

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
March 23, 2015, at 9:00
Justice Building, 215 N. Sanders, Supreme Court Chambers
Helena, MT

ACTION ITEMS

- 315-1 FWP: Conservation Easement – Lazy J Cross Ranch**
Benefits: N/A (non-trust land)
Location: Ravalli County
Approved 4-0 (Ms. Juneau absent)
- 315-2 Timber Sale: Jones Berger**
Benefits: Common Schools
Location: Sanders County
Approved 4-0 (Ms. Juneau absent)
- 315-3 Communitization Agreement: MBA Consultants 1-1 Well**
Benefits: Common Schools
Location: Dawson County
Approved 4-0 (Ms. Juneau absent)
- 315-4 Oil and Gas Lease Sale (March 3, 2015)**
Benefits: Common Schools
Location: Custer, Daniels, Dawson, Garfield, Petroleum, Prairie Counties
Approved 4-0 (Ms. Juneau absent)
- 315-5 Sale of Cabin and Home Sites: Preliminary Approval for Sale**
Benefits: Montana Tech, Montana State University
Location: Flathead, Missoula Counties
Approved 4-0 (Ms. Juneau absent)
- 315-6 Settlement Agreement: Doan v. Sunny Slope Grazing Association, et al. (BDV-2012-702)**
Benefits: Common Schools
Location: Lewis and Clark County
Approved 4-0 (Ms. Juneau absent)
- 315-7 Easements**
- A. Easements**
Benefits: Common Schools, Public Land Trust – Navigable Rivers
Location: Dawson, Fallon, Flathead, Gallatin, Park, Richland, Sanders Counties
Approved 4-0 (Ms. Juneau absent)
- B. Easements: Pipeline**
Benefits: Public Land Trust – Navigable Rivers
Location: Dawson, Yellowstone Counties
Approved 4-0 (Ms. Juneau absent)

PUBLIC COMMENT

315-1

FWP: CONSERVATION EASEMENT –
LAZY J CROSS RANCH

**Land Board Agenda Item
March 23, 2015**

315-1 FWP: Conservation Easement – Lazy J Cross Ranch

Location: Ravalli County (Sula Basin)

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

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

Item Summary

Montana Fish, Wildlife and Parks (FWP) proposes to accept assignment of the rights of fall public hunting access from the Bitter Root Land Trust (BRLT) on the 1,080-acre Lazy J Cross Ranch (ranch) near Sula, in Ravalli County. BRLT would purchase a conservation easement on the ranch to protect the water resources, wildlife habitat, working agricultural ground, and public recreation opportunities currently present on the historic ranch. BRLT will then assign the rights portion of the conservation easement that provides for public hunting access to FWP. FWP will pay \$105,000 from its Access Public Lands (Access Montana) Program as partial funding towards the conservation easement's purchase price.

Matching funds for the conservation easement come from: the U.S. Department of Agriculture Natural Resources Conservation Service, pursuant to the Federal Farm and Ranch Lands Protection Program (\$400,000); and, the Ravalli County Open Lands Bond (\$350,000). Lazy J Cross Ranch is also generously agreeing to voluntarily gift part of the value of the conservation easement (the appraised value of the conservation easement is \$1,825,000).

A final **Environmental Assessment** has been completed and published, and the **Decision Notice favoring acquisition was published February 17, 2015**. Strong public support was voiced for the project, including support from the Ravalli County Fish and Wildlife Association and the Montana Wild Sheep Foundation.

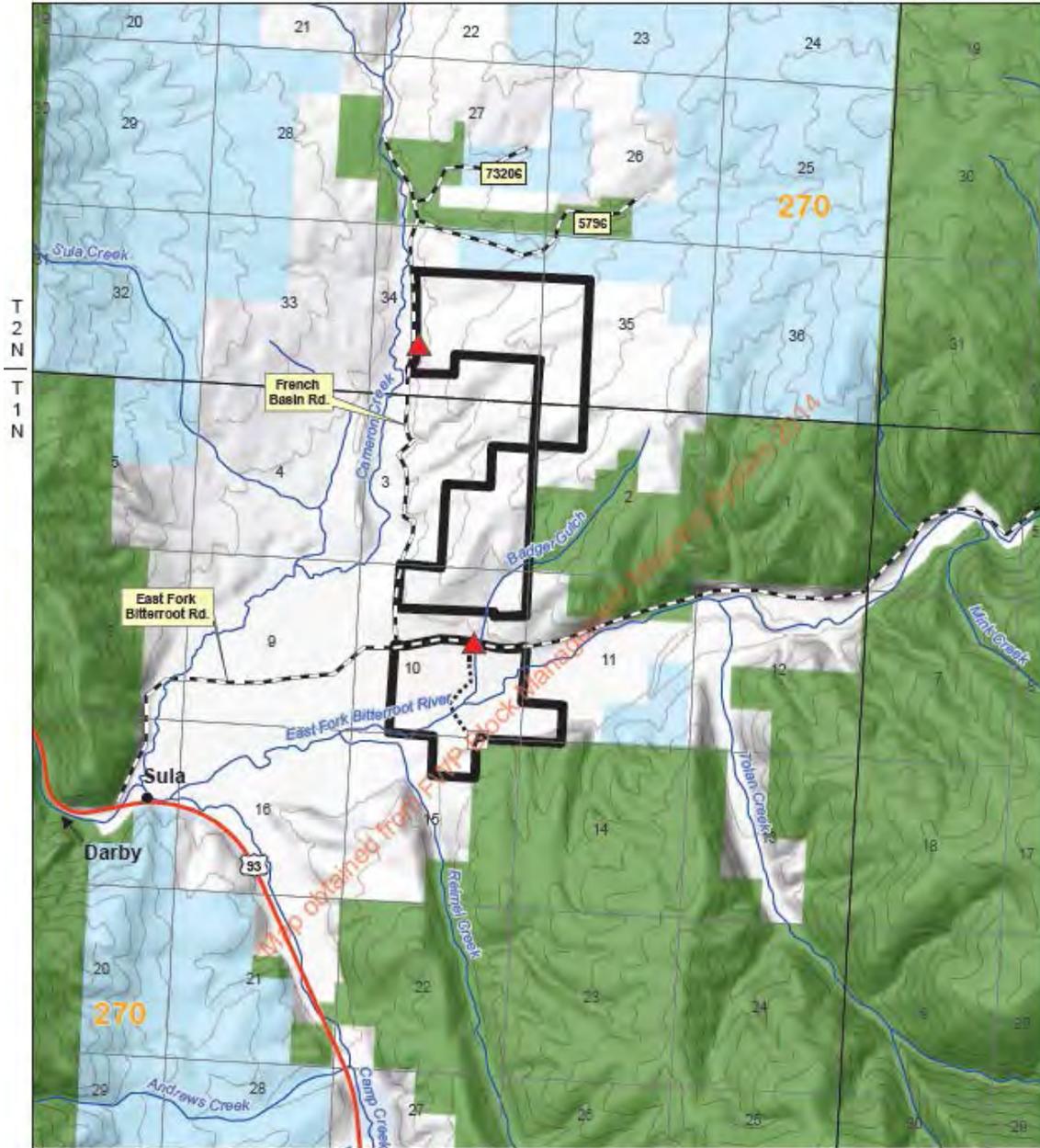
The Fish and Wildlife Commission will give final consideration to the project on March 12, 2015.

Rationale for Land Board Action

The ranch is located in the Sula Basin in Ravalli County. The purpose of the proposal is to protect in perpetuity, public hunting access on and through the ranch to over 40,000 acres of adjacent Forest Service and Department of Natural Resources and Conservation (DNRC) school trust lands. Under this proposal, BRLT would hold the conservation easement and enforce the public's right to use the property in the fall, while FWP would manage the specific access parameters (e.g., parking areas, game retrieval methods, etc.).

FWP Commission Recommendation

FWP recommends the Land Board approve FWP acceptance of the rights of public hunting access on the Lazy J Cross Ranch and its expenditure of \$105,000 toward the conservation easement held by the Bitter Root Land Trust.



Lazy J Cross Ranch BMA #2
BMA Rules -- See Reverse Page

Disclaimer - This map is not intended to depict property ownership outside of the Block Management Area. Contact the appropriate land management agency for information on public land ownership and travel guidelines.

- Block Management Area Boundary
- US Forest Service
- State School Trust (DNRC)
- Private
- Sign-in box
- Parking Area
- State Highway
- County or Other Public Road
- Designated BMA Trave Route

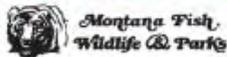


Figure 1. Location map for the Lazy J Cross Ranch (outlined in black) and surrounding private (white) and public (green = Bitterroot National Forest, blue = DNRC school trust) lands.

FISH & WILDLIFE COMMISSION AGENDA ITEM COVER SHEET**Meeting Date:** March 12, 2015**Agenda Item:** Assignment of Public Hunting Access Rights on the Lazy J Cross Ranch**Division:** Wildlife**Action Needed:** Final**Time Needed on Agenda for this Presentation:** 10 minutes**Background**

FWP proposes to accept assignment of the rights of fall public hunting access on the 1,080-acre Lazy J Cross Ranch from the Bitter Root Land Trust (BRLT) under its conservation easement on the ranch. FWP would provide \$105,000 from the *Access Public Lands* program as partial funding towards the BRLT's purchase of the conservation easement. Matching funding for the easement comes from the U.S. Department of Agriculture Natural Resources Conservation Service, pursuant to the Federal Farm and Ranch Lands Protection Program (\$400,000), and from the Ravalli County Open Lands Bond (\$350,000). Lazy J Cross Ranch is also generously agreeing to voluntarily gift part of the value of the conservation easement.

The ranch is located in the Sula Basin in Ravalli County. The proposal would protect in perpetuity public hunting access on and through the Ranch to over 40,000 acres of adjacent Forest Service and Montana Department of Natural Resources and Conservation School Trust lands. BRLT would hold the conservation easement and enforce the public's right to use the property in the fall, while FWP would manage the specific access considerations.

Public Involvement Process & Results

FWP released a draft environmental assessment on Jan. 8 and accepted public comment through Feb. 6. FWP received 20 mailed or e-mailed comments in support, including from the Ravalli County Fish and Wildlife Association and the Montana Wild Sheep Foundation, and five others which didn't express support or opposition. A public hearing was held Jan. 20 at the Sula Club House. Sixteen people attended and seven people offered testimony in support and two people expressed concern about parking and safety. One concern about acreage removed from the easement for three building sites was addressed by BRLT. No comments were received in opposition.

Alternatives and Analysis

Under the No Action Alternative, FWP wouldn't accept assignment of the rights for fall public hunting access on the Lazy J Cross Ranch and would not provide partial funding toward the conservation easement's acquisition. The negotiated total purchase price of the easement wouldn't be met and would likely result in losing the opportunity to secure perpetual public access.

Agency Recommendation & Rationale

FWP recommends approval, which would conserve native fish and wildlife habitat, secure fall hunting access, and support traditional land use. FWP has worked closely with The Bitter Root Land Trust and local landowners to develop this project to meet local, state and federal objectives for this conservation area.

Proposed Motion

I move the Fish & Wildlife Commission approve FWP's acceptance of the rights of public hunting access on the Lazy J Cross Ranch and its expenditure of \$105,000 toward the conservation easement held by the Bitter Root Land Trust.



Region 2
3201 Spurgin Road
Missoula, MT 59804

February 17, 2015

Dear Interested Citizen:

Thank you for your thoughtful reviews and comments on a proposal by Montana Fish, Wildlife and Parks (FWP) to accept assignment of the public hunting access rights on the Lazy J Cross Ranch from the BRLT (under BRLT's Conservation Easement on the Ranch). FWP would provide \$105,000 from its Public Land Access (Montana Access) program as partial funding towards the BRLT's purchase of the CE on the Ranch. The purpose of the proposed project is to protect in perpetuity, public hunting access on 1,080 acres of the Ranch and through the Ranch property to adjacent Forest Service and Montana Department of Natural Resources and Conservation School Trust public lands, which encompass over 40,000 acres near Sula in south-southeastern Ravalli 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 project 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 public hunting access assignment and partial funding for the CE.

FWP will request approval for this proposal at the monthly Fish & Wildlife Commission meeting scheduled for March 12, 2015 in Helena. Approval will also be necessary from the Montana Board of Land Commissioners (at their March meeting). 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 for Lazy J Cross Ranch Public Hunting Access Conservation Easement Environmental Assessment

Prepared by:
Montana Fish, Wildlife and Parks
Region 2 Wildlife
3201 Spurgin Road, Missoula, MT 59804
February 17, 2015

DESCRIPTION OF PROPOSED ACTION

Alternative B: Acquisition of the Public Hunting Access Rights of the Lazy J Cross Ranch Conservation Easement

Montana Fish, Wildlife & Parks (FWP) would accept assignment of the rights of public hunting access on the Lazy J Cross Ranch (hereafter, the Ranch) from the Bitter Root Land Trust (BRLT) under its Conservation Easement (CE) on the Ranch. FWP would also provide \$105,000 from its Public Land Access (Montana Access) program as partial funding towards the BRLT's purchase of the CE on the Ranch.

The Ranch is located in the Sula Basin area in the south-southeastern portion of Ravalli County. The purpose of the proposed project is to protect in perpetuity, public hunting access on the Ranch and through the Ranch property to adjacent Forest Service and Montana Department of Natural Resources and Conservation (DNRC) School Trust public lands, which encompass over 40,000 acres.

The proposed assignment of public hunting access rights (hereafter, public hunting access) to FWP by BRLT would provide a unique management arrangement. BRLT would hold the Conservation Easement on the Ranch, and would monitor and enforce the public's right to use the property, while FWP would manage the specific access parameters (e.g., parking areas, game retrieval methods, etc.).

FWP's Access Public Lands program would provide \$105,000 towards the purchase price of the CE. Some of the additional CE funding includes from the US Department of Agriculture through the Natural Resources Conservation Service and pursuant to the Federal Farm and Ranch Lands Protection Program (\$400,000), and from the Ravalli County Open Lands Bond (\$350,000). Lazy J Cross Ranch is also generously agreeing to voluntary gift part of the value of the CE.

In recent decades, most of the private land in the Sula basin transferred from long-standing ranch families to owners without prior ties to the local community, thus impacting historic land uses and public access for hunting both on private and adjacent public lands. BRLT's purchase of the

CE on the Ranch represents an opportunity to secure perpetual public hunting access to thousands of acres of public land and to protect wildlife habitat, water resources, and working agricultural ground.

The Ranch is comprised of ten distinct parcels divided into two contiguous tracts; one tract is north, and one tract is south, of the East Fork Road. Both the northern and southern sections of the Ranch provide access to public land.

- The northern (upper) 750-acre tract is predominantly south-facing slopes covered in a mix of grasses, shrubs, aspen and pockets of pine forest. The upper tract offers access to both DNRC and Bitterroot National Forest (BNF) lands. Access to this portion of the ranch is available off French Basin Road.
- The southern (lower) 330-acre tract of the ranch is primarily comprised of irrigated pasture and hay ground adjacent to the East Fork of the Bitterroot River. A small area of steep timber exists where the south end of the Ranch meets the BNF. Access to the lower portion of the ranch is off East Fork Road.

There would be one or more designated “no trespassing, no hunting and no shooting” zones, also called “safety zones” around any structures being utilized for human habitation, and there would be temporary “no hunting/shooting zones” around pastures in the southern 335-acre area when cattle are currently confined.

The Ranch has participated in FWP’s Block Management Program for two decades. Current Black Management Area (BMA) rules for the property include: 1) required daily hunter registration at one of the sign-in boxes; 2) motorized vehicle travel only permitted on designated travel routes or County roads; 3) hunting by walk-in only; and 4) camping and commercial outfitting is prohibited.

On average, the property supports 200 hunter days annually. Based on that average, the terms of public hunting access identified by BRLT include that the Ranch must provide the opportunity for hunting access equal to or exceeding 250 hunter-days annually during Fall hunting seasons.

The Ranch property provides year-round habitat for game species such as elk, mule deer, white-tailed deer, bighorn sheep, limited moose, black bear, mountain lion, wolf, and upland game birds such as wild turkey, blue spruce grouse and Hungarian partridge. The south-facing slopes provide winter range for elk, bighorn sheep, mule deer, and white-tailed deer.

The Ranch is within: Hunting district (HD) 270 for elk, deer, bighorn sheep, moose, and mountain lion; black bear management unit (BMU) 216; and wolf management unit (WMU) 250. In 2013, 371 elk were harvested from HD 270.

Currently, the property is managed as a working agricultural operation, with cattle grazing and recreation the primary activities on the property.

ALTERNATIVES CONSIDERED TO THE PROPOSED ACTION

Alternative A: No Action

Under the No Action Alternative, FWP would not accept assignment of the rights for public hunting access on the Lazy J Cross Ranch property from Bitter Root Land Trust's Conservation Easement, and FWP would not provide partial funding towards the CE's acquisition. BRLT would retain that right as a component of the property's CE and would likely permit hunting access on and through the Ranch as requested by the landowner. BRLT may also seek another public agency or nonprofit organization to manage public hunting access on the Ranch under a similar arrangement as those proposed under FWP's management.

The negotiated total purchase price of the Conservation Easement would not be met if FWP decided not to provide the partial funding. This would be expected to result in a failed CE project (i.e., the CE would not be purchased and finalized, due to lack to funding), in which case the opportunity to secure perpetual public access could be lost.

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 Lazy J Cross Ranch Public Hunting Access Conservation Easement proposal and its effects were documented by FWP in a Draft Environmental Assessment (EA).

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 ("Lazy J Cross Ranch Public Hunting Access") for public review of this proposal on January 8, 2015 and accepted public comment until 5:00 P.M. on February 6, 2015.

Legal notices of the proposed addition and its Draft EA availability were published in the following newspapers (dates): *Bitterroot Star* (Stevensville; January 14, 21), *Independent Record* (Helena; January 8, 15), *Missoulian* (January 8, 15), and *Ravalli Republic* (Hamilton; January 8, 15). FWP issued a statewide news release regarding this proposal on January 9, 2015.

FWP mailed 25 copies of the EA, and emailed approximately 41 notifications of the EA's availability, to adjacent landowners and interested individuals, groups and other agencies. The EA was available for public review and comment on FWP's web site (<http://fwp.mt.gov/>, "Public Notices") beginning January 9 through February 6, 2015.

A public hearing to explain the project, answer questions and take public comment was held in Sula on January 20 (7:00 p.m.) at the Sula Club House.

SUMMARY OF PUBLIC COMMENT

FWP received 25 mailed or e-mailed comments regarding the proposed hunting access (Appendix A). Twenty-three comments were from members of the public (9 from the Bitterroot Valley, 3 from Missoula, 3 unknown, 2 from Alberton, and 1 each from Anaconda, Plains, Emigrant, Helena, Powell WY, and Ipswich MA); 1 comment was from the Ravalli County Fish and Wildlife Association; and 1 comment was from the Montana Wild Sheep Foundation. Eighteen of the individual comments were in support of FWP accepting public hunting access rights to the CE, and the remaining 5 did not explicitly express either support or opposition to the proposal (including requests for information, general questions or comments, and an unrelated comment). Additionally, the Ravalli County Fish and Wildlife Association and the Montana Wild Sheep Foundation supported the proposal. No one was in opposition to the proposal.

Approximately 16 people attended the public meeting held January 20 in Sula. Seven people offered testimony supporting FWP’s acceptance of hunting access rights (Table 1). No comments were received in opposition to the proposal, although two people expressed concern regarding management of hunter access to minimize problems with parking and safety. One concern about acreage removed from the easement for three building sites was addressed by BRLT during the meeting.

Table 1. Public testimony on FWP’s proposal to accept assignment of the public hunting access rights on the Lazy J Cross Ranch (under the BRLT’s proposed Conservation Easement on the Ranch), received at the public hearing held January 20 in Sula.

<i>I am all for the Bitterroot Land Trust [managing this property], but I am concerned about access and hunter behavior. I would like to see access limitations.</i>
<i>I think this is a fantastic idea because it secures hunting access for future generations.</i>
<i>I am in favor of the proposal, but with controls, such as parking, no shooting from the road. But this is good because it will keep subdivisions from being built on the property.</i>
<i>I support the project, but we need to address the acreage that will be removed for the 3 building sites on the property. [BRLT responded that each lot is less than 5 acres.]</i>
<i>I support the proposal and thank the landowners.</i>
<i>I support the proposal.</i>
<i>I support the proposal because it gives future generations access and conserves habitat for elk and deer.</i>

RESPONSE TO PUBLIC COMMENT

The following comments and FWP responses encompass specific issues or suggestions received during the public comment period, some of which--primarily concerns for safety zones and hunt rules to minimize injury and damage to local residences--were expressed multiple times through emailed and mailed responses as well as public meeting testimony. (The “Comment #” is the Comment # in Appendix A, sometimes with paragraph number/s also included.)

Comment 1 (para 2): The notice in the paper references, "public hunting access", does this mean strictly during hunting seasons? If so, suggest amending this language to permit access year round for such purposes as hiking, fishing, skiing too.

FWP Response: According to the provisions of the CE, FWP would only be authorized to hold (accept) public access rights for the purpose of hunting during Fall hunting seasons. Managing (or denying) access at all other times of the year is at the discretion of the private landowner. Amending any language in the CE can only be done by and under mutual agreement of the landowner and the BRLT.

Comment 4: I am wary of allowing BRLT the right of revocation regarding the management of hunting access.

FWP Response: As BRLT would hold the CE, it maintains the right to assign or revoke the public hunting access rights at its discretion. However, FWP looks forward to continuing its positive working relationship with BRLT, in hopes of collaborating on this and other such proposals into the future to protect, enhance, and regulate the use of Montana's fish and wildlife resources.

Comment 10 (para 2): The area in question is prime country for both hunting and fishing and long term dedicated access would be of great benefit.

FWP Response: We concur, but we want to clarify that this proposal only assigns public hunting access rights under the CE to FWP. At this time, there are no CE terms regarding fishing or other recreational access. Any additional access for any other purposes would be at the discretion of the landowner and/or thorough potential modification to the CE made mutually by the landowner and BRLT.

Comment 14: I support the use of hunting and fishing license money to purchase a conservation easement to protect the water, habitat, agricultural ground and public recreation opportunities on this historic ranch. The ranch will then assign the hunting access rights of the easement to FWP to manage hunting permission and other aspects of public access on this land. Because of this hunting access on this ranch, the easement would provide access to 40,000 acres of adjacent publicly owned land belonging to the U.S. Forest Service and Montana Dept. of Natural Resource lands.

FWP Response: We concur.

Comment 23 (para 3-4): We are not hunters, but now and then we have allowed a few individuals whom we knew well to hunt on our property. However, over the ten years that we have owned this property, we have heard many stories of deer and elk hunts that did not proceed according to all the regulations (particularly the general season in about 2005 or 2006 and the youth hunt in 2013). As one friend, a former hunter, warned us: "If you're hunting and you see an elk in your sight, you aren't worrying about what might be behind it." Therefore, safety--both of individuals and of property--has become our biggest concern.

FWP Response: The possibility of “shootouts” of elk in the Sula Basin and elsewhere in Region 2 and the state of Montana is an issue FWP (biologists, landowners, and law enforcement) takes very seriously. Current hunting regulations limit the number of Elk B-licenses in the East Fork portion of HD270 to 100 (50 of which are youth-only; licenses 270-02 and 270-03). These regulations, combined with the regulation that B-license holders may not take an antlered elk in the district for which the B-license is valid, were created to address previous problems with shootouts by limiting the number of people hunting elk in the area. No such problems were reported in the Fall 2014 general season; isolated instances of 270-00 and 270-01 B-license holders (valid north of Rye Creek) hunting in the Sula Basin were addressed with updates to the regulations book for the 2015-2016 season. We will continue to monitor the functionality of the district regulations through check stations and public input.

Additionally, all hunters born after January 1, 1985 must show a certificate of completing a hunter education course issued by Montana, any other state, or any Canadian province. Montana has a strong history of requiring hunter education of all youths prior to them being allowed to hunt, with hunter education courses offered as early as the 1950s.

Comment 23 (para 6-10): We are uncomfortable about how safety is guaranteed during the hunt, as there are so few details in the proposal. . . . See page 6 [of the Draft EA]: “There would be one or more designated ‘no hunting, no shooting zones’ (safety zones) around structures being utilized for human habitation.” Where will these zones be located? If FWP is the body that will designate these zones, what are the parameters that will be used? Will these zones be confined to the land belonging to the Lazy J Cross Ranch? . . . Perhaps “no hunting, no shooting zones” should be established within an appropriate distance from any homes, whether they are on Ranch property or not.

FWP Response: The CE is a formal deed document; when executed and signed by the landowners and BRLT, it becomes a public document filed with Ravalli County. As part of the CE, BRLT and the landowner will enter into a mutually agreeable Access Plan (which could be revised, amended and replaced, from time to time by mutual agreement). BRLT, in consultation with the landowner and FWP, will designate the “no hunting and no shooting” zones (“safety zones” with no trespassing) around structures used for human habitation, along with possible temporary “no hunting and shooting zones” around pastured cattle in the lower 335 acres.

Comment 23 (para 11): We haven't found any bullet holes in our home yet, but other neighbors have. And we hear that FWP has neither the budget nor the staff to follow up on complaints. We'd like some assurance that thought will be given to how abutters [landowners adjacent to the CE hunting area] and their houses might be protected as well.

FWP Response:

Anytime a landowner feels their safety is compromised they are encouraged to contact local law enforcement. Landowners and sportsmen and women are also encouraged to immediately report any hunting violations to FWP law enforcement by phoning 1-800-TIP-MONT (1-800-847-6668).

Comment 23 (para 12): We are also concerned about hunters having accurate knowledge of the location of BMA boundaries. In the past inappropriate information has been given out about the lines between Lazy J Cross boundaries and our own.

FWP Response: Hunters have available on-site BMA maps and regulations; they can also obtain copies through the Region 2 FWP office, as well as view them online, during the BMA season. It is ultimately the hunters' responsibility to ensure they have secured permission on any and all private land they access.

A check through the 19 years the Lazy J Cross BMA has been in existence shows that none of the annual BMA regulations/maps has been in error regarding any boundaries common to the BMA and this landowner, nor have any roads been shown as going through this landowner's land (except for the French Basin Road, which is public as it passes through the western edge of this landowner's property).

Comment 23 (para 13): In addition, over the years the fences between Lazy J Cross Ranch and our property have been flattened in many places by the elk. Since we don't run cattle and the . . . [neighbors] have not used many of those pastures, few repairs have been made. As time goes on, boundaries could become unclear.

FWP Response: Landowners having problems with game damage to their fences can contact FWP for further information. Additionally, a copy of the brochure "A Landowner's Guide to Wildlife Friendly Fences" is available on FWP's website at <http://fwp.mt.gov/fishAndWildlife/livingWithWildlife/>

Comment 23 (para 14): The FWP website discusses the regional Hunting Access Guides, but it does not appear that maps to the BMAs are included. We would like to know how FWP guarantees that hunters fully understand where boundary lines are located and remain with the BMA. We think the BMA should post signs indicating where the BMA ends and private property begins.

FWP Response: The statewide Hunting Access Guide and individual BMA maps and regulations are made available to the public beginning August 15th annually and are removed from the FWP website once all Block Management Areas have closed for the season.

Most BMAs include signage along normal access points into/out of the BMA, as well as possible signage along some boundaries. We also note that under Montana statute, it is the landowners' responsibility to post their land closed to trespass; contact FWP for information on how to post your land against all trespass (brochure, "Montana Access Guide to Federal and State Lands").

Comment 23 (para 15-16; Appendix A): There are two maps in the package [Draft EA], one produced by FWP [Figure 1] and one by the Bitter Root Land Trust [Figure 2]. Ownership in block [section] 34 is not shown as being the same in both maps. The FWP map shows an

extension in the southwest boundary that continues only about one-quarter [one-eighth] of a mile below the rest of the southern boundary [of the adjacent Lazy J Cross 160-acre parcel]. The BRLT map shows an extension that goes a full half-mile [one-quarter mile] below the southern boundary. The extension does abut our land (and [neighbor] land), and so we would like to be sure that FWP and BRLT agree on where the boundary is so that there is no future misunderstanding among . . . [neighbors, ourselves], FWP, or BRLT.

FWP Response: Thank you for pointing out this inconsistency between the two maps in the Draft EA. Figure 2 by the Bitter Root Land Trust is the correct map displaying the parcels of Lazy J Cross Ranch land that would be included in the CE.

FINDING OF NO SIGNIFICANT IMPACT

FWP has reviewed the EA and applicable laws, regulations, and policies and has determined that this action will not have significant effect on the human environment. Therefore, I conclude that the EA is the appropriate level of analysis and the preparation of an Environmental Impact Statement is not necessary.

DECISION

This proposal received strong support from the public, with no one expressing opposition to the action. It would conserve important native fish and wildlife habitat, secure fall hunting access, and support traditional productive use of the land. FWP has worked closely with The Bitter Root Land Trust and local landowners to develop this project in a manner that meets local, state and federal objectives for this important conservation area.

Therefore, based on the analysis in the Draft EA and the public comment, I have selected the "Proposed Action" (Alternative B). I recommend to the Fish & Wildlife Commission that it approve FWP's proposed acceptance of the assignment of the public hunting access rights on the Lazy J Cross Ranch from the Bitter Root Land Trust under BRLT's Conservation Easement on the Ranch. And that the Commission approve FWP providing \$105,000 from its Public Land Access (Montana Access) program as partial funding towards the BRLT's purchase of the CE on the Ranch.



Randy Arnold
Region 2 Supervisor
Montana Fish, Wildlife & Parks

2/17/15
Date

APPENDIX A. Comments received by FWP on the Draft EA for the proposed public hunting access assignment for the Lazy J Cross Ranch, under the Bitter Root Land Trust's proposed conservation easement on the Ranch. (Comments received via E = email, M = mail.)

Com- men- ter #	Via	Para- graph	Comment
1	E	1	I have read the brief in today's Ravalli Republic and have referred to the website, that following the explicit directions; cannot reference the proposal (did not see as listed). <i>[FWP emailed, apologizing for not having the EA posted until the morning of the 2nd day and emailed him the direct link to the EA]</i>
		2	At any rate, I fully support access to State of Montana and Federal Land through respectful passage through private lands. The notice in the paper references, "public hunting access", does this mean strictly during hunting seasons? If so, suggest amending this language to permit access year round for such purposes as hiking, fishing, skiing too.
2	E		I think the acquisition of this CE and the public access/hunting it will bring is a good thing for the area and recreationalists. I hope FWP will participate and spend the money necessary. A great use of our taxpayer dollars.
3	E		I have hunted in the area many times over the years . This peace of property is a real gem. This is a good use for sportsmans dollars for the future of the hunting public and the state of Montana. It will provide much needed access which is becoming a problem in the state. It looks like a win win for everybody and god bless the landowners for their interest and cooperation.
4	E		While I am wary of allowing BRLT the right of revocation regarding the management of hunting access, I imagine this is a normal situation, and would hope that BRLT is able to continue to provide us citizens of Montana with appropriate access. I support the use of FWP funds to help purchase conservation easement on the Lazy J Cross ranch.
5	E		Please tell me the total cost of this project and the public benefits for this expenditure. <i>[FWP emailed answers to these questions (including citations in the EA), along with copies of the EA and its cover letter.]</i>
6	E		I support acquiring a conservation easement on the Lazy J Cross Ranch so that the public can access this special property.
7	E		I hunt this area every fall by way of the BMA and I support acquiring the easement by way of Alternative B.
8	E		I am in support of this easement and most similar things that improve and increase public land hunting.
9	E		I support this.
10	E	1	I feel the Public Hunting Access at the Lazy J Cross ranch is vital to the continued long term access to the Ranch and the surrounding public lands. I have fished for years in the area and have recently taken up hunting as well. The amount of public land that is land locked by private in that area is a serious concern for all sportsmen and women and will only become more important as the population increases in the future. The area in question is prime country for both hunting and fishing and long term dedicated access would be of great benefit particularly as nearby land may change hands and access in the area could possibly become much more difficult.
		2	I fully support this effort to secure public access for now and into the future. Good luck in your endeavor.

Com- men- ter #	Via	Para- graph	Comment
11	E		I am very pleased to see the conservation easement on the Lazy J Cross Ranch so close to completion. I'm also very pleased to see that the existing block management and hunter access program will continue, and that Montana FWP will assist with funding and infrastructure. As noted in the proposal, public access to private land is on the decline; this is a good deal for hunters and for the ranch. I hope that this will spark interest in similar projects in the area.
12	E		I support the Lazy J Cross Ranch Access CE purchase. With very few minor impacts, I see no reason not to help the BRLT with this CE purchase. Looks like a win/win for all parties.
13	E		I am a disabled hunter? or at least would like to be. I have not gotten a license for 2 years now. I would like to hunt again and being I am 68 I do not have many hunting seasons left. I can only hunt from a vehicle but only being able to hunt for a bull elk for me is just dumb to even try as bulls just don't spread there wing and go to the roads for us who can not get off them. please put cows back on the list for us disabled who can not get off road to hunt. I can't waist my money to get the license for something I have such a small chance of getting anything. I don't care if I have to get my Dr. to fill out my hunting app. I don't think any of us who can't hunt but only from a car do mind. get your heads out of your #S%^& and get something right at lease for us. <i>[Forwarded to Region 2 FWP wildlife manager for response; this topic is outside the subject of this Draft EA and proposal.]</i>
14	E		Please count my vote in support of public hunting access on the Lacy J Cross Ranch east of Sula. I support the use of hunting and fishing license money to purchase a conservation easement to protect the water, habitat, agricultural ground and public recreation opportunities on this historic ranch. The ranch will then assign the hunting access rights of the easement to FWP to manage hunting permission and other aspects of public access on this land. Because of this hunting access on this ranch, the easement would provide access to 40,000 acres of adjacent publicly owned land belonging to the U.S. Forest Service and Montana Dept. of Natural Resource lands.
15	E	1	I am writing to you for you to adamantly support the Lazy J easement proposal B (Alternative B: Acquisition of the Public Hunting Access Rights of the Lazy J Cross Ranch Conservation Easement). This would guarantee access for hunting in an area that needs multiple access points. Otherwise, hunters would be siphoned to only a few USFS and MT State land access points that would also create tons of congestion and anxious hunters.
		2	I was very disappointed that the Wetzsteon's pulled their land last year from the BMA due to unscrupulous activities. After having talked with him, I can see why.
		3	I have hunted in this area for years and would like to continue this legacy with my children with guaranteed access with the Lazy J access.
		4	Thank you for your consideration.
16	E		Could you email me a map and more info to comment on the Lazy J Cross Ranch Public Hunting Access. <i>[FWP emailed him the link to the EA, noting which figures in the EA were maps.]</i>
17	E		Please send me information on the proposed access purchase of the Lazy J Cross ranch near Sula. A pdf map would be most appreciated. <i>[FWP emailed him the link to the EA, noting which figures in the EA were maps.]</i>

Com- men- ter #	Via	Para- graph	Comment
18	E		I am strongly in favor of the proposal and any others that give additional access to the public for hunting and other recreational activities.
19	E		The Ravalli County Fish and Wildlife Assoc. supports Montana Fish, Wildlife and Parks proposal to acquire a public hunting-rights component of a conservation easement on the Lazy J Cross Ranch. This is an important piece for hunters as well as critical winter range for big game in Ravalli County. We strongly urge MT FWP to move forward with this proposal. Thank you.
20	E		I am strongly in favor o the Lazy J Cross Ranch Public Hunting access project. Please add my comment to the public record. Thanks!
21	E		I would like to express support for Alternative B as described in the Public Hunting Access EA. I support FWP accepting assignment of the hunting rights on the Lazy J Cross Ranch in the Sula Basin with an allocation of \$105,000 from the Public Lands Access program towards the purchase of a conservation on the property by the Bitter Root Land Trust. As a resident of the Bitterroot since 1972, I am well aware of the loss of open lands, agricultural lands and public access to hunting in our area. The participation of FWP in supporting this conservation easement will ensure perpetual access to hunting on adjacent public lands and on the ranch. In addition to my support for this as a citizen, I have also participated as a member of the Ravalli County Open Lands Board in supporting the acquisition of a conservation easement on the Lazy J Cross, which will preserve critical winter habitat for elk in the Sula Basin.
22	E		I am very much in favor of acquiring this access. We are losing access to hunting areas due to development, etc. so any that we can save is important. Thanks
23	M	1	We are owners of 198+ acres at 6978 French Basin Road, where we live for about five months of the year. We abut the property called Lazy J Cross Ranch on both north and east boundaries.
		2	Although we hadn't made it to Montana yet and missed the public information meeting held in Sula on January 20, we did receive the package [Draft EA] that your department mailed to us. We have also spoken to neighbors who did attend the meeting to get general information.
		3	We are not hunters, but now and then we have allowed a few individuals whom we knew well to hunt on our property. However, over the ten years that we have owned this property, we have heard many stories of deer and elk hunts that did not proceed according to all the regulations (particularly the general season in about 2005 or 2006 and the youth hunt in 2013).
		4	As one friend, a former hunter, warned us: "If you're hunting and you see an elk in your sight, you aren't worrying about what might be behind it." Therefore, safety--both of individuals and of property--has become our biggest concern
		5	After careful consideration of the proposal, we have the following comments:
		6	1. We are uncomfortable about how safety is guaranteed during the hunt, as there are so few details in the proposal. Apparently some concerns about safety were raised even in preliminary discussion with the Lazy J Cross landowners. See page 6 [of the Draft EA]:
		7	"There would be one or more designated 'no hunting, no shooting zones' (safety zones) around structures being utilized for human habitation."

Com- men- ter #	Via	Para- graph	Comment
		8	Where will these zones be located? If FWP is the body that will designate these zones, what are the parameters that will be used? Will these zones be confined to the land belonging to the Lazy J Cross Ranch?
		9	Our house is located just as close to the BMA boundary lines as many sites that might be used for future housing on the Lazy J Cross land and that have been held out of the BMA [conservation easement?].
		10	Perhaps "no hunting, no shooting zones" should be established within an appropriate distance from <u>any</u> homes, whether they are on Ranch property or not.
		11	We haven't found any bullet holes in our home yet, but other neighbors have. And we hear that FWP has neither the budget nor the staff to follow up on complaints. We'd like some assurance that thought will be given to how abutters and their houses might be protected as well.
		12	2. We are also concerned about hunters having accurate knowledge of the location of BMA boundaries. In the past inappropriate information has been given out about the lines between Lazy J Cross boundaries and our own. On several occasions people have told us, "I've hunted [or snowmobiled or driven] right above your house. I was told that all the land up there belongs to the Wetzsteons, and it was okay to go up there."
		13	In addition, over the years the fences between Lazy J Cross Ranch and our property have been flattened in many places by the elk. Since we don't run cattle and the Wetzsteons have not used many of those pastures, few repairs have been made. As time goes on, boundaries could become unclear.
		14	The FWP website discusses the regional Hunting Access Guides, but it does not appear that maps to the BMAs are included. We would like to know how FWP guarantees that hunters fully understand where boundary lines are located and remain with the BMA. We think the BMA should post signs indicating where the BMA ends and private property begins.
		15	3. A purely technical point: There are two maps in the package [Draft EA], one produced by FWP [Figure 1] and one by the Bitter Root Land Trust [Figure 2]. Ownership in block [section] 34 is not shown as being the same in both maps. The FWP map shows an extension in the southwest boundary that continues only about one-quarter [one-eighth] of a mile below the rest of the southern boundary [of the adjacent Lazy J Cross 160-acre parcel]. The BRLT map shows an extension that goes a full half-mile [one-quarter mile] below the southern boundary.
		16	The extension does abut our land (and Newsted land), and so we would like to be sure that FWP and BRLT agree on where the boundary is so that there is no future misunderstanding among Newsteds, Wassermans, Wetzsteons, FWP, or BRLT.
24	E	1	The Montana Wild Sheep Foundation is strongly in favor of using FWP Access Montana funds to acquire the hunting management rights on the Lazy J Cross Ranch Conservation Easement.
		2	This ranch is one of the few remaining large tracts of land in one ownership within the East Fork of the Bitterroot drainage. It is surrounded by state and federal lands and is a major corridor for all types of wildlife including bighorn sheep. Properly managed hunting access on and across this property will greatly aid hunters with legal access to game and the management of game populations in this drainage.

Com- men- ter #	Via	Para- graph	Comment
		3	The Montana Wild Sheep Foundation has pledged its financial support to the Bitterroot Land Trust to acquire a conservation easement on the Lazy J Cross Ranch. We believe managing the access to these lands and the adjacent 40,000 acres of public lands will benefit the wildlife in this area and the citizens of Montana.
		4	We encourage the Montana Fish and Wildlife Commission approve the use of \$105,000 of Access Montana funds for this project.
25a	M		I would like to receive a copy of the draft environmental assessment for the proposed conservation easement on the Lazy J Cross Ranch east of Sula. Thank you. <i>[FWP mailed a copy of the Draft EA to this person.]</i>
25b	M	1	I am writing to comment on the Montana Fish, Wildlife & Parks proposal to acquire a public hunting access conservation easement on the Lazy J Cross Ranch near Sula.
		2	For me, I can think of no better way to spend \$105,000 of license fee and/or tax dollars than to use it to insure access for hunting and other recreation. As we all know access has done nothing but shrink in our lifetime. The fact that this transaction would insure continued access to 40,000 acres of State and Forest Service lands makes this a real bargain.
		3	I fully support Alternative B to acquire the Public Hunting Access Rights of the Lazy J Cross Conservation Easement.

315-2

TIMBER SALE:

Jones Berger

**Land Board Agenda Item
March 23, 2015**

315-2 Timber Sale: Jones Berger

Location: Sanders County

Trust Benefits: Common Schools

Trust Revenue: \$414,821 (estimated, minimum bid)

Item Summary

The Jones Berger timber sale is located approximately eight air miles north of Plains, Montana. The sale includes five harvest units totaling 343 acres with an estimated sale volume of 19,125 tons (2,650 MBF) of sawlogs. The minimum bid value is \$21.69 per ton, which would generate approximately \$414,821 for the Common Schools Trust, and \$66,555 in Forest Improvement Fees. This sale is within the Habitat Conservation Plan (HCP) project area and complies with the HCP.

This project prescribes a shelterwood harvest with reserves and would involve ground based harvesting, mechanical slash piling, and slash pile burning. The sale would maintain and improve forest health, reduce instance of insect and disease, reduce fuel loading and related wildfire risk, and promote regeneration of ponderosa pine. There is no old growth present in the sale.

Approximately two miles of new permanent road would be constructed for this timber sale. 7.4 miles of existing permanent road would be maintained and improved as needed to meet Best Management Practices (BMPs). There is currently no public motorized use, and following harvest activities all newly constructed and existing roads would remain closed.

Access to this timber sale would be through a reciprocal agreement with an adjacent private landowner, and by cost-share with Plum Creek.

Scoping letters were mailed and emailed to interested parties in July 2014 and a public notice was published in area newspapers, including the *Clark Fork Valley Press*, *Sanders County Ledger*, and the *Missoulian*. One letter of support was received from the Sanders County Weed District, encouraging continual noxious weed suppression. The Confederated Salish and Kootenai Tribes (CSKT) also responded and had no immediate concerns. They stated that they would appreciate being notified if cultural material or cultural modified trees are encountered. No letters of opposition were received for this project. Department of Natural Resources and Conservation (DNRC) foresters and specialists have reviewed the proposal and comments, analyzed conditions, and recommended harvest mitigation measures to reduce the potential for impacts.

DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the Jones Berger timber sale.

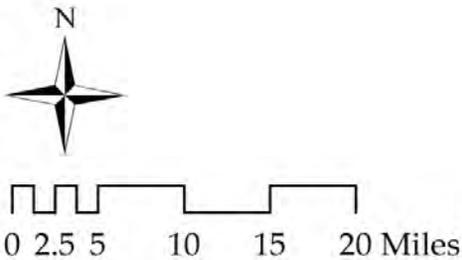
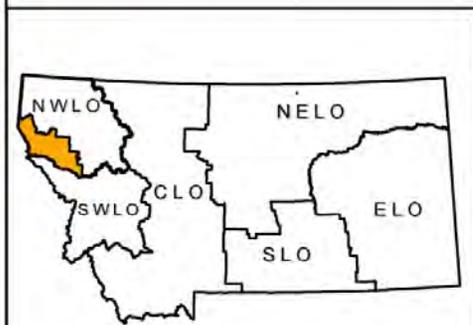
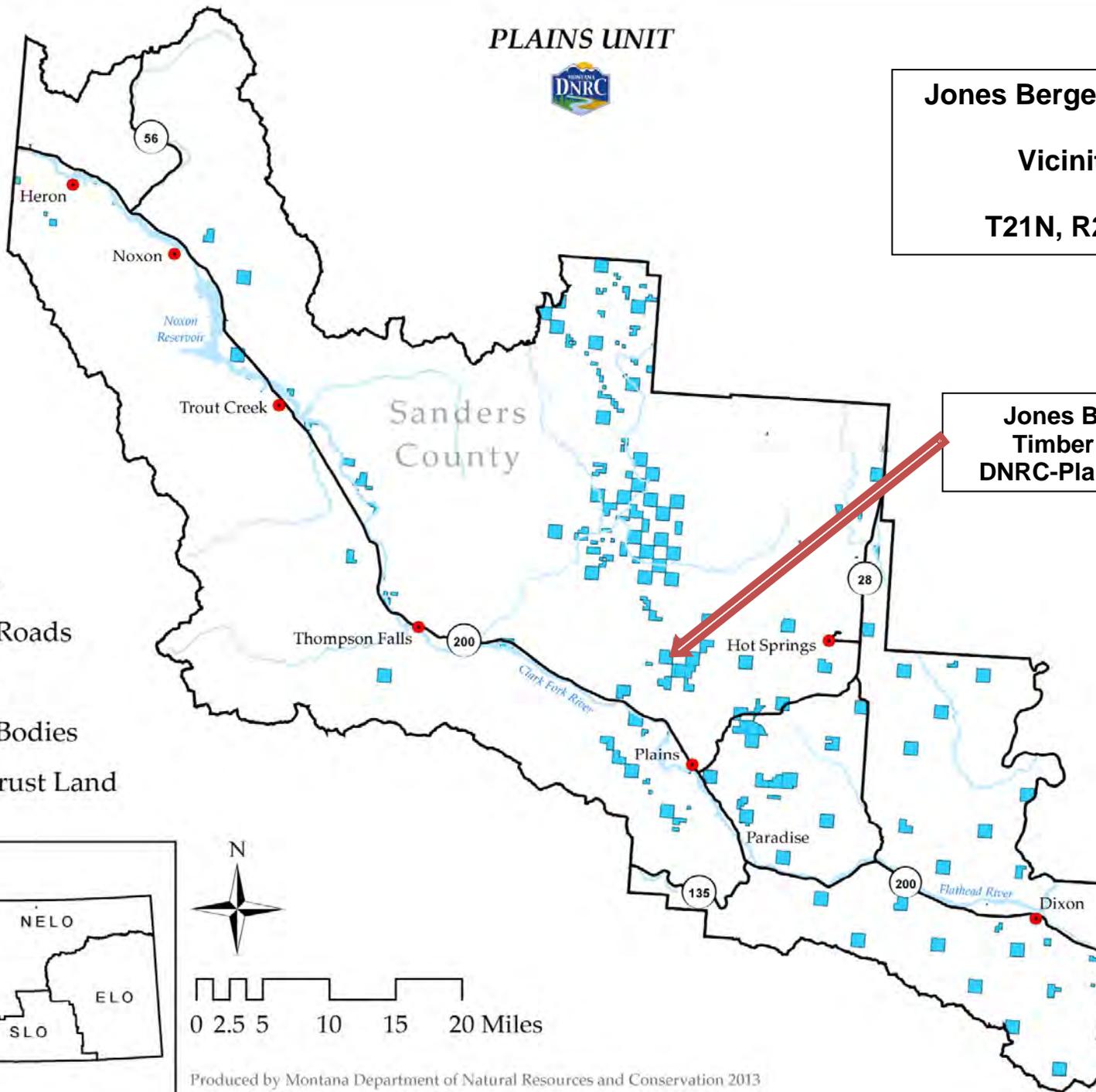
PLAINS UNIT



Jones Berger Timber Sale
Vicinity Map
T21N, R26W, S16

**Jones Berger
 Timber Sale
 DNRC-Plains Unit**

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

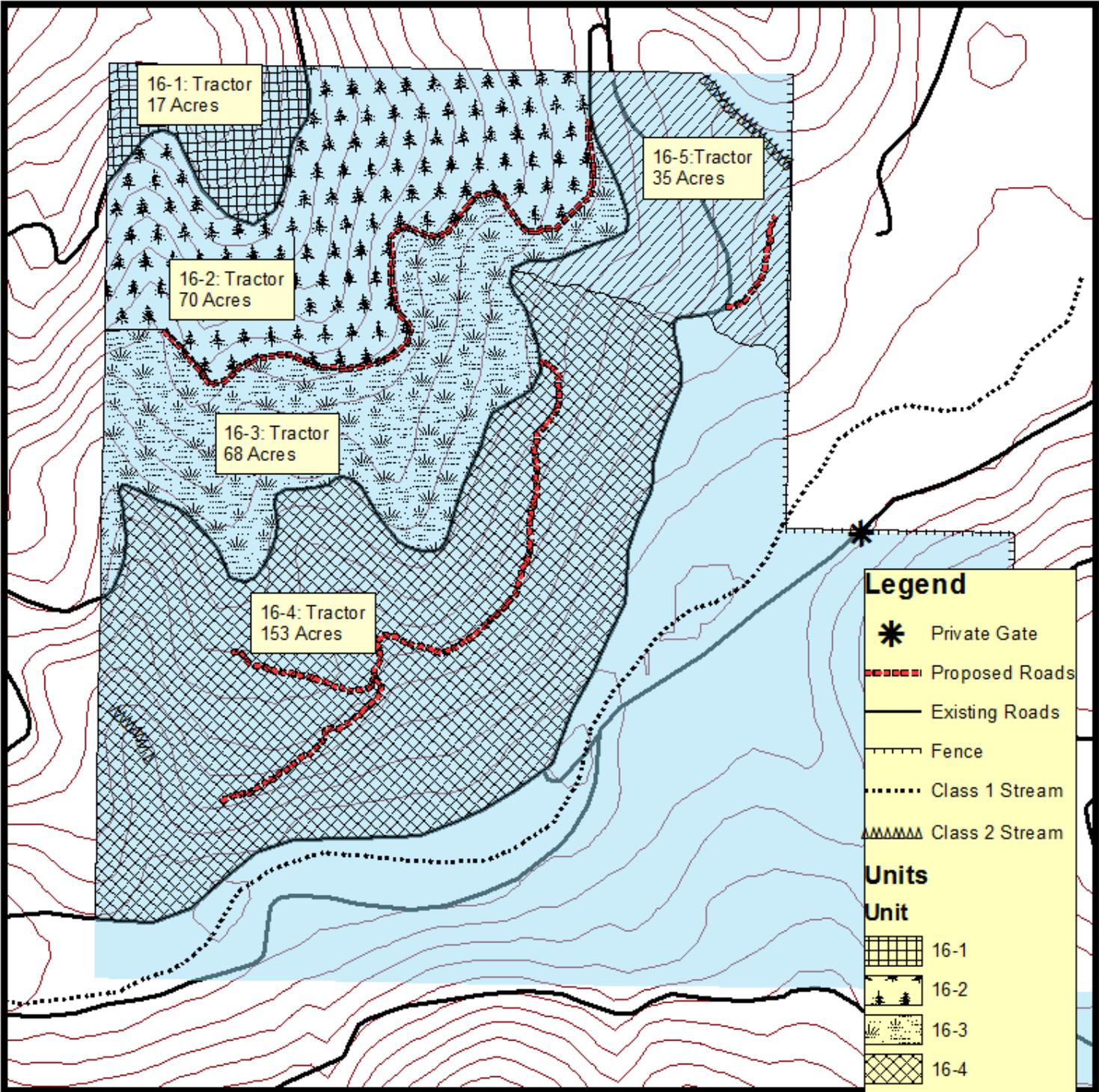


Produced by Montana Department of Natural Resources and Conservation 2013
 Datum: NAD 1983 Montana State Plane



Jones Berger Timber Sale: Harvest Plan

T21N, R26W, S16



Legend

- * Private Gate
- - - - Proposed Roads
- Existing Roads
- - - - Fence
- Class 1 Stream
- ~~~~~ Class 2 Stream

Units

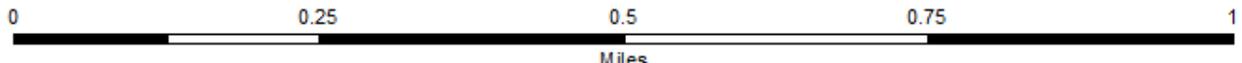
Unit

- [Grid] 16-1
- [Tree] 16-2
- [Cross-hatch] 16-3
- [Diagonal cross-hatch] 16-4
- [Diagonal line] 16-5

Ownership

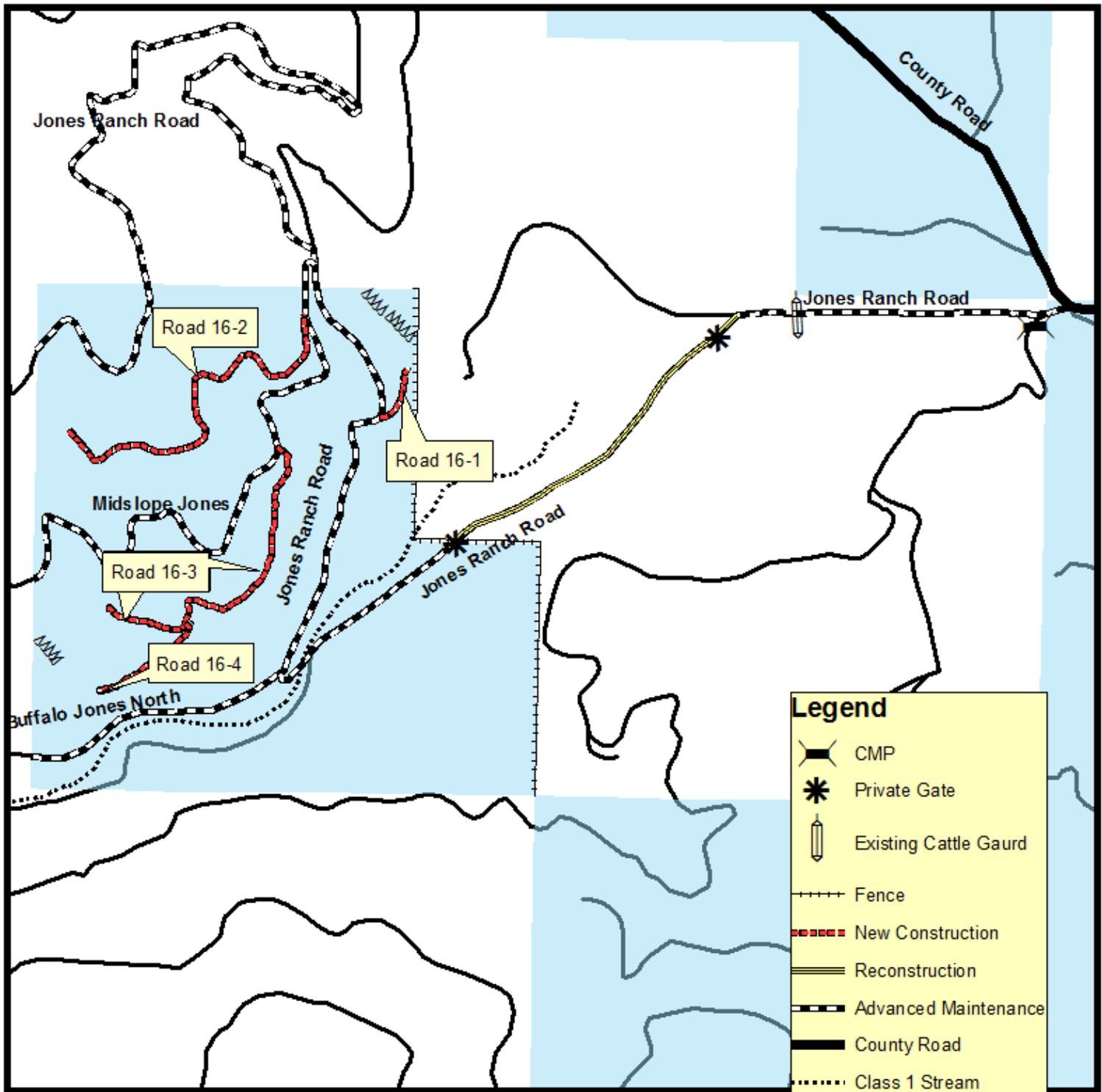
- [Light Blue] MT DNRC

N Montana DNRC
 Trust Land Management Division
 Northwestern Land Office
 Plains Unit NDC 1/15



Jones Berger Timber Sale: Transportation Plan T21N, R26W, S16

315-2

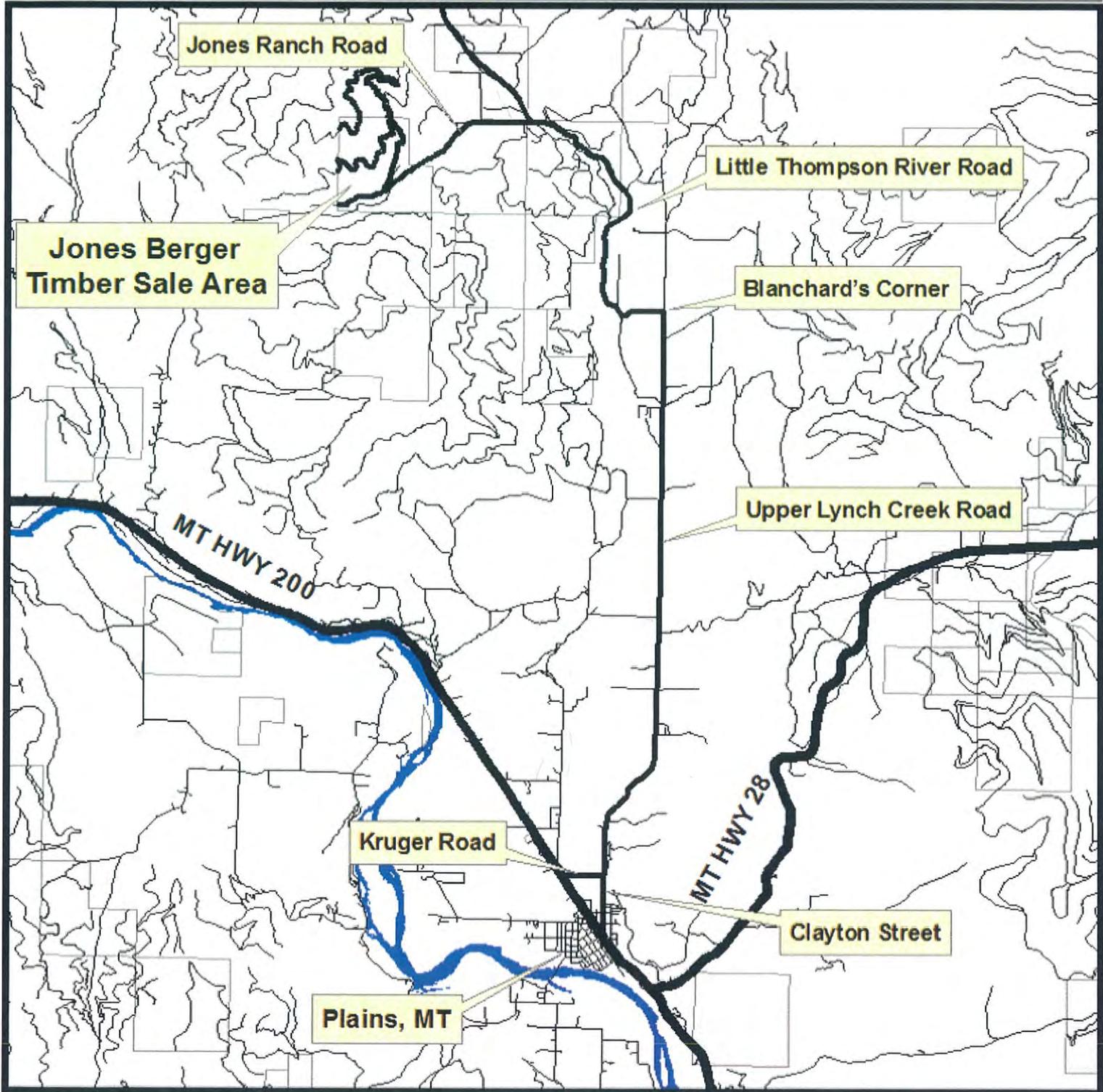


Montana DNRC
Trust Land Management Division
Northwestern Land Office
Plains Unit NDC 1/15

0 0.5 1 1.5 2



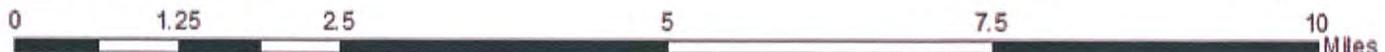
Jones Berger Timber Sale: Haul Route Map T21N R26W S16



Legend

-  Haul Route
-  DNRC Parcels

Montana DNRC
Trust Land Management Division
Northwestern Land Office
Plains Unit
dmp 1/15



315-3

COMMUNITIZATION AGREEMENT:
MBA CONSULTANTS 1-1 WELL

**Land Board Agenda Item
March 23, 2015**

315-3 Communitization Agreement: MBA Consultants 1-1 Well

**Location: Dawson County
T19N R56E Section 34**

Trust Benefits: Common Schools

Trust Revenue: Unknown

Item Summary

Interstate Explorations, LLC 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 Commission (BOGC) regulations.

A communitization agreement brings together small tracts sufficient for the granting of a well permit under applicable spacing rules. The agreement allows the state to receive its proper share of production from the spacing unit and must be approved by DNRC for state lands.

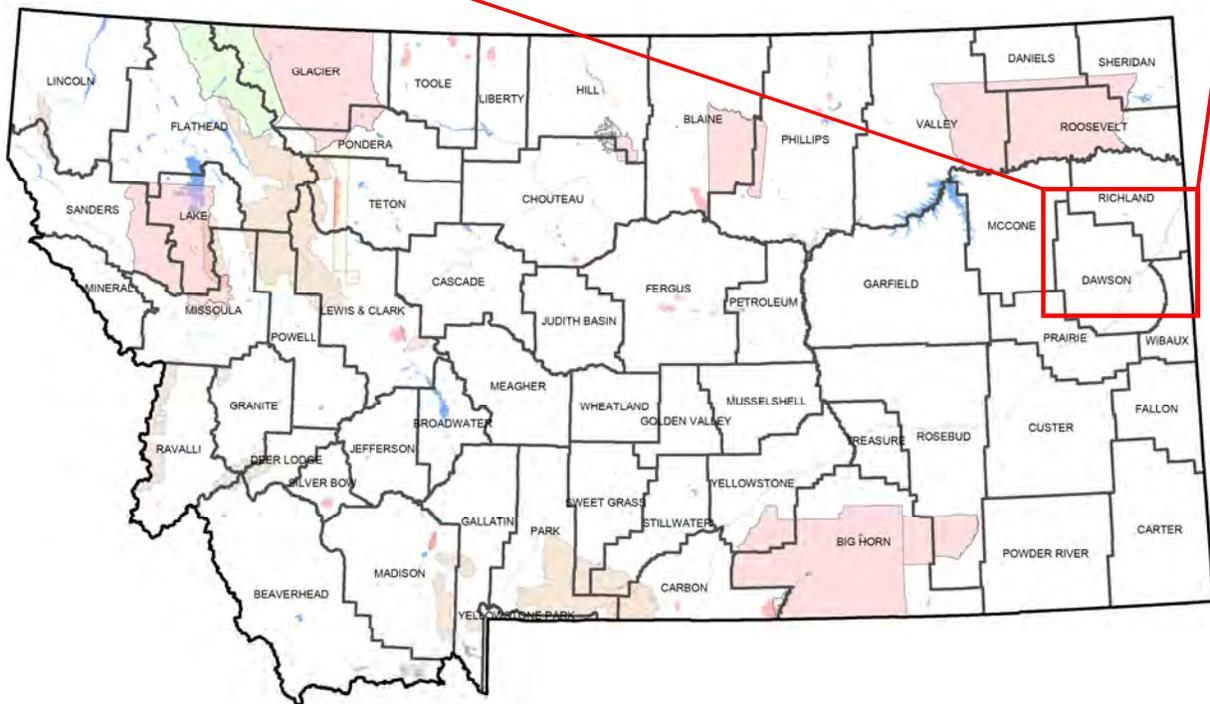
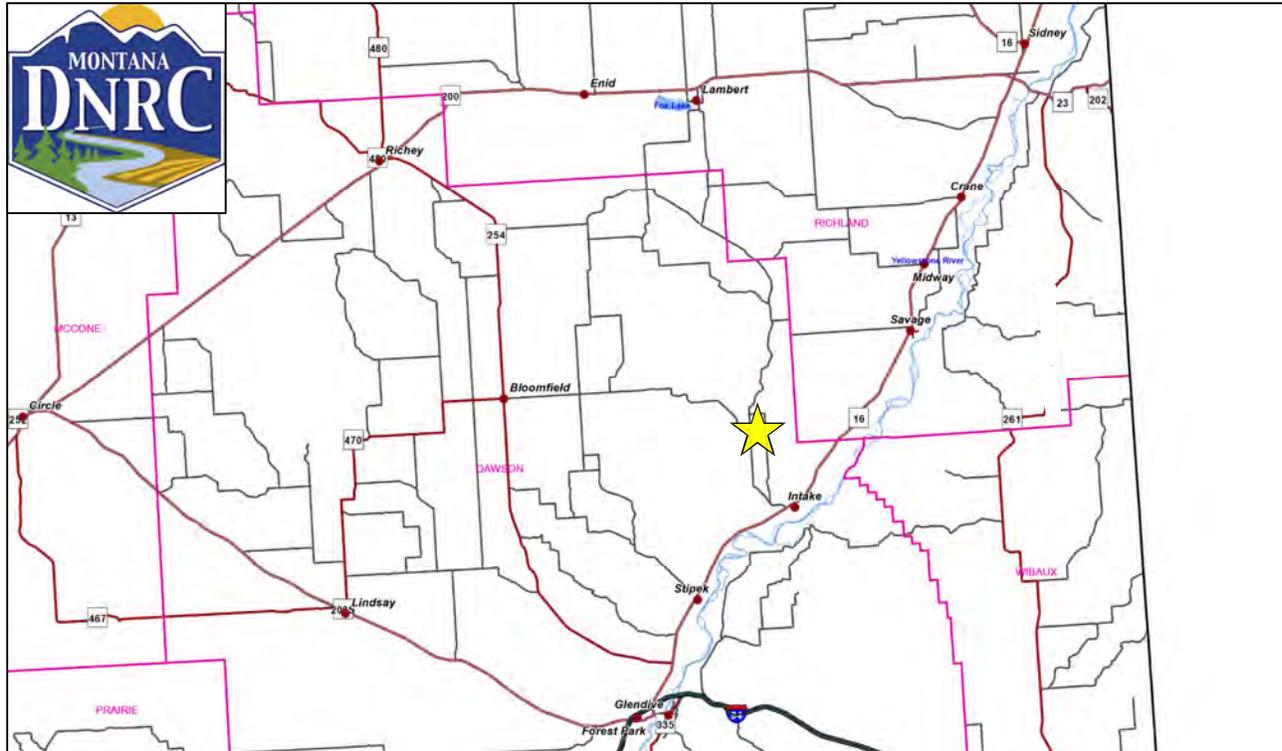
The MBA Consultants 1-1 well is a horizontal Red River formation oil well located approximately 11.5 miles southwest of Savage, and was drilled on fee land in the NE4NE4 of Section 34. DNRC owns 160 acres of the 320 mineral acres in the permanent spacing unit that will be communitized. The Agreement encompasses the Red River Formation in the E2 of Section 34.

The DNRC tract comprises 50% of the communitized area. DNRC will consequently receive 8.335% of all oil production (16.67% royalty rate x 50% tract participation).

DNRC Recommendation

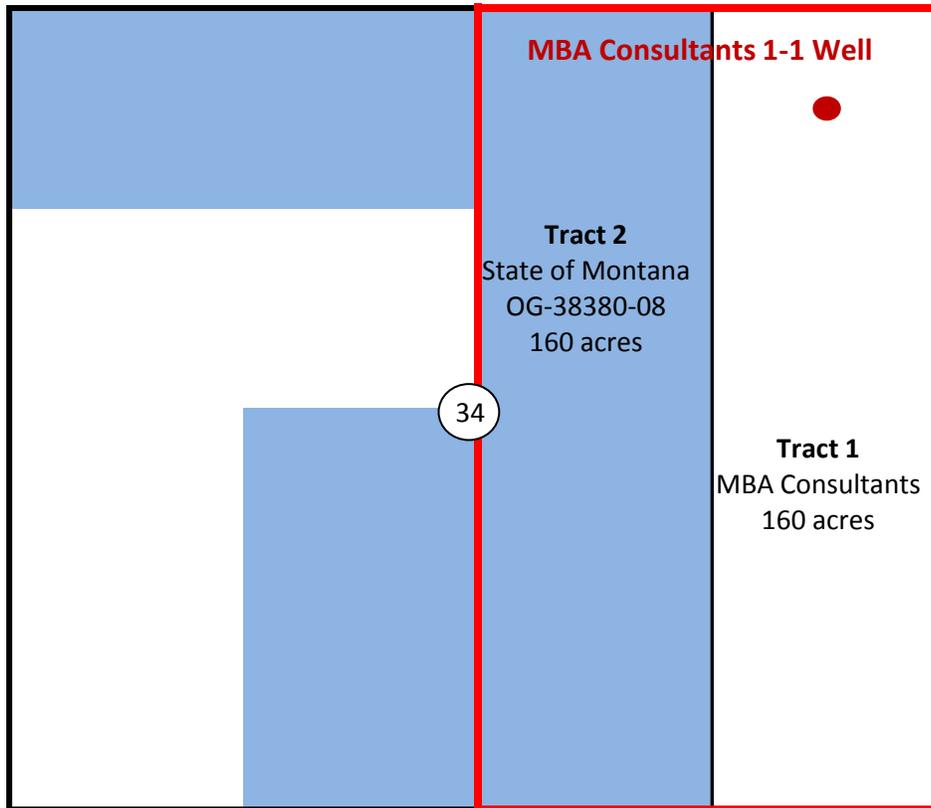
The director recommends the Land Board approve this communitization agreement.

Vicinity Map MBA Consultants 1-1



Township 19 North Range 56 East

Section 34 (E2)



Tract No.	Type	Acres	Tract Participation	Royalty %	Owner's Interest Decimal
1	MBA Consultants	160.00	50.000000%	18.75%	0.09375000
2	State of Montana	160.00	50.000000%	16.67%	0.08335000
Total		320.00	100.000000%		

* The Operator of the Communitized Area is Interstate Explorations, LLC.

315-4

OIL AND GAS LEASE SALE

(March 3, 2015)

**Land Board Agenda Item
March 23, 2015**

315-4 Oil and Gas Lease Sale (March 3, 2015)

Location: Custer, Daniels, Dawson, Garfield, Petroleum, Prairie Counties

Trust Benefits: Common Schools

Trust Revenue: \$52,937.40

Item Summary

The Department of Natural Resources and Conservation (DNRC) held an oil and gas lease sale on March 3, 2015, in the auditorium at the Department of Transportation building. A total of seventy-eight tracts were offered for lease. Seventy-eight tracts were leased for a total of \$52,937.40. The seventy-eight tracts that were sold covered a total of 35,291.60 acres. All tracts went for \$1.50 per acre.

DNRC Recommendation

The director requests Land Board approval to issue the leases from the March 3, 2015, oil and gas lease sale.

State of Montana
Oil & Gas Lease Sale - March 3, 2015
Lease Sale Results

The following described lands were offered for oil and gas leasing through oral competitive bidding in the Department of Transportation auditorium, 2701 Prospect Avenue, Helena, Montana, beginning at 9:00 am, March 3, 2015.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Custer									
1	1, 2, 3, 4, 5, 6, 10	12.N	46.E	4	Lots 1, 2, 3, 4, S2N2, NE4SE4	* 332.48	\$1.50	\$498.72	BIG SKY LAND AND TITLE
2	1, 2, 3, 4, 5, 6, 7, 10	12.N	46.E	16	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
3	1, 2, 3, 4, 5, 6, 10	12.N	46.E	20	S2	320.00	\$1.50	\$480.00	BIG SKY LAND AND TITLE
4	1, 2, 3, 4, 5, 6, 10	12.N	46.E	32	NE4NE4, W2NE4, NW4, NW4SW4	320.00	\$1.50	\$480.00	BIG SKY LAND AND TITLE
5	1, 2, 3, 4, 5, 6, 10	12.N	46.E	34	N2NW4, NE4, E2SE4	320.00	\$1.50	\$480.00	BIG SKY LAND AND TITLE
6	1, 2, 3, 4, 5, 6, 10	12.N	46.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
7	1, 2, 3, 4, 5, 6, 7, 10	12.N	47.E	16	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
8	1, 2, 3, 4, 5, 6, 7, 10	12.N	47.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
9	1, 2, 3, 4, 5, 6, 7, 9	12.N	48.E	16	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
10	2, 3, 4, 5, 6, 7, 9, 14	12.N	48.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
Daniels									
11	1, 2, 3, 4, 5, 6, 8	34.N	46.E	6	Lots 1 thru 7, SE4NW4, S2NE4, SE4, E2SW4	629.97	\$1.50	\$944.96	AUGUST ENERGY SERVICES, LLC
12	1, 2, 3, 4, 5, 6, 8	34.N	46.E	7	Lots 1, 2, E2NW4, NE4	* 314.71	\$1.50	\$472.06	AUGUST ENERGY SERVICES, LLC
13	1, 2, 3, 4, 5, 6, 8	34.N	47.E	6	Lots 1 thru 7, SE4NW4, S2NE4, E2SE4	487.96	\$1.50	\$731.94	AUGUST ENERGY SERVICES, LLC
14	1, 2, 3, 4, 5, 6, 13	34.N	47.E	11	NW4, SE4, N2SW4	400.00	\$1.50	\$600.00	AUGUST ENERGY SERVICES, LLC
15	1, 2, 3, 4, 5, 6, 13	34.N	47.E	13	N2NW4, SW4NW4, E2	440.00	\$1.50	\$660.00	AUGUST ENERGY SERVICES, LLC
16	1, 2, 3, 4, 5, 6, 7	34.N	47.E	14	S2NW4, SW4NE4, NW4SE4, N2SW4	240.00	\$1.50	\$360.00	AUGUST ENERGY SERVICES, LLC
17	1, 2, 3, 4, 5, 6, 13	35.N	47.E	1	Lot 4, S2NW4, SW4NE4, S2	480.93	\$1.50	\$721.40	AUGUST ENERGY SERVICES, LLC
18	1, 2, 3, 4, 5, 6, 13	35.N	47.E	2	Lots 1, 2, S2NE4, SE4	322.12	\$1.50	\$483.18	AUGUST ENERGY SERVICES, LLC
19	1, 2, 3, 4, 5, 6	35.N	47.E	11	NW4	160.00	\$1.50	\$240.00	AUGUST ENERGY SERVICES, LLC
20	1, 2, 3, 4, 5, 6, 13	35.N	47.E	12	N2,SE4, N2SW4	560.00	\$1.50	\$840.00	AUGUST ENERGY SERVICES, LLC
21	1, 2, 3, 4, 5, 6, 8, 13	35.N	47.E	32	SW4	160.00	\$1.50	\$240.00	AUGUST ENERGY SERVICES, LLC
22	1, 2, 3, 4, 5, 6, 8	35.N	47.E	33	W2	320.00	\$1.50	\$480.00	AUGUST ENERGY SERVICES, LLC
23	1, 2, 3, 4, 5, 6	36.N	46.E	31	Lots 1, 2, 3, 4, E2W2, NE4, N2SE4	* 541.28	\$1.50	\$811.92	AUGUST ENERGY SERVICES, LLC
24	1, 2, 3, 4, 5, 6, 8	36.N	46.E	32	S2	320.00	\$1.50	\$480.00	AUGUST ENERGY SERVICES, LLC
25	1, 2, 3, 4, 5, 6	36.N	47.E	1	Lots 1, 2, 3, SE4NW4, S2NE4, N2SE4, SE4SE4	* 348.27	\$1.50	\$522.40	AUGUST ENERGY SERVICES, LLC
26	1, 2, 3, 4, 5, 6, 13	36.N	47.E	2	Lot 4, S2NW4, NW4SE4, S2SE4, SW4	398.23	\$1.50	\$597.34	AUGUST ENERGY SERVICES, LLC
27	1, 2, 3, 4, 5, 6, 13	36.N	47.E	3	Lots 1, 3, 4, SW4NW4, SE4NE4, E2SE4, NW4SW4	* 315.86	\$1.50	\$473.79	AUGUST ENERGY SERVICES, LLC
28	1, 2, 3, 4, 5, 6	36.N	47.E	6	Lots 3, 4, 5, 6, 7, SE4NW4, SE4, E2SW4	* 482.17	\$1.50	\$723.26	AUGUST ENERGY SERVICES, LLC
29	1, 2, 3, 4, 5, 6	36.N	47.E	7	Lots 1, 2, 3, 4, E2NW4, NE4, E2SE4	* 480.84	\$1.50	\$721.26	AUGUST ENERGY SERVICES, LLC
30	1, 2, 3, 4, 5, 6	36.N	47.E	10	N2, N2S2	* 480.00	\$1.50	\$720.00	AUGUST ENERGY SERVICES, LLC
31	1, 2, 3, 4, 5, 6, 13	36.N	47.E	11	W2, W2NE4, NW4SE4	* 440.00	\$1.50	\$660.00	AUGUST ENERGY SERVICES, LLC
32	1, 2, 3, 4, 5, 6	36.N	47.E	12	E2NE4, SE4	* 240.00	\$1.50	\$360.00	AUGUST ENERGY SERVICES, LLC

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Daniels									
33	1, 2, 3, 4, 5, 6, 13	36.N	47.E	13	SW4NW4, E2NE4, N2S2, SE4SE4	320.00	\$1.50	\$480.00	AUGUST ENERGY SERVICES, LLC
34	1, 2, 3, 4, 5, 6	36.N	47.E	23	NW4NW4, S2NW4, N2SW4 *	200.00	\$1.50	\$300.00	AUGUST ENERGY SERVICES, LLC
35	1, 2, 3, 4, 5, 6	36.N	47.E	24	SW4NW4, SW4	200.00	\$1.50	\$300.00	AUGUST ENERGY SERVICES, LLC
36	1, 2, 3, 4, 5, 6	36.N	47.E	25	N2NW4, S2SW4	160.00	\$1.50	\$240.00	AUGUST ENERGY SERVICES, LLC
37	1, 2, 3, 4, 5, 6, 7, 8	36.N	47.E	36	N2, N2S2	480.00	\$1.50	\$720.00	AUGUST ENERGY SERVICES, LLC
38	1, 2, 3, 4, 5, 6	36.N	51.E	16	S2	320.00	\$1.50	\$480.00	AUGUST ENERGY SERVICES, LLC
39	1, 2, 3, 4, 5, 6	37.N	48.E	36	N2NE4, SW4	240.00	\$1.50	\$360.00	AUGUST ENERGY SERVICES, LLC
Dawson									
40	1, 2, 3, 4, 5, 6, 7	13.N	54.E	16	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
41	1, 2, 3, 4, 5, 6	14.N	53.E	10	NE4	* 160.00	\$1.50	\$240.00	BIG SKY LAND AND TITLE
42	1, 2, 3, 4, 5, 6	14.N	53.E	14	NE4	160.00	\$1.50	\$240.00	BIG SKY LAND AND TITLE
43	1, 2, 3, 4, 5, 6, 7, 13	14.N	53.E	16	All	* 640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
44	1, 2, 3, 4, 5, 6, 7, 13	14.N	53.E	22	NE4	160.00	\$1.50	\$240.00	BIG SKY LAND AND TITLE
45	1, 2, 3, 4, 5, 6, 7, 13	14.N	53.E	26	NE4	160.00	\$1.50	\$240.00	BIG SKY LAND AND TITLE
46	1, 2, 3, 4, 5, 6, 7	14.N	53.E	30	Lots 3, 4, E2SW4	159.60	\$1.50	\$239.40	BIG SKY LAND AND TITLE
47	1, 2, 3, 4, 5, 6	14.N	53.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
48	1, 2, 3, 4, 5, 6, 13	14.N	54.E	10	S2	320.00	\$1.50	\$480.00	BIG SKY LAND AND TITLE
49	1, 2, 3, 4, 5, 6, 13	14.N	54.E	14	S2	* 320.00	\$1.50	\$480.00	BIG SKY LAND AND TITLE
50	1, 2, 3, 4, 5, 6, 7, 13	14.N	54.E	16	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
51	1, 2, 3, 4, 5, 6	14.N	54.E	36	All	* 640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
Garfield									
52	1, 2, 3, 4, 5, 6, 7, 10	14.N	31.E	16	All	640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
53	1, 2, 3, 4, 5, 6, 10, 13	16.N	37.E	16	All	640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
54	1, 2, 3, 4, 5, 6, 10	16.N	37.E	36	All	640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
55	1, 2, 3, 4, 5, 6, 7, 10	16.N	38.E	16	All	640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
56	1, 2, 3, 4, 5, 6, 7, 9	17.N	33.E	3	S2NE4, SE4	240.00	\$1.50	\$360.00	AMERICAN PATRIOT OIL AND GAS INC
57	1, 2, 3, 4, 5, 6, 10	17.N	33.E	10	N2NE4	80.00	\$1.50	\$120.00	AMERICAN PATRIOT OIL AND GAS INC
58	1, 2, 3, 4, 5, 6, 7, 10	17.N	33.E	16	All	* 640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
59	1, 2, 3, 4, 5, 6, 7, 9	17.N	35.E	7	Lots 3, 4, E2SW4	* 157.18	\$1.50	\$235.77	AMERICAN PATRIOT OIL AND GAS INC
60	1, 2, 3, 4, 5, 6, 7, 9	17.N	35.E	16	All	640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
61	1, 2, 3, 4, 5, 6, 7, 10	17.N	36.E	36	All	640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
62	1, 2, 3, 4, 5, 6, 7, 10	17.N	37.E	36	All	640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
63	1, 2, 3, 4, 5, 6, 7, 10	17.N	38.E	36	All	640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
64	1, 2, 3, 4, 5, 6, 7, 9	18.N	33.E	16	All	640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
65	1, 2, 3, 4, 5, 6, 7, 10	18.N	33.E	36	All	640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
66	1, 2, 3, 4, 5, 6, 7, 9, 13	18.N	34.E	16	All	640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
67	1, 2, 3, 4, 5, 6, 7, 10, 13	18.N	35.E	36	E2NE4, SE4, E2SW4	320.00	\$1.50	\$480.00	AMERICAN PATRIOT OIL AND GAS INC

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Garfield									
68	1, 2, 3, 4, 5, 6, 7, 9	19.N	34.E	36	All	640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
Petroleum									
69	1, 2, 3, 4, 5, 6, 7, 11	15.N	29.E	16	All	640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
70	1, 2, 3, 4, 5, 6, 7, 11	16.N	28.E	36	All	640.00	\$1.50	\$960.00	AMERICAN PATRIOT OIL AND GAS INC
Prairie									
71	1, 2, 3, 4, 5, 6, 7, 10, 12	11.N	54.E	32	NE4	160.00	\$1.50	\$240.00	BIG SKY LAND AND TITLE
72	1, 2, 3, 4, 5, 6, 7, 10	11.N	54.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
73	1, 2, 3, 4, 5, 6, 7, 10	11.N	55.E	16	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
74	1, 2, 3, 4, 5, 6, 7, 10	11.N	55.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
75	1, 2, 3, 4, 5, 6, 7, 10, 13	12.N	55.E	16	All	* 640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
76	1, 2, 3, 4, 5, 6, 7, 10	12.N	55.E	28	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
77	1, 2, 3, 4, 5, 6, 10, 13	12.N	55.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE
78	1, 2, 3, 4, 5, 6, 7, 10	13.N	54.E	36	All	640.00	\$1.50	\$960.00	BIG SKY LAND AND TITLE

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

Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	35,291.60	78

Oil and Gas Lease Sale Summary

Total Tracts	78
Total Acres	35,291.60
Total Bid Revenue	\$52,937.40
Average Bid Per Acre	\$1.50

State of Montana
Oil & Gas Lease Sale - March 3, 2015
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 The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.
- 9 This lease is located within MT-DFWP sage grouse general habitat. Active sage grouse lek(s) is/are currently known to exist on or within two miles of this lease. Sage grouse lek distribution and status can change as new data is acquired. Proposed activities must comply with the Montana Sage Grouse Habitat Conservation Strategy and amendments thereto.
- 10 This lease is located within MT-DFWP sage grouse general habitat. Active sage grouse lek(s) is/are not currently known to exist on or within two miles of this lease. Sage grouse lek distribution and status can change as new data is acquired. Proposed activities must comply with the Montana Sage Grouse Habitat Conservation Strategy and amendments thereto.
- 11 This lease is located within MT-DFWP sage grouse core habitat. Active sage grouse lek(s) is/are currently known to exist on or within four miles of this lease. Sage grouse lek distribution and status can change as new data is acquired. Proposed activities must comply with the Montana Sage Grouse Habitat Conservation Strategy and amendments thereto.
- 12 Unless otherwise approved by the Department in writing, wells and related surface infrastructure, including new road construction, are prohibited within 1/2 mile of the centerline of a navigable river, lake or reservoir, and within 1/4 mile of direct perennial tributary streams of navigable waterways, on or adjacent to the tract. No surface occupancy is allowed within the bed of a river, stream, lake or reservoir, islands and accretions or abandoned channels.
- 13 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.

- 14 This lease includes areas that may be environmentally sensitive. Therefore, if the lessee intends to conduct any activities on the lease premises, the lessee shall submit to TLMD one copy of an Operating Plan or Amendment to an existing Operating Plan, describing in detail the proposed activities. No activities shall occur on the tract until the Operating Plan or Amendments have been approved in writing by the Director of the Department. TLMD shall review the Operating Plan or Amendment and notify the lessee if the Plan or Amendment is approved or disapproved.

After an opportunity for an informal hearing with the lessee, surface activity may be denied or restricted on all or portions of any tract if the Director determines in writing that the proposed surface activity will be detrimental to trust resources and therefore not in the best interests of the trust.

315-5

SALE OF CABIN AND HOME SITES:
PRELIMINARY APPROVAL FOR SALE

**Land Board Agenda Item
March 23, 2015**

315-5 Sale of Cabin and Home Sites: Preliminary Approval for Sale

Location: Flathead, Missoula Counties

Trust Benefits: Montana State University, Montana Tech

Trust Revenue: Appraisal to be completed after preliminary approval

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting preliminary approval of eleven home sites nominated for sale in Flathead and Missoula Counties. These sales were nominated by the lessees and DNRC in conjunction with the 2015 Pilot Cabin and Home Site Sale Program.

Sale #	# of Acres	Legal	Nominator	Trust
759	1.485	Lot 36 Echo Lake, Section 5, T27N-R19W Flathead County	Scott & Kathleen Edman	MT Tech
760	1.797	Lot 37 Echo Lake, Section 5, T27N-R19W Flathead County	Joyce Corbett, etal	MT Tech
761	3.462	Lot 44 Echo Lake, Section 5, T27N-R19W Flathead County	DNRC	MT Tech
762	2.977	Lot 45 Echo Lake, Section 5, T27N-R19W Flathead County	DNRC	MT Tech
763	1.914	Lot 6 Beaver Lake, Section 20, T31N-R22W Flathead County	Brian & Tracy Stoutjesdyk	MT Tech
764	2.238	Lot 5 Beaver Lake, Section 20, T31N-R22W Flathead County	DNRC	MT Tech
765	2.66	Lot 9A Morrell Flats, Section 14, T16N-R15W Missoula County	Stanley & Carol Wekkin	MSU
766	1.19	Lot 10 Morrell Flats, Section 14, T16N-R15W Missoula County	John & Elaine Christensen	MSU
767	1.67	Lot 11 Morrell Flats, Section 14, T16N-R15W Missoula County	Lila Davis & Guy Clatterbuck	MSU
768	2.73	Lot 9 Morrell Flats, Section 14, T16N-R15W Missoula County	DNRC	MSU
769	1.28	Lot 12 Morrell Flats, Section 14, T16N-R15W Missoula County	DNRC	MSU

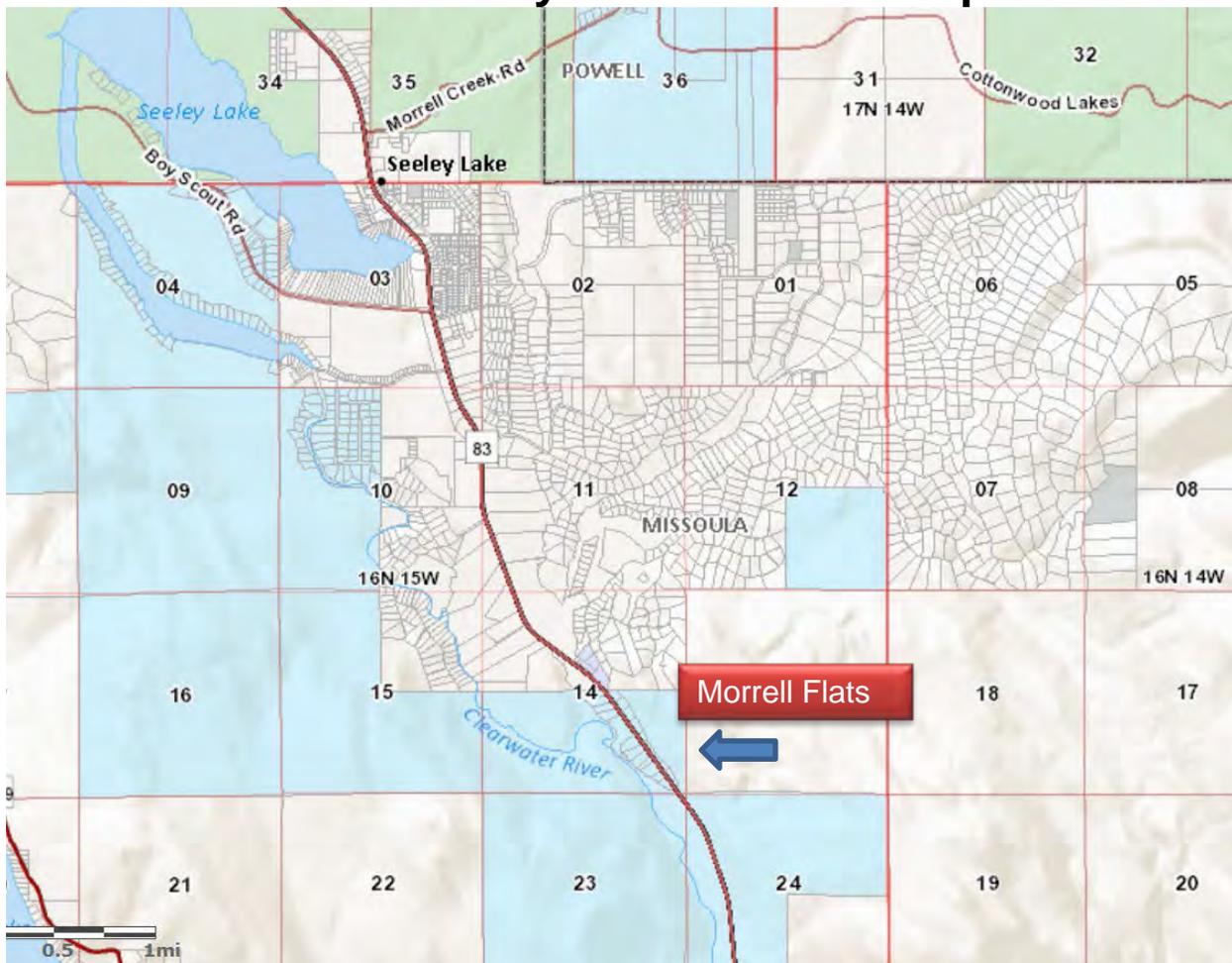
Sale parcels 759, 760, 763, 765, 766 and 767 are currently leased as cabin or home sites and produce an average income for residential leases statewide. Sale parcels 761, 762, 764, 768 and 769 are vacant and produce no income for trust beneficiaries.

Each parcel will be sold with the access that is currently provided to the current lessee under their lease agreement.

DNRC Recommendation

The director recommends that the Land Board give preliminary approval to sell these cabin sites.

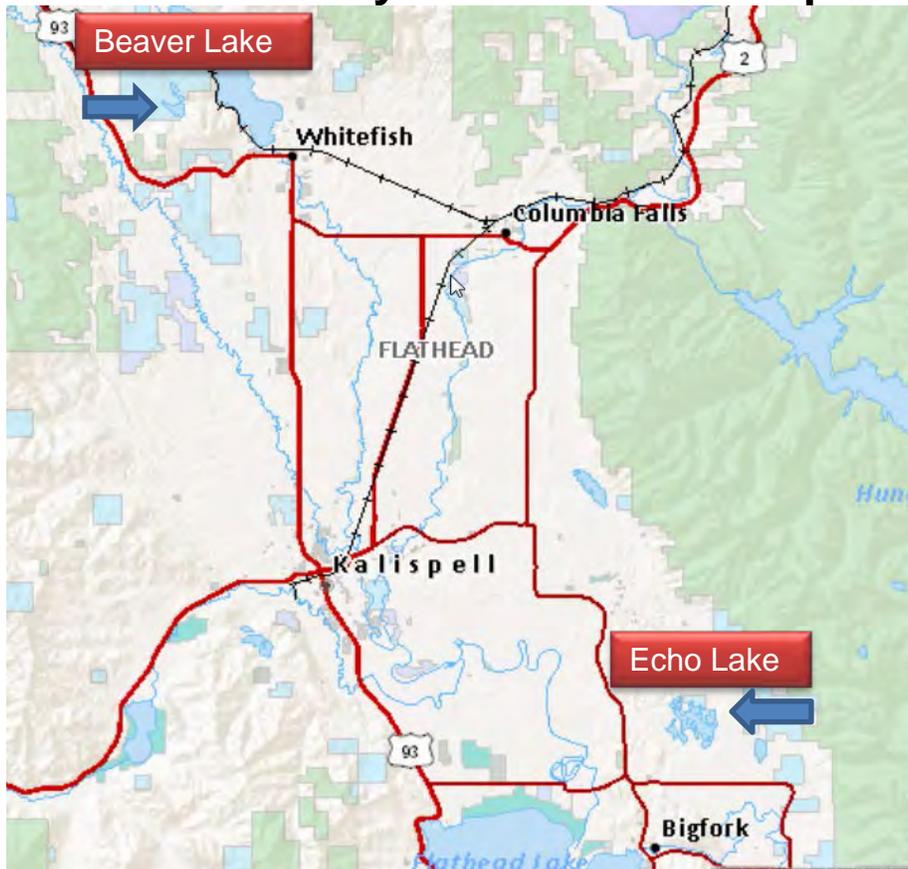
Missoula County Sale Location Map



Morrell Flats



Flathead County Sale Location Map



Echo Lake



Beaver Lake



315-6

SETTLEMENT AGREEMENT:

*DOAN v. SUNNY SLOPE GRAZING
ASSOCIATION, et al.*
(BVD-2012-702)

Land Board Agenda Item
March 23, 2015

315-6 **Settlement Agreement: *Doan v. Sunny Slope Grazing Association, et al.* (BDV-2012-702)**

Location: Lewis and Clark County

Trust Benefits: Common Schools

Trust Revenue: \$1,690

Item Summary

Robert and Lisa Doan brought suit in Doan v. Sunny Slope Grazing Ass'n, et al., Cause No. BDV-2012-702, Montana 1st Judicial District Court, in Lewis and Clark County, alleging that they had a right of access upon the Bear Creek Road as it runs across state of Montana school trust lands located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ and S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 34, Township 14 North, Range 9 West, MPM, in Lewis and Clark County, Montana, and seeking a variety of monetary damages and injunctive relief.

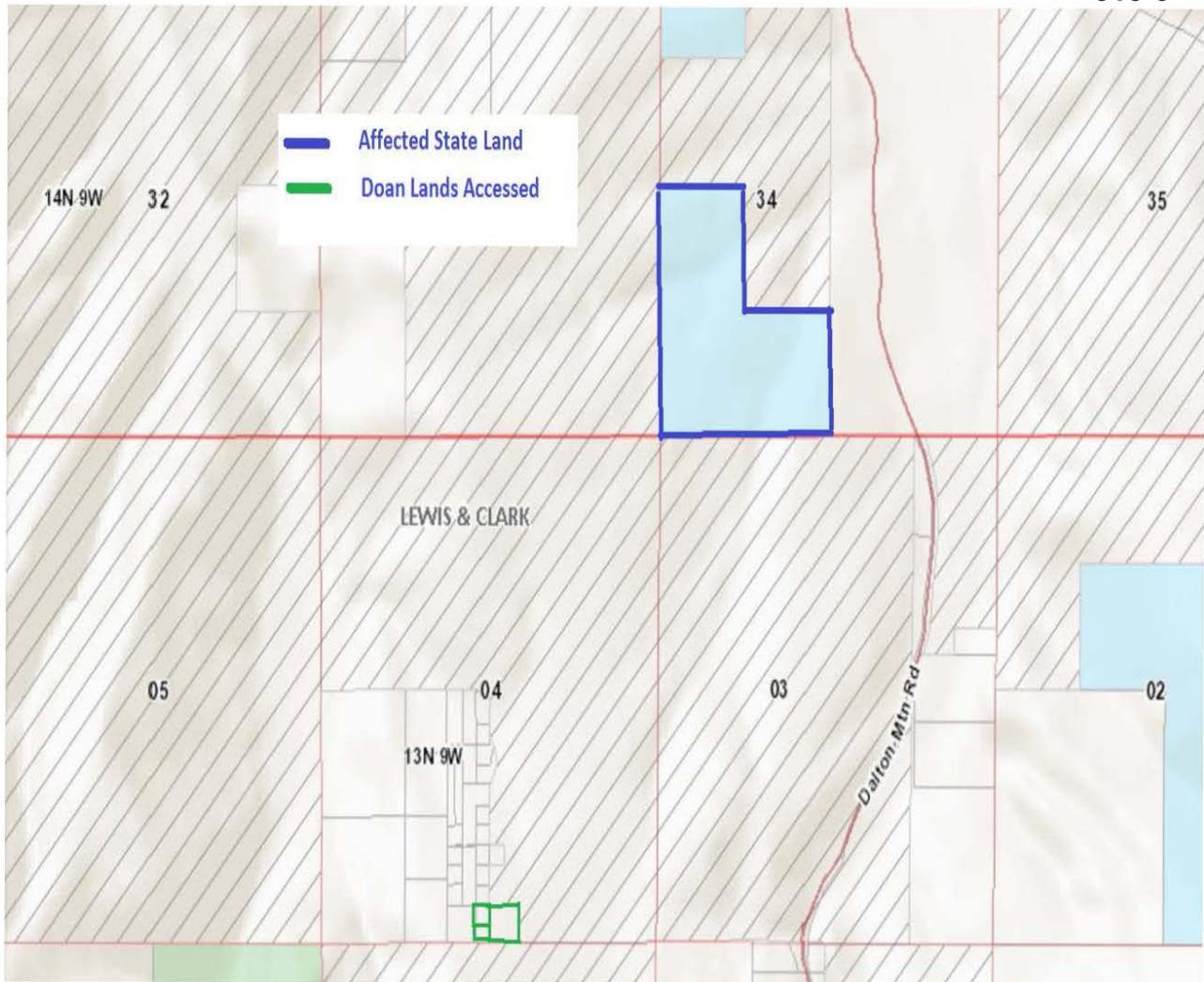
The Doans and the Department of Natural Resources and Conservation (DNRC) have proposed to settle all issues between them in this case by:

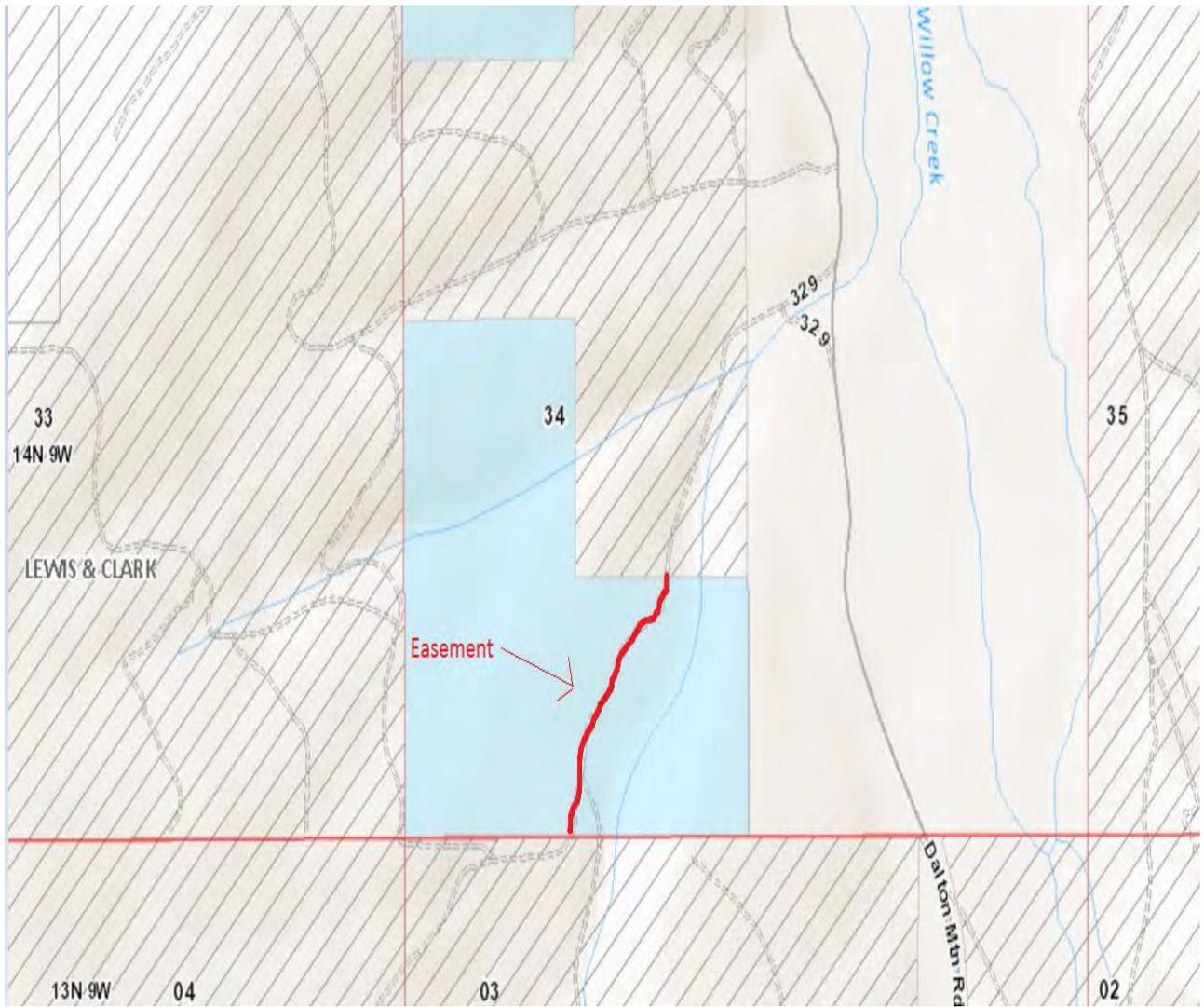
- the issuance by the state of an easement to the Doans in exchange for the Doans' payment of full market value for that easement (\$1,690);
- reciprocal issuance of a release of liability by each party to the other party; and
- a stipulation for dismissal of the action.

A copy of the proposed settlement agreement, proposed easement, and proposed stipulation for dismissal are included with this item.

DNRC Recommendation

The director recommends Land Board approval of the proposed settlement agreement, proposed easement, and proposed stipulation.





Tommy H. Butler
Valerie A. Balukas
Special Assistant Attorneys General
Montana Department of Natural
Resources and Conservation
P.O. Box 201601
Helena, MT 59620-1601
(406) 444-3776
tbutler@mt.gov

MONTANA FIRST JUDICIAL DISTRICT COURT, LEWIS AND CLARK COUNTY

ROBERT DOAN and LISA DOAN,)	
)	
Plaintiffs,)	Cause No. BDV-2012-702
)	
-vs-)	STIPULATION FOR
)	DISMISSAL WITH
SUNNY SLOPE GRAZING ASSOCIATION, INC.;)	PREJUDICE
DON PETIT, individually; THE MONTANA)	
DEPARTMENT OF NATURAL RESOURCES AND)	
CONSERVATION; and THOMPSON BROTHERS)	
RANCH COMPANY,)	
)	
Defendants.)	
_____)	

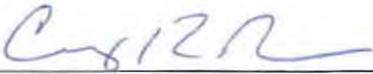
COME NOW the parties hereto, by counsel, and stipulate and agree that this action should be dismissed with prejudice because the above-captioned matter has been resolved by Settlement. Thus, the parties request that the Court enter its Order of Dismissal of this action with prejudice.

DATED this ____ Day of March, 2015.

**DEFENDANT, STATE OF MONTANA,
DEPARTMENT OF NATURA RESOURCES AND CONSERVATION**

By: _____
Tommy H. Butler
Special Assistant Attorney General

PLAINTIFFS, ROBERT L. DOAN and LISA DOAN

By: 
Cory Gangle

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release is entered into this 1st day of February, 2015, by and between **THE STATE OF MONTANA, DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION**, on behalf of **THE STATE BOARD OF LAND COMMISSIONERS**, P.O. Box 201601, Helena, Montana 59620-1601 (hereinafter cumulatively referred to as "the State") and **ROBERT DOAN** and **LISA DOAN**, P.O. Box 182, Lincoln, Montana 59639 (hereinafter cumulatively referred to as "the Doans").

Recitals

WHEREAS, the Doans filed a civil action in the Montana First Judicial District Court, in Lewis and Clark County, entitled Doan v. Sunny Slope Grazing Association, et al., Cause No. BDV-2012-702, (hereinafter referred to as "the Civil Action") which asserted in part that the Doans possessed a lawful right of access upon the Bear Creek Road running across State of Montana school trust lands located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ and S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 34, Township 14 North, Range 9 West, MPM, in Lewis and Clark County, Montana;

WHEREAS, the Department asserted in the Civil Action that the Doans possessed no right of access across the above-described State school trust lands;

WHEREAS, in the Civil Action, the Doans previously dismissed, with prejudice, all of their claims against the State of Montana except for their claim of a prescriptive easement right to cross the above-described State school trust lands in their "STIPULATION TO CLARIFY PLAINTIFFS' PENDING ISSUES WITH DEFENDANT STATE OF MONTANA (DNRC)" dated June 3, 2014; and

WHEREAS, in order to avoid continued dispute and the uncertainties and costs of litigation, the Parties hereby recognize and agree that it is in their respective best interests to settle, compromise, and resolve all issues and differences pertaining to the above-described Civil Action, and to memorialize their respective rights, duties, responsibilities and obligations.

NOW, THEREFORE, based on the foregoing and in full satisfaction of any and all possible disputes and claims arising out of the Civil Action, and in consideration and exchange for the mutual releases granted herein, and upon the terms, covenants and conditions stated below, the Parties hereby enter into this **SETTLEMENT AGREEMENT AND RELEASE** (hereinafter referred to as "this Agreement"):

1. Payment Sum: On or before March 1, 2015, the Doans shall pay to the Montana DNRC, One Thousand Six Hundred Ninety and no/100 Dollars (\$1,690.00) at the Montana DNRC, P.O. Box 201601, Helena, MT 59601. Such payment may be by check or wire transfer and delivered to the Department or the bank account designated by the Department.

2. Issuance of Easement: Upon receipt of the above-described payment sum from the Doans, the State Board of Land Commissioners shall grant a non-exclusive road access easement

to the Doans across the servient tenement State school lands located upon the Bear Creek Road running across the NW¼SW¼ and the S½SW¼ of Section 34, Township 14 North, Range 9 West, MPM, in Lewis and Clark County, Montana, for all lawful purposes, which shall be appurtenant to the following-described dominant tenement lands owned by the Doans:

Township 13 North, Range 9 West, P.M.M., Lewis and Clark County

Sec. 4: A one-acre tract identified as Lot 1 and described in Book M38 at Page 5489, records of Lewis and Clark County; and

A one-acre tract identified as Lot 2 and described in Book M42 at Page 5277, records of Lewis and Clark County; and

Tract B of COS 3064996 as described in Book M45 at Page 2139, records of Lewis and Clark County

The non-exclusive easement to be granted by the State shall be in the form as shown in **Exhibit "A"**, attached hereto and incorporated herein by reference.

3. Dismissal of Civil Action: Upon the execution of this Agreement, the legal counsel for the Parties shall jointly execute and file with the First Montana Judicial District Court a Stipulation dismissing the Civil Action between the Department and the Doans with prejudice: with such Stipulation to be in the form as shown in **Exhibit "B"**, attached hereto and incorporated herein by reference

4. Reciprocal Releases of Liability:

A. The State of Montana, Department of Natural Resources and Conservation, and the State Board of Land Commissioners, hereby release, acquit, and forever discharge the Doans, their predecessors, successors, assigns, employees, agents, or representatives of each and all of them, finally and completely, from any and all actions, causes of actions, and claims, whether known or unknown, arising out of or in any way related to their un-authorized use of the above-described State school trust lands, or the use of the Doans' dominant tenement lands; any other relief related to those 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-described servient or dominant tenement lands, whether known or unknown, resulting from any acts or omissions occurring prior to February 1, 2015.

B. The Doans hereby release, acquit, and forever discharge the State of Montana, the Montana Department of Natural Resources and Conservation, the State Board of Land Commissioners, their successors, assigns, officers, employees, agents, and representatives from any and all claims or causes of action that the Doans have or may have against the State, its officers, employees, agents, and representatives relating to: any hindrance to the use

of, or access across, the above-described State school trust lands, or hindrance to the use of the Doans' dominant tenement lands; any other relief related to those 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-described servient or dominant tenement lands, whether known or unknown, resulting from any acts or omissions occurring prior to February 1, 2015.

C. This compromise and release includes, without limitation, all claims, causes of action and liability, whether asserted or unasserted by the State or the Doans, relating to the above-described servient or dominant tenement lands occurring prior to February 1, 2015.

5. No Admission of Liability. It is understood that the above-mentioned settlement price is accepted as the sole consideration for full satisfaction and accord to compromise a disputed claim, and that neither the payment of the settlement price nor the negotiations for settlement shall be considered as an admission of liability.

6. Controlling Law and Venue: 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.

7. Assigns: 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 Doans and the Department.

8. Severability: 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.

9. Costs: 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.

10. Duty of Specific Performance: 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. 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.

11. Warranty: The Department and the Doans individually warrant that their respective signatory executing this Agreement has all necessary power to execute and deliver such a document and that this Agreement constitutes a valid, binding agreement, enforceable in accordance with its terms.

12. Merger clause: This Agreement constitutes the entire agreement between the Parties and

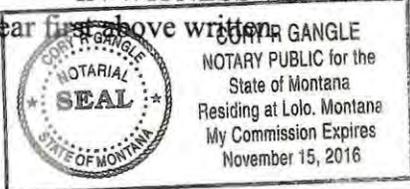
the provisions of this Agreement are contractual in nature and not merely recitals. This Agreement shall not be modified or amended except by an instrument in writing signed by the Department and the Doans.

DATED: 2-13-15 By: Robert L. Doan
Robert L. Doan

STATE OF MONTANA)
: ss.
County of Missoula)

On the 13th day of February 2015, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Robert L. Doan, known to me to be the person who executed the within instrument and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal the day and year first above written.



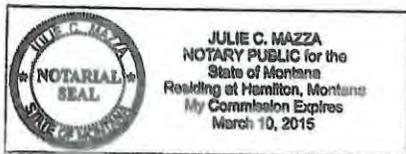
Cory R Gangle
Printed or typed name: _____
Notary Public for the State of Montana
(SEAL) Residing at _____, Montana
My commission expires: _____

DATED: 2-12-15 By: Lisa Doan
Lisa Doan

STATE OF MONTANA)
: ss.
County of Missoula Ravalli)

On the 12th day of February 2015, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Lisa Doan, known to me to be the person who executed the within instrument and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal the day and year first above written.



Julie C. Mazza
Printed or typed name: Julie C. MAZZA
Notary Public for the State of Montana
(SEAL) Residing at Hamilton, Montana
My commission expires: 3-10-2015

Application No. xxxxx
 Affecting a 30-foot strip through
 NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ Sec. 34, Twp. 14N, Rge.
 9W, Lewis & Clark County, Montana

EASEMENT NO. D-

EASEMENT GRANT

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF MONTANA

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Know ye that the State of Montana (hereinafter referred to as "Grantor"), in consideration of the sum of One Thousand Six Hundred Ninety and No/100 Dollars (\$1,690.00), now paid, grants to Robert Doan and Lisa Doan (hereinafter referred to as "Grantee") an easement upon and across lands of the Grantor (the Servient Tenement) for a private access road to three (3) single-family residences and associated outbuildings and to conduct normal farming, ranching and timber management activities, as follows:

Servient Tenement:

Township 14 North, Range 9 West, P.M.M., Lewis & Clark County

Sec. 34: 30-foot strip through NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$

Containing 1.13 acres, more or less, as shown and depicted on the Exhibit attached hereto and made a part hereof.

The grant of this easement is subject to the following conditions:

The Grantee shall comply with the Montana Antiquities Act, Title 22, Chapter 3, MCA. In particular, Section 22-3, Parts 4 and 8.

It is also agreed that the Grantee shall comply with such rules or regulations as may be hereafter imposed by the State Board of Land Commissioners to insure that the environment will be adequately protected and the public health and safety not be endangered.

Provided, however, that the easement granted herein is not exclusive and Grantee shall not interfere with the Grantor and its successors, assigns, lessees or other parties authorized to use State lands, in their right, at all times to go upon, cross and re-cross the land covered by said easement and any road thereon, at any point, for any and all purposes in a manner that will not unreasonably interfere with the rights granted to the Grantee.

Provided, further, that this easement is granted under the express condition that the Grantee's exercise of the rights herein granted shall not interfere with the Grantor's use of the adjacent land.

Provided, further, that permission must be obtained in writing, from the Director, Department of Natural Resources and Conservation,

prior to the construction of any improvements in the easement area herein granted.

This easement is intended to provide Grantee access to their private lands, hereinafter referred to as the Dominant Tenement, described as

Township 13 North, Range 9 West, P.M.M., Lewis and Clark County

Sec. 4: A one-acre tract identified as Lot 1 and described in Book M38 at Page 5489, records of Lewis and Clark County; and

A one-acre tract identified as Lot 2 and described in Book M42 at Page 5277, records of Lewis and Clark County; and

Tract B of COS 3064996 as described in Book M45 at Page 2139, records of Lewis and Clark County

for the purpose of private, non-commercial access to three (3) single-family residences and associated outbuildings, one residential unit and associated outbuildings per tract of the Dominant Tenement described above, and for conducting normal farming, ranching and timber management purposes. This easement does not provide access for the construction or operation of any restaurant, bar, hotel, motel, office space, storage space, shopping center, or any structure of public accommodation. No additional or expanded use is authorized pursuant to this easement.

The parties recognize that under common law, easements run with the land. However, under ARM 36.25.135(3), any easement issued by the State of Montana DNRC after January 16, 1987, may not be transferred or assigned without being approved by DNRC. Therefore, while DNRC approval is required to effect the transfer of this easement to a third party upon the sale of one or more of the properties for which this easement applies, DNRC covenants and agrees that consent to transfer the easement will not be unreasonably withheld.

If the easement is assigned in part; or there is more than one assignee; or the grantee proposes to subdivide and create a tract or tracts of record from property served by this easement, a Road User's Association must be established, the assignment of the easement to the Road Users Association must be amended to include the new tract(s), and a road maintenance plan must be developed by the grantee and submitted for review and approval by the Grantor prior to approval of the assignment by the Grantor. If the grantee, or a member of the grantee which is a road user's association proposes to subdivide and create a tract or tracts of record that also requires subdivision approval by a local governing body, the Grantee shall provide notice to the Grantor no less than thirty (30) days prior to submittal of the subdivision proposal to the local governing body for consideration. Grantor will not approve an assignment until such time as the local governing body has granted final plat approval. The foregoing notwithstanding, the Grantor's approval of the assignment of this easement shall not be withheld so long as the Grantee is in compliance with the terms and conditions of this Easement.

Failure to fully comply with any portion of this section shall be considered a material breach of the conditions of this easement and is cause for termination as provided below. All assignees shall be subject to the terms and conditions of this easement.

A conveyance fee of one percent (1%) of the sales price, or one percent (1%) of the fair market value, as determined by the Grantor, shall be paid when: (1) the Grantee, a member of a Grantee road association or successor in interest sells anything less than its entire interest in the existing tract or tracts of record described above as the dominant tenement benefited by the easement; or, (2) the Grantee, a member of a Grantee road association, or a successor in interest creates a new tract or tracts from an existing tract of record described above as the dominant tenement.

Once a tract of record has been created, included in the road users association, and a conveyance fee paid, future conveyance fees will not be required unless the tract of record is further subdivided.

The conveyance fee must be paid at the time of the closing of the sale of an existing tract of record that is part of the dominant tenement described above along with partial assignment of the easement rights; or by the creation of a new tract or tracts of record by subdivision of an existing tract or tracts of record. In the case of any action by Grantee that alters the legal description of and that increases the burden on those lands benefited by this easement, including but not limited to a subdivision, the payment of the conveyance fee shall occur prior to filing a final subdivision plat, certificate of survey or other document(s) that purport to or do alter the legal description of and increase the burden on the property benefited by this easement.

The Grantee shall be responsible for controlling any noxious weeds introduced by Grantee's activity on State-owned land. The Grantee's methods of control must be reviewed by the Grantor's Area Field Office that has jurisdiction for that locale.

The Grantee shall comply with the Montana County Noxious Weed Management Act, Section 7-22-2101 MCA et. seq., as follows:

The Grantee shall notify the local weed board that is responsible for that geographical area that the project is located in. If the Grantee disturbs vegetation for any reason, Grantee shall be required to revegetate the disturbed area. The Grantee shall submit to the local weed board a written plan specifying the methods to be used to accomplish revegetation. The plan must describe the time and method of seeding; fertilization, recommended plant species, use of weed-free seed, and the weed management procedures to be used. This plan is subject to approval by the local weed board, and therefore must be signed by the chairman of the board. Upon termination of this easement, Grantee shall reclaim the entire area in accordance with this paragraph.

Provided, further, Grantee agrees to join a Road User's Association should the State grant additional easements upon and across the road described herein. Failure to comply with this stipulation will constitute a material breach of this easement and shall be cause for termination of rights granted herein.

Provided, further, the Servient Tenement is located within non-recovery grizzly bear habitat and managed under a Habitat Conservation Plan between the State of Montana and the United States Fish and Wildlife Service. Grantee is strictly prohibited from removing or altering any existing vegetation cover upon the Servient Tenement. **The Grantor, DNRC, reserves the right to place gates, at its sole expense, upon the above-described access route, provided that copies of keys or combinations to locks are also given to the Grantee.**

Provided, further, in the event the road becomes impassable due to weather conditions Grantee's method of access shall be restricted to vehicle use fit for the conditions. For example, if the road is impassable due to snow Grantee's mode of access shall only be through use of skis, snowshoes, snowmobile or tracked ATV. Grantee must stay within the road easement area when using these any of these methods to access the dominant tenement described above.

Provided, further, that Grantee shall provide maintenance to the road equal to Grantee's proportionate share of the use of the road. Maintenance shall be in compliance with Best Management Practices. Grantee is prohibited from use of heavy equipment and road maintenance activities from April 1 to June 15 of every year to minimize disturbance in spring grizzly bear habitat and shall seek approval from Grantor's Clearwater Unit Office a minimum of 30 days prior to commencement of any maintenance activities on the road.

Provided further, the State of Montana reserves the right to relocate the road to the extent necessary to accommodate management needs.

Provided, that Grantor may terminate this easement for a material breach of any of the conditions or provisions of this deed. Before termination, the Board shall give Grantee written notice of intent to terminate and a reasonable period to cure the breach.

It is further provided that whenever said lands herein granted as a easement shall cease to be used for such purpose, the easement shall terminate upon notice to that effect being given to the said grantee named herein.

IN TESTIMONY WHEREOF, the State of Montana has caused these presents to be executed by the Governor, and to be attested by the Secretary of State, and countersigned by the Director, Department of Natural Resources and Conservation, and the Great Seal of the State, and the Seal of the State Board of Land Commissioners to be hereunto affixed this _____ day of _____, A.D. 2015.

.....
Governor of the State of Montana

ATTEST:

.....
Secretary of State

Countersigned by:

.....
Director, Department of Natural Resources and Conservation

Accepted and Approved:

.....
Robert L. Doan
Robert L. Doan, Grantee

.....
Lisa Doan
Lisa Doan, Grantee

STATE OF MONTANA)
 : ss.
County of Ravalli)

This instrument was signed and acknowledged before me on the 12th day of February, 2015, by Robert L. Doan and Lisa Doan only

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

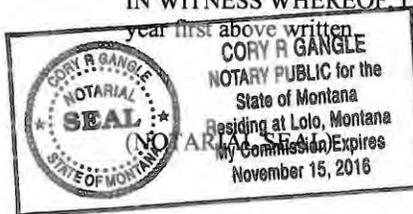


Notary Signature: *Julie C. Mazza*
Printed Name: Julie C. MAZZA
Notary Public for the State of Montana
Residing at: Hamilton MT
My Commission expires: 3-10, 2015

STATE OF MONTANA)
 : ss.
County of Missoula)

This instrument was signed and acknowledged before me on the 13th day of February, 2015, by Robert L. Doan.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and



Notary Signature: [Signature]
Printed Name: _____
Notary Public for the State of Montana
Residing at: _____
My Commission expires: _____, 20__

315-7

EASEMENTS

A. Easements

B. Easements: Pipeline

**Land Board Agenda Item
March 23, 2015**

315-7A Easements

Location: Dawson, Fallon, Flathead, Gallatin, Park, Richland, Sanders Counties

Trust Benefits: Common Schools, Public Land Trust – Navigable Rivers

**Trust Revenue: Common Schools = \$403,455
Public Land Trust = \$11,685**

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
Plains Pipeline LP	Existing Crude Oil Utility	30-Year	1-7
Thomas E. Elliott Trust	New Private Access Road	Permanent	8-9
Dawson County	Historic Public Access Road	Permanent	10-14
Sanders County	New River Bridge	Permanent	15-16
City of Kalispell	New City Street Construction	Permanent	17,19, 21
Department of Transportation	New Highway Construction and Pedestrian/Bike Path	Permanent	18, 20-23
NorthWestern Corporation d/b/a NWE	New Electric Utility	Permanent	24-38

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Plains Pipeline LP PO Box 4648 Houston TX 77210-4648
Application No.:	16666
R/W Purpose:	a 8", 6" and 4" buried crude oil pipeline
Lessee Agreement:	ok
Acreage:	4.66
Compensation:	\$28,697.00
Legal Description:	30-foot strip through S2S2, Sec. 16, Twp. 24N, Rge. 55E, Richland County
Trust Beneficiary:	Common Schools

Item Summary

Plains Pipeline LP has made application for a 8", 6" and 4" crude oil pipeline. The pipeline was previously authorized to be installed through a land use license in 2004 and this application is to convert the license to a 30-year term easement. Plains Pipeline LP has offered compensation in the amount of \$70/rod which is consistent with other installations in the area.

DNRC Recommendation

The director recommends approval of a 30-year term easement for this crude oil pipeline.

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Plains Pipeline LP
PO Box 4648
Houston TX 77210-4648

Application No.: 16667
R/W Purpose: a 6" buried crude oil pipeline
Lessee Agreement: ok
Acreage: 3.63
Compensation: \$22,389.00
Legal Description: 30-foot strip through SE4SE4, N2SE4, W2NE4,
Sec. 16, Twp. 24N, Rge. 56E,
Richland County

Trust Beneficiary: Common Schools

Item Summary

See page 1

DNRC Recommendation

See page 1

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Plains Pipeline LP PO Box 4648 Houston TX 77210-4648
Application No.:	16668
R/W Purpose:	a 8" buried crude oil pipeline
Lessee Agreement:	ok
Acreage:	1.27
Compensation:	\$7,793.00
Legal Description:	30-foot strip through S2SE4, Sec. 16, Twp. 24N, Rge. 58E, Richland County
Trust Beneficiary:	Common Schools

Item Summary

See page 1

DNRC Recommendation

See page 1

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Plains Pipeline LP PO Box 4648 Houston TX 77210-4648
Application No.:	16669
R/W Purpose:	a 6" buried crude oil pipeline
Lessee Agreement:	ok
Acreage:	5.93
Compensation:	\$36,516.00
Legal Description:	30-foot strip through E2SE4, S2NE4, E2NW4, NW4NW4, Sec. 36, Twp. 25N, Rge. 53E, Richland County
Trust Beneficiary:	Common Schools

Item Summary

See page 1

DNRC Recommendation

See page 1

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Plains Pipeline LP PO Box 4648 Houston TX 77210-4648
Application No.:	16670
R/W Purpose:	a 6" and 4" buried crude oil pipeline
Lessee Agreement:	ok
Acreage:	8.84
Compensation:	\$54,452.00
Legal Description:	30-foot strip through E2W2, N2NE4, S2SE4, Sec. 36, Twp. 25N, Rge. 54E, Richland County
Trust Beneficiary:	Common Schools

Item Summary

See page 1

DNRC Recommendation

See page 1

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Plains Pipeline LP PO Box 4648 Houston TX 77210-4648
Application No.:	16671
R/W Purpose:	a 10" buried crude oil pipeline
Lessee Agreement:	ok
Acreage:	1.69
Compensation:	\$10,382.00
Legal Description:	30-foot strip through Lots 3 & 4, SW4SW4, Sec. 36, Twp. 26N, Rge. 59E, Richland County
Trust Beneficiary:	Common Schools

Item Summary

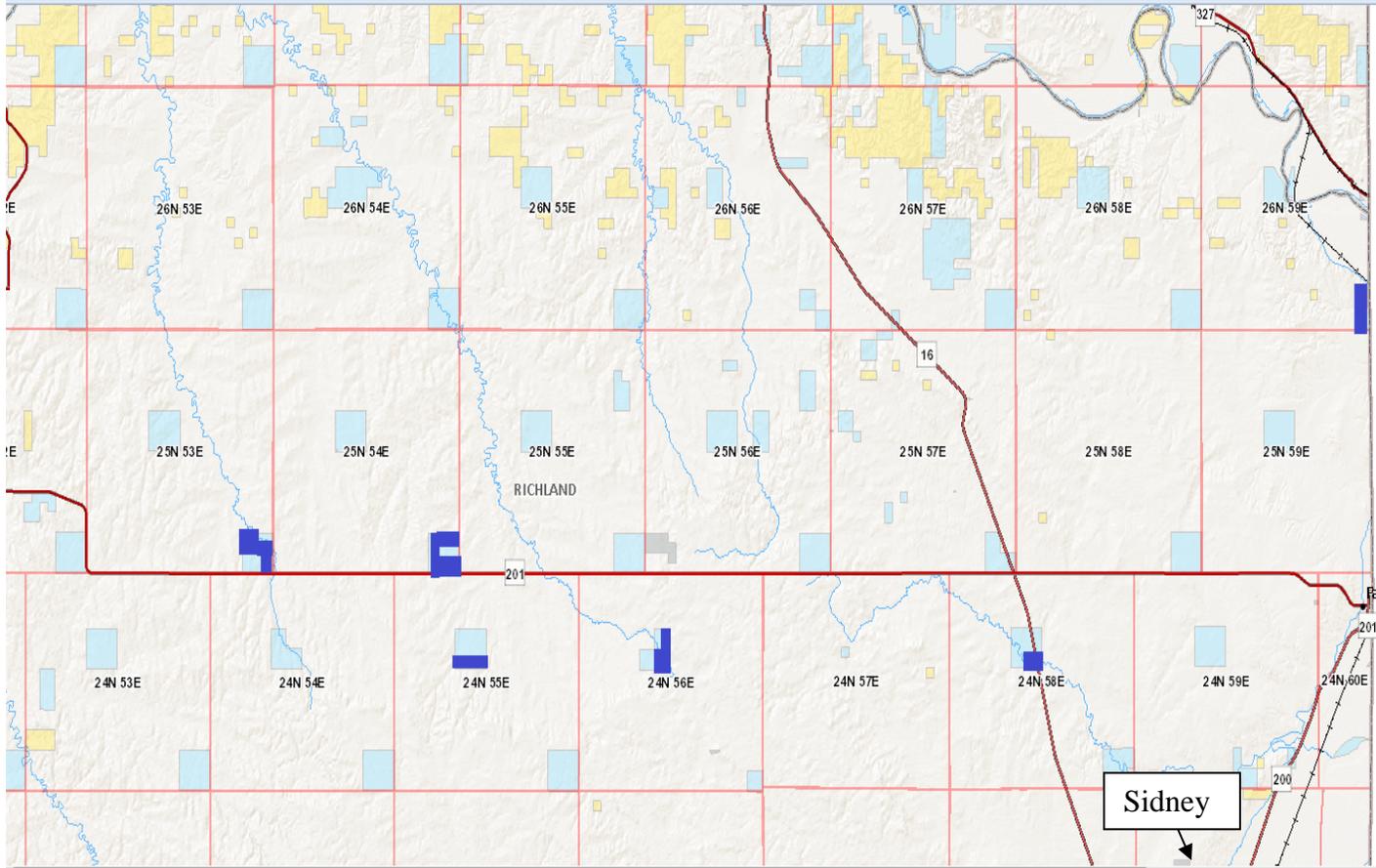
See page 1

DNRC Recommendation

See page 1

Rights of Way Applications

March 16, 2015



Applications 16666 - 16671

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Thomas E. Elliott Revocable Living Trust
22 NW Shasta Place
Bend OR 97701-2655

Application No.: 16717
R/W Purpose: a private access road to two family residences and associated outbuildings and for conducting normal farming and ranching operations

Lessee Agreement: ok
Acreage: 0.14
Compensation: \$490.00
Legal Description: 30-foot strip through SW4SW4, Sec. 16, Twp. 2S, Rge. 11E, Park County
Trust Beneficiary: Common Schools

Item Summary

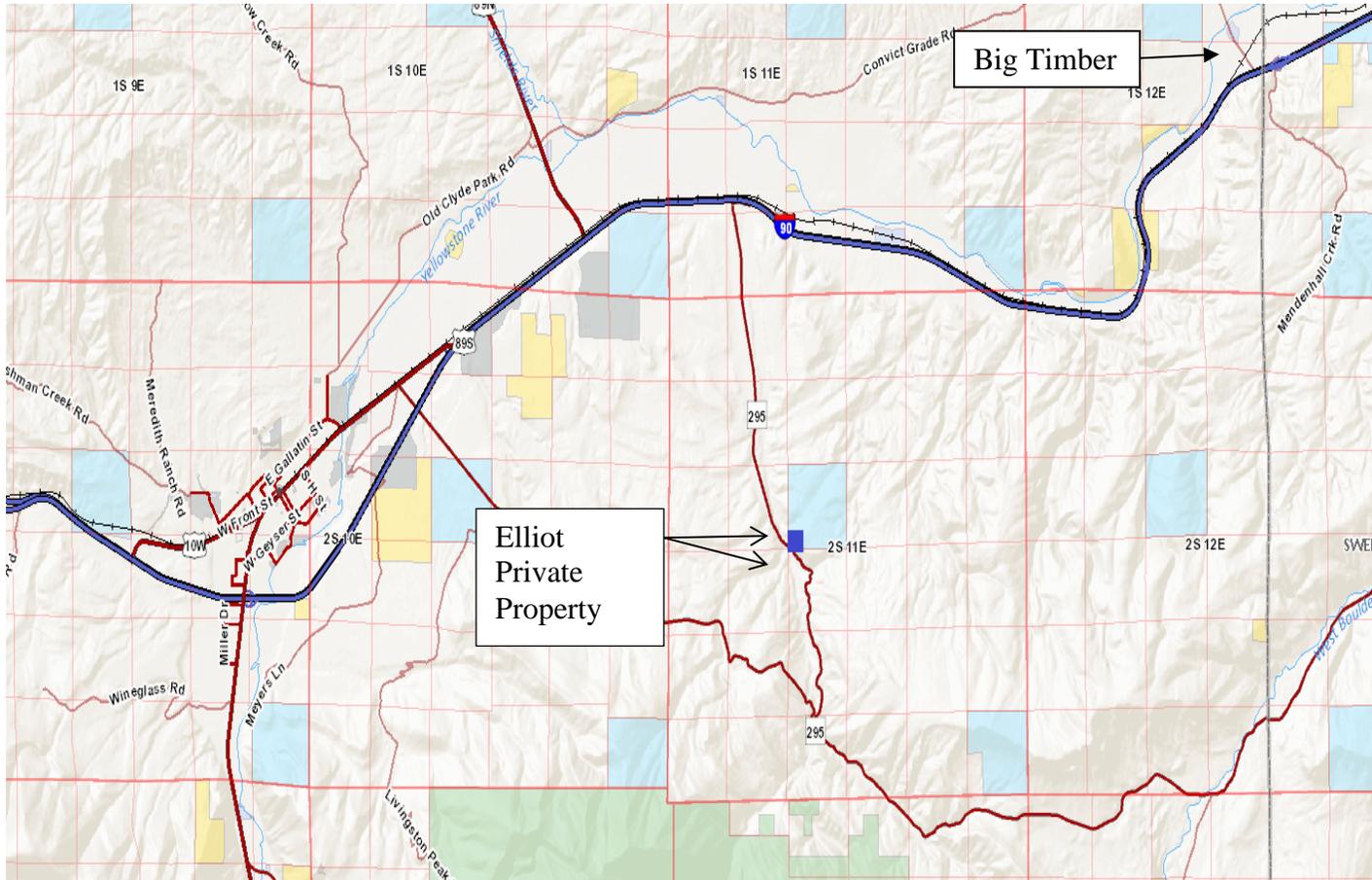
Thomas E. Elliott Trust previously submitted application for a historic right of way on a road that is the primary access to his residence. Upon DNRC, review it was not clear whether the road actually encroached on state land as their appears to be a conflict in the original Government Land Survey and subsequent land surveys conducted in later years. An independent surveyor offered an opinion to DNRC that it appeared, in fact, that the Government Land Office survey notes were likely in error and the newer surveys more accurate. For this reason, DNRC determined that the applicant could proceed with an easement application; however, a statement will be placed within the easement document that should any subsequent survey determine that the road location is not on State lands, the easement will automatically terminate and the compensation paid to the state will not be eligible for refund. The applicant has agreed to such terms. The private property to be accessed is described as being the SE4SE4 of Section 17, and NE4NE4 of Section 20, Township 2S, Range 11E.

DNRC Recommendation

The director recommends approval of this private access road application.

Rights of Way Applications

March 16, 2015



Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Dawson County 207 W Bell Glendive MT 59330
Application No.:	16725
R/W Purpose:	a public county road known as Road 526
Lessee Agreement:	N/A (Historic)
Acreage:	4.55
Compensation:	\$796.00
Legal Description:	30-foot strip through SE4SE4, Sec. 24 and E2E2, Sec. 36, Twp. 20N, Rge. 56E, Dawson County
Trust Beneficiary:	Common Schools

Item Summary

Dawson County has made application for this county road that was constructed on state lands many years ago without proper authorization from the Land Board. Pursuant to 77-1-130, MCA, the county is requesting recognition of this road as an historic right of way.

DNRC Recommendation

The director recommends approval of this historic right of way for Dawson County.

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Dawson County 207 W Bell Glendive MT 59330
Application No.:	16727
R/W Purpose:	a public county road known as Road 549
Lessee Agreement:	N/A (Historic)
Acreage:	14.85
Compensation:	\$2600.00
Legal Description:	60-foot strip through Government Lot 2, SW4NE4, Sec. 2, Twp. 19N, Rge. 56E; NW4NE4, E2NE4, Sec. 16 & N2NW4, W2NE4, SE4NE4, NE4SE4, Sec. 25, Twp. 21N, Rge. 55E, Dawson County
Trust Beneficiary:	Common Schools

Item Summary

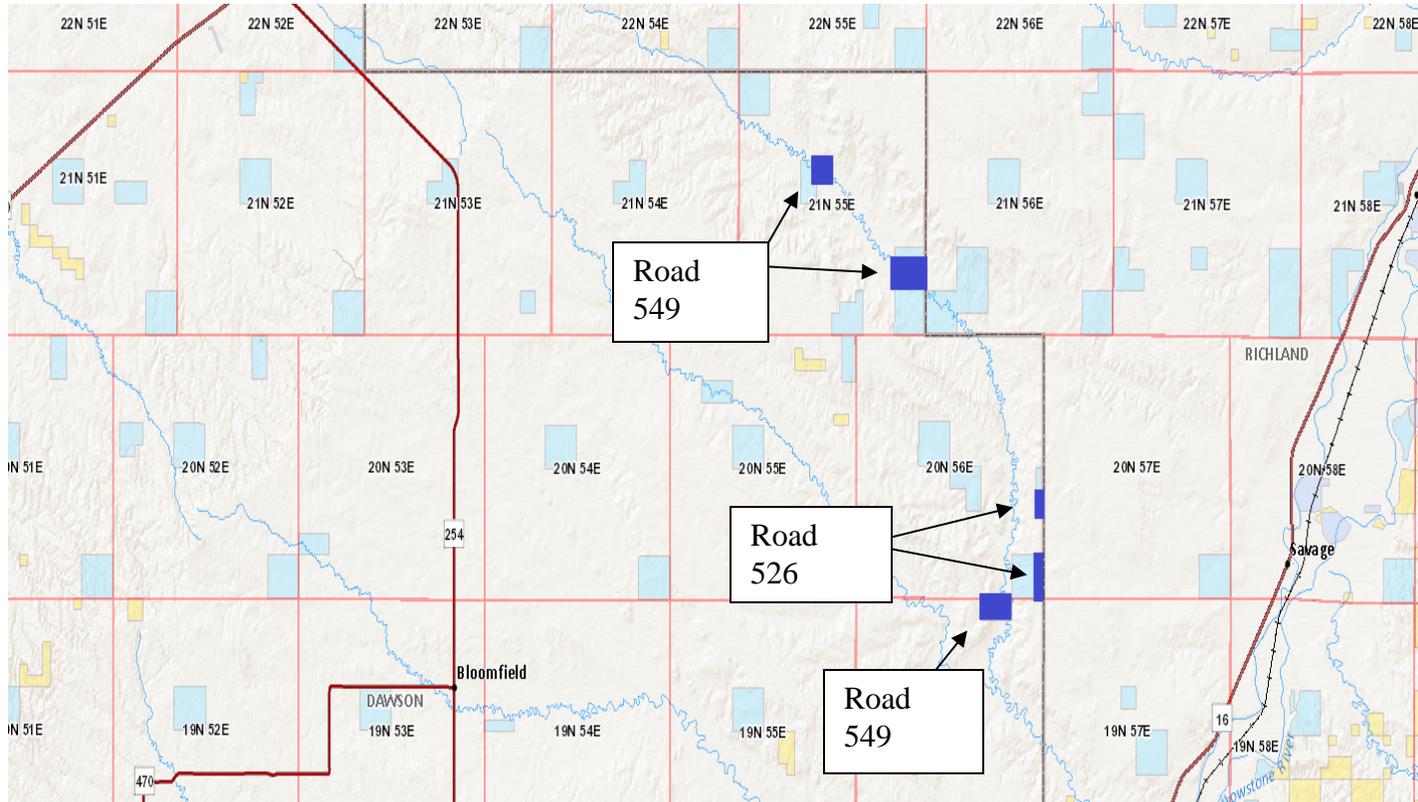
See page 10

DNRC Recommendation

See page 10

Rights of Way Applications

March 16, 2015



Applications 16725 & 16727

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Dawson County 207 W Bell Glendive MT 59330
Application No.:	16728
R/W Purpose:	a public county road known as Road 448
Lessee Agreement:	N/A (Historic)
Acreage:	1.89
Compensation:	\$378.00
Legal Description:	60-foot strip through W2SW4, Sec. 36, Twp. 18N, Rge. 52E, Dawson County
Trust Beneficiary:	Common Schools

Item Summary

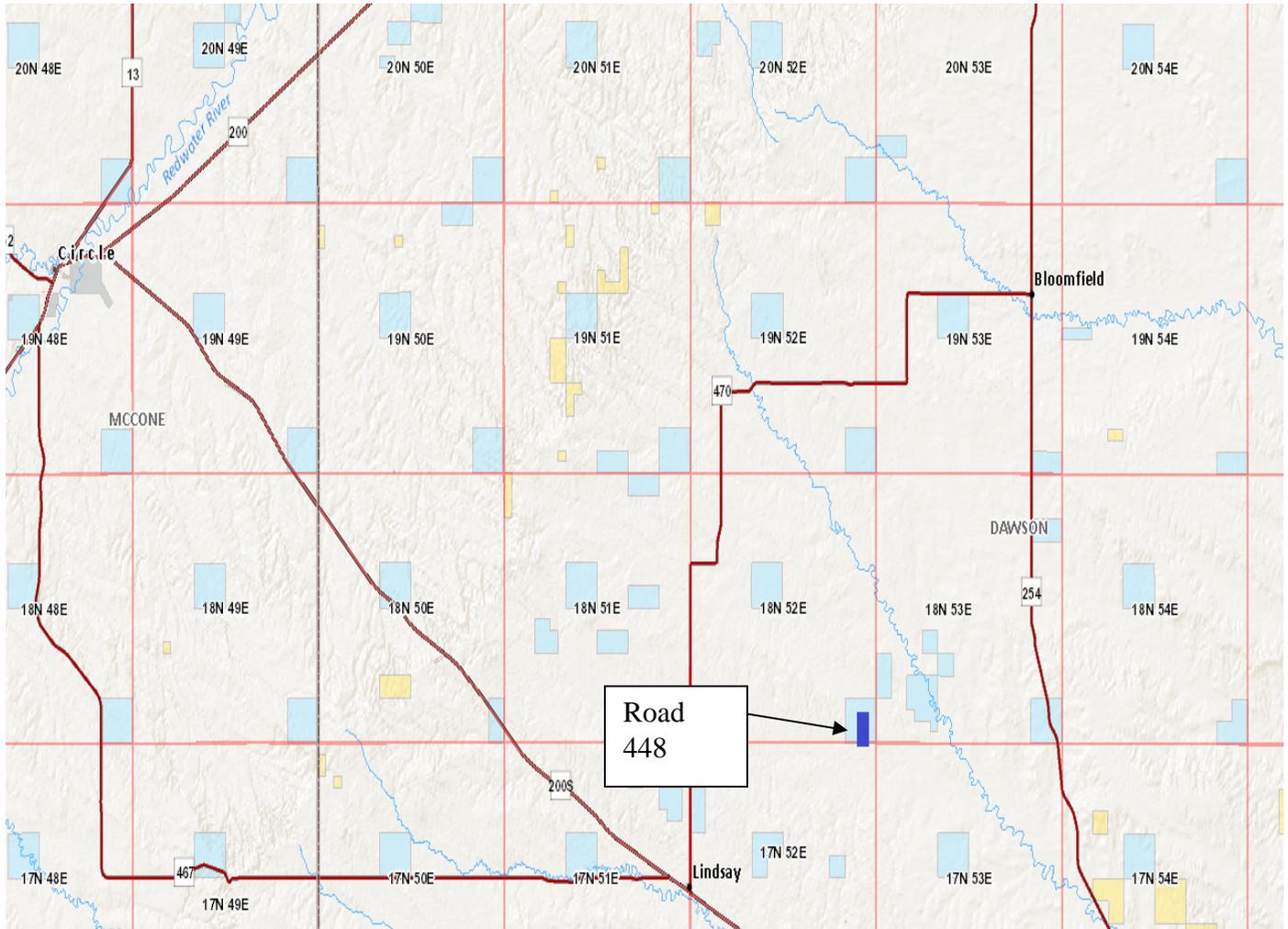
See page 10

DNRC Recommendation

See page 10

Rights of Way Applications

March 16, 2015



Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Sanders County PO Box 519 Thompson Falls MT 59873
Application No.:	16856
R/W Purpose:	bridge/highway construction and maintenance including occupancy by public utilities
Lessee Agreement:	ok
Acreage:	0.56
Compensation:	\$9695.00
Legal Description:	tract of land across the Clark Fork River lying between Government Lots 8 & 9, Sec. 28, Twp. 27N, Rge. 34W, Sanders County
Trust Beneficiary:	Public Land Trust

Item Summary

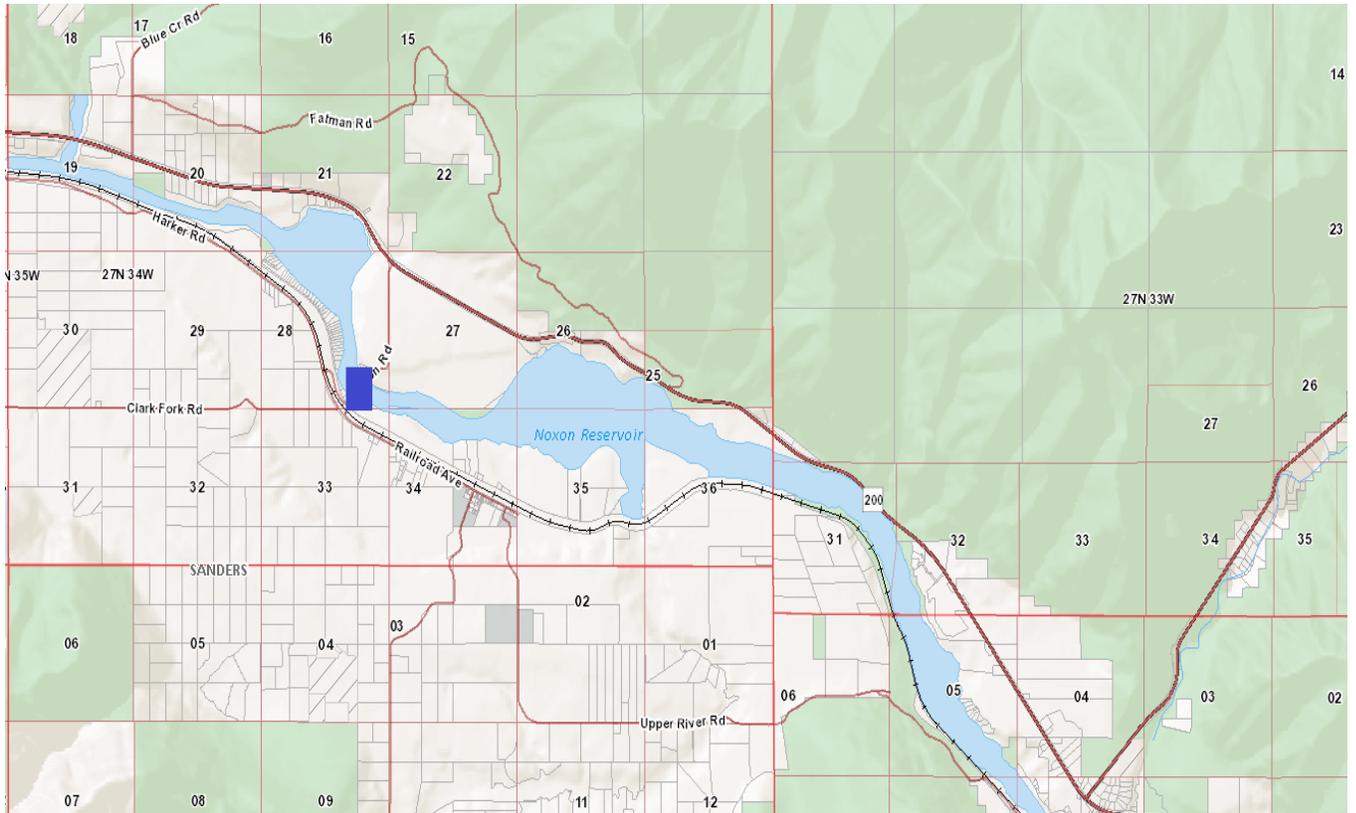
On behalf of Sanders County, the Montana Department of Transportation (MDT) has made application for bridge/highway construction and maintenance including occupancy by public utilities. The scope of the project is to replace the existing bridge and to improve roadway geometrics with connections to the existing roadway. Improvements to signing and guardrail along an existing horizontal curve approximately 400 feet east of the end connection will be included in the project. The new bridge and partial realignment of the existing roadway will allow for a speed limit increase to 35 miles per hour, improving the existing conditions while limiting the impact to the surrounding property and character of the adjacent neighborhood. The fundamental purpose of this project is to improve the safety and drivability of this roadway for the travelling public.

DNRC Recommendation

The director recommends approval of this bridge across the Clark Fork River.

Rights of Way Applications

March 16, 2015



Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	City of Kalispell PO Box 1997 Kalispell MT 59903
Application No.:	16858
R/W Purpose:	city street construction and maintenance including occupancy by public utilities
Lessee Agreement:	ok
Acreage:	1.61
Compensation:	\$28,578.00
Legal Description:	tract of land in the SE4SW4, SW4SE4, Sec. 36, Twp. 29N, Rge. 22W, Flathead County
Trust Beneficiary:	Common Schools

Item Summary

The city of Kalispell has made application for highway construction and maintenance including occupancy by public utilities for a project known as 4 Mile Drive. The scope of the project is to construct a new roadway that connects Stillwater Road to the Kalispell Bypass and then from the Bypass to Highway 93. The project will include installation of curb and gutter, drainage features, lighting and signage, pavement markings, and upgrades the infrastructure along the length of the projects. The fundamental purpose of the project is to relieve roadway congestion in the Kalispell area and along U.S. Highway 93 in anticipation of future grow in the area. Further, the project will improve safety and drivability for the traveling public in the Stillwater Road, Kalispell Bypass, and 4 Mile Drive corridor of the state highway transportation system.

DNRC Recommendation

The director recommends approval of this city street construction project.

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Department of Transportation PO Box 201001 Helena MT 59620
Application No.:	16859
R/W Purpose:	highway construction and maintenance including occupancy by public utilities
Lessee Agreement:	ok
Acreage:	0.45
Compensation:	\$15,975.00
Legal Description:	tract of land in the SW4SW4, Sec. 36, Twp. 29N, Rge. 22W, Flathead County
Trust Beneficiary:	Common Schools

Item Summary

MDT has made application for further construction of the Kalispell Bypass. The scope of the project is to construct a new roadway that connects Stillwater Road to the Kalispell Bypass. The project will include installation of curb and gutter, drainage features, lighting and signage, pavement markings, and upgrades to infrastructure along the length of the project. The fundamental purpose of this project is to relieve roadway congestion in the Kalispell area and along U.S. Highway 93 in anticipation of future growth in the area. Further, this project will improve safety and drivability for the traveling public in the Stillwater Road, Kalispell Bypass, and 4 Mile Drive corridor of the state highway transportation system.

DNRC Recommendation

The director recommends approval of this bypass project.

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	City of Kalispell PO Box 1997 Kalispell MT 59903
Application No.:	16860
R/W Purpose:	city street and maintenance including occupancy by public utilities
Lessee Agreement:	ok
Acreage:	1.79
Compensation:	\$63,545.00
Legal Description:	tract of land in the SW4SW4, Sec. 36, Twp. 29N, Rge. 22W, Flathead County
Trust Beneficiary:	Common Schools

Item Summary

See page 17

DNRC Recommendation

See page 17

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Department of Transportation PO Box 201001 Helena MT 59620
Application No.:	16861
R/W Purpose:	public bike and pedestrian pathway
Lessee Agreement:	ok
Acreage:	0.96
Compensation:	\$121,272.00
Legal Description:	tract of land in the SW4NW4, SW4NE4, Sec. 36, Twp. 29N, Rge. 22W, Flathead County
Trust Beneficiary:	Common Schools

Item Summary

MDT has made application for a bike and pedestrian path which is associated with the Kalispell Bypass and 4 Mile Drive projects. The scope of the project is to construct a public pathway alongside the southern phase of the Kalispell Bypass. New construction will include excavation and grade leveling, installation of intersection, sidewalk, curb and gutter, drainage features, and related infrastructure. Lighting, signage, and pavement markings connections to newly constructed Four Mile Drive and Stillwater Road will be included in this phase of the ongoing project.

DNRC Recommendation

The director recommends approval of this pedestrian and bike path project.

Rights of Way Applications

March 16, 2015



Applications 16858 - 16861

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Department of Transportation PO Box 201001 Helena MT 59620
Application No.:	16863
R/W Purpose:	highway construction and maintenance including occupancy by public utilities
Lessee Agreement:	ok
Acreage:	11.99
Compensation:	\$9592.00
Legal Description:	tract of land in the W2SW4, NE4SW4, E2NW4, Sec. 36, Twp. 5N, Rge. 58E, Fallon County
Trust Beneficiary:	Common Schools

Item Summary

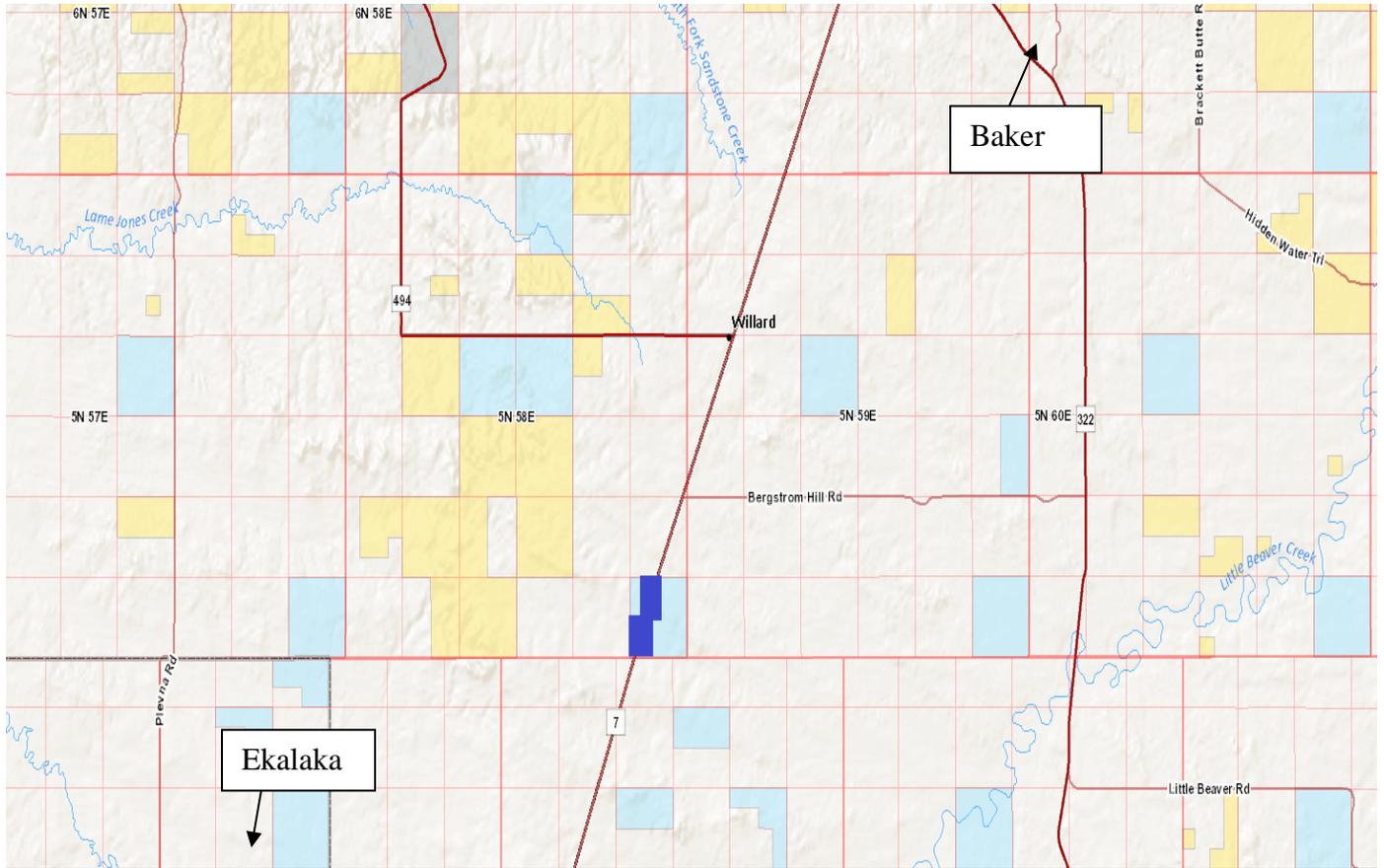
MDT has made application for highway construction and maintenance including occupancy by public utilities for a project known as Junction S-494 – N & S. The scope of the project is to complete reconstruction of 7.9 miles of Montana State Primary Route 7 (P-27). The work will result in substantial changes to the vertical alignment of the roadway to help abate annual snow drifting, steep grades, and stopping site issues. The new roadway will have a 28-foot finished top width (two 12-foot drive lanes and two 2-foot shoulders).

DNRC Recommendation

The director recommends approval of this highway construction project.

Rights of Way Applications

March 16, 2015



Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	NorthWestern Corporation d/b/a NWE 40 East Broadway Butte MT 59701
Application No.:	16865
R/W Purpose:	161kV overhead transmission line and a 12.5kV distribution line
Lessee Agreement:	ok
Acreage:	0.5
Compensation:	\$500.00
Legal Description:	80-foot strip across the Gallatin River in the SE4NW4, Sec. 23, Twp. 2S, Rge. 4E, Gallatin County
Trust Beneficiary:	Public Land Trust

Item Summary

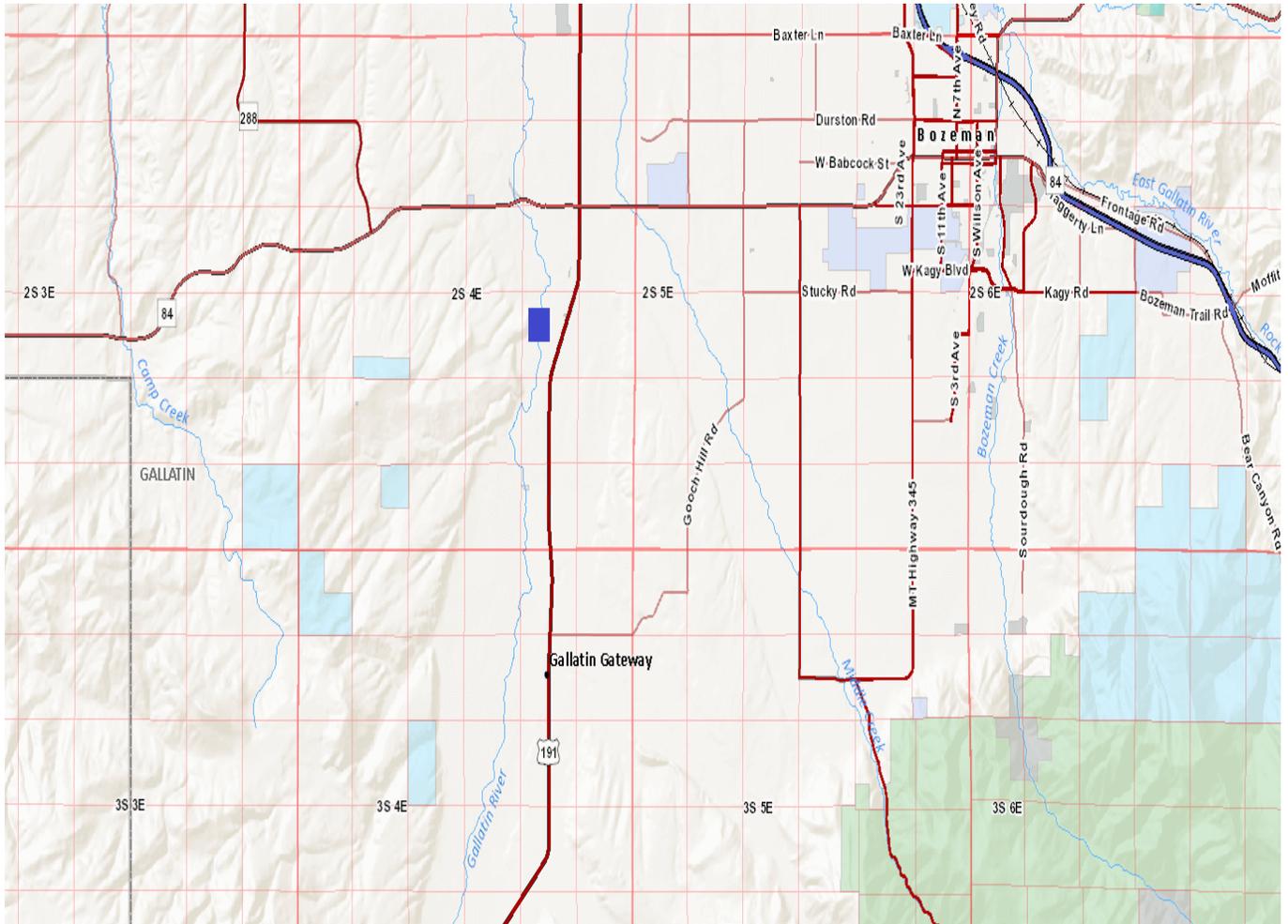
NorthWestern Corporation has make application for a project known as Jackrabbit to Big Sky. This project has multiple crossings over the Gallatin River which includes a 161kV overhead transmission line and a 12.5kV underbuilt distribution line. The route decided upon was to keep the same alignment as the existing power line in this section to reduce the impact to the Gallatin River.

DNRC Recommendation

The director recommends approval of this transmission and distribution line.

Rights of Way Applications

March 16, 2015



Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	NorthWestern Corporation d/b/a NWE 40 East Broadway Butte MT 59701
Application No.:	16866
R/W Purpose:	161kV overhead transmission line and a 12.5kV distribution line
Lessee Agreement:	ok
Acreage:	0.17
Compensation:	\$170.00
Legal Description:	50-foot strip across the Gallatin River in the NW4, Sec. 4, Twp. 4S, Rge. 4E, Gallatin County
Trust Beneficiary:	Public Land Trust

Item Summary

See page 24

DNRC Recommendation

See page 24

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	NorthWestern Corporation d/b/a NWE 40 East Broadway Butte MT 59701
Application No.:	16867
R/W Purpose:	161kV overhead transmission line and a 12.5kV distribution line
Lessee Agreement:	ok
Acreage:	0.18
Compensation:	\$180.00
Legal Description:	50-foot strip across the Gallatin River in the SE4NE4, Sec. 5, Twp. 4S, Rge. 4E, Gallatin County
Trust Beneficiary:	Public Land Trust

Item Summary

See page 24

DNRC Recommendation

See page 24

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	NorthWestern Corporation d/b/a NWE 40 East Broadway Butte MT 59701
Application No.:	16868
R/W Purpose:	161kV overhead transmission line and a 12.5kV distribution line
Lessee Agreement:	ok
Acreage:	0.19
Compensation:	\$190.00
Legal Description:	50-foot strip across the Gallatin River in Government Lot 2, Sec. 4, Twp. 4S, Rge. 4E, Gallatin County
Trust Beneficiary:	Public Land Trust

Item Summary

See page 24

DNRC Recommendation

See page 24

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	NorthWestern Corporation d/b/a NWE 40 East Broadway Butte MT 59701
Application No.:	16869
R/W Purpose:	161kV overhead transmission line and a 12.5kV distribution line
Lessee Agreement:	ok
Acreage:	0.13
Compensation:	\$130.00
Legal Description:	50-foot strip across the Gallatin River in the SW4NE4, Sec. 4, Twp. 5S, Rge. 4E, Gallatin County
Trust Beneficiary:	Public Land Trust

Item Summary

See page 24

DNRC Recommendation

See page 24

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Corporation d/b/a NWE
40 East Broadway
Butte MT 59701

Application No.: 16870
R/W Purpose: 161kV overhead transmission line and a 12.5kV distribution line
Lessee Agreement: ok
Acreage: 0.11
Compensation: \$110.00
Legal Description: 50-foot strip across the Gallatin River in the NE4NW4,
Sec. 15, Twp. 5S, Rge. 4E,
Gallatin County

Trust Beneficiary: Public Land Trust

Item Summary

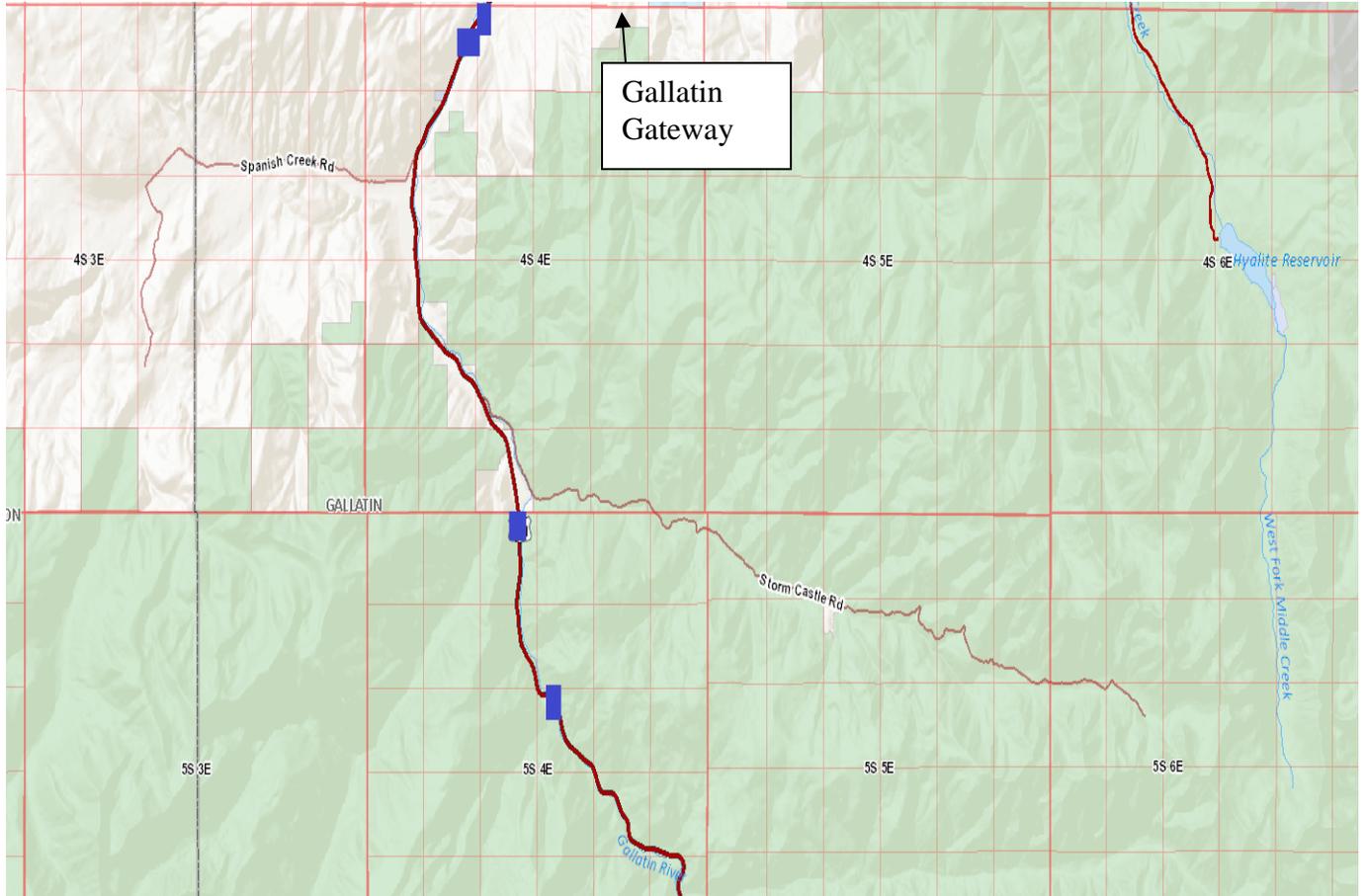
See page 24

DNRC Recommendation

See page 24

Rights of Way Applications

March 16, 2015



Applications 16866 - 16870

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Corporation d/b/a NWE
40 East Broadway
Butte MT 59701

Application No.: 16871
R/W Purpose: 161kV overhead transmission line and a 12.5kV distribution line
Lessee Agreement: ok
Acreage: 0.11
Compensation: \$110.00
Legal Description: 50-foot strip across the Gallatin River in the SE4NE4,
Sec. 22, Twp. 6S, Rge. 4E,
Gallatin County

Trust Beneficiary: Public Lands

Item Summary

See page 24

DNRC Recommendation

See page 24

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Corporation d/b/a NWE
40 East Broadway
Butte MT 59701

Application No.: 16872
R/W Purpose: 161kV overhead transmission line and a 12.5kV distribution line
Lessee Agreement: ok
Acreage: 0.07
Compensation: \$100.00
Legal Description: 50-foot strip across the Gallatin River in the SE4NW4,
Sec. 23, Twp. 6S, Rge. 4E,
Gallatin County

Trust Beneficiary: Public Lands

Item Summary

See page 24

DNRC Recommendation

See page 24

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	NorthWestern Corporation d/b/a NWE 40 East Broadway Butte MT 59701
Application No.:	16873
R/W Purpose:	161kV overhead transmission line and a 12.5kV distribution line
Lessee Agreement:	ok
Acreage:	0.1
Compensation:	\$100.00
Legal Description:	50-foot strip across the Gallatin River in the NW4SW4, Sec. 27, Twp. 6S, Rge. 4E, Gallatin County
Trust Beneficiary:	Public Lands

Item Summary

See page 24

DNRC Recommendation

See page 24

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	NorthWestern Corporation d/b/a NWE 40 East Broadway Butte MT 59701
Application No.:	16874
R/W Purpose:	161kV overhead transmission line and a 12.5kV distribution line
Lessee Agreement:	ok
Acreage:	0.05
Compensation:	\$100.00
Legal Description:	50-foot strip across the Gallatin River in the SE4NE4, Sec. 31, Twp. 6S, Rge. 4E, Gallatin County
Trust Beneficiary:	Public Lands

Item Summary

See page 24

DNRC Recommendation

See page 24

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Corporation d/b/a NWE
40 East Broadway
Butte MT 59701

Application No.: 16875
R/W Purpose: 161kV overhead transmission line and a 12.5kV distribution line
Lessee Agreement: ok
Acreage: 0.08
Compensation: \$100.00
Legal Description: 50-foot strip across the Gallatin River in the N2SE4,
Sec. 32, Twp. 6S, Rge. 4E,
Gallatin County

Trust Beneficiary: Public Lands

Item Summary

See page 24

DNRC Recommendation

See page 24

Rights of Way Applications

March 16, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	NorthWestern Corporation d/b/a NWE 40 East Broadway Butte MT 59701
Application No.:	16876
R/W Purpose:	161kV overhead transmission line and a 12.5kV distribution line
Lessee Agreement:	ok
Acreage:	0.11
Compensation:	\$200.00
Legal Description:	50-foot strip across the Gallatin River in the SE4SE4, Sec. 9 and the SW4SW4, Sec. 10, Twp. 5S, Rge. 4E, Gallatin County
Trust Beneficiary:	Public Lands

Item Summary

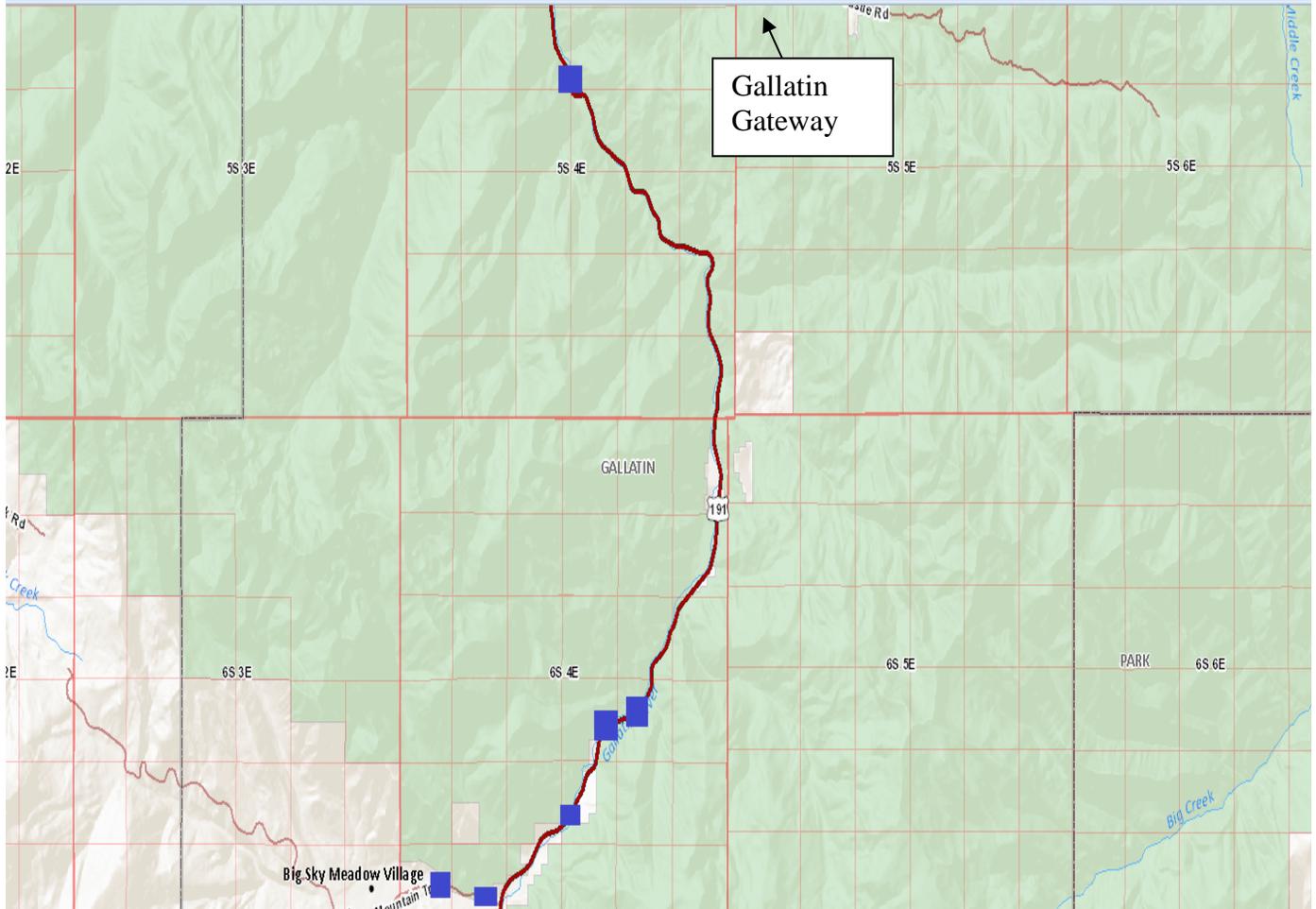
See page 24

DNRC Recommendation

See page 24

Rights of Way Applications

March 16, 2015



Applications 16871 – 16876

**Land Board Agenda Item
March 23, 2015**

315-7B Easements: Pipelines

Location: Dawson, Yellowstone Counties

Trust Benefits: Public Land Trust – Navigable Rivers

Trust Revenue: \$32,333

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
Bridger Pipeline LLC	Buried 12" Crude Oil Pipeline (New)	30-Years	1-2
Phillips 66 Pipeline LLC	Buried 8" Crude Oil Pipeline (New) and Two Buried 8" Crude Oil Pipelines (Existing)	30-Years	3-6

Rights of Way Applications

March 23, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Bridger Pipeline LLC P O Box 2360 Casper WY 82602
Application No.:	16892
R/W Purpose:	a buried 12" crude oil pipeline
Lessee Agreement:	N/A (Navigable River)
Acreage:	0.96
Compensation:	\$7,623
Legal Description:	50-foot strip across the Yellowstone River adjoining Gov. Lots 3 & 4, Sec. 28, Twp. 15N, Rge. 55E, Dawson County
Trust Beneficiary:	Public Land Trust – Navigable Rivers

Item Summary

Bridger Pipeline LLC is requesting an easement for the purpose of installing a new 12" steel crude oil pipeline under the Yellowstone River. This pipeline will replace the Poplar pipeline that ruptured in January 2015 and is anticipated to be located as shown on the attached exhibit. All planned work related activity associated with the replacement project will occur outside of the river, its banks, associated channel migration zones, riparian habitats, and special aquatic features. The surface land work will occur entirely outside of Department of Natural Resource and Conservation (DNRC) ownership and the installation will be accomplished utilizing horizontal directional drilling.

Using scour analysis information and core samples it was determined that placement of the pipe at a minimum depth of 40-feet below the bed of the river will create an approximate 20-foot buffer between the maximum scour level of the river bed and the pipeline. Because the project does not involve disturbance of the river or immediate banks, permitting authority for this replacement pipeline lies with the Land Board and the Army Corps of Engineers (COE). It is anticipated that the COE permit will be issued shortly. Should the Land Board approve the easement request it will be stipulated that the permit from the Corp must be fully issued before work can proceed. DNRC has completed the MEPA process, and scoped adjoining landowners and consulted with the Department of Fish, Wildlife and Parks (FWP).

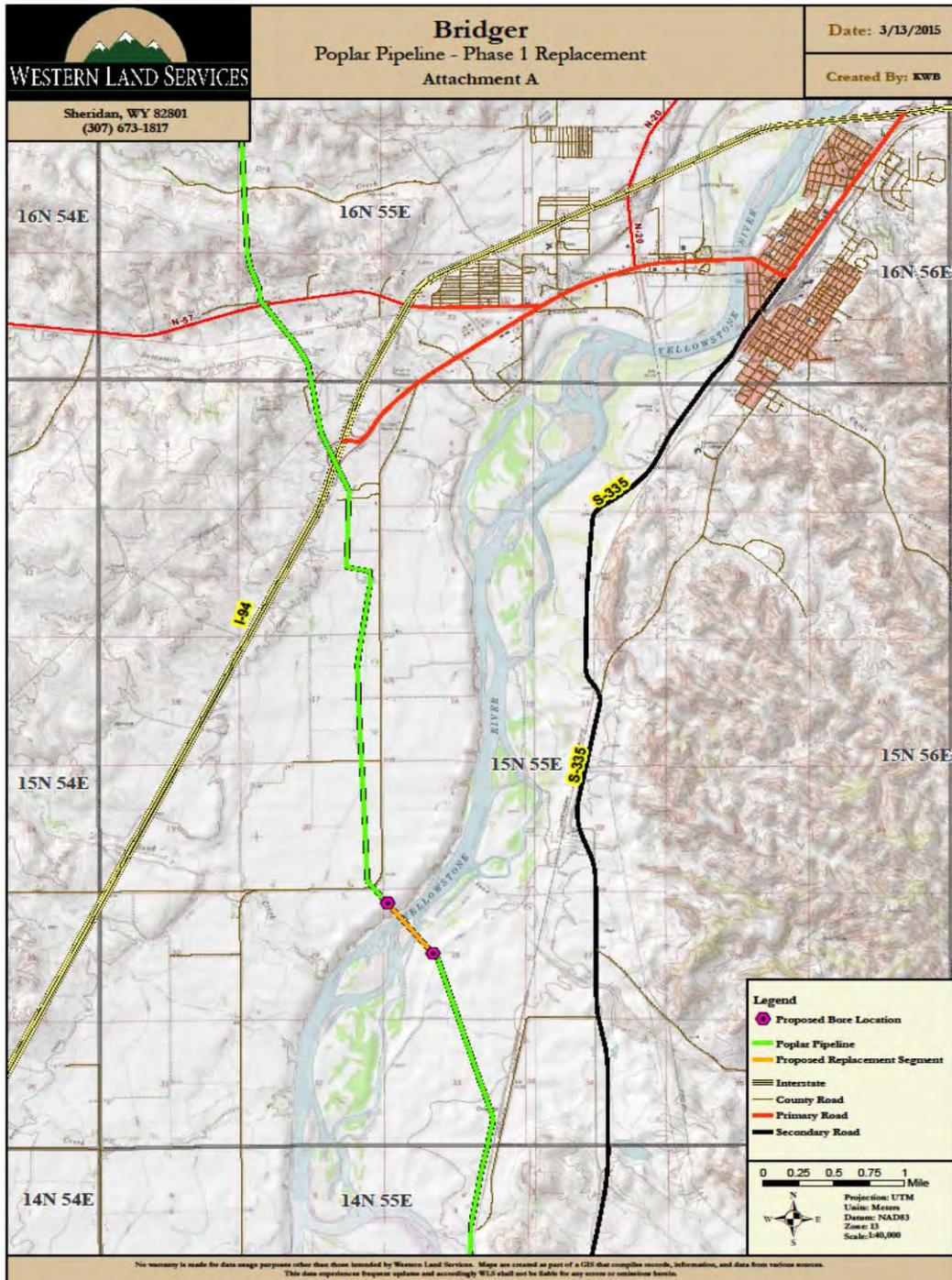
After construction, an as-built survey of the pipeline location will be submitted for the purpose of providing the most accurate location detail possible.

DNRC Recommendation

The director recommends approval of this new pipeline easement request, subject to issuance of a permit from the Army Corps of Engineers. The director also recommends the easement be issued for a term of 30 years.

Rights of Way Applications

March 23, 2015



Rights of Way Applications

March 23, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Phillips 66 Pipeline LLC 2626 Lillian Avenue Billings MT 59101
Application No.:	16894
R/W Purpose:	a buried 8" crude oil pipeline
Lessee Agreement:	N/A (Navigable River)
Acreage:	0.77
Compensation:	\$10,200
Legal Description:	30-foot strip across the Yellowstone River adjoining Gov. Lot 6, Sec. 2, and Gov. Lot 5, Sec. 11, Twp. 1S, Rge. 26E, Yellowstone County
Trust Beneficiary:	Public Land Trust – Navigable Rivers

Item Summary

Phillips 66 Pipeline is requesting an easement for the purpose of installing a new 8" crude oil pipeline under the Yellowstone riverbed. This pipeline will replace an existing pipe that was installed in the river in 1975 without authorization from the Land Board. The new proposed pipeline would be installed as shown on the attached exhibit. The surface land work will occur entirely outside of Department of Natural Resources and Conservation (DNRC) ownership and the installation will be accomplished utilizing horizontal directional drilling.

Using scour analysis information and core samples it was determined that placement of the pipe at a minimum depth of 40-feet below the bed of the river will create an approximate 30-35 foot buffer between the maximum scour level of the river bed and the pipeline. The project does not involve disturbance of the river or immediate banks, but does cross several islands owned by the city of Billings. Permitting authority for this replacement pipeline lies with the Land Board, the Army Corps of Engineers (COE), Yellowstone Conservation District, and the city of Billings. The 310 Permit from the conservation district has been issued and a Storm Water Pollution Prevention Plan has been approved by the Department of Environmental Quality (DEQ). It is anticipated the COE permit will be issued shortly, while the city of Billings will take action at their March 23 meeting. Should the Land Board approve the easement request it will be stipulated that the permit from the COE and easement from the city of Billings be fully issued before work can proceed. The Department has completed the associated Montana Environmental Policy Act (MEPA) process and finds no adverse effects will occur from this project. After construction, an as-built survey of the pipeline location will be submitted for the purpose of providing the most accurate location detail possible.

DNRC Recommendation

The director recommends approval of this new pipeline easement request, subject to issuance of a permit from the Army Corps of Engineers and the grant of easement with the city of Billings. The director also recommends the easement be issued for a term of 30 years.

Rights of Way Applications

March 23, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Phillips 66 Pipeline LLC 2626 Lillian Avenue Billings MT 59101
Application No.:	16905
R/W Purpose:	two buried 8" inert crude oil pipelines
Lessee Agreement:	N/A (Navigable Rivers)
Acreage:	1.10 total (0.22 1963 Pipeline & 0.88 1975 Pipeline)
Compensation:	\$14,510
Legal Description:	two 30-foot strips across the Yellowstone River adjoining Gov. Lot 6, Sec. 2, and Gov. Lot 5, Sec. 11, Twp. 1S, Rge. 26E, Yellowstone County
Trust Beneficiary:	Public Lands Trust – Navigable Rivers

Item Summary

Phillips 66 Pipeline is requesting a limited term easement for the purpose of authorizing two existing pipelines crossing the Yellowstone River. The initial pipeline crossing occurred in 1963 with the placement of an 8" crude oil pipeline. Due to a high flood event in 1974 this pipeline was exposed in the south channel of the river. A new 8" pipeline was installed in 1975 approximately 30 feet upstream of the original crossing using dozers to grade and rip a trench to place the pipe in. The original pipe across the south east channel was removed where exposed and the remaining pipe was evacuated, swabbed, capped and abandoned in place. While Phillips 66 predecessors in interest acquired easement from the city of Billings for this pipeline replacement across the city-owned island, they did not receive authorization from the state of Montana for the river bed. It is important to note that these pipelines are within one-quarter mile of the city of Billings water intake facility.

The pipeline installed in 1975 has had fluctuating depth of cover since 2011. The majority of the pipe is trenched in bedrock, except along the northwest channel where it is on top of bedrock. The northwest channel has had fluctuations of 2.5 feet to nine feet of cover since 2011, while the remainder of the pipe in the bedrock has had between six feet to ten feet of cover over time. The abandoned pipe has not been evaluated for depth of cover. The proposal is to evacuate, swab and abandon the 1975 pipeline in place with monitoring to occur over periods of time.

DNRC Recommendation

The director recommends approval of this easement request concurrent with the approval of the preceding easement request for a new 8" pipeline. The director recommends the easement be issued for a period of 20 years with the stipulation that depth of cover studies be commenced and reported to the DNRC on a five-year cycle, with the first study occurring in the fall of 2015 to establish a baseline.

Rights of Way Applications

March 23, 2015



Aerial Dated October 2013; Taken From Google Earth

<p>DESCRIPTION</p>	 <p>Terracon Consulting Engineers and Scientists</p> <p><small>2110 Overland Avenue, Suite 124 Billings, MT 59102 PH: (406) 456-3072 FAX: (406) 456-3578</small></p>		<p>Yellowstone River Seminoe 2.2 - Easement Location Detail</p> <p>Station 124+12 / AM 2.2 Phillips 66 Pipeline LLC Seminoe 8" Pipe Line</p> <p>Yellowstone County Montana</p>
--------------------	--	--	---

Rights of Way Applications

March 23, 2015

