HANSEN FOR UN-AUTHORIZED )  
ENCROACHMENT UPON SECTION 16, )  
IN TOWNSHIP 11 NORTH, RANGE 15 WEST, )  
MPM, IN GRANITE COUNTY, MONTANA )  
\_\_\_\_\_ )

This Settlement Agreement and Release is entered into this \_\_\_\_ day of November, 2014,  
by and between **THE STATE OF MONTANA, DEPARTMENT OF NATURAL  
RESOURCES AND CONSERVATION**, and **THE STATE BOARD OF LAND  
COMMISSIONERS**, P.O. Box 201601, Helena, Montana 59620-1601 (hereinafter  
cumulatively referred to as “the Department”) and **DAVID NORMAN HANSEN, CAROL  
ANN HANSEN, individually and as trustees of the DAVID AND CAROL HANSEN  
LIVING TRUST**, P.O. Box 247, Clinton, Montana 59825-0247 (hereinafter cumulatively  
referred to as “the Hansens”).

**Recitals**

WHEREAS, pursuant to Section 77-1-125, MCA, the Department sought to impose an  
administrative civil penalty in the amount of Forty Eight Thousand Dollars (\$48,000.00) upon

the Hansens for the un-authorized placement of the Hansen's residential structure upon State school trust lands located in Section 16, Township 11 North, Range 15 West, MPM in Granite County, Montana.

WHEREAS the Department alleged that the trespass of the Hansen's residential structure adversely affected a 1.0-acre parcel of State school trust land, which had been recently appraised at Thirty Two Thousand Dollars (\$32,000.00) per acre, and that the Hansens' actions in the un-authorized placement of the structure upon the State school trust lands warranted a penalty equal to 1.5 times the value of the land affected (1.0 acre x \$32,000.000/acre x 1.5 times the value of the land affected = \$48,000.00).

WHEREAS the Hansens contested the proposed civil penalty; and alleged that the trespass of the Hansen's residential structure disturbed only a 0.25-acre parcel of State school trust land; and further disputed the appraised value of the disturbed State land and asserted that a lesser penalty was warranted by the negligence of the Hansens in the inadvertent placement of the structure.

WHEREAS, the Parties, recognizing the expenses, and uncertainties of litigation, have agreed to resolve their disputes relating to the above-captioned contested case under the Montana Administrative Procedures Act (hereinafter referred to as "the Contested Case"), and to compromise their claims and to memorialize their respective rights, duties, responsibilities and obligations.

NOW, THEREFORE, based on the foregoing and in full satisfaction of any and all disputed facts, allegations, and claims arising out of the above-captioned Contested Case, and in consideration and exchange for the mutual releases granted herein, and upon the terms, covenants and conditions stated below, the Parties agree as follow:

- 1) Upon receipt of the Hansen's payments, as provided herein below, the State of Montana, State Board of Land Commissioners agrees to issue an encroachment easement upon a 1.0-acre parcel of the servient tenement State school trust lands as shown in Exhibit "A" attached hereto and incorporated herein by reference.
- 2) To compromise and resolve any civil penalty sought in the above-captioned action the Hansens shall remit payment of Eighteen Thousand Dollars (\$18,000.00) to the State of Montana, DNRC, on or before June 5, 2015. To purchase the above-described encroachment easement, the Hansens shall also remit a separate purchase payment of Thirty Two Thousand Dollars (\$32,000.00) to the State of Montana, DNRC, on or before June 5, 2015. **If the Hansens fail to remit to the State of Montana, DNRC, either: the above-described compromise civil penalty payment; or the easement purchase price payment, by June 5, 2015, this Settlement Agreement shall become null and void and the State of Montana shall be entitled to pursue all available legal remedies and civil penalties that it was entitled to pursue prior to entering into this SETTLEMENT AGREEMENT AND RELEASE.**
- 3) Subject to the forgoing conditions, the Department and the Hansens hereby release and forever discharge each other, and their respective officers, officials, employees, agents, representatives, successors and assigns from any and all known or unknown claims, debts, liabilities, demands, obligations, damages, losses, costs, expenses, attorney's fees, actions and causes of action which in any way relate to the above-captioned Contested Case and any trespass by the placement and occupation of the Hansen's residential structure upon State school trust lands located in Section 16, Township 11 North, Range 15 West, MPM in Granite County, Montana.

- 4) The validity, construction, interpretation and administration of this Agreement shall be governed by the substantive laws of the State of Montana. Any litigation concerning this Agreement must be brought in the Montana First Judicial District Court, Lewis and Clark County.
- 5) This Agreement shall be binding upon the parties hereto, their principals, agents, successors, and assigns, and this Agreement, together with all of the obligations and terms hereof, shall inure to the benefit of assigns, predecessors-in-interest, successors-in-interest, and transferees of the Hansens and the Department.
- 6) In the event any provision of this Agreement is held to be void or otherwise unenforceable by the highest court of competent jurisdiction to address the matter, all remaining provisions shall remain in full force and effect.
- 7) The Parties shall each bear their own respective costs with regard to the negotiation, drafting, execution and performance of this Agreement and all acts required to be undertaken by the terms thereof.
- 8) The Parties and each of them shall execute and deliver all documents and perform all further acts that may be necessary to effectuate the purposes and provisions of this Agreement.
- 9) The Parties shall forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.
- 10) This Agreement, constitute the entire agreement between the Parties and the provisions of this Agreement are contractual in nature and not merely recitals.
- 11) The Department and the Hansens individually warrant that their respective signatory executing this Agreement has all necessary power to execute and deliver such a document





Right of Way Application No. 16707  
Affecting a tract of land in N2SW4,  
Sec. 16, Twp. 11N, Rge. 15W,  
Granite County, Montana

## ENCROACHMENT EASEMENT

Easement No. D-\_\_\_\_\_

This Encroachment Easement ("Easement") is granted by the State of Montana (hereinafter referred to as "the State" or "the Grantor") by and through the State Board of Land Commissioners (hereinafter referred to as "the Board"), c/o DNRC, P O Box 201601, Helena MT 59620-1601, to David Norman Hansen and Carol Ann Hansen, individually and as trustees of the David and Carol Hansen Living Trust (hereinafter referred to as "the Grantee"), whose address is P O Box 247, Clinton, MT 59825-0247.

WHEREAS, the State is the owner of the real property located in Granite County, Montana, described as follows (which property is referred to in this Agreement as the "State's Property"):

The north half of the southwest quarter of Section 16, Township 11 North, Range 15 West, P.M.M., Granite County, Montana.

WHEREAS, the Grantee is the owner of the real property located in Granite County, Montana, which is adjacent to the State's Property, and which is described as follows (which property is referred to in this Agreement as the "Grantee's Property"):

Parcel A, Certificate of Survey No. 713 located in the south half of the southwest quarter of Section 16, Township 11 North, Range 15 West, P.M.M., Granite County, Montana.

WHEREAS, a portion of the Grantee's residence and associated improvements were unintentionally constructed upon the State's Property that is contiguous to the Grantee's Property.

WHEREAS, Montana Code Annotated §77-2-101(2) provides that "the [B]oard may grant easements on state lands for the following purposes:...(b) any private building or private sewage system that encroaches on state lands."

WHEREAS, the Grantee has applied for an encroachment easement for the Grantee's residence and associated improvements,

NOW, THEREFORE, in consideration of the mutual promises set forth in this agreement, and other valuable consideration, the parties agree as follows:

**Section 1. Grant of Encroachment Easement.** For value received, the State hereby grants, sells, transfers, and conveys to the Grantee, and its heirs and assigns forever, a perpetual exclusive easement ("Easement") for a residence and associated outbuildings on the below-described property of the State of Montana, in the location shown on Easement Exhibit, for the purposes, and on the terms and conditions as hereinafter set forth in this Encroachment Easement.

**Section 2. Description and Location of Easement.** The Easement consists of the following portions of the State's Property ("Easement Parcel"):

An easement located in the north half of the southwest one-quarter of Section 16, Township 11 North, Range 15 West, Principal Meridian Montana, Granite County, Montana, and being more particularly described as follows:

Commencing at the Center-South one-sixteenth corner (C-S1/16), Section 16, T. 11N., R. 15W.,; thence N89°55'05"W, 1129.04 feet to The True Point of Beginning; thence N89°55'05"W, 328.14 feet; thence N00°02'17"E, 132.75 feet; thence N89°55'05"E 328.14 feet; thence S00°02'17"W, 132.75 feet to the True Point of Beginning.

Containing 1.00 acres, more or less.

**Section 3. Purpose of the Easement.** The Easement is for the following purposes:

- (a) The placement, use, maintenance, repair, and improvement of a residence and all improvements typically associated with a residence, including but not limited to outbuildings, landscaping, fences, access road; and,

The Grantee will have the exclusive right to use the Easement Parcel for residential purposes, including the right to exclude the public from the Easement Parcel described in Section 2 above.

**Section 4. Restrictions on the Grantee's use of the Easement.**

Grantee's use and enjoyment of the Easement shall be conditioned as follows:

- (a) Grantee will comply with Montana Code Annotated §22-3-421 through 22-3-442, which deals with antiquities, and Montana Code Annotated §22-3-801 through 22-3-811, which deal with human skeletal remains and burial site protection;
- (b) Grantee will exercise the rights granted in this Agreement in a manner which will not interfere with the State's use of the adjacent land owned by the State.
- (c) The Grantee will be responsible for controlling any noxious weeds which are introduced by the Grantee's activities in the Easement parcel. If the Grantee disturbs vegetation in the portions of the Easement Parcel which are outside of the landscaped area around the residence, then the Grantee will be required to revegetate the area. The Grantee's methods of control and revegetation must be reviewed by the Montana Department of Natural Resource and Conservation ("Department") Area Field Office which has jurisdiction over the easement. The Grantee will comply with the Montana County Noxious Weed Management Act, Montana Code Annotate §77-22-2101 et seq., and may be required by the Department to submit a revegetation plan to the Granite County Weed Board if it is determined to be necessary.

**Section 5. Consideration for Easement.** As consideration for the grant of this Easement the Grantee has agreed to pay the State the amount of \$32,000.00.

**Section 6. Mortgage or Pledge of Easement.** The State and Grantee agree that the Grantee may pledge or mortgage its interest in the Easement, along with its interest in the residence and the improvements constructed on the Easement Parcel, as provided in this Section. Failure to follow the procedures set forth in this Section shall be cause for the Department not to recognize the pledge or mortgage. If the Grantee pledges or mortgages her interest in the Easement there must be a conditional assignment, signed by the Grantee and the pledge or mortgagee and approved by the Department as provided in Section 7 herein, placed in escrow. The pledge or mortgagee shall file the pledge or mortgage agreement and the escrow agreement, or certified copies thereof, with the Department within 60 days of their last effective date. If the Department approves the pledge or mortgage and the conditional assignment, the State agrees that the mortgagee or pledge shall be entitled to receive any notice that is provided by the Board or the Department to the Grantee under this Agreement; and further shall be entitled to exercise all of the remedies, including the remedy of foreclosure, that is provided to it under the pledge or mortgage agreement. The State further agrees that the Grantee may, with the Department's approval, make an agreement

with any mortgagee or pledge that would allow the mortgagee or pledge to assume the rights, duties and obligations of the Grantee under this Agreement in the event of a threatened revocation of this Easement pursuant to Section 10 below. Within 30 days after payment of the indebtedness, termination of the pledge agreement, or release of the mortgage interest, the Grantee shall file proof of the same with the Department.

**Section 7. Assignment.** The State and the Grantee agree that the Grantee's interest in the Easement is assignable in accordance with the provisions of this paragraph. The Easement may only be transferred or assigned on the form issued by the Department of Natural Resources and Conservation and must be approved by the Director, Department of Natural Resources and Conservation. The Department may disapprove any assignment application which is not in the best interest of the State. However, if the Department disapproves a request for assignment, the Grantee may seek review of that decision before the Board. If the Easement is subject to a pledge or mortgage the Department will not approve the assignment without first notifying the pledge or mortgagee in writing. An assignment which is signed by both parties shall be construed to be conclusive proof that all payments for the improvements on the Easement Parcel have been paid to the Grantee by the assignee.

**Section 8. Lease of Easement.** The State and the Grantee agree that the Grantee's entire interest in the Easement may be leased to a third party upon approval by the Department. If the Grantee desires to lease its entire interest in the Easement it may apply for authorization to do so in the manner prescribed by the Department. Nothing in this Section shall be construed to prohibit Grantee or its assigns from leasing any of their interest in the improvements located on the Easement parcel, or to otherwise require approval of such lease agreement by the Department.

**Section 9. Revocation of Easement.** This Easement may be revoked by either party under the following terms and conditions:

- (a) Whenever the Board determines that the Easement Area has ceased to be used for the purposes provided for in Section 3 of this Agreement, which cessation appears to be permanent, it may revoke the Easement. Before revoking the Easement the Board shall give 60 days notice to the Grantee, and any pledge, mortgagee or assignee thereof, along with an opportunity for any of those parties to either cure the specified failure to comply with Section 3 hereof, or to otherwise appear before the Board prior to any final decision to revoke the Easement. In the event of revocation under this section the Grantee or her assigns shall have a period of not less than 180 days within which to remove all improvements placed by Grantee on the Easement Parcel. The Department may extend the period

provided for removal of such improvements upon good cause shown.

- (b) The Grantee or her assigns may surrender the Easement upon written notice to the Department. In the event of any surrender of the Easement under this subsection, the Grantee shall have a period of not less than 180 days within which to remove all improvements placed by her or her assigns on the Easement Parcel. The Department may extend the period provided for removal of such improvement consistent with its duties as a trustee to receive the fair market value of the grant of such additional rights.
- (c) In the instance of any revocation of the Easement under this paragraph, the Grantee shall deliver to the Grantor a recordable quit-claim deed to evidence the return of all right, title, and interest in this Easement to the Grantor. Both parties agree that this provision shall not be construed to be a mortgage requiring judicial foreclosure.

**Section 10. Attorney's Fees.** If either party to this Agreement institutes legal proceedings to enforce the terms of this Agreement, the unsuccessful party to the proceedings will pay the reasonable attorney's fees and legal costs of the successful party, as they may be approved by the court having jurisdiction over the proceedings.

**Section 11. Recording.** This Agreement shall be recorded by Grantee, at Grantee's expense, with the real property records of the Clerk and Recorder of Granite County, Montana.

**Section 12. Modification of Agreement.** No modification of this Agreement will be valid or binding unless the modification is in writing, is signed by both the State and the Grantee, and has been recorded.

**Section 13. Notices.** Any notice required under this Agreement shall be by certified mail to the last known post office address of the party being notified. All parties shall have an affirmative obligation to notify each other of their address as of the effective date of this Agreement, and of any change of address thereafter.

**Section 14. Entire Agreement.** This instrument constitutes the entire Agreement between the parties. No party will be bound by any terms, conditions, understandings, warranties, statements or representations, oral or written, not contained in this Agreement. Each party hereby acknowledges that the execution of this Agreement was not induced or motivated by any promise or representation made by any other party, other than the promises and representations expressly set forth in this Agreement. All previous negotiations, statements and preliminary instruments by the parties or their representatives are merged into this Agreement, except as expressly provided herein.

**Section 15. Interpretation to Support Validity.** If any provision of this Agreement can be interpreted in two ways, one of which would render the provision valid and the other of which would render the provision invalid, the provision will be interpreted in the manner which would render it valid.

**Section 16. Severability of Invalid Provisions.** If any provision of this Agreement is declared or becomes invalid, unenforceable or contrary to law, the parties agree that the provision will be considered severed from the remaining provisions of this Agreement and will not affect the validity, legality, or enforceability of the other provisions of this Agreement, and this Agreement will be interpreted as if it never contained the provision.

**Section 17. Hazardous Materials.** Grantee shall indemnify, defend, reimburse and hold the Grantor and Grantor's surface lessee harmless for any liability arising from its past, present, or future use of the above-described premises under any environmental, pollution, and health laws, rules, or regulations, including liability for release of hazardous wastes or hazardous or toxic substances or other pollution or environmental damage or condition under any state or federal law, rule, or amendment thereto. This duty shall extend to all claims, judgments, losses, penalties, liabilities (including strict liability), encumbrances, liens, costs, and expenses of investigation and defense (including attorney fees) of any claim, whether or not such claim is ultimately defeated, and any good faith settlement, including reasonable attorney fees and disbursements and consultant fees. It shall include the costs of preparation of remedial investigations and feasibility studies and reports, the cost of any cleanup, remediation, removal, response, abatement, containment, closure, restoration, or monitoring required by federal or state agency, and liability to any third person or governmental agency to indemnify it for those costs.

**Section 18. Indemnification.** Provided, further, Grantee shall indemnify and hold harmless Grantor against all claims or liabilities asserted by third persons resulting directly or indirectly from Grantee's acts or omissions hereunder regarding past, present and future use of the easement area defined herein, whether negligent or otherwise.

Provided, however, Grantor has made no representation as to the present or future condition of the property and the Grantee assumes all risk or damage to property or an injury to Grantee or persons or property, in connection with the exercise of rights granted hereunder.

**Section 19. Applicable Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Montana.

IN TESTIMONY WHEREOF, the State of Montana, by and through the State Board of Land Commissioners, has caused these presents to be executed by the Governor, and to be attested by the Secretary of State, and countersigned by the Director of the Department of Natural

Resources and Conservation, and the Great Seal of the State, and the Seal of the State Board of Land Commissioners is to be hereunto affixed this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Governor of the State of Montana

Attest:

\_\_\_\_\_  
Secretary of State

Countersigned by:

\_\_\_\_\_  
Director, Department of Natural Resources and Conservation

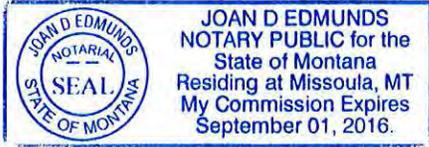
The Grantee, David Norman Hansen and Carol Ann Hansen, individually and as trustees for the David and Carol Hansen Living Trust, accept the terms and conditions of this Encroachment Easement as set forth above.

  
\_\_\_\_\_  
David Norman Hansen, individually and as Trustee for the David and Carol Hansen Trust

  
\_\_\_\_\_  
Carol Ann Hansen, individually and as Trustee for the David and Carol Hansen Trust

STATE OF MONTANA )  
 )  
 ) : SS  
County of Missoula )

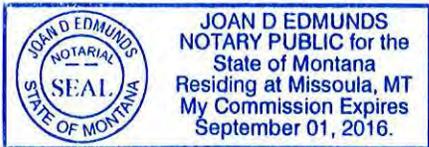
This instrument was acknowledged before me on this 21<sup>st</sup> day of November, 2014, by David Norman Hansen, individually and as Trustee for the David and Carol Hansen Trust.



Joan D Edmunds  
Notary Public for the State of Montana  
Notary Printed Name: \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

STATE OF MONTANA )  
 )  
 ) : SS  
County of Missoula )

This instrument was acknowledged before me on this 21<sup>st</sup> day of November, 2014, by Carol Ann Hansen, individually and as Trustee for the David and Carol Hansen Trust.



Joan D Edmunds  
Notary Public for the State of Montana  
Notary Printed Name: \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

# 1214-11

WHITEFISH NEIGHBORHOOD PLAN:  
TEN-YEAR ASSESSMENT AND PROGRESS  
REPORT ON IMPLEMENTATION PLAN

**Land Board Informational Item  
December 15, 2014**

**1214-11 Whitefish Neighborhood Plan: Ten-Year Assessment and Progress Report on Implementing the Plan**

**Location: Flathead County**

**Trust Benefits: Multiple trusts**

**Informational Summary**

The Whitefish Neighborhood Plan Implementation Strategy calls for an assessment, at five- and ten-year intervals, of the parties' progress in accomplishing actions that achieve results beneficial to both the Department of Natural Resources and Conservation (DNRC) and the community. The strategy states in pertinent part:

*"Another assessment would be made at the end of 10 years with the expectation that a total of 2,500 acres would have been addressed or have projects nearing completion, according to the Neighborhood Plan".*

The implementation strategy goes on to say that once the community is successful in implementing significant portions, (1,000 acres within the first five years and 2,500 acres at the end of ten years), of any two of the subarea projects in the KM, Stillwater, Beaver Lakes, or Swift Creek subareas, the parties would be entitled to expanded time frames for completing all other subareas by an additional five to ten years, as shown on the Extended Sequencing Plan on Page 12 of the Neighborhood Plan.

The first goal of the plan is to "Generate long-term and full-market economic return for the use of Trust lands for Montana's public schools and other beneficiaries". For purposes of the periodic progress assessment, only those transactions that compensate beneficiaries for long-term or permanent actions that achieve results beneficial to DNRC and the community, as identified in the Neighborhood Plan, contribute toward the target:

<b>Project Name</b>	<b>Type</b>	<b>Subarea</b>	<b>Acres</b>	<b>Date</b>
Goguen Exchange	Exchanged (w/ deed restriction)	Beaver/Skyles	434.8	Apr-09
Britells Point of Pines	Septic/road easements	Swift Creek	4.1	Aug-11
Goguen Sale	Land Bank Sale (w/ deed restriction)	Beaver/Skyles	580	Dec-12
Whitefish Recreation*	Conservation Easement	Beaver/Skyles	1520	Dec-14
<b>TOTAL</b>			<b>2538.9</b>	

\*Whitefish Recreation project assumes final payment for the Conservation Easement by December 31, 2014.

Based on the transactions listed above, DNRC concludes that the community, other partners, and the DNRC have been successful in meeting the targeted goal of 2,500 acres addressed, or having projects nearing completion in the KM Ranch, Stillwater, Beaver Lakes and Swift Creek subareas at the end of ten years and as a result, the timeframes for completing additional transactions in all other subareas is extended as specified in the Whitefish Area Trust Lands Neighborhood Plan- Extended Sequencing Plan (page 12 of the Plan).