AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
December 21, 2015, at 9:00 a.m.
State Capitol, Room 303
Helena, MT

ACTION ITEMS

1215-1 **FWP: Conservation Easement – Haskill Basin Watershed**
Benefits: N/A (non-trust land)
Location: Flathead County
Approve 5-0

1215-2 **Department of Military Affairs: 351 Transfer**
Benefits: N/A (non-trust land)
Location: Blaine County
Approve 5-0

1215-3 **Timber Sales**

A. Black Mountain
Benefits: Common Schools, Public Buildings
Location: Lewis and Clark, Powell Counties

B. Cowan Ranch
Benefits: Common Schools
Location: Blaine County

C. South Fitzsimmons 2
Benefits: Common Schools
Location: Lincoln County

Approve 5-0

1215-4 **Administrative Rule Proposal – DNRC Conservation Strategies**
Benefits: Common Schools, MSU 2nd Grant, MSU Morrill, Public Buildings, School for Deaf and Blind, Montana Tech, Pine Hills School, University of Montana, and University of Montana - Western
Location: Flathead, Lincoln Counties
Approve 5-0

1215-5 **Communitization Agreement: Mott 1-16H Well**
Benefits: Common Schools
Location: Richland County
Approve 5-0

1215-6 **Oil and Gas Lease Sale (December 1, 2015)**
Benefits: Common Schools
Location: Dawson, McCone, Sheridan, Toole, McLean, ND (Montana Department of Fish, Wildlife and Parks tract)
Approve 5-0

1215-7 **Sale of Cabin and Home Sites: Final Approval for Sale – Sale 760**
Benefits: Montana Tech
Location: Flathead County
Approve 5-0

1215-8 **Land Banking Acquisition: Preliminary Approval for Purchase**
Benefits: Eastern College – MSU/Western College – UM, Pine Hills School
Location: Yellowstone County
Approve 5-0

1215-9 **Land Exchange: Preliminary Approval – SRI River Holdings**
Benefits: Common Schools, Eastern College – MSU/Western College – UM, MSU 2nd
Location: Madison, Silver Bow Counties

Approve 3-2

1215-10 **Easements**

A. Easements
Benefits: Public Buildings, Common Schools, Public Land Trust
Location: Custer, Gallatin, Garfield, Liberty, Missoula, Richland, Stillwater, Toole, Valley Counties

B. Reciprocal Access Agreement – Lower Thompson – Jones (Plum Creek)
Benefits: Common Schools, Public Buildings
Location: Sanders County

Approve 5-0

INFORMATION ITEM

1215-11 **Fiscal Year 2015 Highlights**
Benefits: All Trusts
Location: State of Montana

PUBLIC COMMENT

1215-1

FWP: CONSERVATION EASEMENT

Haskill Basin Watershed

Land Board Agenda Item
December 21, 2015

1215-1 FWP: Conservation Easement – Haskell Basin Watershed

Location: Flathead County
City of Whitefish

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

Trust Revenue: N/A

Item Summary
The Department of Fish, Wildlife, and Parks (FWP) has been negotiating two conservation easements with F.H. Stoltze Land & Lumber Co. in Haskill Basin (approximately 3,020 acres) and Trumbull Creek (approximately 7,150 acres). Both properties are located on the southern end of the Whitefish Range between Whitefish and Columbia Falls (see *Project Location Map*). Given their similarities of habitat, location, ownership, and management, both proposed conservation easements were analyzed by FWP within the same environmental assessment (EA) and decision notice. However, because the Haskill Basin project is in the latter stages of completion, that project is separated for final consideration by the Land Board (see *Map of Land* below).

The proposed Haskill Basin Watershed Conservation Easement (CE) is located immediately east of the city of Whitefish, encompassing approximately 3,020 acres of wildlife habitat, and more than 80 percent of the city's water supply.

The Haskill Basin property provides winter range for mule deer, white-tailed deer, and moose and habitat for westslope cutthroat trout and 17 species of conservation concern. The CE would: secure more than 80% of the water supply for the City of Whitefish; conserve important fish and wildlife habitat from expanded development or unsustainable forest management; and would sustain high levels of public recreation. The estimated value of the easement by a licensed appraiser is $20,600,000 and funding would be approximately as follows: $7M from the Forest Legacy Program; $2M from the Habitat Conservation Plan Land Acquisition Program; $7.7M from the City of Whitefish; and $3.9M in donated value by the landowner. The funding amounts would be based on the final appraised value.

FWP worked with The Trust for Public Land and the City of Whitefish on public scoping in 2014. An EA was released for 30 days of public comment on October 26, 2015, and included a public hearing in Whitefish on November 9, 2015. Two legal notices were published in four local newspapers, 161 notices were mailed to neighboring landowners and interested parties, and the EA was posted on the FWP webpage. FWP received 56 public comments. None of the comments were in opposition to the project. Questions posed during the public comment period were addressed in the decision notice (included in this agenda item). The Fish and Wildlife Commission will be considering final approval of the project on December 10, 2015.

Rationale for Land Board Action
Purchase of the Haskill Basin Watershed Conservation Easement would maintain important wildlife habitat and public access, and secure the water supply for the City of Whitefish.

FWP Recommendation
FWP recommends approval by the Land Board to proceed with the purchase of the Haskill Basin Watershed Conservation Easement from F.H. Stoltze Land & Lumber Company.

Project Location Map

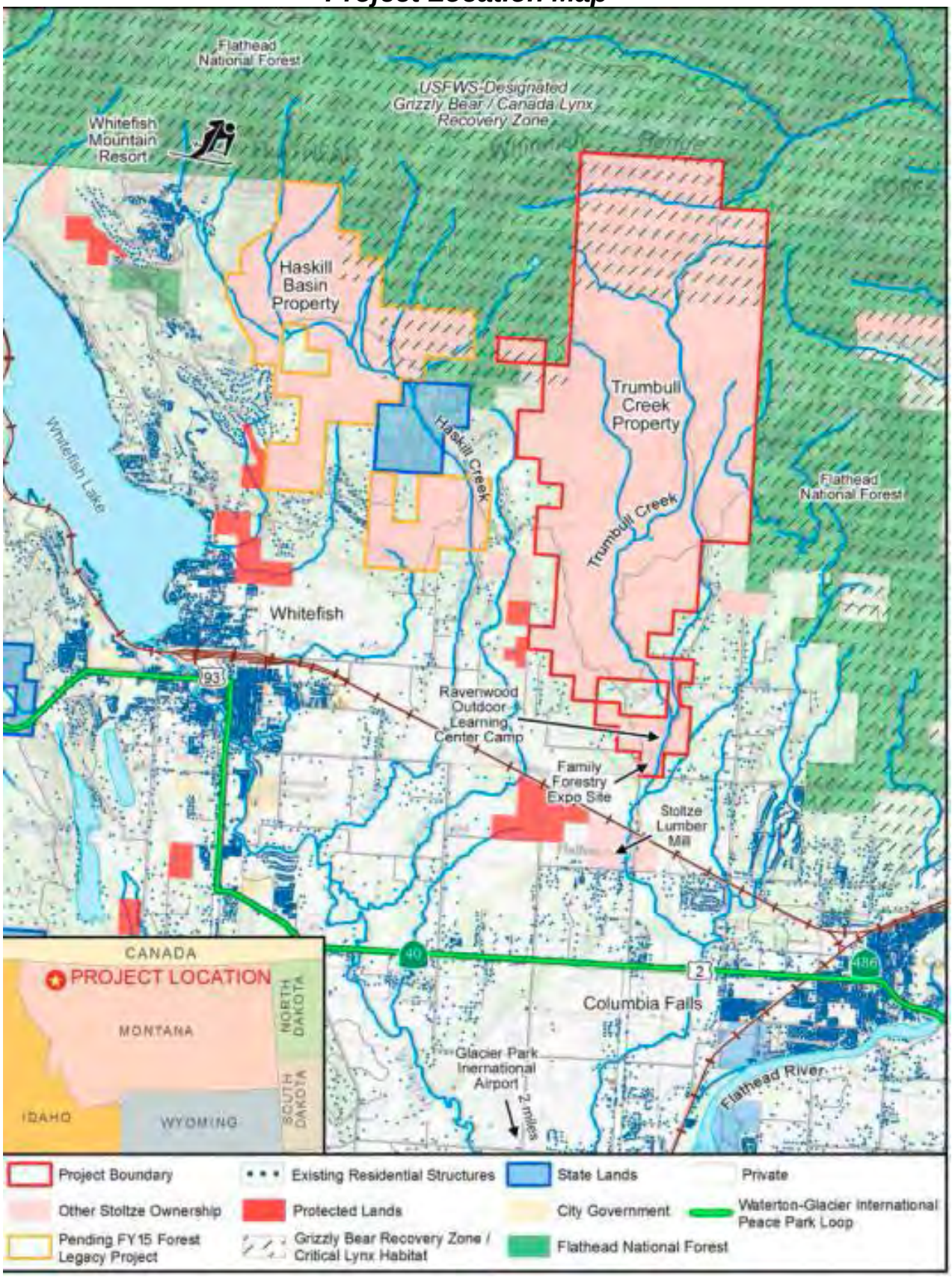
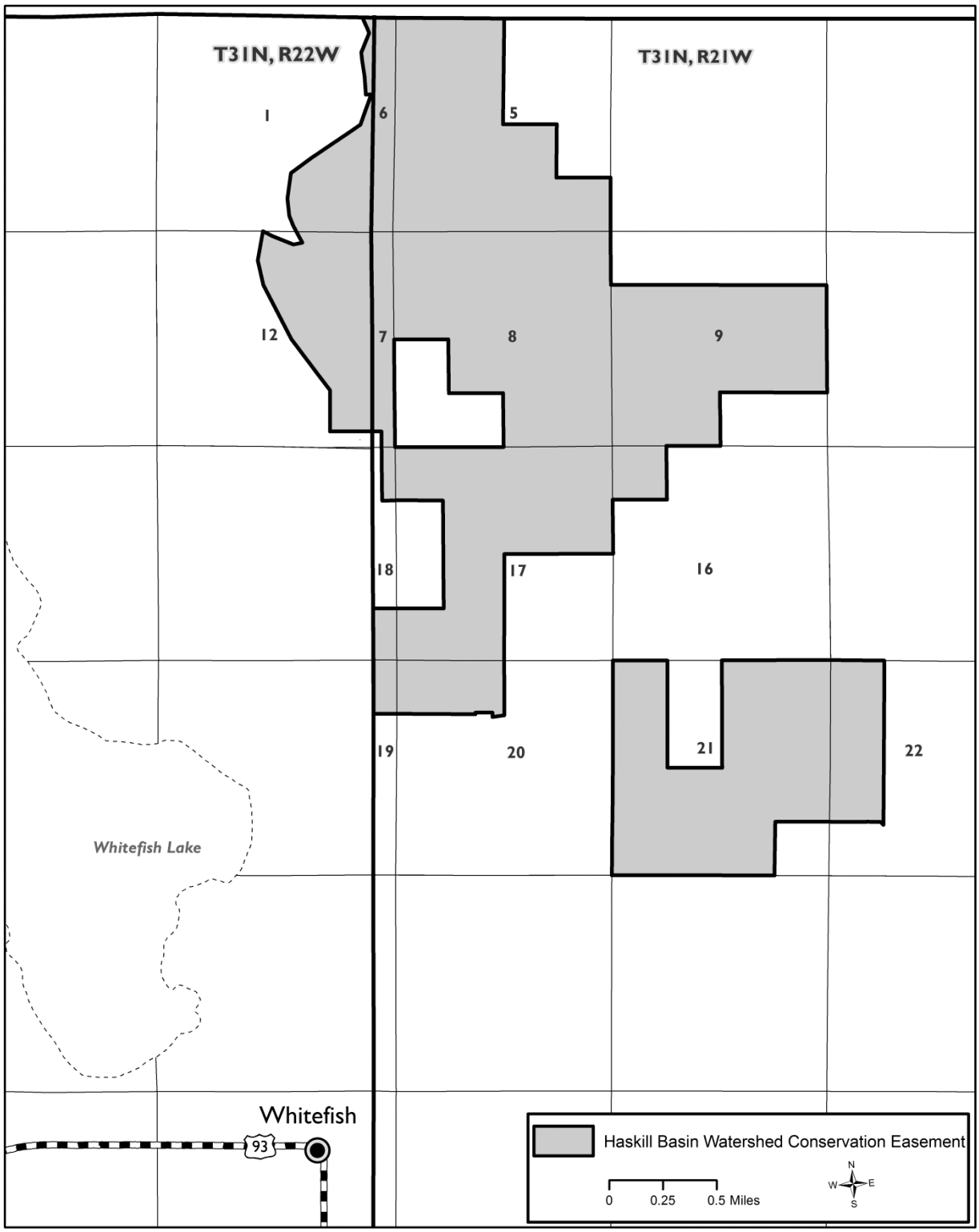


EXHIBIT B

Map of the Land



FISH and WILDILFE COMMISSION AGENDA ITEM COVER SHEET

Meeting Date: December 10, 2015

Agenda Item: South Whitefish Range Conservation Easement (Haskill Basin)

Division: Wildlife **Action Needed:** Final Action

Time Needed on Agenda for this Presentation: 5 minutes

Background
FWP has been negotiating two conservation easements with F.H. Stoltze Land & Lumber Co. in Haskill Basin (3,020 acres) and Trumbull Creek (7,150 acres). The Haskill Basin project received Commission endorsement in November 2013 and the Trumbull Creek project in May 2015. Both properties are located on the southern end of the Whitefish Range between Whitefish and Columbia Falls. Given their similarities of habitat, location, ownership, and management, both proposed conservation easements were analyzed by FWP within the same Environmental Assessment and Decision Notice. However, because the Haskill Basin project is in the latter stages of completion, that project is separated for final Commission action.

The Haskill Basin property provides winter range for mule deer, white-tailed deer, and moose and habitat for westslope cutthroat trout and 17 species of conservation concern. The conservation easement would secure approximately 80% of the water supply for the City of Whitefish, conserve important fish and wildlife habitat from expanded development or unsustainable forest management, and would sustain high levels of public recreation. The estimated value (by an appraiser) of the easement is $20,600,000. Purchase price would be based on a final appraisal. Funding sources are as follows: $7M from the Forest Legacy Program, $2M from the Habitat Conservation Plan Land Acquisition Program, $7.7M from the City of Whitefish, and approximately $3.9M in donated value by the landowner.

Public Involvement Process & Results
FWP worked with The Trust for Public Land and the City of Whitefish on public scoping in 2014. An EA was released for public comment from October 26 to November 22, 2015 and included a public hearing in Whitefish on November 9th. Two legal notices were published in four local newspapers, 161 notices were mailed to neighboring landowners and interested parties, and the EA was posted on the FWP webpage. FWP received 56 public comments from individuals and organizations; 6 as testimony at the public hearing and 50 additional comments submitted in writing or email. Twenty-nine of the comments supported, and none opposed the project. The remaining 27 comments, along with 15 people who expressed support for the project, identified questions, issues or concerns in 12 different categories that are addressed in the Decision Notice.

Alternatives and Analysis
Two alternatives were analyzed and considered in the EA: 1) Proposed Action—purchase the Haskill and Trumbull Creek conservation easements and 2) No Action—do not complete one or both proposed conservation easements. Under the Proposed Action, the properties would: Continue to be sustainably managed for production of forest products; conserve important fish and wildlife habitat; maintain a diverse array of public recreational opportunity; and secure water supply for the City of Whitefish. Under the No Action Alternative, no immediate changes would be likely since the conservation easement was designed to maintain current sustainable management practices and public access. However, given the value of this land and demand for residential development, it is likely the property would ultimately be sold and developed, with subsequent impacts to wildlife, public access, and the water supply of Whitefish.

Agency Recommendation & Rationale
FWP recommends the Commission approve the purchase of the Haskill Basin conservation easement in order to secure the water supply for the City of Whitefish and to maintain important wildlife habitats and public access.

Proposed Motion
I move the Commission approve the purchase of the Haskill Basin conservation easement from F.H. Stoltze Land & Lumber Company.

Region 1
490 N. Meridian Road
Kalispell, MT 59901

DECISION NOTICE
and
Finding of No Significant Impact
for the
South Whitefish Range Conservation Project

November 24, 2015

Description of the Proposed Action

Montana Fish, Wildlife & Parks (FWP) proposes to purchase two conservation easements (CEs) on properties owned by the F. H. Stoltze Land and Lumber Company (Stoltze) north of the communities of Whitefish and Columbia Falls, Montana. The South Whitefish Range Conservation Project includes two properties: 1) the Haskill Basin property is 3,020 acres of forested land north of the City of Whitefish, and 2) the Trumbull Creek property is 7,150 forested acres northwest of Columbia Falls. Both properties are at the south end of the Whitefish Mountains. The CEs would be purchased in two separate transactions: the Haskill Basin CE in early 2016 and the Trumbull Creek CE in late 2016, depending upon the final commitments of funding resources and other approval processes.

The primary objectives of the CEs are to:

- Protect the municipal water supply for the community of Whitefish.
- Maintain working forests and insure that they will continue to be sustainably managed.
- Conserve important fish and wildlife habitat.
- Maintain public recreation access.

Location:
The Haskill Basin property is bounded by the Flathead National Forest on the north, developments associated with Whitefish Mountain Resort and Iron Horse to the west, and private developments on the south and southeast. The Trumbull Creek property is surrounded by the Flathead National Forest on the north and a mix of private and national forest properties on the other three sides.

Public Involvement – Scoping

FWP joined the Trust for Public Land and the City of Whitefish in an open house and public meeting on June 17, 2014, that the City hosted to introduce the Haskill Basin project to community leaders and other interested parties to discuss the proposed CEs and to solicit feedback on any issues and concerns the public might have. Over 80 people attended that meeting.

Additionally, FWP visited the Columbia Falls City Council on April 6, 2015, and held an open house in Columbia Falls on April 28, 2015, to introduce the Trumbull Creek project to interested parties in that community.

FWP also participated in tours of both properties with the Forest Legacy Subcommittee, a part of the Department of Natural Resources and Conservation State Forest Stewardship Steering Committee (Haskill Basin on July 30, 2013, and Trumbull Creek on August 5, 2014) and received support from the subcommittee and the full steering committee for both projects.

Additional opportunities for public input and involvement were also provided through numerous Whitefish City Council meetings in 2014 and 2015, where the topic of the resort tax increase to partially fund the Haskill Basin CE was discussed. Some of these meetings had between 60-80 people in attendance.

Draft Environmental Assessment and Public Comments

FWP released the draft environmental assessment (EA) for public review on October 27, 2015, and asked for public comments through November 22. FWP scheduled a public hearing in Whitefish on November 9, 2015, at 6:30 p.m. FWP sent postcards announcing the public comment period to approximately 161 individuals and organizations. FWP ran legal ads that described the proposed project, the availability of the draft EA, and the public hearing information in four local newspapers. The draft EA was posted on FWP's official web site. FWP also distributed a press release to all the local and regional media outlets that described the project, availability of the draft EA, and the public comment timeline, and another release with a reminder of the date and location of the public hearing in Whitefish. The draft EA document was available at the Region One headquarters in Kalispell and was also available online for people with internet access or through internet service at public libraries.

Summary of Public Comments

Overall, FWP received 56 public comments on the project during the draft EA public comment period from individuals and organizations: 6 as testimony at the public hearing and 50 additional comments submitted in writing or email. Twenty-nine of the comments supported and none opposed the project. The remaining 27 comments, along with 15 people who expressed support for the project, identified questions, issues, or concerns that they wanted to see addressed in the final environmental assessment, which fell into 12 different categories.

FWP Responses to Public Comments

1. **Single-track trail network on the property.** The most comments received were regarding the failure of the EA to acknowledge the off-road trail network that currently exists on the property and the level of public use that it receives by a variety of recreational users. Comments documented that the trail system has been in existence for many years, that single-track, off-road trails provide a different recreational experience than logging roads, and that this is a unique opportunity because it's so accessible for so many people. They pointed out that the conservation easement only guarantees dispersed recreation, and the management plan allows mountain biking, and asked that the conservation easement and

management plan be changed to assure this trail use continues into the future. They also identified the problems associated with an unmanaged trail system and the benefits that would result from a managed trail system. There were also several comments concerned about maintaining multiple uses and others that wanted to restrict some user groups.

Response: FWP was aware that this use was occurring on the property, but was unaware of the extent of such use. Public comment clearly demonstrated that the single-track, off-road trail on the property is extensive and heavily utilized by a wide variety of recreational users. The preliminary results from our baseline inventory, while not documenting the miles of existing off-road trail, do support the numerous comments that the trail network is substantial and heavily used. However, the Stoltze Open Lands Policy that has covered this property for the last 20-plus years clearly states that construction of trails on their property is not allowed. In addition, some comments identified that such trail use can cause erosion, impacts to fish and wildlife habitat, and social conflicts if not properly managed. Use of that trail network on private land is a privilege that Stoltze has allowed as a "neighborly accommodation."

Based on this public comment, this decision document acknowledges the extensive use that currently exists on the trail system, its importance to the community, and problems associated with the current situation. However, we also recognize that the construction of the trail system was never authorized by Stoltze. FWP will clarify the language in the management plan, but not in the direction requested in these comments. We propose to change the management plan to make it clear that motorized and nonmotorized, mechanized use is allowed only on the existing road network, which encompasses more than 25 miles of road on both properties, and which links to additional miles on the adjoining public road networks. The management plan will be modified to secure mechanized travel, both motorized and nonmotorized, only on the existing road network. Nonmechanized, dispersed travel is allowed across the property per the terms of the open lands policy and would continue under the proposed management plan. Stoltze will retain the exclusive right to manage and limit public use on the existing single-track, off-road trails and any off-road trails proposed or created in the future. Under the conservation easement described in the EA, Stoltze retains the exclusive right to grant recreational trail easements on the conservation easement lands (Section II.B.4.g). While intensive public use may be allowed on the property in the future under the terms of the conservation easement, the impact of that use must be balanced with the other purposes of the conservation easement, namely, water quality and supply for the City of Whitefish, sustainable forest management, and fish and wildlife habitat, which many people also identified as important reasons for this proposed conservation easement.

The Liaison Committee described in the draft conservation easement would be established to deal with the problems associated with the unmanaged trail system and the potential conflicts among various user groups, that several people identified. As stated on page 50 of the EA, the purpose of the Liaison Team is to "provide a forum to review issues related to this Easement and will prepare and, as agreed upon, revise the MRMP." Please see the issues and responses to the Liaison Team later in this document.

2. **Public access points to the conservation easement lands.** The next most common issue was regarding legal public access points to the property. People expressed concern that

users are currently parking on private property lands surrounding the Stoltze property and trespassing across private neighborhoods to recreate on the property. They were also concerned that establishment of the conservation easement would increase levels of public use. Comments suggested that access points be mapped and signed and that dedicated parking areas that are managed for public access would help with the current trespass issues. One person asked that any developed parking areas include space for horse trailers, and another requested that the county or state consider paving the Trumbull Creek Road for at least the first two miles to improve the condition of the road.

Response: Page 22 of the EA describes current access points to the property. In response to public comment, FWP has produced a map that shows the locations of these points and the availability of parking at each site, and attached it to this document. Any other access must be with the permission of neighboring landowners or it constitutes unauthorized trespass subject to civil penalties under the law. FWP does not have authority to enforce trespass laws other than those associated with hunting and fishing, but we can commit to placing signs at these legal access points, which are identified on the attached map.

Page 28 describes the proposed action as maintaining recreational opportunities, and FWP is concerned that development of additional parking may promote increased recreational use, which is not the intent of this proposal. However, we recognize that these conflicts exist and are committed to working with the landowner and local community to find solutions that work for all parties and are consistent with the proposed conservation easement and management plan.

The Trumbull Creek road is a private road owned by F.H. Stoltze Land and Lumber Company, and the conservation easement does not change the status of the road or the responsibilities of those that own or have legal rights to use that road. However, that could be an issue discussed by the Liaison Team (see page 53 of the EA) if levels of public use increased beyond existing levels because of the proposed conservation easement.

3. **Liaison Team makeup.** The next most common comment was from people who asked that the makeup of the Liaison Team described in the conservation easement be changed to include public members to better represent recreation interests, to reduce the representation of the landowner, and to have a different number of members than four. There was also a request to better describe the Liaison Team process.

   Response: The purpose and makeup of the Liaison Team is described in Section II.E of the conservation easement (page 50 of the EA). This committee is comprised of two members from the landowner because the land may be sold in two separate parcels and each owner would need a place on the team. It also includes a representative of FWP and the City of Whitefish, the two co-holders of the conservation easement. As owners of the land and holders of the conservation easement, respectively, these parties have legal rights and responsibilities under the terms of the conservation easement and are legally bound as signatories of the management plan, something that does not pertain to members of the recreating public. We expect the management plan to be changed over time to better represent current knowledge and conditions on the ground (page 72 of the EA). However, such changes require the consent of all signatories to the management plan and, as a state agency, FWP is required to submit such proposals for public review as we have done with this proposed project.

The Liaison Team meets at least once each year at a location near the property to provide a forum to review issues related to this easement and will prepare and, as agreed upon, revise the management plan. FWP first used this approach on the Thompson/Fisher conservation easement in 2004 and has found it very effective. Each meeting is announced through news releases and emails to everyone that commented on the original project proposal. In the case of these two proposed conservation easements, that would include notifications to the 56 people that have commented on this project to announce a meeting that would probably alternate between Whitefish and Columbia Falls. Each of those meetings includes an opportunity for public comment on any issues pertaining to the conservation easement, management plan, or other general issues of concern.

4. **Definition of dispersed recreation and allowable public use.** Two people asked for a clarification of our use of the term "dispersed recreation," which is the right secured by the conservation easement and used to limit the types of organized, commercial recreation that may occur on the property under the management plan. Another commented that dispersed recreation does not include recreational use on trails.

   Response: We view dispersed recreation as all the activities that may take place on the land that are not developed or managed to concentrated use. Single-track, off-road trails for mountain biking do not fit under this definition because they need to be managed to keep the trail free of brush and debris, and to reduce soil erosion. While other uses such as hiking and horseback riding may use the existing trail network, such a system of trails is not required for those activities as it is for mountain biking. Nonmechanized, dispersed travel would continue to be allowed across the property per the terms of the open lands policy included in the proposed management plan.

5. **Importance of recreation to the tourist-based businesses that supported the resort tax increase that is helping to pay for the conservation easement.** Two people expressed concern that the commercial community was on board for raising the resort tax because of the potential for additional sales due to recreational opportunities. Another person identified that it's a variety of recreational opportunities that bring tourists to Whitefish.

   Response: Allowing Stoltze the exclusive right to regulate continued mechanized use of the single-track, off-road trail network is unlikely to change the amount of money earned from the overall tourism industry or the resort tax. It might have some impact to businesses associated with mountain biking, but even that will be substantially mitigated by the development of the new, single-track trail that will be granted to the City of Whitefish on the Haskill Basin property under the conservation easement.

6. **Two people asked if motorized use will be allowed to continue on the property.**

   Response: The Stoltze Open Lands Policy, which is incorporated into the management plan, specifically allows the use of some off-highway vehicles, but only on established road systems. However, Section II.B.2 of the conservation easement allows Stoltze the right to restrict motorized use of roads on the conservation easement lands.

7. **One person asked for clarification for the ability of Stoltze to close the land for up to three years.**

Response: Page 23 of the EA outlined how and why Stoltze could suspend public access to the land. "Stoltze also would retain their existing right to temporarily suspend public access if either the risk of landowner liability increases or the cost of liability insurance increases beyond established market rates." Under the terms of the proposed CEs and associated management plan, public access could remain suspended, with the exception of the nonmotorized public recreation trail corridor that would be granted to the City of Whitefish under a separate agreement, on the Haskill Basin property, until a solution could be found that would protect the landowner against increased liability or increased liability protection cost resulting from continued public recreational access and use. However, after three years the City of Whitefish and/or FWP would have the right to purchase the underlying fee ownership of the property to restore public recreational access; Stoltze would retain the right to manage and harvest timber on the property.

8. **City of Whitefish water supply.** Several people commented on the importance of the Haskill Basin conservation easement for securing the City water supply. One person suggested that the water supply needed to be secured and wider buffers would be appropriate, while a contrasting comment emphasized the importance of actively managing the riparian buffer. Another felt the EA did not adequately assess the risk of contamination to the water supply that would result if the project was not completed and the benefits in protecting human health from completing the project.

   Response: The EA did not discuss the need to secure the water supply because this conservation easement does not change the responsibility or the ability of the City of Whitefish to secure the water supply. Instead, it insures "the right of the City to inspect, repair, renovate, remove, maintain, or replace the utility improvements, including water intake and diversion structures, piping, and other ancillary structures that the City owns and maintains under separate easement agreements with Landowner" (page 45 of the EA).

   Page 18 of the EA discusses the benefits of the proposed conservation easement on Haskill Basin to the City water supply. "Protection of the Haskill Basin drainage by the proposed CE would protect the City of Whitefish's primary municipal water resource from subdivision and residential development. Such action could have negatively impacted the City's two remaining intakes on Second and Third Creeks and forced the City to invest in a costly new water supply alternative." The No Action Alternative only states that conversion of either property could negatively impact water resources. We agree that the risks and benefits of the proposed conservation easement were understated in the EA. The City water supply from First Creek was abandoned years ago because of bacterial contamination resulting from developments and wastewater treatment procedures above that water intake. The City of Whitefish is investing $7.7 million to purchase the conservation easement in order to "protect the City's municipal water quality and supply" (page 42 of the EA, Section II.A.1. of the conservation easement). If the Haskill Basin property were to be developed for residential or other incompatible uses, the risk of contamination would possibly require the City to stop using Haskill Creek as a source of drinking water or take other actions to protect the water supply. Section 4.4, Risk and Human Health/Safety, in the EA is hereby modified to acknowledge the risks described above.

   The riparian management commitments outlined in the management plan in Section III.G.2 (page 68 of the EA) are more restrictive than current Montana law requires, but still allows

Stoltze to actively manage the riparian forest. This prescription was developed by Stoltze to describe their current management practices, which have proven effective at maintaining water quality for the City's municipal water supply.

9. **Draft status of the conservation easement and management plan.** One individual expressed concern that the draft conservation easement is being presented in its final form before the EA has been completed.

   Response: The conservation easement and management plan were negotiated with two other parties over the last 12 months. We can, and are willing to, discuss potential changes with the other two parties; however, FWP cannot unilaterally make changes to either of those documents without agreement from both the City of Whitefish and Stoltze. Consequently, the EA evaluates only two alternatives: purchase this proposed conservation easement and associated management plan or do not acquire the rights associated with those documents.

10. **Easement baseline report.** One individual commented on the importance of the baseline report that will be prepared to provide an accurate representation of the physical and biological condition of the land and its physical improvements as of the date of the conservation easement, and the importance of getting someone that understands western Montana forests.

    Response: FWP agrees that this is an important document and those are essential qualifications. Ecological Solutions Group in Stevensville, Montana, has been contracted to complete this work. They have done other similar reports for FWP and have consistently produced outstanding documents approved by both the landowner and FWP. The baseline report will be finalized prior to closing the conservation easement transaction and signed by Stoltze to acknowledge that they agree that it is an accurate representation of the current property.

11. **Cost of the project.** One person expressed concern that the price being paid for this conservation easement makes timber ground unaffordable for companies or individuals interested in acquiring and managing such properties.

    Response: The value of the conservation easement was determined by a qualified appraiser following standards set by the federal government. Their determination is based on a comparison of prices paid for other similar properties with and without conservation easements on them. This proposed purchase doesn't set markets, but rather is based upon current market values. In addition, both purchases are 25% below the estimated value of similar real estate transactions.

12. **Impact on affordable housing availability in Whitefish.** One person expressed concern that eliminating 3,020 acres from future development in Haskill Basin would increase the problem of a lack of affordable housing in Whitefish.

    Response: Page 16 in the EA documented that both proposed conservation easements would support multiple goals of Flathead County's Growth Policy (2012) in promoting the preservation of critical fish and wildlife habitat, preserving the area's unique outdoor amenities and quality of life, and recognizing the heritage of outdoor recreation and timber

activities that provide economic benefits to the county. In addition, Haskill Basin project is being funded and will be jointly held by the City of Whitefish.

In response to the concern over affordable housing, the Haskill Basin property is highly unlikely to ever offer any opportunity for future affordable housing if this conservation easement is not acquired, given the market value of that property. However, FWP completed additional analysis on the impact of removing 3,020 acres of land from the future base of developable land surrounding Whitefish. We used the state cadastral records to estimate the amount of undeveloped land within 2.5 miles from the Whitefish City limits, a distance that encompasses all of the proposed Haskill Basin conservation easement and represents an area of 102,000 acres. A little more than 73,000 acres of that has no structures and is available for future residential or commercial development. Thus, the proposed Haskill Basin conservation easement would reduce the availability of land for future development by only 4% (3,020 acres/73,000 acres), leaving 69,980 acres or more than 100 square miles for future development.

FWP RECOMMENDED ALTERNATIVE AND FINAL DECISION RECOMMENDATION

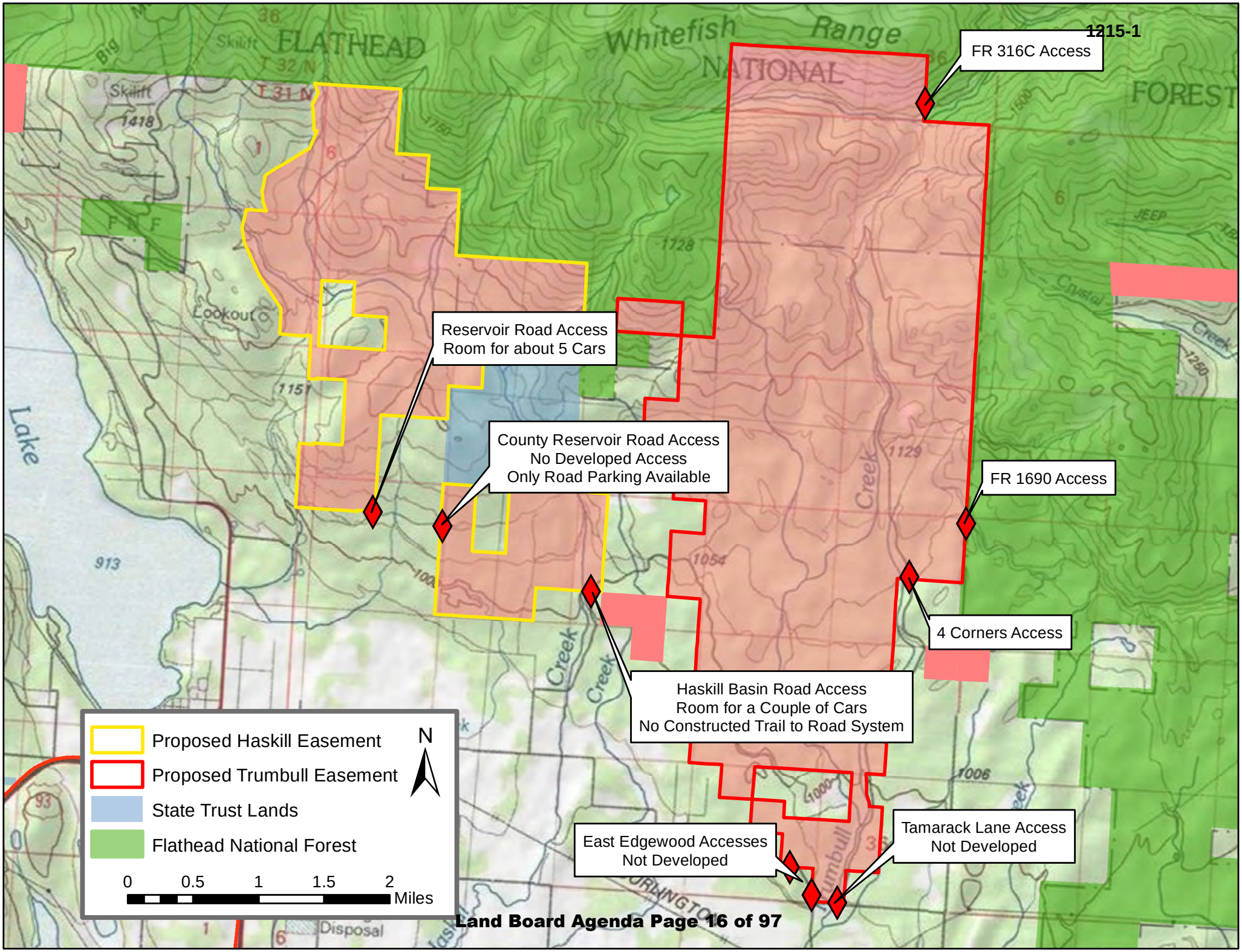
In reviewing all the public comment and other relevant information, and evaluating the environmental effects, I recommend that FWP pursue the completion of the South Whitefish Range Conservation Project and recommend that the FWP Commission approve the proposed purchase of the Haskill Basin conservation easement now, and the proposed Trumbull Creek conservation easement when the conservation easement and associated management plan are finalized and other due diligence completed. Both actions will also require the approval of the Montana Land Board at an upcoming meeting.

Through the MEPA process, FWP found no significant impacts on the human or physical environments associated with this proposal. Therefore, the EA is the appropriate level of analysis, and an environmental impact statement is not required.

Noting and including the changes to the draft EA and associated documents stated above, the draft EA as modified by this decision document will become the Final EA. FWP believes the completion of this project is in the best interests of providing clean water for the City of Whitefish, while also balancing the needs of working forests, fish and wildlife habitat, and public recreation opportunity.

Jim Williams
Regional Supervisor

11/24/2015
Date


FR 316C Access
Reservoir Road Access
Room for about 5 Cars
County Reservoir Road Access
No Developed Access
Only Road Parking Available
FR 1690 Access
4 Corners Access
Haskill Basin Road Access
Room for a Couple of Cars
No Constructed Trail to Road System
East Edgewood Accesses
Not Developed
Tamarack Lane Access
Not Developed
Proposed Haskill Easement
Proposed Trumbull Easement
State Trust Lands
Flathead National Forest
N
0 0.5 1 1.5 2 Miles
FLATHEAD
Whitefish Range
NATIONAL
FOREST
Lake
Lookout
Skillit
Creek
Crystal
Disposal

1215-2

DEPARTMENT OF MILITARY AFFAIRS:

351 Transfer Chinook Armory

Land Board Agenda Item
December 21, 2015

1215-2 Montana Department of Military Affairs: 351 Transfer of Chinook Armory to Blaine County

Location: Blaine County

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

Trust Revenue: N/A

Item Summary
The Montana Department of Military Affairs (DMA) proposes to sell the Chinook Armory/Readiness Center consisting of: a 9,120 ft^2 armory; a 6,087 ft^2 vehicle maintenance shop; and several out buildings consisting of an additional 1,409 ft^2on a 5.12 acre parcel to Blaine County for the $385,000. The property is located at 735 7th Street East in Chinook, Montana. The county intends to use the buildings for a public purpose.

Proponent: Montana Department of Military Affairs

Sale Price: $385,000

Beneficiary: Non-trust Land

Background
The DMA no longer has a need for these buildings due to changes in force structure. Blaine County requested permission to purchase the property, a Section 351 sale (77-2-351, MCA). Blaine County has a need for the Vehicle Maintenance Facility and the County Sheriff's Department may also be able to utilize the Facilities. There are also several small out buildings that could serve as storage for County equipment.

Sale or exchange of property under 77-2-351, MCA, requires consultation with the appropriate legislative committee. The DMA received authorization to sell the property from the Legislative Council at their November 16, 2015, meeting.

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

Process
An appraisal was completed on August 18, 2015, listing a market value of $385,000. A cultural resource evaluation was completed and no historical significance was noted.

Department of Military Affairs Recommendation
DMA recommends approval by the Land Board to sell the property to Blaine County for the appraised value of $385,000.

Montana Army National Guard
Site Plan - Chinook RC and FMS-7
Legend
Flagpole
Exterior Lighting
Installation Area
Existing Structures
Sidewalks
Concrete Slabs
Wash Apron
Parking Areas
0
150 Feet
ARNG Readiness Center
FMS
Org Storage Building
Flam Mat Storage
Maintenance Storage
Haz Mat Storage INS
File: Chinook_Site_Plan.mxd Date: 23-August-2011

1215-3

TIMBER SALES:

A. Black Mountain

B. Cowan Ranch

C. South Fiztsimmons 2

Land Board Agenda Item
December 21, 2015

1215-3A Timber Sale: Black Mountain

Location: Powell County, Lewis and Clark County
Section 16, T14N, R10W; Section 2, T14N, R9W

Trust Benefits: Common Schools, Public Buildings

Trust Revenue: $172,172

Item Summary

The Black Mountain Timber Sale is located approximately nine miles west and two miles north of Lincoln, Montana. The sale includes four harvest units of tractor logging for a total of 320 treated acres. The estimated harvest volume is 13,708 tons (1.99 MBF) of sawlogs. The minimum bid is $12.56 per ton, which would generate approximately: $172,172 for the Common Schools and Public Buildings trusts; and $45,099 in Forest Improvement fees. The project is within the Habitat Conservation Plan (HCP) and complies with the commitments outlined in the HCP.

This sale includes a combination of overstory removal, seed tree, and shelterwood prescriptions. These treatments are designed to improve stand vigor and promote regeneration of ponderosa pine, Douglas-fir, and western larch. This sale will improve overall forest health and reduce the likelihood of short-term losses to insect disease and fire. Old growth is not present in any of the stands to be harvested.

The Department of Natural Resources and Conservation (DNRC) is proposing maintenance treatments on 8.1 miles of existing road. No new road construction is required.

Scoping letters were mailed to interested parties in July 2012. In addition to the public, resource professionals in multiple state, tribal, and federal agencies were included in the scoping process. Three comments were received. Two were in favor of additional harvests and one was a concern regarding weeds. All road construction and timber harvest equipment will be cleaned to prevent the introduction of new noxious weeds and herbicide will be applied post-harvest. All comments and concerns were included in development of the environmental assessment.

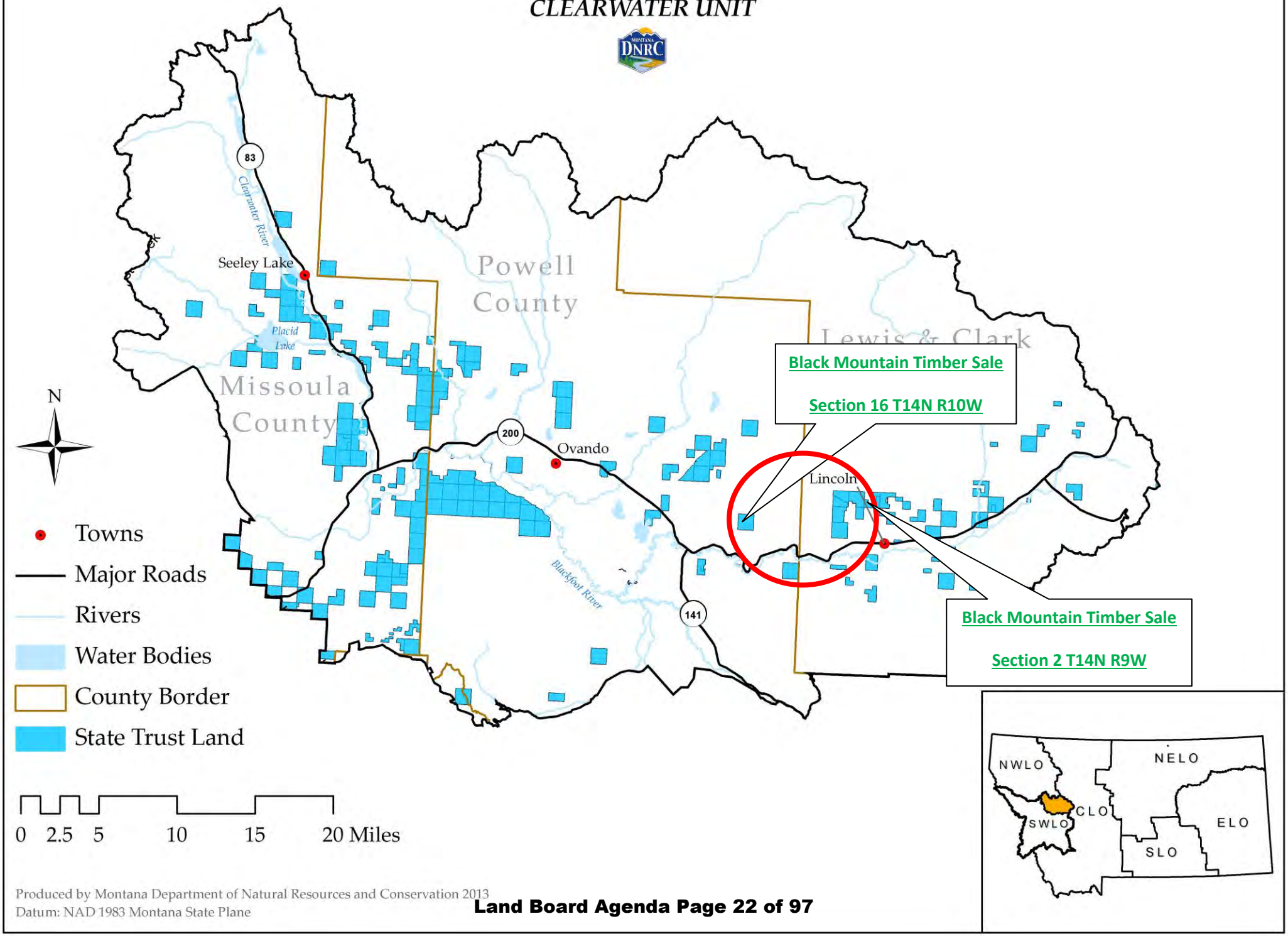
DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the Black Mountain Timber Sale.

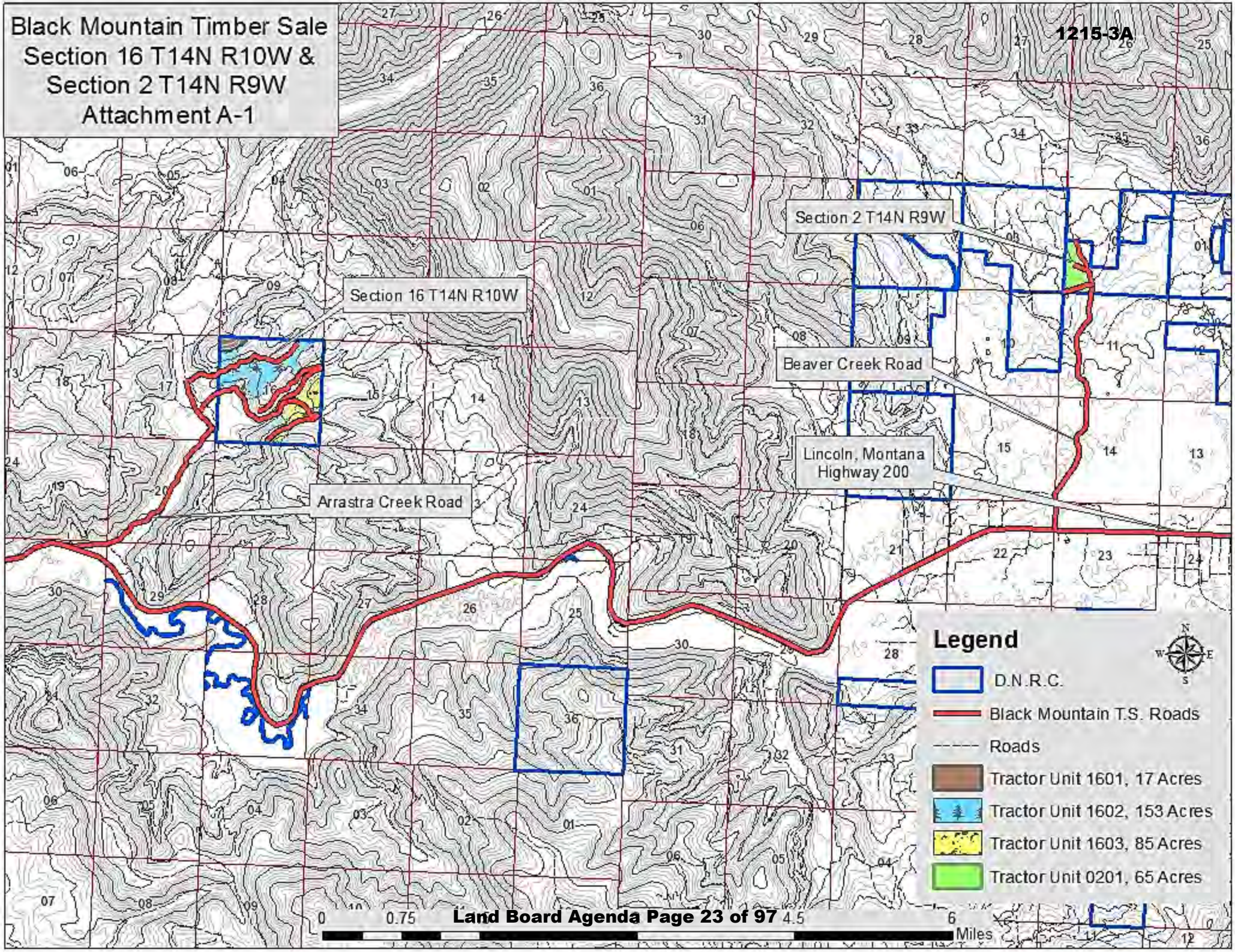
BLACK MOUNTAIN TIMBER SALE, VICINITY MAP

CLEARWATER UNIT

1215-3A

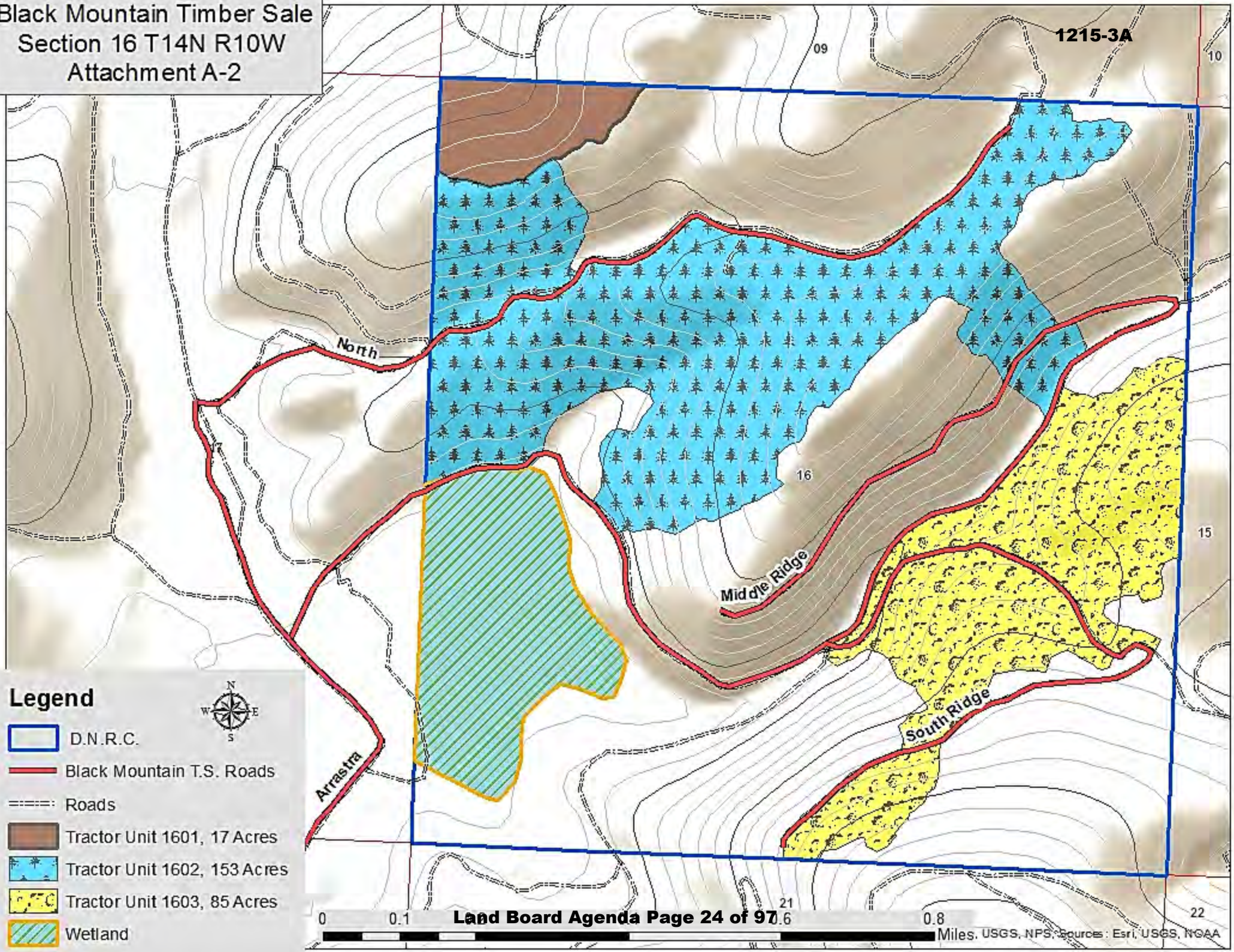


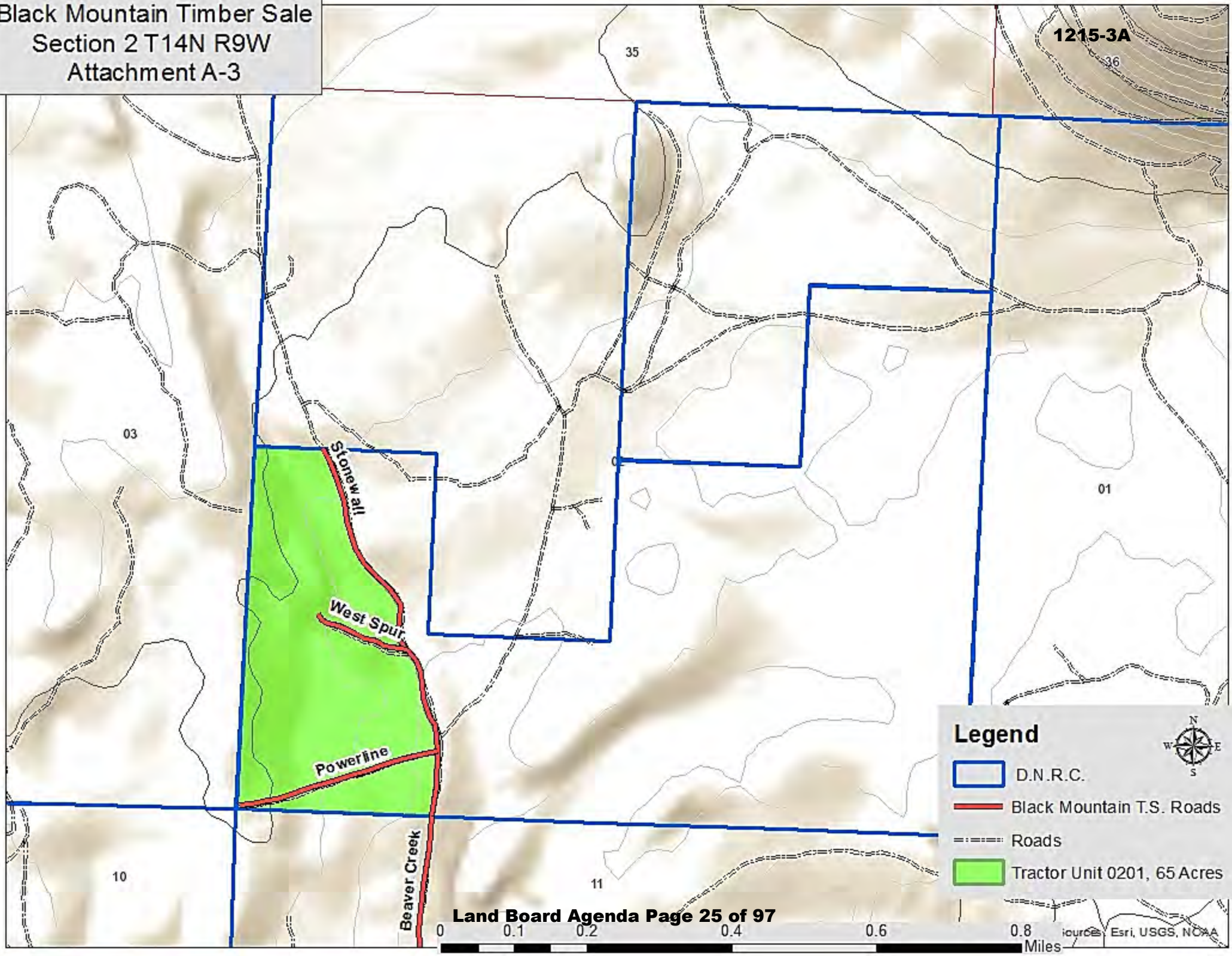
Produced by Montana Department of Natural Resources and Conservation 2013
Datum: NAD 1983 Montana State Plane


Black Mountain Timber Sale
Section 16 T14N R10W &
Section 2 T14N R9W
Attachment A-1
1215-3A
Section 2 T14N R9W
Section 16 T14N R10W
Beaver Creek Road
Lincoln, Montana
Highway 200
Arrastra Creek Road
Legend
D.N.R.C.
Black Mountain T.S. Roads
Roads
Tractor Unit 1601, 17 Acres
Tractor Unit 1602, 153 Acres
Tractor Unit 1603, 85 Acres
Tractor Unit 0201, 65 Acres
0
0.75
4.5
6
Miles

Black Mountain Timber Sale
Section 16 T14N R10W
Attachment A-2

1215-3A




Black Mountain Timber Sale
Section 2 T14N R9W
Attachment A-3
1215-3A
35
36
03
01
10
11
Stonewall
West Spur
Powerline
Beaver Creek
Legend
D.N.R.C.
Black Mountain T.S. Roads
Roads
Tractor Unit 0201, 65 Acres
N
W
E
S
0
0.1
0.2
0.4
0.6
0.8
Miles
Esri, USGS, NOAA

Land Board Agenda Item
December 21, 2015

1215-3B Timber Sale: Cowan Ranch

Location: Blaine County

Trust Benefits: Common Schools

Trust Revenue: $14,241 (estimated, minimum bid)

Item Summary

The Cowan Ranch timber sale is a limited access timber sale and is located approximately 30 miles south of Havre, Montana. The sale includes three harvest units (147 acres) of selection harvest. The estimated harvest volume is 6,086 tons (882 MBF) of sawlogs. The minimum bid is $2.34 per ton, which would generate approximately $14,241 for the Common School Trust and $1,764.88 in Forest Improvement fees. The sale is not within the Habitat Conservation Plan (HCP) project area.

This sale has a prescription of selection harvest. The treatment is designed to favor the establishment of natural regeneration and the retention of ponderosa pine. This is an effort to improve stand vigor and emulate natural disturbances. Old growth is not present in any of the stands to be harvested.

The Department of Natural Resources and Conservation (DNRC) is proposing 1.87 miles of new road construction and 0.5 miles of maintenance treatments on existing road, all on DNRC ownership. One culvert will be installed on DNRC ownership in order to access the units. Roads will continue to be restricted to public motorized use. Access has been obtained to this timber sale via a temporary right-of-way agreement with Cowan Ranches.

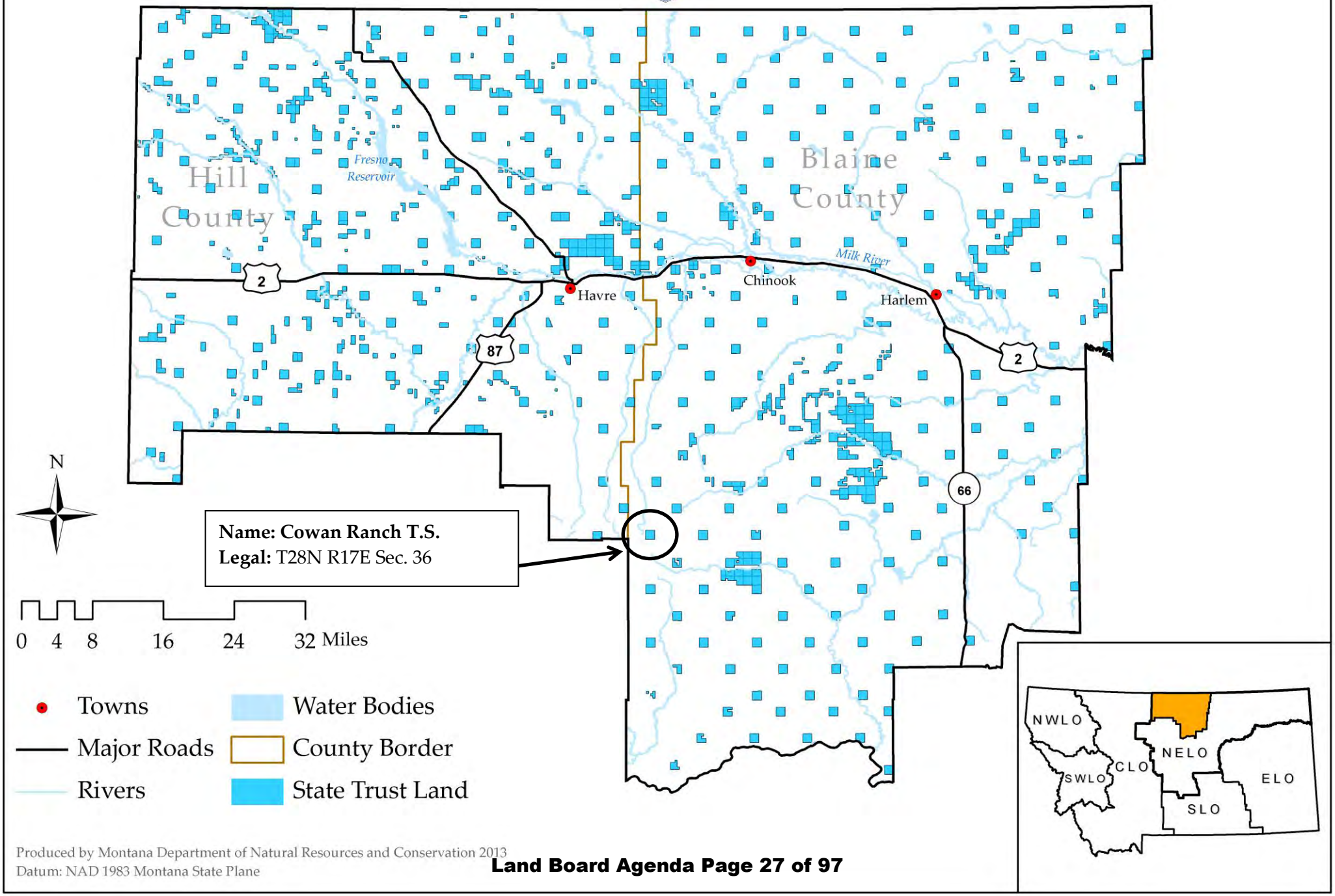
Scoping letters were mailed to interested parties on February 4, 2015 and posted on the DNRC website. One written comment was received from the Confederated Salish and Kootenai Tribes (CSKT), requesting the Chippewa-Cree Tribe be included in scoping. The Chippewa-Cree Tribe was included on the initial scoping list.

DNRC Recommendation

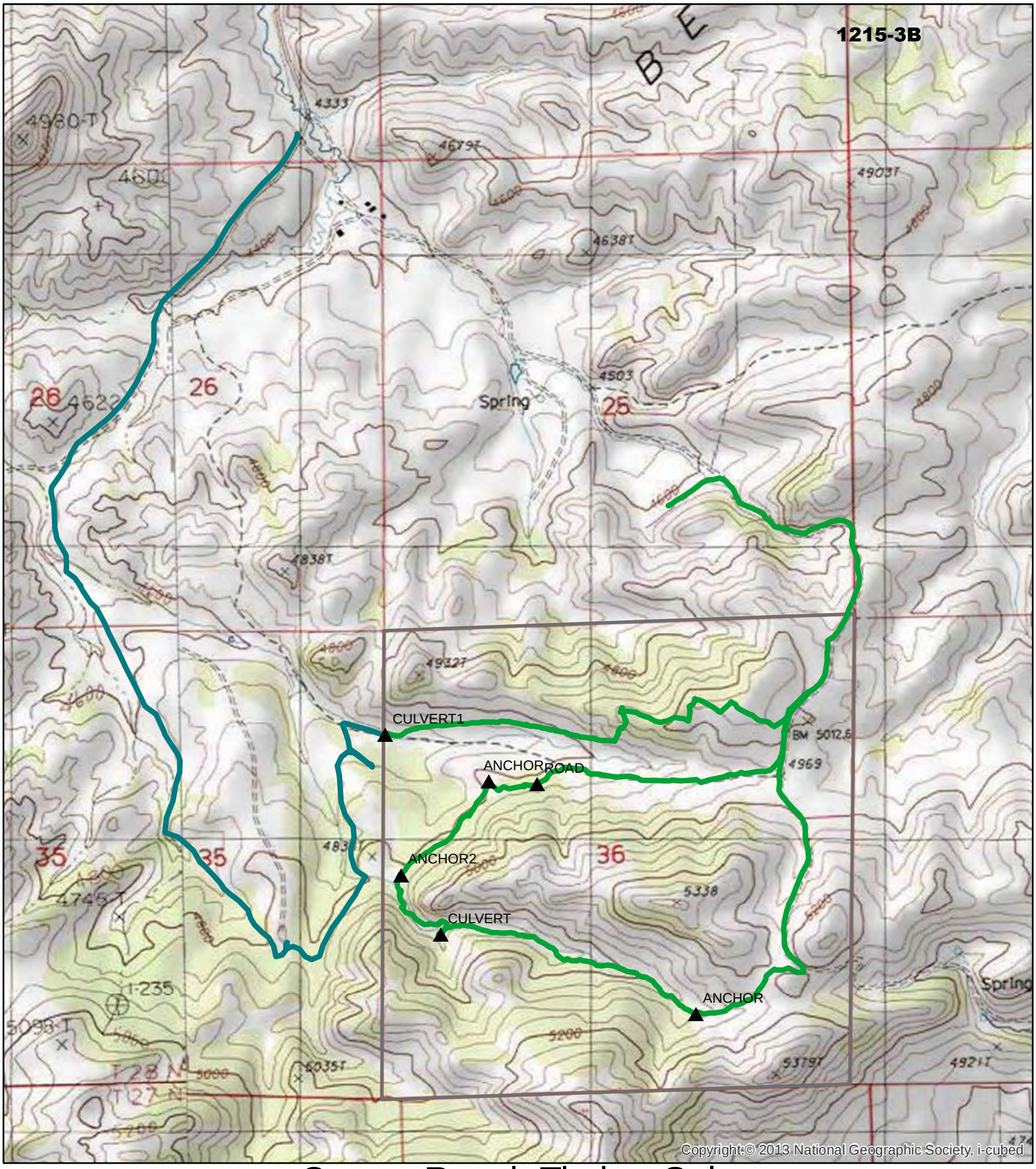
The director recommends the Land Board direct DNRC to sell the Cowan Ranch timber sale.

COWAN RANCH TIMBER SALE VICINITY
HAVRE UNIT

1215-3B



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



Cowan Ranch Timber Sale
Section 36 T28N R17E
Northeastern Land Office

1 inch = 1,417 feet

0 0.075 0.15 0.3 0.45 0.6 Miles

Legend

- CowanHaulWaypoints
- CowanHaulRd
- AccessRdCowan
- T28NR17E31

N

JRS 7/14/15

Land Board Agenda Item
December 21, 2015

1215-3C Timber Sale: South Fitzsimmons 2

Location: Lincoln County
Sections 2, 3, 4 T34N R24W
Section 34 T35 R34W

Trust Benefits: Common Schools

Trust Revenue: $ 260,708 (estimated minimum bid)

Item Summary

The South Fitzsimmons 2 Timber Sale is located approximately seven miles northeast of Stryker, Montana. The sale includes six harvest units for a total of 214 acres. The estimated harvest volume is 18,321 tons (2.95 MBF) of sawlogs. The minimum bid is $14.23 per ton, which would generate approximately $260,708 for the Common Schools Trust and $74,200 in Forest Improvement fees. The project is within the Habitat Conservation Plan (HCP) and complies with the commitments outlined in the HCP.

This sale includes a combination of seedtree and shelterwood harvest prescriptions. These treatments are designed to promote forest health and timber production and are primarily regeneration harvests. Units will be planted with larch or Douglas-fir if needed post-harvest. Old growth is not present in any of the stands to be harvested.

The Department of Natural Resources and Conservation (DNRC) is proposing 2.6 miles of new temporary road construction, 9.2 miles of road improvements, and 0.9 miles of road reconstruction. Temporary roads built for this timber sale will have all culverts and bridges pulled out post-harvest. There will be no changes to the current road restriction status.

Access has been obtained to this timber sale via a reciprocal access agreement with the United States Forest Service (USFS).

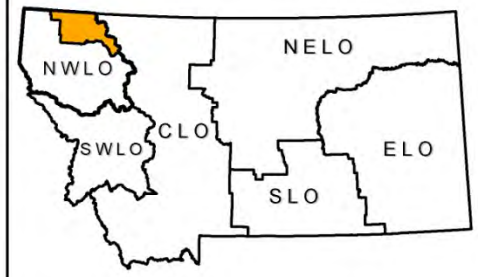
Scoping notices were placed in the *Tobacco Valley News*, *Whitefish Pilot*, and the Kalispell *Daily Inter Lake*. Scoping letters were sent to neighboring landowners, individuals, agencies, industry representatives, and other organizations that have expressed interest in DNRC timber management activities. The initial proposal was posted to the DNRC website as well as the Olney and Stryker Post Offices for 30 days. Two comments were received, one in support of the project. In the second comment, the Confederated Salish and Kootenai Tribe (CSKT) reminded DNRC that cultural resources important to their Nation are imbedded throughout the region. DNRC sent the tribe a cultural resources inventory report. DNRC documents and standard timber sale contract language include provisions for protection of cultural resources if they are discovered during operations. All comments and concerns were included in development of the environmental assessment (EA).

DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the South Fitzsimmons 2 timber sale.

SOUTH FITZSIMMONS 2 TIMBER SALE VICINITY MAP
STILLWATER UNIT

1215-3C



Lincoln County

Flathead County

Lake Koocanusa

Rexford

37

Eureka

Tobacco River

Fortine

93

Fortine Creek

Stillwater River

Olney

Whitefish Lake

Lake McDonald

Going-to-the-Sun Road

Project Area:
T34N, R24W, sec. 2, 3, 4 & T35N, R24W, sec.34

Towns
Major Roads
Rivers
Water Bodies
County Border
State Trust Land

N

0 5 10 15 20 Miles

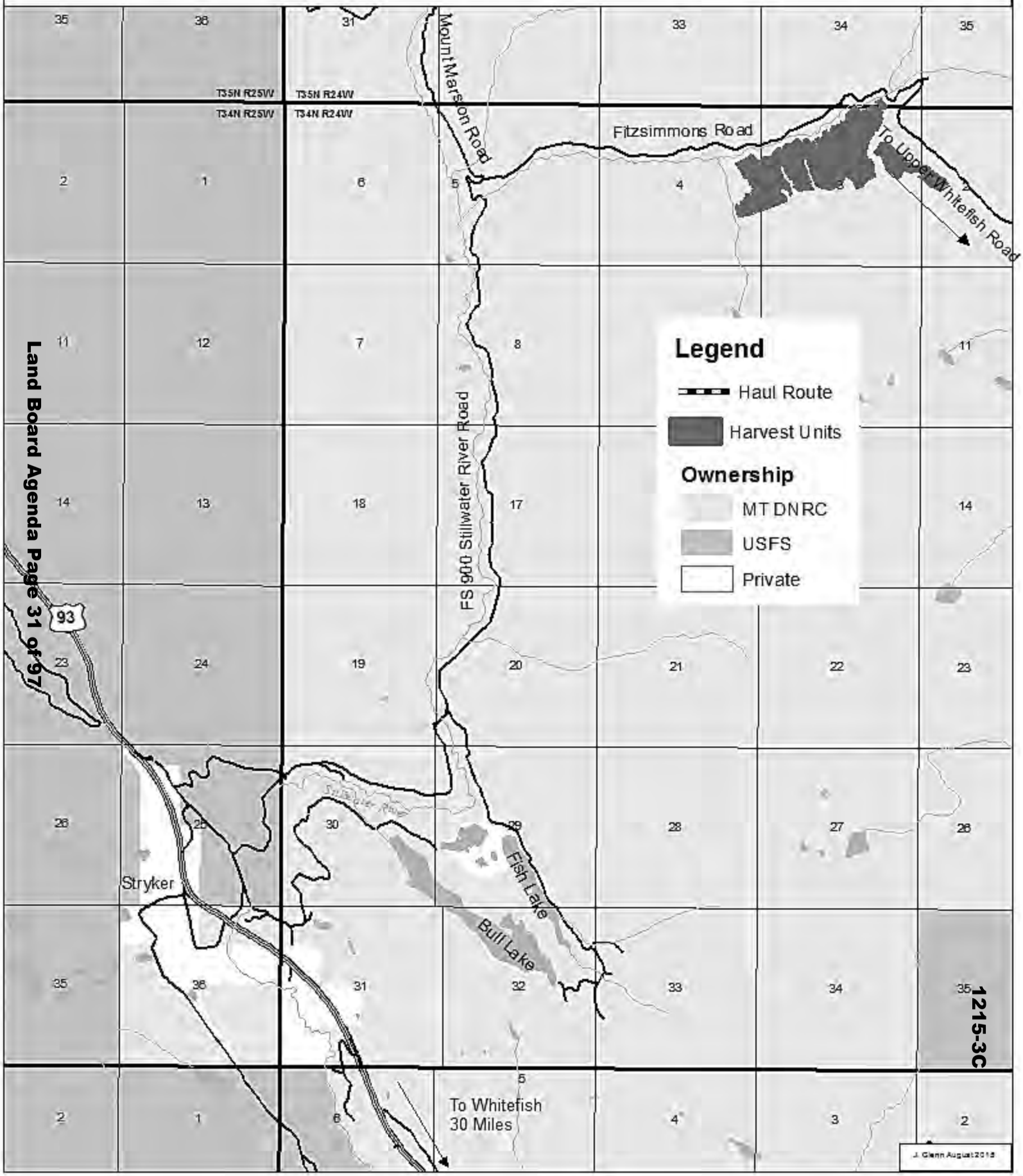
Produced by Montana Department of Natural Resources and Conservation 2013
Datum: NAD 1983 Montana State Plane

South Fitzsimmons Timber Sale

Haul Route

Sec. 34 T35N R24W, Sec. 3, 4, 5, 8, 17, 20, 29 & 30 T34N R24W, Sec. 25 & 36 T34N R25W

Attachment A 2 of 3

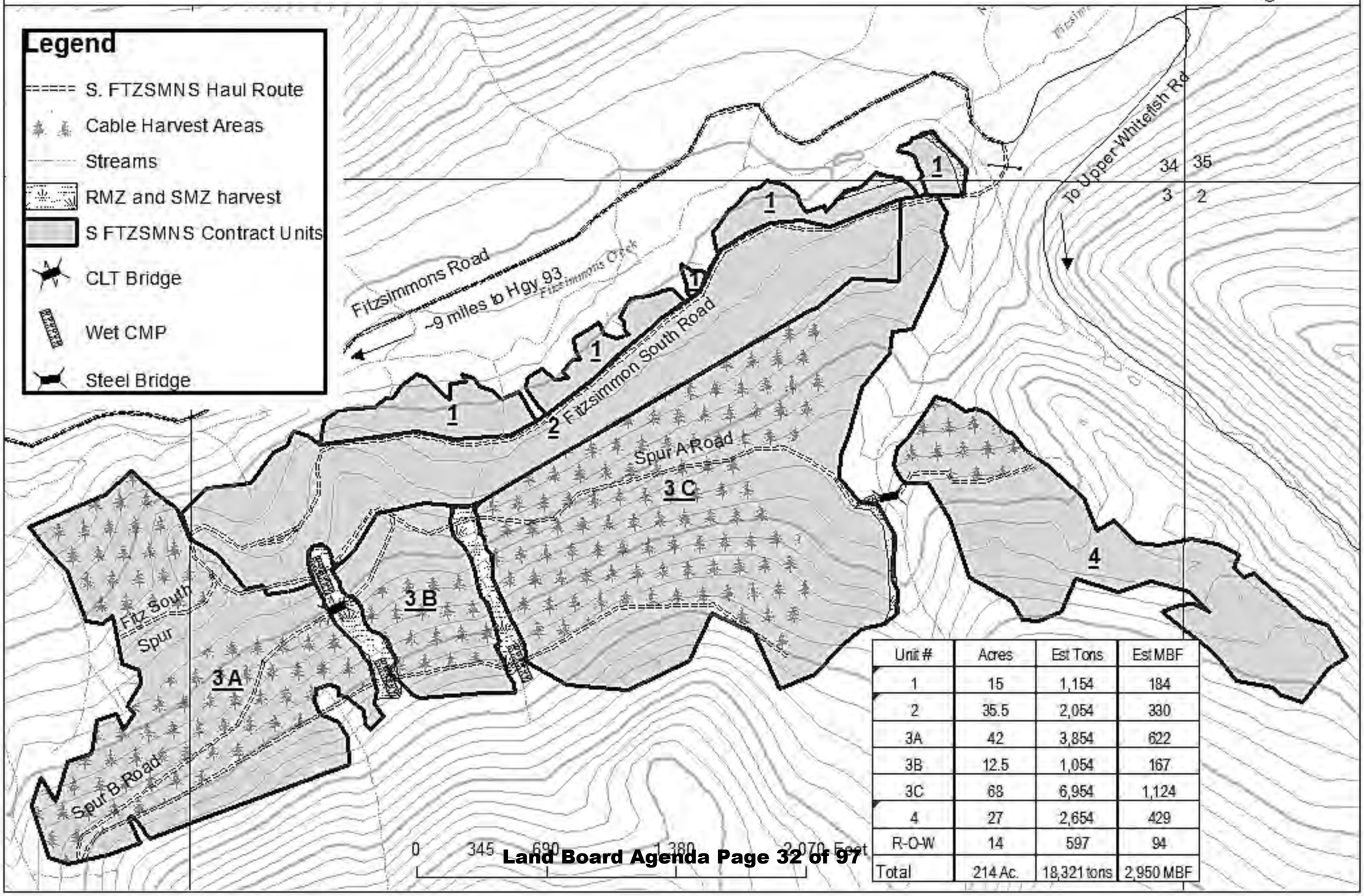


South Fitzsimmons 2 Timber Sale

Contract Units and Road Work

Sec. 34 T35N R24W, Sec. 2, 3 & 4 T34N R24W

Attachment A 2 of X



Unit #	Acres	Est Tons	Est MBF
1	15	1,154	184
2	35.5	2,054	330
3A	42	3,854	622
3B	12.5	1,054	167
3C	68	6,954	1,124
4	27	2,654	429
R-O-W	14	597	94
Total	214 Ac.	18,321 tons	2,950 MBF

1215-4

ADMINISTRATIVE RULE PROPOSAL:

DNRC Conservation Strategies

(MAR 36-22-191)

Land Board Agenda Item
December 21, 2015

1215-4 Administrative Rule Proposal – DNRC Conservation Strategies (MAR 36-22-191)

Location: Flathead, Lincoln Counties

Trust Benefits: Common Schools, Eastern College – MSU/Western College – UM, Montana Tech, MSU 2nd, MSU Morrill, Public Buildings, Pine Hills School, School for Deaf and Blind

Trust Revenue: N/A

Item Summary

On August 31, 2015, during a special meeting of the Land Board, the Land Board directed Department of Natural Resources and Conservation (DNRC) to enter into a settlement agreement that had been negotiated with the plaintiffs in *Friends of the Wild Swan et al. v. S.M.R. Jewell, et al.* Case No. CV-13-61-M-DWM, to resolve their respective appeals in the U.S. Court of Appeals for the Ninth Circuit. The settlement agreement specifically resolved the dispute over DNRC grizzly bear conservation measures in the Stillwater and Coal Creek State forests.

Since that time, both parties have dropped their respective appeals in the Ninth Circuit and the case was remanded back to the U.S. District Court of Montana. On October 9, 2015, the U.S. District Court determined the settlement agreement was sufficient to warrant the lifting of the injunction ordered by this same court on August 21, 2014. It further ordered both parties to comply with the terms of the settlement agreement.

The proposed amendments to ARM 36.11.432 and 36.11.470 are reasonably necessary as a requirement of the settlement agreement and as ordered by the U.S. District Court. Included in the terms of the settlement agreement and court order was the requirement for DNRC to promulgate the conservation measures set forth in the settlement agreement into DNRC administrative rules within six months of the date of the entry of the order. As per the settlement agreement, these rules also replace conservation commitments GB-ST2, GB-ST3, GB-ST5 (3.) and (4.) in the Montana DNRC Forested State Trust Lands Habitat Conservation Plan.

The proposal notice will be filed with the Montana Secretary of State on December 28, 2015, and published in the Montana Administrative Register (MAR) on January 8, 2016. The comment period will run through February 5, 2016, and one public hearing will be held during that comment period.

DNRC Recommendation

The director recommends the approval of the draft proposal notice so DNRC may proceed with rulemaking.

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

In the matter of the amendment of ARM 36.11.432 and 36.11.470 regarding grizzly bear conservation measures on the Stillwater and Coal Creek State Forest.	)))))	NOTICE OF PUBLIC HEARING ON PROPOSED AMENDMENT

To: All Concerned Persons

1. The Department of Natural Resources and Conservation will hold a public hearing at 4:00 p.m. on Thursday, January 28, 2016, at the Forestry Division Headquarters, Clark Fork Conference Room, 2705 Spurgin Road, Missoula, Montana, 59804, to consider the amendment of the above-stated rules.

2. The department will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the agency no later than 5:00 p.m. on Monday, January 25, 2016, to advise the department of the nature of the accommodation that you need. Please contact Gary Frank, DNRC Forest Management Bureau, 2705 Spurgin Road, Missoula, MT 59804-3199; telephone (406) 542-4328, fax (406) 542-4217, email gfrank@mt.gov.

3. The rules as proposed to be amended provide as follows, new matter underlined, deleted matter interlined:

36.11.432 GRIZZLY BEAR MANAGEMENT ON BLOCKED STILLWATER UNIT LANDS (1) To minimize adverse impacts to grizzly bears when conducting forest management activities within the 90,517 acres of land area known as the Stillwater Block, as referenced in the Department of Natural Resources and Conservation Forested State Trust Lands Habitat Conservation Plan (DNRC HCP) the department shall:

(a) establish seven security zones totaling 22,007 acres.

(b) comply with the following restrictions within the established seven security zones:

(i) prohibit motorized activities, including public, administrative or commercial forest management, during the grizzly bear "non-denning period" each year (see ARM 36.11.403(46) for "non-denning" definition);

(ii) permit motorized activities during the grizzly bear "denning period" each year (see ARM 36.11.403(22) for "denning" definition);

(iii) allow commercial forest management activities below 6,300 feet elevation during the denning period of each year;

(iv) prohibit any permanent road construction;

(v) construct and reclaim any temporary roads and/or skid trails in a manner preventing future use by motorized vehicles, including off-road vehicles, during the non-denning period;

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(vi) minimize the duration of air- and ground-based harvest activities to the extent practicable when conducting commercial forest management activities near identified security zones during the non-denning period, particularly in known areas of seasonal importance for bears;

(vii) minimize the duration of administrative activities near security zones to the extent practicable;

(viii) make efforts to design helicopter flight routes in a manner that avoids and/or minimizes flight time across security zones during the non-denning period, and/or known seasonally secure areas;

(ix) where practicable, design flight paths to occur greater than one mile from potentially affected security zones during the non-denning period, or areas of known seasonal importance;

(x) permit short-term disturbance, subject to (1)(b)(vi) and (1)(b)(vii), in any security zone at any time and for the necessary duration to address road sedimentation issues required by the Aquatic Conservation Strategies in the DNRC HCP and ARM 36.11.421; and

(c) comply with the following measures on the remaining 68,510 acres of blocked lands outside of security zones:

(i) implement access management and seasonal restrictions, and road construction requirements according to the DNRC HCP Transportation Plan measures that apply to Class B Lands as defined in the DNRC HCP; and

(ii) allow motorized public activities, commercial forest management activities, and administrative activities during the denning and non-denning periods, as allowed by the DNRC HCP Transportation Plan.

~~(a) Use BMU and BMU subunits for analysis purposes where applicable.~~

~~(b) Conduct road density estimates using standardized techniques accepted by the interagency grizzly bear committee, NCDE subcommittee, or other techniques approved by the forest management bureau chief.~~

~~(c) Design projects to result in no net increase in the proportion of each BMU subunit (trust lands only) that exceeds an open road density of one mile per square mile from baseline levels calculated in 1996.~~

~~(i) In the event a road is encountered that is not in the existing baseline, and evidence suggests the road existed prior to 1996, the road would be added to the 1996 baseline data and revised baseline levels would be calculated. This shall apply only during the non-denning period.~~

~~(ii) The department may allow temporary increases in road density above 1996 baseline levels for each BMU subunit upon approval by the forest management bureau chief. In such situations, the department shall apply alternative methods to minimize impacts on grizzly bears to the maximum extent practicable.~~

~~(d) Design projects to result in no net decrease from baseline levels calculated in 1996 in the proportion of each BMU subunit (trust lands only) designated as security core. The department shall map security core areas. Security core areas shall remain intact for periods approximating 10 years, to the extent practicable.~~

~~(i) The department may allow temporary decreases in security core below 1996 baseline levels for each BMU subunit upon approval by the forest management bureau chief. In such situations, the department shall apply alternative methods to minimize the impacts on grizzly bears to the maximum extent practicable.~~

~~(e) For project-related activities that would occur within or immediately adjacent to security core areas, make efforts to conduct human activities during the denning period (November 16 to March 31). The department shall construct temporary roads and skid trails to prevent future use by motorized vehicles during the non-denning period after completion of project-related activities.~~

~~(f) When conducting project activities in or near identified security core areas during the non-denning period, minimize the duration of air and ground-based harvest activities to the extent practicable, particularly in known areas of seasonal importance for bears.~~

~~(i) The department shall make efforts to design helicopter flight routes in a manner that avoids and/or minimizes flight time across security core areas and/or known seasonally secure areas.~~

~~(ii) Where practicable, the department shall design flight paths to occur greater than one mile from potentially affected core areas or areas of known seasonal importance.~~

~~(g) Where procedures are lacking and to the extent practicable, use published information, professional judgment, and available technology to locate and provide for secure areas of known seasonal importance for displaced bears where displacement risk is deemed high. Where feasible, the department may expand security core areas with additional buffers and/or temporary road restrictions to reduce temporary losses of effective security core area.~~

~~(h) Calculate total road density for analysis purposes and make efforts to reduce total road density to the extent practicable.~~

~~(i) Consider seasonal closures and activity restrictions for mitigating proposed actions.~~

~~(j) Monitor road closures annually for effectiveness and make necessary repairs within one operating season.~~

~~(k) Retain no less than 40 percent of any BMU subunit (trust lands only) in hiding cover. In situations beyond department control where disturbances may temporarily reduce hiding cover within a BMU subunit, the department shall make efforts to minimize further reductions of hiding cover.~~

~~(l) To provide additional security for grizzly bears, retain cover that provides visual screening adjacent to open roads, where practicable.~~

~~(m) Prohibit contractors and purchasers conducting contract operations from carrying firearms while operating~~.

AUTH: 77-1-202, 77-1-209, 77-5-201, 77-5-204, MCA
IMP: 77-5-116, 77-5-204, 77-5-206, 77-5-207, MCA

36.11.470 LANDS SUBJECT TO A HABITAT CONSERVATION PLAN

(1) For trust land parcels subject to a DNRC HCP contractually entered by the department and the United States Fish and Wildlife Service (USFWS) pursuant to Section 10 of the Endangered Species Act (ESA), the department shall implement the terms of the DNRC HCP.

(2) If there are conflicts between the conservation strategies in the DNRC HCP and the administrative rules for forest management in this subchapter, the department shall implement the terms of the DNRC HCP, except for ARM 36.11.432 Grizzly Bear Management on Blocked Stillwater Unit Lands. ARM 36.11.432 shall supersede the DNRC HCP where it conflicts with the DNRC HCP.

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AUTH: 77-1-202, 77-1-209, 77-5-201, 77-5-204, MCA
IMP: 77-5-116, 77-5-204, 77-5-206, 77-5-207, MCA

REASONABLE NECESSITY: The amendments to these rules are reasonably necessary as a requirement of a settlement agreement approved October 9, 2015, in U.S. District Court, *Friends of the Wild Swan et al. v. U.S. Fish and Wildlife Service et al.,* Case No. CV-13-61-M-DWM. The judge approved a settlement agreement negotiated between the DNRC and the plaintiffs concerning the DNRC HCP. Included in the terms of the settlement agreement and court order was the requirement for DNRC to promulgate the conservation measures set forth in the settlement agreement into DNRC administrative rules within six months of the date of the entry of the order. Implementing these measures establishes security zones to minimize adverse impacts grizzly bears when conducting forest management activities. As per the settlement agreement, these rules replace commitments GB-ST2, GB-ST3, GB-ST5 (3.) and (4.) in the Department of Natural Resources and Conservation Habitat Conservation Plan.

4. Concerned persons may submit their data, views, or arguments, either orally or in writing, at the hearing. Written data, views, or arguments may also be submitted to Gary Frank, 2705 Spurgin Road, Missoula, MT 59804-3199; telephone (406) 542-4328; fax (406) 542-4217; or emailed to gfrank@mt.gov, and must be received no later than 5:00 pm on Friday, February 5, 2016.

5. Gary Frank, Department of Natural Resources and Conservation, has been designated to preside over and conduct the public hearing.

6. An electronic copy of this Notice of Public Hearings on Proposed Amendment is available through the department's web site at http://www.dnrc.mt.gov. The department strives to make the electronic copy of this Notice of Public Hearing on Proposed Amendment conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered.

7. The department maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies that the person wishes to receive notices regarding conservation districts and resource development, forestry, oil and gas conservation, trust land management, water resources, or a combination thereof. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to Lucy Richards, P.O. Box 201601, 1625 Eleventh Avenue, Helena, MT 59620; fax (406) 444-2684; e-mail lrichards@mt.gov; or may be made by completing a request form at any rules hearing held by the department.

8. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

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9. With regard to the requirements of 2-4-111, MCA, the department has determined that the amendment of the above-referenced rules will not significantly and directly impact small businesses.

/s	/s/
JOHN E. TUBBS	MARK PHARES
Director	Rule Reviewer
Natural Resources and Conservation	

Certified to the Secretary of State on [DATE]

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1215-5

COMMUNITIZATION AGREEMENT:

Mott 1-16H Well

Land Board Agenda Item
December 21, 2015

1215-5 Communitization Agreement: Mott 1-16H Well

Location: Richland County
T26N R54E Sections 4, 9 & 16

Trust Benefits: Common Schools

Trust Revenue: Unknown

Item Summary
Continental Resources, Inc. 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.

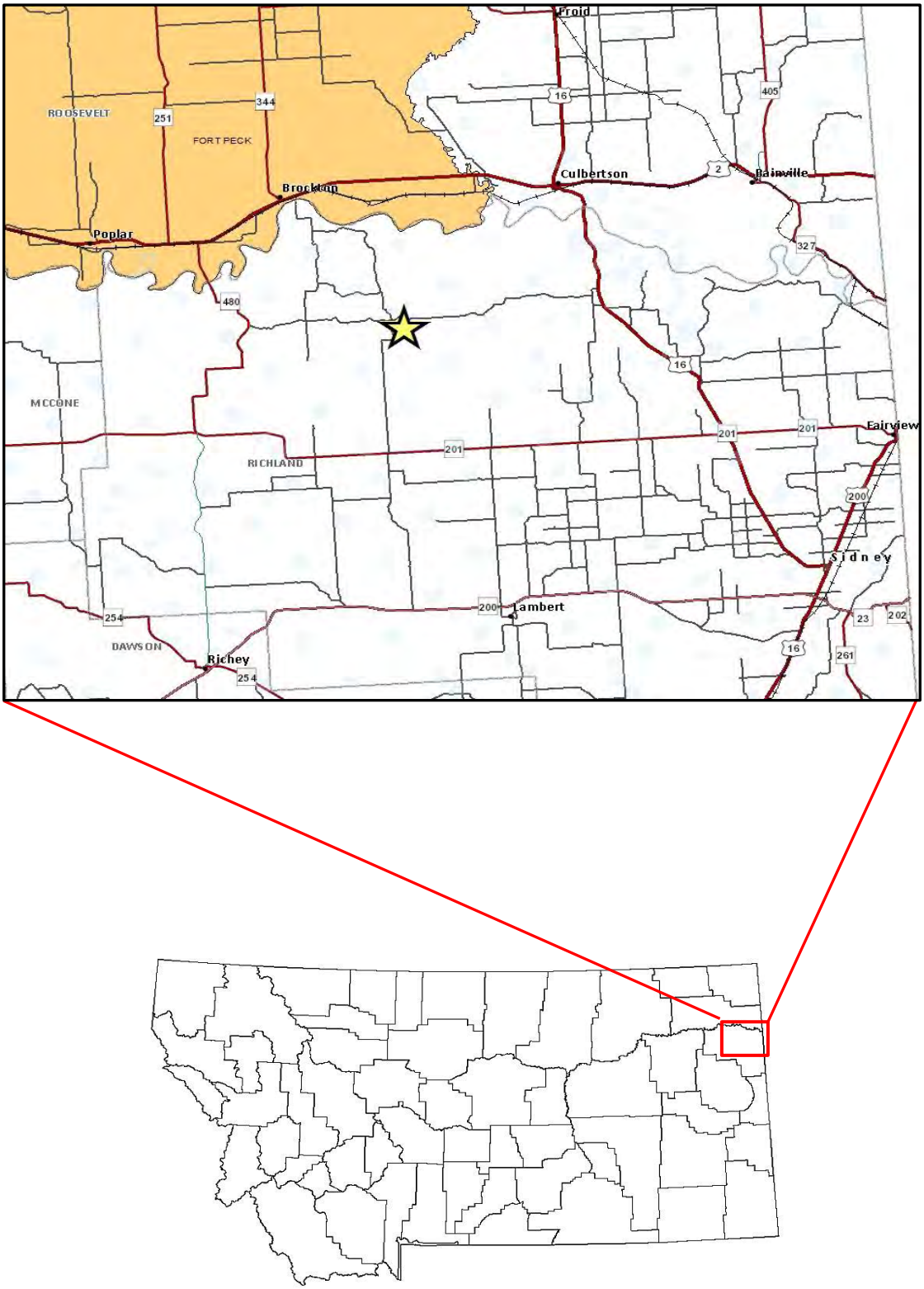
A communitization agreement brings together small tracts of land within a spacing unit for the distribution of production revenues. The agreement allows the state to receive its proper royalty share of production revenues from the spacing unit and must be approved by the Land Board and DNRC.

The Mott 1-16H well is a horizontal Bakken/Three Forks formation oil well. The well is located approximately 15 miles southwest of Culbertson, and was drilled into state land on section 16. DNRC owns 800.00 acres of the 1,926.84 mineral acres in the permanent spacing unit that will be communitized. The agreement encompasses any wells producing from the Bakken/Three Forks Formation in Sections 4, 9 & 16 of T26N R54E.

DNRC's tract comprises 41.52% of the communitized area. DNRC will consequently receive 5.3976% of all oil production (13.00% royalty rate x 41.52% tract participation).

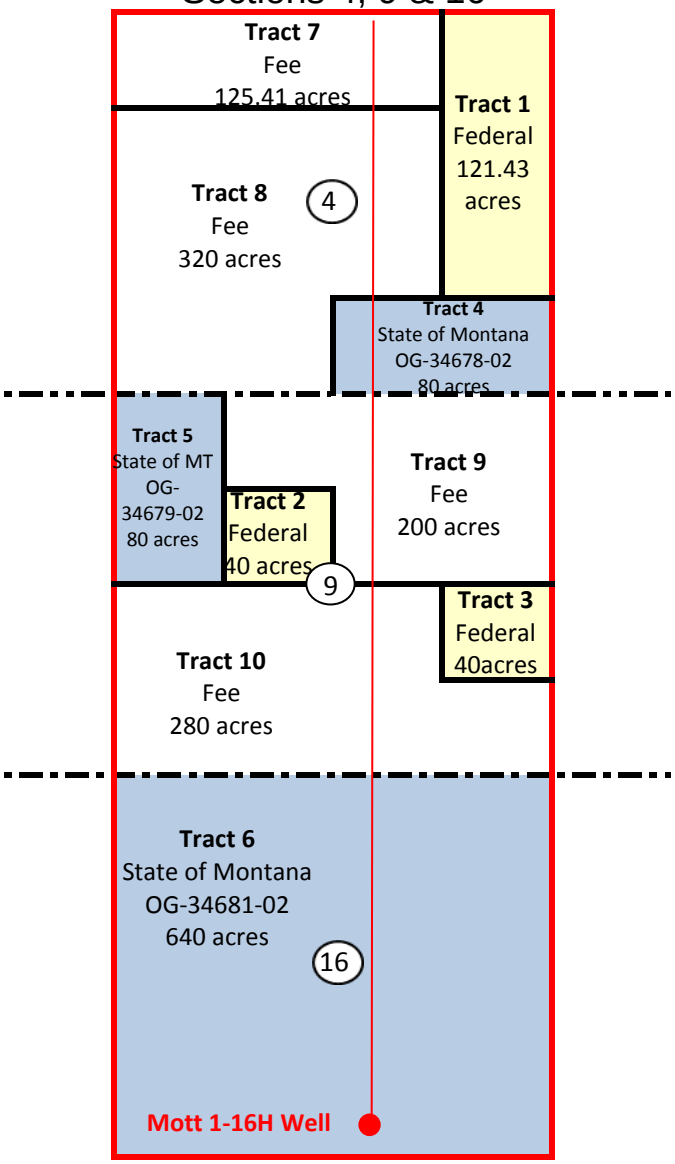
DNRC Recommendation
The director recommends the Land Board approve this Communitization Agreement.

Vicinity Map
Mott 1-16H Well



Township 26 North Range 54 East

Sections 4, 9 & 16



Tract No.	Type	Acres	Tract Participation	Royalty %	*Decimal*
1	BLM	121.43	6.30%	12.50%	0.0079
2	BLM	40.00	2.08%	12.50%	0.0026
3	BLM	40.00	2.08%	12.50%	0.0026
4	State of Montana OG-34678-02	80.00	4.15%	13.00%	0.0054
5	State of Montana OG-34679-02	80.00	4.15%	13.00%	0.0054
6	State of Montana OG-34681-02	640.00	33.22%	13.00%	0.0432
7	Fee	125.41	6.51%	various	
8	Fee	320.00	16.61%	various	
9	Fee	200.00	10.38%	12.50%	0.0130
10	Fee	280.00	14.53%	12.50%	0.0182
Total		1,926.84	100.00%		

** The Operator of the Communitized Area is Continental Resources, Inc.*

1215-6

OIL AND GAS LEASE SALE

(December 1, 2015)

Land Board Agenda Item
December 21, 2015

1215-6 Oil and Gas Lease Sale (December 1, 2015)

Location: Dawson, McCone, Sheridan, Toole Counties
McLean County, North Dakota

Trust Benefits: Common Schools

Trust Revenue: $14,560

Other Revenue: Department of Fish, Wildlife & Parks, Region 1, Hooked on Fishing = $126,334.08

Item Summary

The Department of Natural Resources and Conservation (DNRC) held an oil and gas lease sale on December 1, 2015, in the auditorium at the Montana Department of Transportation building. A total of twenty-one tracts were offered for lease. Twenty-one tracts were leased for a total of $140,894.08. The twenty-one tracts that were sold covered a total of 9,691.70 acres. The average bid per acre was $14.54.

The high competitive bid for the December 1, 2015 sale was $10,800.00 per acre and the largest total bid was $126,334.08 for Tract 17 in McLean County, North Dakota. Minimum bids were received for all of the Montana tracts.

DNRC Recommendation

The director requests Land Board approval to issue the leases from the December 1, 2015, oil and gas lease sale.

State of Montana
Oil & Gas Lease Sale - December 1, 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, December 1, 2015.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Dawson									
1	1, 2, 3, 4, 5, 6, 7	23.N	50.E	16	All	640.00	$1.50	$960.00	AMERICAN PATRIOT OIL AND GAS, INC.
McCone									
2	1, 2, 3, 4, 5, 6, 7, 9	21.N	44.E	36	All	640.00	$1.50	$960.00	AMERICAN PATRIOT OIL AND GAS, INC.
3	1, 2, 3, 4, 5, 6	21.N	47.E	16	All	640.00	$1.50	$960.00	AMERICAN PATRIOT OIL AND GAS, INC.
4	1, 2, 3, 4, 5, 6, 7, 9	22.N	45.E	16	All	640.00	$1.50	$960.00	AMERICAN PATRIOT OIL AND GAS, INC.
5	1, 2, 3, 4, 5, 6, 7, 9	22.N	45.E	26	SW4SW4	40.00	$2.50	$100.00	AMERICAN PATRIOT OIL AND GAS, INC.
6	1, 2, 3, 4, 5, 6, 7, 9	22.N	45.E	33	E2NE4, NE4SE4	120.00	$1.50	$180.00	AMERICAN PATRIOT OIL AND GAS, INC.
7	1, 2, 3, 4, 5, 6, 7, 9	22.N	45.E	34	NW4, NW4NE4, S2NE4, S2	600.00	$1.50	$900.00	AMERICAN PATRIOT OIL AND GAS, INC.
8	1, 2, 3, 4, 5, 6, 7, 9	22.N	45.E	35	W2NW4	80.00	$1.50	$120.00	AMERICAN PATRIOT OIL AND GAS, INC.
9	1, 2, 3, 4, 5, 6, 7, 9	22.N	45.E	36	E2W2, E2	480.00	$1.50	$720.00	AMERICAN PATRIOT OIL AND GAS, INC.
10	1, 2, 3, 4, 5, 6, 9	23.N	45.E	36	W2	320.00	$1.50	$480.00	AMERICAN PATRIOT OIL AND GAS, INC.
11	1, 2, 3, 4, 5, 6, 10	23.N	46.E	16	All	640.00	$1.50	$960.00	AMERICAN PATRIOT OIL AND GAS, INC.
12	1, 2, 3, 4, 5, 6, 7, 9	23.N	46.E	36	All	640.00	$1.50	$960.00	AMERICAN PATRIOT OIL AND GAS, INC.
13	1, 2, 3, 4, 5, 6, 7, 9	23.N	47.E	16	N2NW4, SE4NW4, NE4, S2	600.00	$1.50	$900.00	AMERICAN PATRIOT OIL AND GAS, INC.
14	1, 2, 3, 4, 5, 6	23.N	47.E	36	All	640.00	$1.50	$960.00	AMERICAN PATRIOT OIL AND GAS, INC.
15	1, 2, 3, 4, 5, 6, 9	24.N	46.E	36	S2	320.00	$1.50	$480.00	AMERICAN PATRIOT OIL AND GAS, INC.
16	1, 2, 3, 4, 5, 6, 8	24.N	47.E	36	E2SE4	80.00	$1.50	$120.00	AMERICAN PATRIOT OIL AND GAS, INC.
McLean, ND									
17	14	150.N	91.W	6	An undivided 8% net interest in Lots 4, 5, E2SW4 *	11.70	$10,800.00	$126,334.08	DAVIS EXPLORATION, LLC
Sheridan									
18	1, 2, 3, 4, 5, 6, 8, 13	33.N	57.E	16	All	640.00	$1.50	$960.00	RICHARD E. SAMPSEN
19	1, 2, 3, 4, 5, 6, 12, 13	33.N	57.E	36	All	640.00	$1.50	$960.00	RICHARD E. SAMPSEN
Toole									
20	1, 2, 3, 4, 5, 6, 11	35.N	1.E	16	All	640.00	$1.50	$960.00	GRASSY BUTTE LLC
21	1, 2, 3, 4, 5, 6, 7	37.N	3.W	34	All	640.00	$1.50	$960.00	VECTA OIL & GAS, LTD.

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

Summary by Lessor

	Total Acres	Total Tracts
Dept Fish, Wildlife and Parks	11.70	1
Dept. of Natural Resources and Conservation	9,680.00	20

Oil and Gas Lease Sale Summary

Total Tracts	21
Total Acres	9,691.70
Total Bid Revenue	$140,894.08
Average Bid Per Acre	$14.54

State of Montana
Oil & Gas Lease Sale - December 1, 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. The lessee’s methods of control shall be reviewed and approved by the Department’s Unit Office that has jurisdiction for that locale.

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

6 If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.

7 Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.

8 The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.

9 This lease is located within designated sage grouse general habitat. Proposed activities are subject to, and shall comply with, all provisions, stipulations and mitigation requirements of the Montana Sage Grouse Habitat Conservation Strategy, as implemented by Governor's Executive Orders 10-2014, 12-2015, and amendments thereto. Contact the TLMD prior to preparing a project proposal.

10 This lease is located within designated sage grouse core habitat. Proposed activities are subject to, and shall comply with, all provisions, stipulations and mitigation requirements of the Montana Sage Grouse Habitat Conservation Strategy, as implemented by Governor's Executive Orders 10-2014, 12-2015, and amendments thereto. Contact the TLMD prior to preparing a project proposal.

11 This tract has (an) existing well(s) and related facilities. The lessee has 45 days from the effective date of this lease to determine whether or not to assume responsibility from the former lessee for the well(s) and any existing facilities. The lessee may not enter the well(s) until a change of operator has been filed with, and approved by, the Board of Oil and Gas Conservation. The(se) well(s) must be returned to commercial production or plugged and the well site(s) reclaimed within 18 months from the effective date of this lease.

12 Due to existing surface uses (such as center pivots, wheel lines, etc.) development on this tract may be restricted.

13 If whooping cranes are observed on-site, construction and/or maintenance activities shall be suspended until birds leave the area.

14 The following four wells have been drilled and completed in the spacing unit and the lessee's interest in these four wells is subject to a 50% risk penalty pursuant to NDCC 38-08-08.3.b: Peterson 6-5-4HQ, Peterson 6-5-4HD, Peterson 6-5-4HC, and Peterson 6-5-4HZL.

The Department may receive election-to-participate notices for the following four proposed wells prior to the issuance of this lease: North Segment 6-5-4HA, North Segment 6-5-4HW, North Segment 6-5-4HB, and North Segment 6-5-4HY. If received, the lessee shall elect whether to participate in the drilling operations for any or all of the proposed wells by December 18, 2015, or within 30 days of the Department's receipt of election notices, whichever is later.

1215-7

SALE OF CABIN AND HOME SITES:

Final Approval for Sale – Sale 760

Land Board Agenda Item
December 21, 2015

1215-7 Sale of Cabin and Home Sites: Final Approval for Sale – Sale 760

Location: Flathead County

Trust Benefits: Montana Tech

Trust Revenue: $270,000

Item Summary
The Department of Natural Resources and Conservation (DNRC) is requesting final approval on one cabin site nominated for sale in Flathead County. The sale was nominated by the lessee and is located approximately 4.5 miles northwest of Whitefish, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
760	1.797	Lot 36, Echo Lake, Section 5, T27N-R19W	Jim & Carla Young, etal	Montana Tech

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

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

Economic Analysis:
Short term – The average rate of return on the sale parcel is 3.19%. The parcel would continue to receive this return if it remains in state ownership.
Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through the DNRC land banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.35% on acquisitions with income generated from annual lease payments.

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

Background:
In March 2015, the Land Board granted preliminary approval for this parcel to continue through the cabin site sale evaluation process. In September 2015, the board set the minimum bid for the land and the maximum value of compensation for the improvements at the appraised values below:

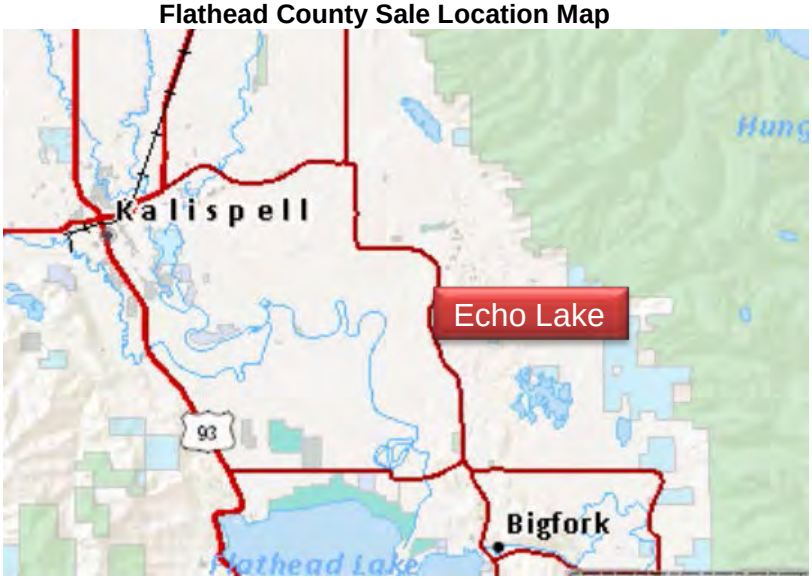
Sale #	Minimum Bid of Land	Hearings Examiner Recommendation of Value of Improvements
760	$270,000	$25,240

Sale Price:
The cabin site was sold at a public auction on November 17, 2015. The parcel had only one bidder, who was the current lessee and improvements owner, and the parcel was sold for the minimum bid amount listed above.

DNRC Recommendation

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

Flathead County Sale Location Map



Sale #760

Lot 37 - Echo Lake, Section 5, T27N-R19W

Jim & Carla Young, etal

1215-8

LAND BANKING ACQUISITION:

Preliminary Approval for Purchase

1215-8 Land Banking Acquisition: Preliminary Approval for Purchase

Location: Yellowstone County

Trust Benefits: Eastern College – MSU/Western College – UM, Pine Hills School

Trust Revenue: N/A

Item Summary
The Department of Natural Resources and Conservation (DNRC) has identified a potential land acquisition of 777.88 acres known as the Clapper Flats Farm available for sale in Yellowstone County.

Proposed Acquisition:
These acres include approximately 302.25 acres of dryland agricultural land and 475.63 acres of dryland grazing. The property sale price is $583,410.

Selection Considerations:
DNRC has conducted a review of this tract nominated for acquisition per ARM 36.25.813(3).

Access: The parcel is accessible from Clapper Flat Road, a county road. Purchase of this property would also secure perpetual administrative and public access to an existing landlocked section of Trust land.

Revenue: The predicted annual rate of return, over a 20 year period is estimated at 1.8%. The dryland agricultural land is typically planted in wheat, with a crop/summer fallow rotation.

Multiple Uses: The parcel has a variety of natural resource uses including dryland agricultural and grazing land. The property also offers wildlife habitat, hunting (big game and upland game birds) and other recreational opportunities. The proposed acquisition adjoins an existing parcel of trust land that is presently landlocked and the purchase of this property would ensure permanent public access that trust land.

Location: The property is located approximately one mile northwest of Laurel, MT in Yellowstone County, along the south side of Clapper Flat Road, west of Buffalo Trail Road.

Cooperation: DNRC will contact Montana Fish, Wildlife and Parks Region 5 and the Yellowstone County Board of County Commissioners to discuss the proposed acquisition prior to the Land Board meeting.

Steps in this process include securing a purchase agreement contingent upon findings of the due diligence as per Land Banking rule ARM 36.25.813 through -815. Due diligence includes a detailed inventory report of the property, appraisal, Phase One hazardous materials study, an in-depth financial analysis, and a survey, if needed, followed by final Land Board approval.

DNRC Recommendation:
The director recommends preliminary approval of the Clapper Flats Farm for further consideration for acquisition.

Clapper Flat Farm

Yellowstone County, Estimated Price $583,410

Location: ± 1 mile northwest of Laurel, MT in Yellowstone County

Acreage: 777.88 deeded acres (302.25± acres Dryland Crop Land and 475.63± acres Dryland Grazing)

Carrying Capacity: 475.63± acres of grazing lands are estimated to have a carrying capacity of 145 AUMs.

Crop Land: 302.25± acres of dryland crop land typically planted in wheat. It is anticipated that the state would enter into a cash lease, similar to the existing state land to the west that also has dryland agriculture.

Stockwater: There is not any developed stockwater on the property. The existing lessee hauls water during the couple of months that cattle are on the property.

Irrigation: None

Timber: None

Fencing: There is a barbed-wire fence along the north and west section lines of Section 31. The east and south have fencing but it generally follows the crop land and not the property lines. The fencing appears to be in good condition.

Improvements: None.

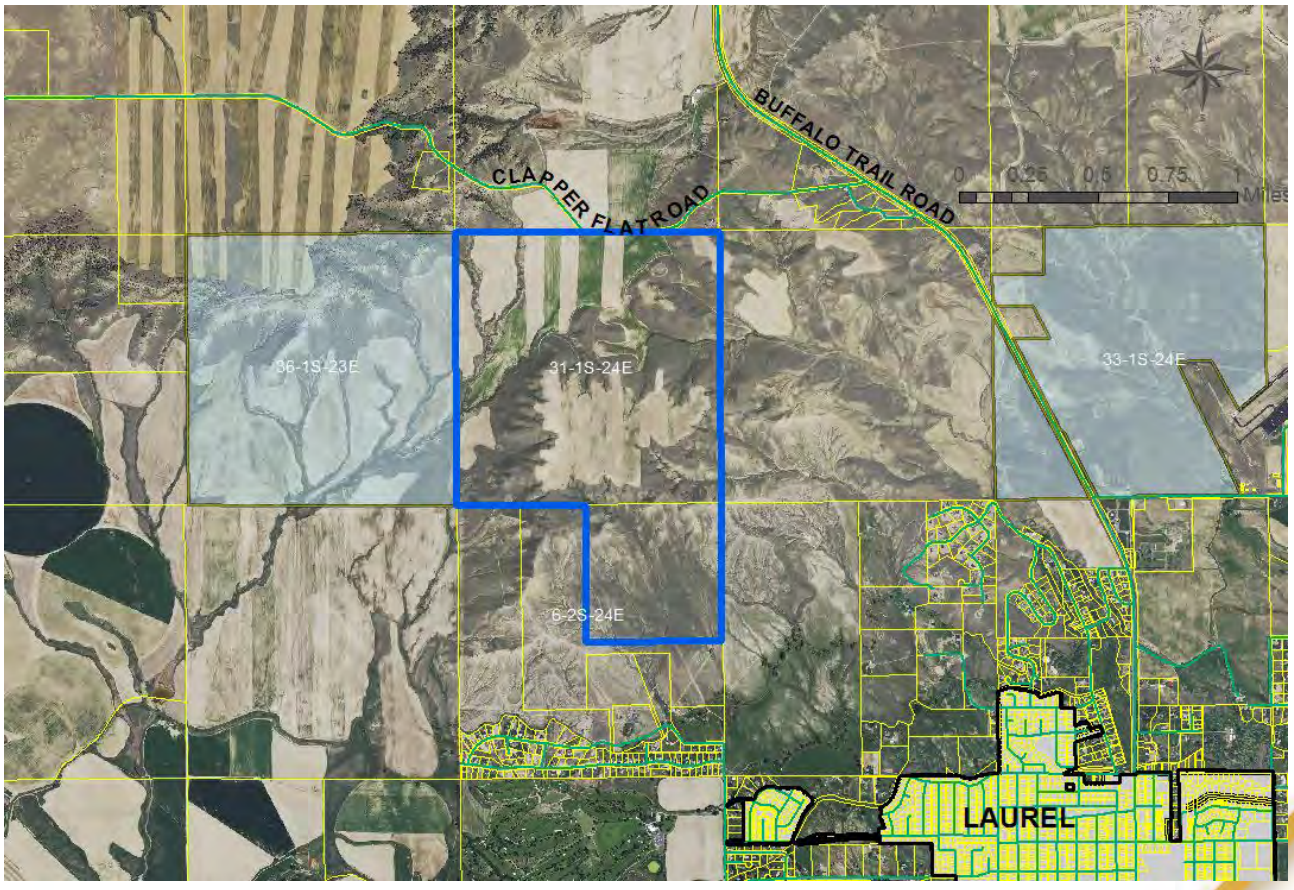
County/Taxes: $821.30 annually

Precipitation: 10-14 inch precipitation zone

Clapper Flat Farm

Comments: The 777.88± acre Clapper Flat Farm presents an opportunity to purchase productive dryland agricultural and grazing lands. Additionally, the proposed acquisition adjoins existing State Trust land (Section 36-T1S-R23E) that is presently landlocked. This acquisition would provide permanent access to this tract for administrative and public recreation access from Clapper Flat Road. The property supports big game and upland game bird hunting opportunities.

Revenue projections for grazing and agriculture estimate annual revenue to the Trust beneficiary of $10,300. The dryland agricultural land is usually planted in wheat with a crop/summer fallow rotation. The projected revenue would result in a rate of return of 1.8%. The sellers are not interested in leasing back the land and it is expected that the state would put the lease out for bid. There are two agricultural lessees on the Trust land immediately to the west that could be potential bidders. One of the State lessees is also the current lessee of the acquisition land.



1215-9

LAND EXCHANGE:

Preliminary Approval for SRI River Holdings

Land Board Agenda Item
December 21, 2015

1215-9 Land Exchange: Preliminary Approval SRI River Holdings

Location: Madison, Silver Bow Counties

Trust Benefits: MSU 2nd Grant, Common Schools, Eastern College – MSU/Western College, UM

Trust Revenue: N/A

Item Summary
The Department of Natural Resources and Conservation (DNRC) requests preliminary approval of a land exchange proposal with SRI River Holdings, LLC (SRI) involving 608 acres of state land for 861.48 acres of private land in Madison and Silver Bow Counties. Both properties are located approximately two miles northwest of Twin Bridges, Montana.

Acres:

State Trust Land (DNRC)			
County	**Legal Description**	**Trust**	**Acres**
Madison	NE¼NE¼, W½E½, NW¼, SW¼, Section 20, T3S-R6W	MSU 2nd Grant	520±
Madison	NW¼, north of the Melrose-Twin Bridges Road, Section 29, T3S-R6W	Eastern College – MSU / Western College – UM	8±
Madison	E½NE¼, less riverbed, Section 16, T3S-R6W	Common Schools	80±
			608±

SRI River Holdings, LLC Land		
County	**Legal Description**	**Acres**
Madison	Lots 1-4, E½W½, E½, Section 30, T1S-R7W	630±
Madison	Section 11, T4S-R7W	111±
Silver Bow	SE¼NE¼, E½SE¼, Section 25, T1S-R7W	120.48±
		861.48±

Location: Madison & Silver Bow Counties

Beneficiary MSU 2nd Grant, Common Schools, Eastern College – MSU/Western College – UM

PUBLIC INVOLVEMENT PROCESS AND RESULTS

On September 30, 2014, DNRC Dillon Unit, and representatives from SRI River Holdings LLC met with the Skyline Sportsmen, Anaconda Sportsmen, and Beaverhead Outdoors groups, Public Lands Water Access Association, along with the Fish, Wildlife and Parks (FWP) Wildlife Biologist Vanna Boccadori, and Wardens Regan Dean and Shane Brozovich, to discuss the proposed land exchange. The discussion included pros and cons of the exchange including different parcels of lands considered for the land exchange. In October 2014, a conference call was held with the same sportsmen's groups to discuss which lands would be in the best interest of the state and the general public. On February 11, 2015, SRI River Holdings, LLC submitted an application for a land exchange.

In April and May of 2015, the formal scoping process on the proposed land exchange took place. DNRC mailed approximately 90 letters to adjacent landowners, local legislators, county commissioners, and sportsmen's groups seeking input and comments. A public notice was placed in the *Dillon Tribune*, Ennis *Madisonian*, and *Whitehall Ledger* in early April 2015.

Dillon Unit received nine comments opposed to the exchange of the 80 acres of state land on the Jefferson River. These responses included seven from members of the Jefferson River Canoe Trail (JRCT), who are a chapter of the Lewis and Clark Trail Heritage Foundation, along with two from the Lewis and Clark Trail Heritage Foundation. Their concerns lie in the fact that the 80 acre state parcel to be exchanged is located on the Lewis and Clark National Historic Trail, and near the historic confluence of the Big Hole and Beaverhead Rivers which is a location of a Lewis and Clark Expedition camp site, the loss of 80 acres on the Jefferson River for public recreational uses, and the potential residential or other development of the 80 acres (if exchanged) which would negatively impact the aesthetic values to river floaters and cause a loss of open space. (NOTE: The historic confluence or Lewis and Clark Expedition camp site are not located on the 80 acres of State land itself.) The Dillon Unit also received three comments in support of the exchange.

Representatives of SRI twice met JRCT members to discuss their concerns, including taking a float trip to the 80 acres of state land. In light of their concerns SRI proposes the following:

- to donate four acres to JRCT on the Jefferson River for use as a canoe camp site, and pay for fencing, picnic table and signage at the site;
- to take title to the 80 acres of state land on the Jefferson River with deed restrictions that prevent subdivision or development of the 80 acre property so it will forever remain as open space along the river;
- to place a Lewis and Clark interpretive sign on SRI Ranch lands near the confluence of the Jefferson and Big Hole Rivers (current day confluence), which was an important juncture for the Lewis and Clark Expedition.

EXCHANGE CRITERIA ANALYSIS

The following preliminary review documents how the land exchange meets or exceeds the land exchange criteria and accrues benefits to the MSU 2nd Grant, Common Schools Eastern College – MSU / Western College – U of M trust beneficiaries.

1. EQUAL OR GREATER VALUE

The private land proposed for exchange is comprised of 861.48 acres. Approximately 111 acres on the Big Hole River, 120 acres of grassland in Silver Bow County and 630 acres of grassland in the upper Rochester Basin of Madison County. Based on sales data in the Twin Bridges area grazing land is selling for $850/acre, and river properties are going for $7,500/ acre. The estimated value of the private land offered for exchange both grazing, ($102,630) and river property ($832,500) totaling **$1,470,000**.

The state trust land proposed for exchange is comprised of 608 acres, 80 acres on the Jefferson River and 528 acres of grassland west of Twin Bridges. The estimated value of the grazing land is $850/acre, and the estimated value of the Jefferson River 80/acres is $7,500/acre. The estimated total value of state land offered in trade is **$1,048,800**, $600,000 for the 80 acres on the Jefferson River, and $448,800 for the grazing lands near the High Bridge in Madison County.

Preliminarily Meets Criteria

2. STATE LAND BORDERING ON NAVIGABLE LAKES AND STREAMS

The private land offered in the exchange along the Big Hole River contains approximately 111 acres and approximately one mile of river frontage, including a side channel. The parcel is located approximately ¼ mile north of the Pennington Bridge fishing access site. The state would obtain the portion of the riverbed associated with the parcel. The state would also receive an administrative easement to access the tract by land. Public access would be via floating down the river.

The private grazing land in the Rochester Basin area has approximately 1.25 miles of frontage on Little Camp and Camp Creeks, both perennial streams. While not navigable streams, they nonetheless are important waterbodies in this basin.

The state land offered in the exchange contains 80 acres and approximately 0.9 miles of frontage on the Jefferson River, a navigable river. Since it is a navigable river, the state would retain the riverbed in the exchange, which is estimated to be about 16 acres. The state would actually dispose of approximately 64 acres. Current public access to this parcel is by floating, and the department has permissive administrative access for management of the parcel.

The proposed land exchange meets the land exchange criteria as the land being exchanged borders a similar body of water, and provides equal or better recreational potential.

Preliminarily Meets Criteria

3. EQUAL OR GREATER INCOME TO THE TRUST

As part of the exchange, DNRC will offer SRI a new grazing lease on the exchange property at the minimum AUM rate.

The private land offered in the exchange contains 861.48 acres of grazing land that would support 361 AUM's. The state minimum grazing rental is $19.57/AUM. Thus the projected annual income is **$7,065**.

The state land offered in the exchange contains 608 acres of grazing land that will support 150 AUM's. The state minimum grazing rental is $19.57/AUM. Thus the project annual income from grazing is **$2,936**.

Based on productivity of the lands, the proposed land exchange meets the land exchange criteria of equal or greater income.

A portion of the lands that the state would acquire on the Big Hole River are flood irrigated pasture which increases productivity of the site for grazing production.

Preliminarily Meets Criteria

4. EQUAL OR GREATER ACREAGE

The land exchange proposes to exchange **861.48** acres of private deeded land for **608** acres of state trust land.

Preliminarily Meets Criteria

5. CONSOLIDATION OF STATE LAND

This land exchange proposal would both break up and consolidate state land parcels. The state currently has a large block of state land west of Twin Bridges, 2,570.84 contiguous acres with access from the Melrose Bench Road, a county road. A large portion of this block of state land is restricted to archery and shotgun only due to the number of houses surrounding the state land. This proposed exchange would reduce this block of state land by 520 acres. The public would still have access to 2,050.84 acres of state land west of Twin Bridges.

Exchanging these lands would not isolate any state lands from previous legal access, and the majority of the lands would still be consolidated.

In the exchange the state would block up 1,285 acres of state land in the head end of Rochester Basin. SRI would grant a permanent public easement to this new block of state land that borders Forest Service and Bureau of Land Management (BLM) lands in the Highwood Mountains. This access would provide good recreational access to thousands of acres of, state, forest service and BLM lands. The exchange proponent does not own 100 percent of the minerals on the lands proposed for exchange; therefore the proposed exchange is for surface ownership only.

Preliminarily Meets Criteria

6. POTENTIAL FOR LONG-TERM APPRECIATION

Grazing land with legal access in this area is appreciating in value, as are lands along any river corridor in Southwest Montana. The proposed land exchange will create a large block of state land with legal access which borders forest service lands with big game hunting adjacent to the state lands. These types of lands are also rapidly appreciating in value. The lands that the state would give up would also appreciate in value.

Preliminarily Meets Criteria

7. ACCESS

The private land exchanged to the state in the Rochester Basin would provide public access to approximately 1,285 acres of existing state land along with thousands of acres of federal lands. Existing access to these lands is poor, with the public having to travel long distances through difficult terrain.

The state would also receive an administrative easement to access the private land exchanged on the Big Hole River by land. Public access would be via floating down the river.

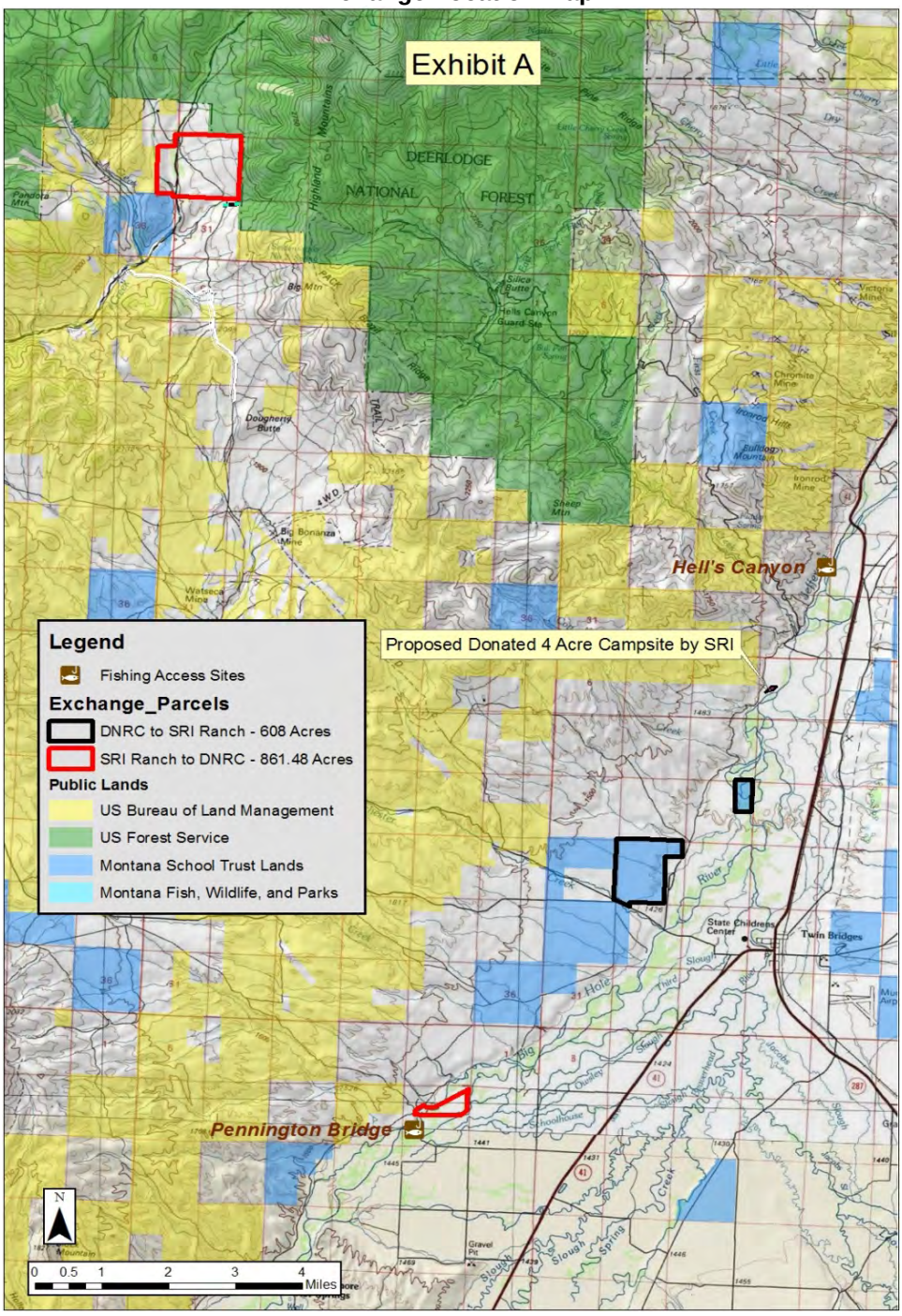
The proposed exchange would provide excellent public recreational opportunities in the Rochester Basin area and the 111 acres on the Big Hole River.

Preliminarily Meets Criteria

DNRC Recommendation

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

Exchange Location Map



1215-10

EASEMENTS:

A. Easements

B. Reciprocal Access Agreement

Lower Thompson – Jones

Land Board Agenda Item
December 21, 2015

1215-10A **Easements**

Location: Custer, Gallatin, Garfield, Liberty, Missoula, Richland, Stillwater, Toole, Valley

Trust Benefits: Common Schools
Public Buildings
Public Land Trust

Trust Revenue: Common Schools= $22,255.00
Public Buildings=$1688.00
Public Land= $254.00

Item Summary

Applicant	Right-of-Way Purpose	Term	Page(s)
Northwestern Energy	Amendment to Existing Utility Line	Permanent	1-2
Toole County	Historic County Road	Permanent	3-4
Liberty County	Historic County Road	Permanent	5-6
Toole County	Historic County Road	Permanent	7-9
ONEOK Rockies Midstream, LLC.	New Natural Gas Pipeline	30-Year	10-13
Dry Prairie Rural Water Authority	New Water Pipeline	Permanent	14-15
ONEOK Rockies Midstream, LLC	New Natural Gas Pipeline	30-Year	16-17
Missoula County	New River Bridge	Permanent	18-19
McCone Electric Co-op., Inc.	New Powerline	Permanent	20-21
Mid-Rivers Telephone Cooperative, Inc.	New Fiber Optic Cable	Permanent	22-23
City of Bozeman	New Municipal Water/Sewer	Permanent	24-25
Tongue River Electric	New Overhead Powerline	Permanent	26-27

Rights of Way Applications

December 21, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 40 East Broadway Street Butte MT 59701
Application No.:	16614A
R/W Purpose:	an overhead 100kV transmission line and H-Structure
Lessee Agreement:	ok
Acreage:	7.34
Compensation:	$100.00
Legal Description:	60-foot strip through N2N2 & a tract of land in the NE4NW4, NW4NE4, Sec. 10, Twp. 1N, Rge. 19E, Stillwater County
Trust Beneficiary:	Common Schools

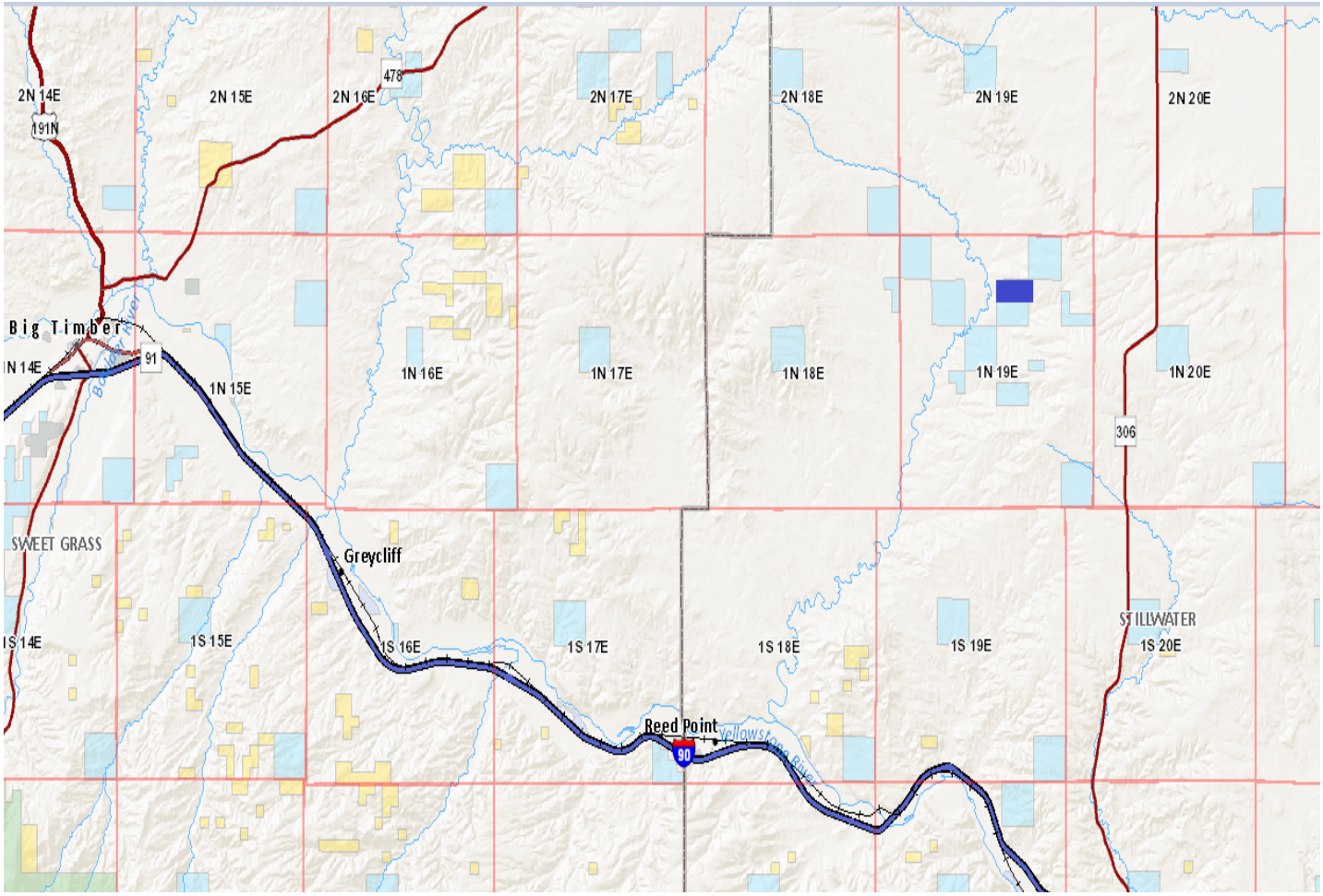
Item Summary

Northwestern Energy has made application to amend an existing easement that was previously approved in 2014. The original easement was for an overhead 100kV transmission line which encumbers a total of 7.28 acres. The amendment request will add a 107 foot x 25 foot area to the south side of the existing easement in the NE4NW4, NW4NE4, to accommodate guy wires for a proposed H-structure. The proposed addition would increase the easement area by 0.06 acres.

Department Recommendation
The director recommends approval of this amendment.

Rights of Way Applications

December 21, 2015



Rights of Way Applications

December 21, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Toole County 226 1st Street South Shelby MT 59474
Application No.:	16813
R/W Purpose:	a public county road known as Miner's Coulee Road
Lessee Agreement:	N/A (Historic)
Acreage:	2.35
Compensation:	$940.00
Legal Description:	60-foot strips through SE4SW4, Sec. 25 and SE4SE4, Sec. 35, Twp. 37N, Rge. 2E, Toole County
Trust Beneficiary:	Public Buildings

Item Summary

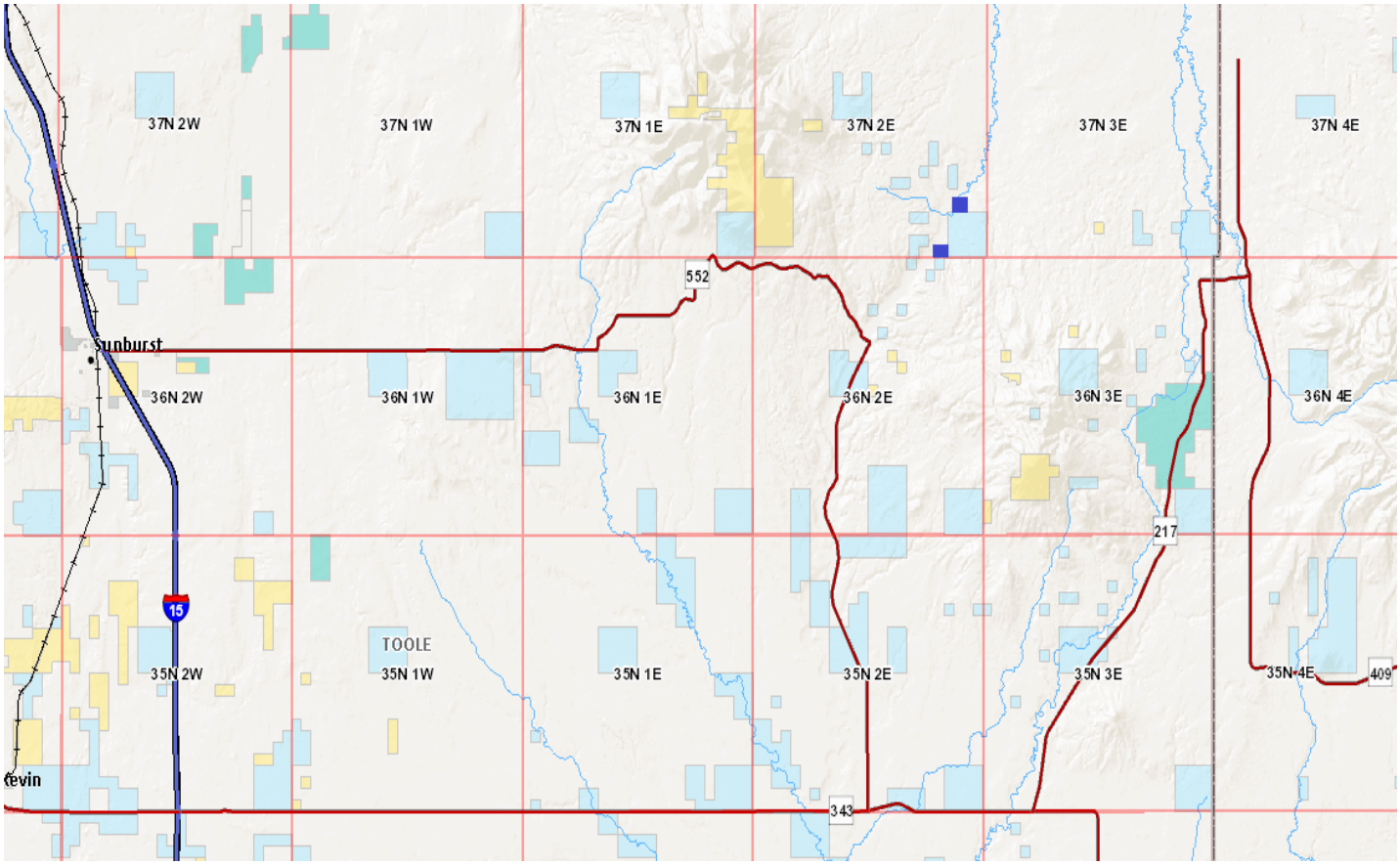
Toole County has made application for this county road that was constructed on state lands many years ago without proper authorization from the Land Board. Pursuant to §77-1-130, MCA, the county is requesting recognition of this road as a historic right of way.

Department Recommendation

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

Rights of Way Applications

December 21, 2015



Rights of Way Applications

December 21, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Liberty County Box 459 Chester MT 59522
Application No.:	17064
R/W Purpose:	a public county road known as Broadhurst Road
Lessee Agreement:	N/A (Historic)
Acreage:	5.4
Compensation:	$1486.00
Legal Description:	14-foot strip through E2SE4, Sec. 13 & 28-foot strip through E2NE4, N2SE4, SW4SE4, Sec. 36, Twp. 29N, Rge. 4E; 14-foot strip through W2SW4, Sec. 18, Twp. 29N, Rge. 5E, Liberty County
Trust Beneficiary:	Common Schools

Item Summary

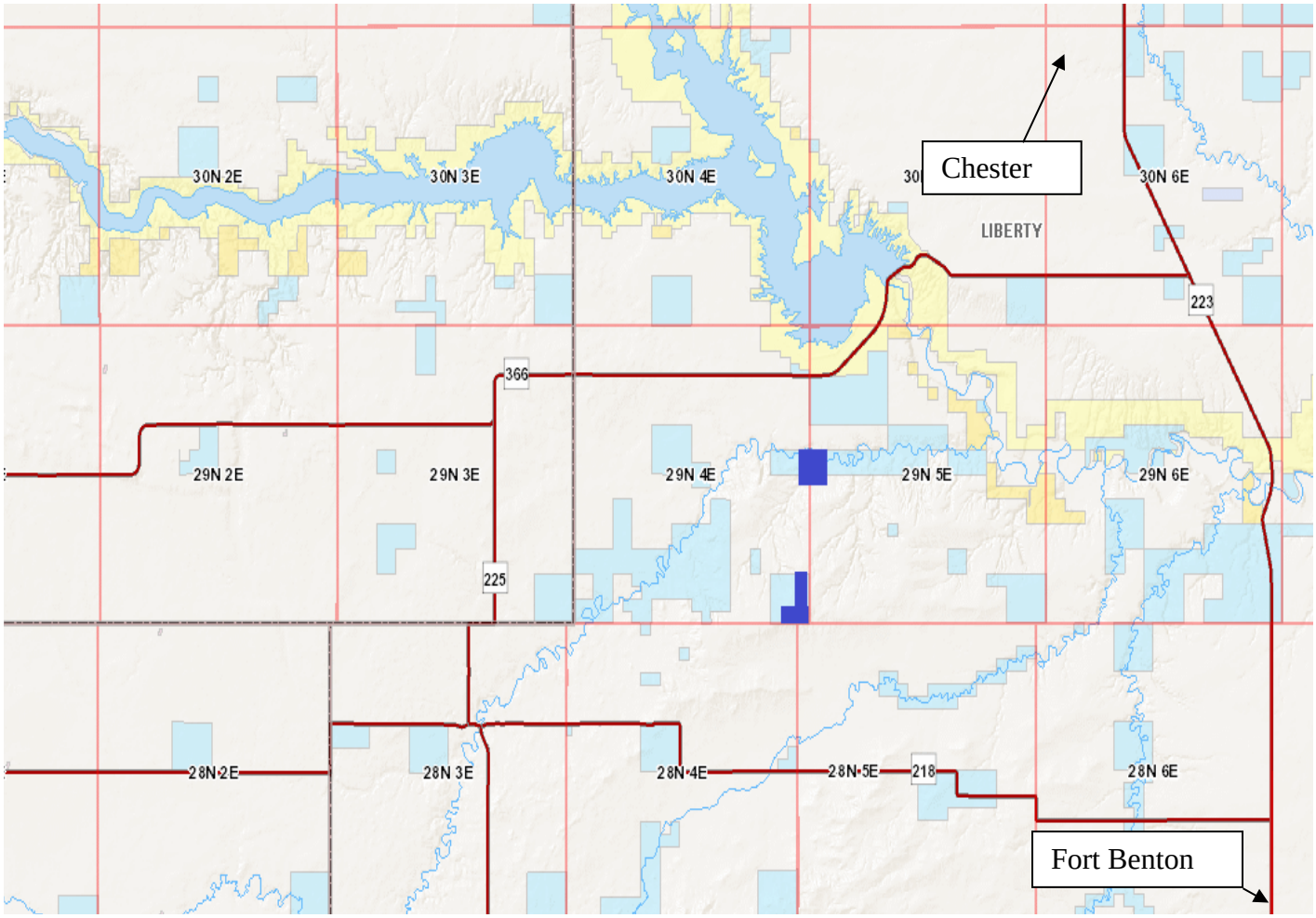
Liberty County has made application for this county road that was constructed on state lands many years ago without proper authorization from the Land Board. Pursuant to §77-1-130, MCA. the county is requesting recognition of this road as a historic right of way.

Department Recommendation

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

Rights of Way Applications

December 21, 2015



Rights of Way Applications

December 21, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Toole County 226 1st Street South Shelby MT 59474
Application No.:	17067
R/W Purpose:	a public county road known as East Richards Ave
Lessee Agreement:	N/A (Historic)
Acreage:	3.74
Compensation:	$748.00
Legal Description:	60-foot strip through S2SW4, Sec. 3, Twp. 31N, Rge. 2E, Toole County
Trust Beneficiary:	Public Buildings

Item Summary
See page 3

Department Recommendation
See page 3

Rights of Way Applications

December 21, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

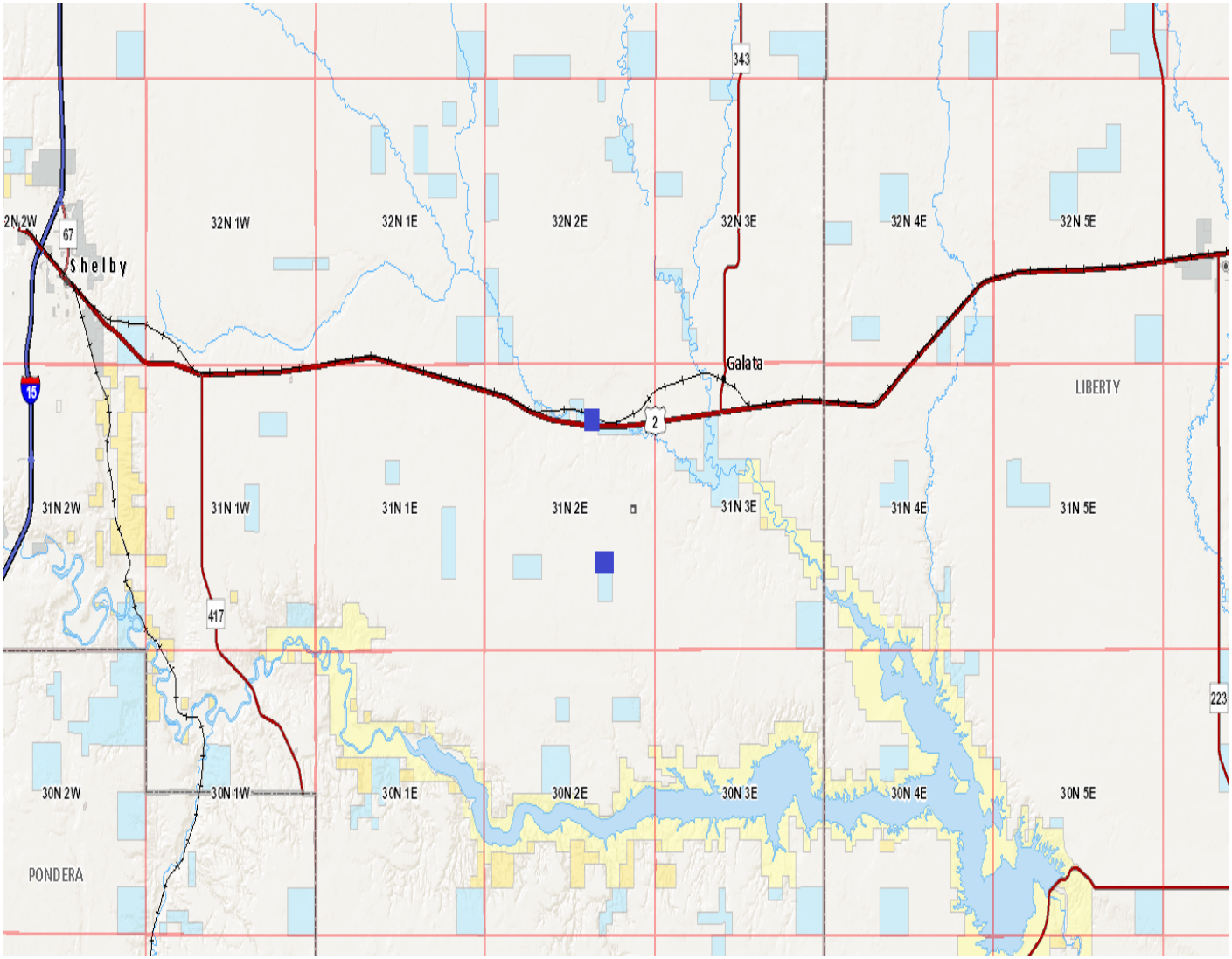
Applicant:	Toole County 226 1st Street South Shelby MT 59474
Application No.:	17069
R/W Purpose:	a public county road known as Frydenlund Buildings Road
Lessee Agreement:	N/A (Historic)
Acreage:	1.79
Compensation:	$806.00
Legal Description:	30-foot strip through N2NW4, Sec. 26, Twp. 31N, Rge. 2E, Toole County
Trust Beneficiary:	Common Schools

Item Summary
See page 3

Department Recommendation
See page 3

Rights of Way Applications

December 21, 2015



Rights of Way Applications

December 21, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	ONEOK Rockies Midstream, LLC 2700 Lincoln Ave SE Sidney MT 59270
Application No.:	17104
R/W Purpose:	a buried dour inch natural gas pipeline
Lessee Agreement:	ok
Acreage:	0.22
Compensation:	$2003.00
Legal Description:	20-foot strip through SE4SE4, Sec. 36, Twp. 26N, Rge. 52E, Richland County
Trust Beneficiary:	Common Schools

Item Summary

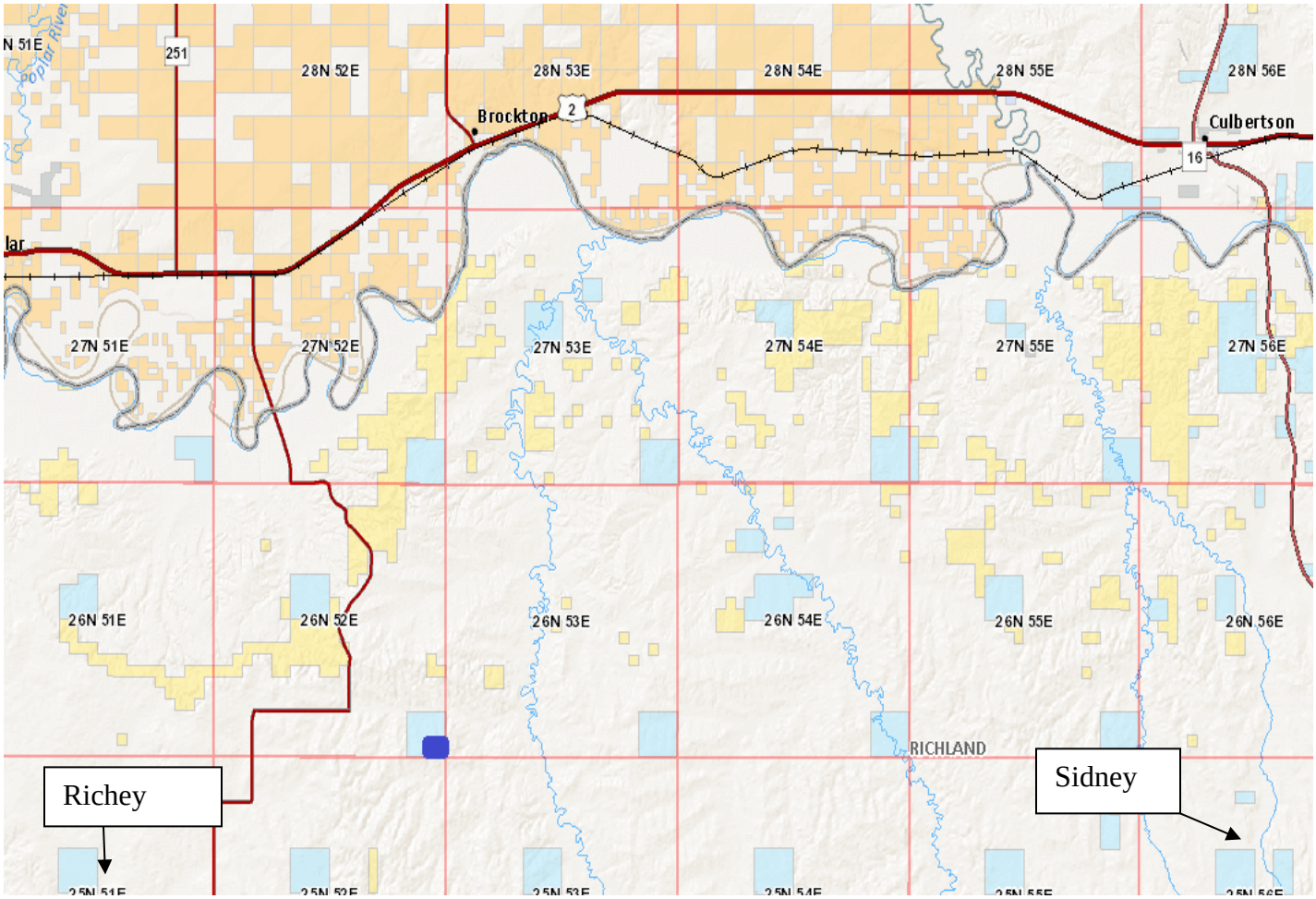
ONEOK Rockies Midstream, LLC has made application for a four inch natural gas pipeline. The pipeline was previously authorized and installed under a Land Use License issued in 2005. This application is to convert the License to 30-year term easement. ONEOK Rockies Midstream, LLC has agreed to compensation in the amount of $70/rod which is consistent with other installations in the area.

Department Recommendation

The director recommends approval of this 30-year term easement for this natural gas pipeline.

Rights of Way Applications

December 21, 2015



Rights of Way Applications

December 21, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

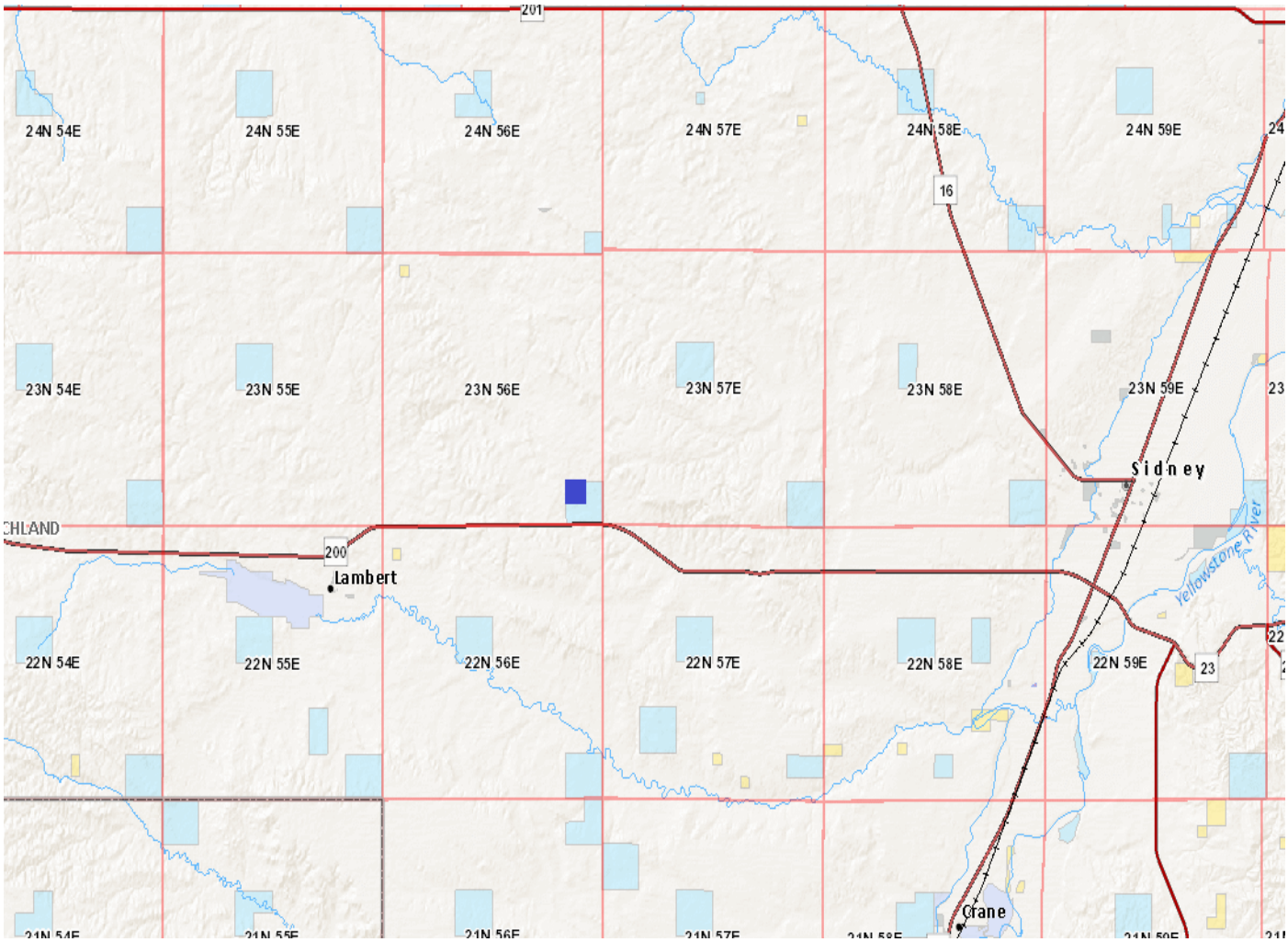
Applicant:	ONEOK Rockies Midstream, LLC 2700 Lincoln Ave SE Sidney MT 59270
Application No.:	17105
R/W Purpose:	a buried four inch natural gas pipeline
Lessee Agreement:	ok
Acreage:	0.47
Compensation:	$4313.00
Legal Description:	20-foot strip through NW4NW4, Sec. 36, Twp. 23N, Rge. 56E, Richland County
Trust Beneficiary:	Common Schools

Item Summary
See page 10

Department Recommendation
See page 10

Rights of Way Applications

December 21, 2015



Rights of Way Applications

December 21, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Dry Prairie Rural Water Authority PO Box 577 Culbertson MT 59218
Application No.:	17110
R/W Purpose:	a buried two inch water transmission pipeline and associated appurtenances
Lessee Agreement:	ok
Acreage:	0.18
Compensation:	$540.00
Legal Description:	30-foot strip through SE4SE4, Sec. 36, Twp. 28N, Rge. 41E, Valley County
Trust Beneficiary:	Common Schools

Item Summary

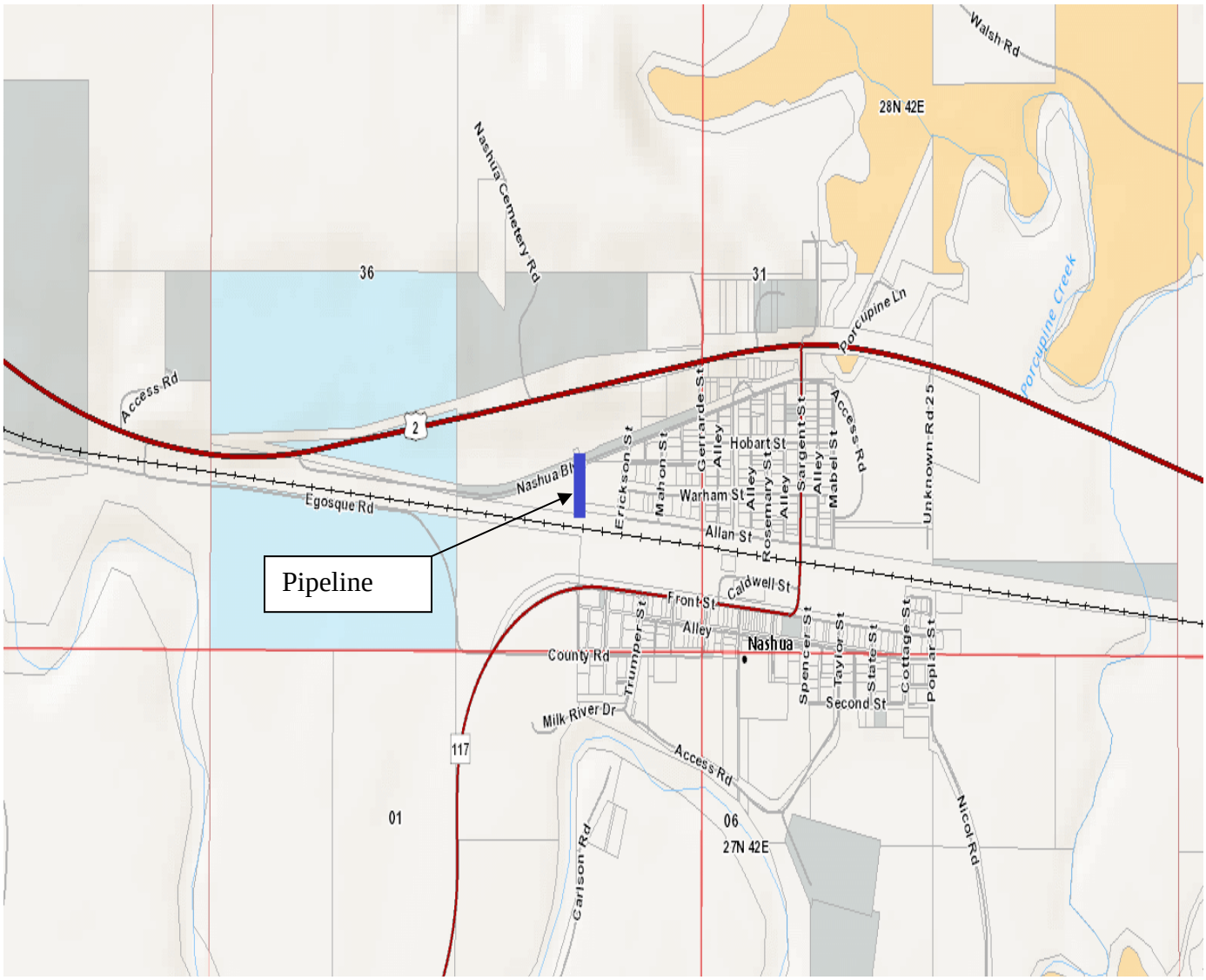
Dry Prairie Rural Water Authority has made application for a two inch water transmission pipeline to be placed across a small portion of state trust land adjacent to the town of Nashua. Due to timing issues the pipeline was installed through an emergency construction license in October, 2015. The pipeline is part of the larger project associated with the Dry Prairie regional water system to supply clean water to areas within the Fort Peck Reservation and surrounding region. In this particular case the route selected is the most cost effective route for the project. Other routes were rejected based on engineering design requirements, topographical features and increased costs.

Department Recommendation

The director recommends approval of this two inch water transmission line.

Rights of Way Applications

December 21, 2015



Rights of Way Applications

December 21, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	ONEOK Rockies Midstream, LLC 2700 Lincoln Ave SE Sidney MT 59270
Application No.:	17115
R/W Purpose:	a buried six inch natural gas pipeline
Lessee Agreement:	ok
Acreage:	0.27
Compensation:	$2489.00
Legal Description:	20-foot strip through NE4NE4, Sec. 16, Twp. 24N, Rge. 53E, Richland County
Trust Beneficiary:	Common Schools

Item Summary

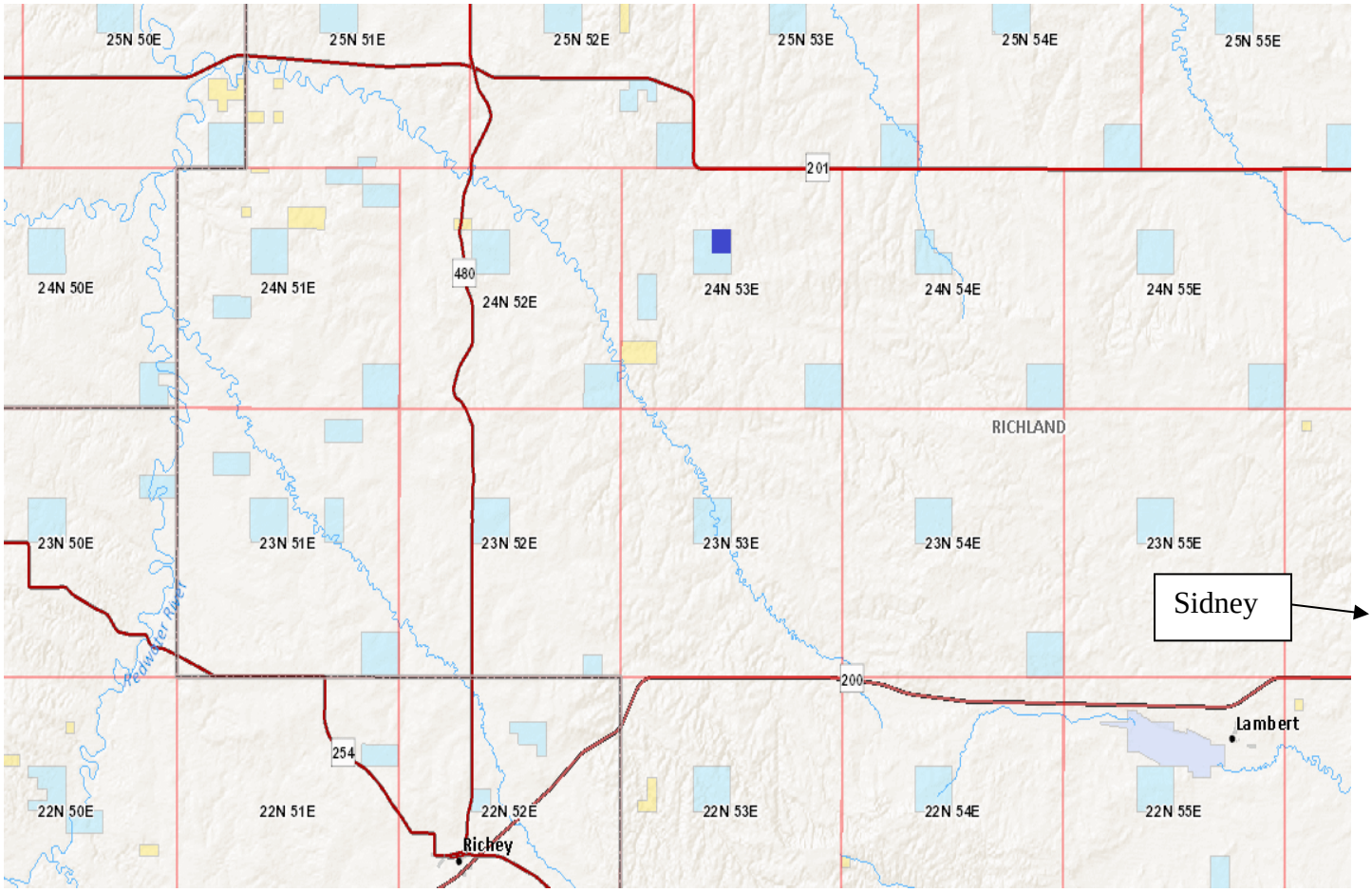
ONEOK Rockies Midstream, LLC has made application for a six inch natural gas pipeline. The pipeline was previously authorized and installed under a Land Use License issued in 2005. This application is to convert the License to 30-year term easement. ONEOK Rockies Midstream, LLC has agreed to compensation in the amount of $70/rod which is consistent with other installations in the area.

Department Recommendation

The director recommends approval of this 30-year term easement for this natural gas pipeline.

Rights of Way Applications

December 21, 2015



Rights of Way Applications

December 21, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Missoula County 200 W. Broadway Missoula MT 59802
Application No.:	17119
R/W Purpose:	a public bridge known as Riverview Drive
Lessee Agreement:	N/A (Navigable River)
Acreage:	0.12
Compensation:	$210.00
Legal Description:	60-foot strip through SW4, Sec. 3, Twp. 16N, Rge. 15W, Missoula County
Trust Beneficiary:	Public Land

Item Summary

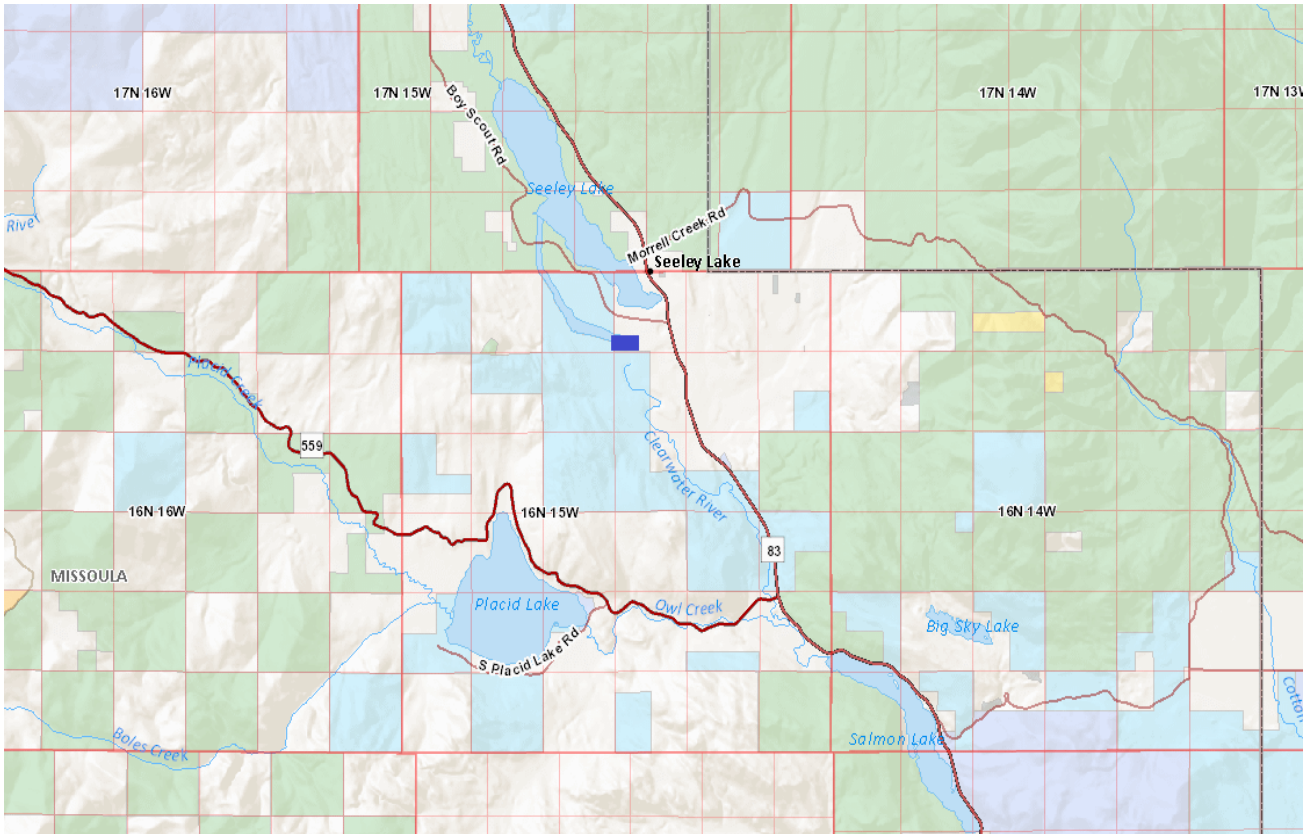
Missoula County has made application for the existing Riverview Drive Bridge over the Clearwater River near Seeley Lake. The bridge has been in place for many years and has been consistently used by the public as well as the state to access their properties west of the river. The proposed easement for the bridge is part of a larger project to declare Riverview Drive from its intersection with Highway 83 to state land a public road through the county petition process. Should the Land Board approve the bridge easement request the county will be able to move forward with finalizing the petition process and declare Riverview Drive a public road. This action will provide clear legal access title to many properties located along the existing road and will allow the state to work with other landowners to the west that need access across state land to their private properties.

Department Recommendation

The director recommends approval of this bridge easement request.

Rights of Way Applications

December 21, 2015



Rights of Way Applications

December 21, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	McCone Electric Co-op, Inc. PO Box 368 Circle MT 59215
Application No.:	17123
R/W Purpose:	an overhead 25kV distribution line
Lessee Agreement:	ok
Acreage:	0.68
Compensation:	$221.00
Legal Description:	20-foot strip through SE4SE4, Sec. 36, Twp. 18N, Rge. 29E, Garfield County
Trust Beneficiary:	Common Schools

Item Summary

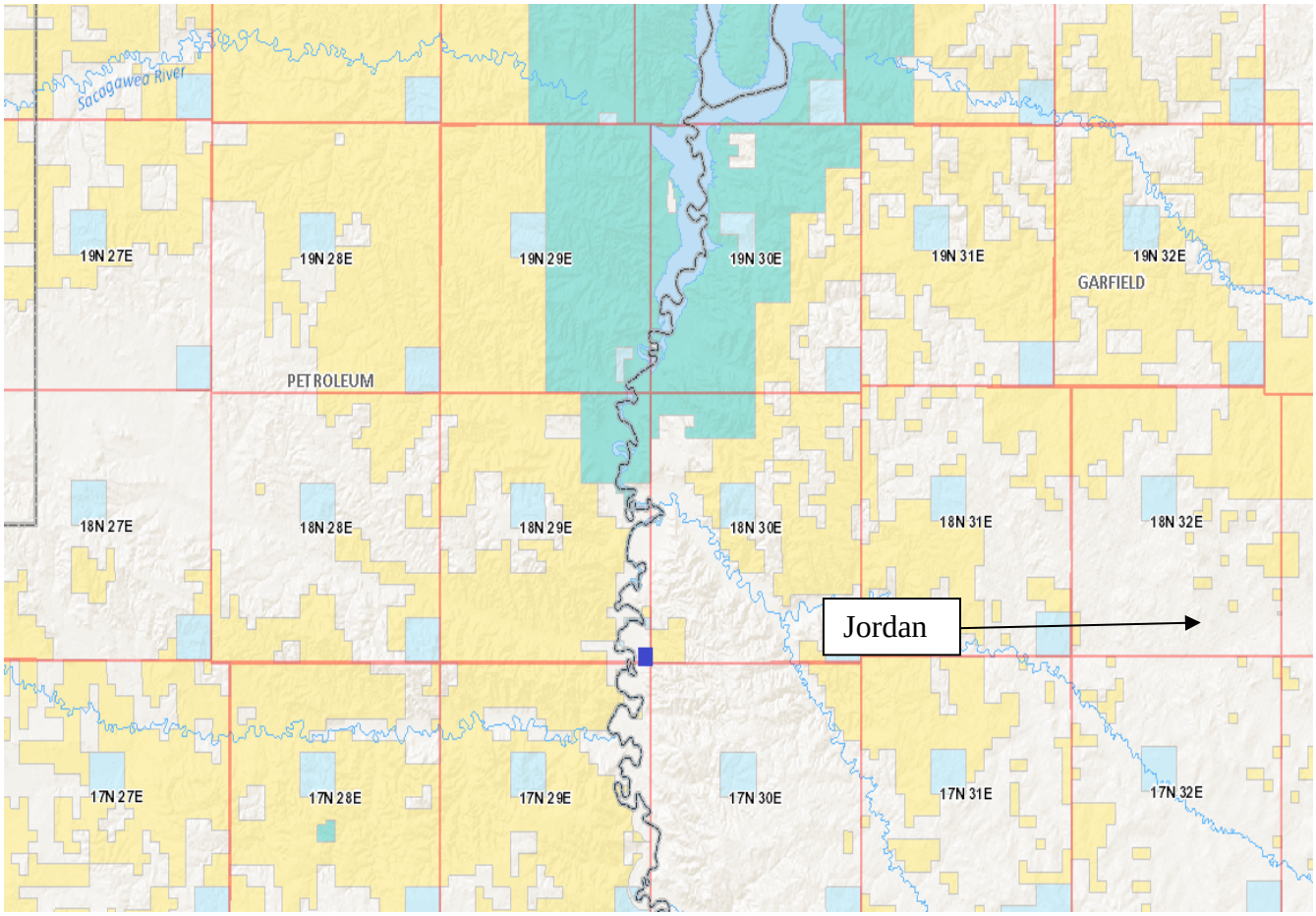
McCone Electric has made application for a 25kV two phase single pole power line. The line was constructed during the flooding of the Musselshell River in 2011, and authorized under a five-year license due to the line being in danger of washing away. The line consists of four 35-foot poles and two 40-foot poles along with one anchor and guy.

Department Recommendation

The director recommends approval of this overhead distribution line.

Rights of Way Applications

December 21, 2015



Rights of Way Applications

December 21, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Mid-Rivers Telephone Cooperative, Inc. PO Box 280 Circle MT 59215
Application No.:	17125
R/W Purpose:	a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	0.69
Compensation:	$207.00
Legal Description:	16-foot strip throughW2NW4, SE4NW4, Sec. 36, Twp. 15N, Rge. 31E, Garfield County
Trust Beneficiary:	Common Schools

Item Summary

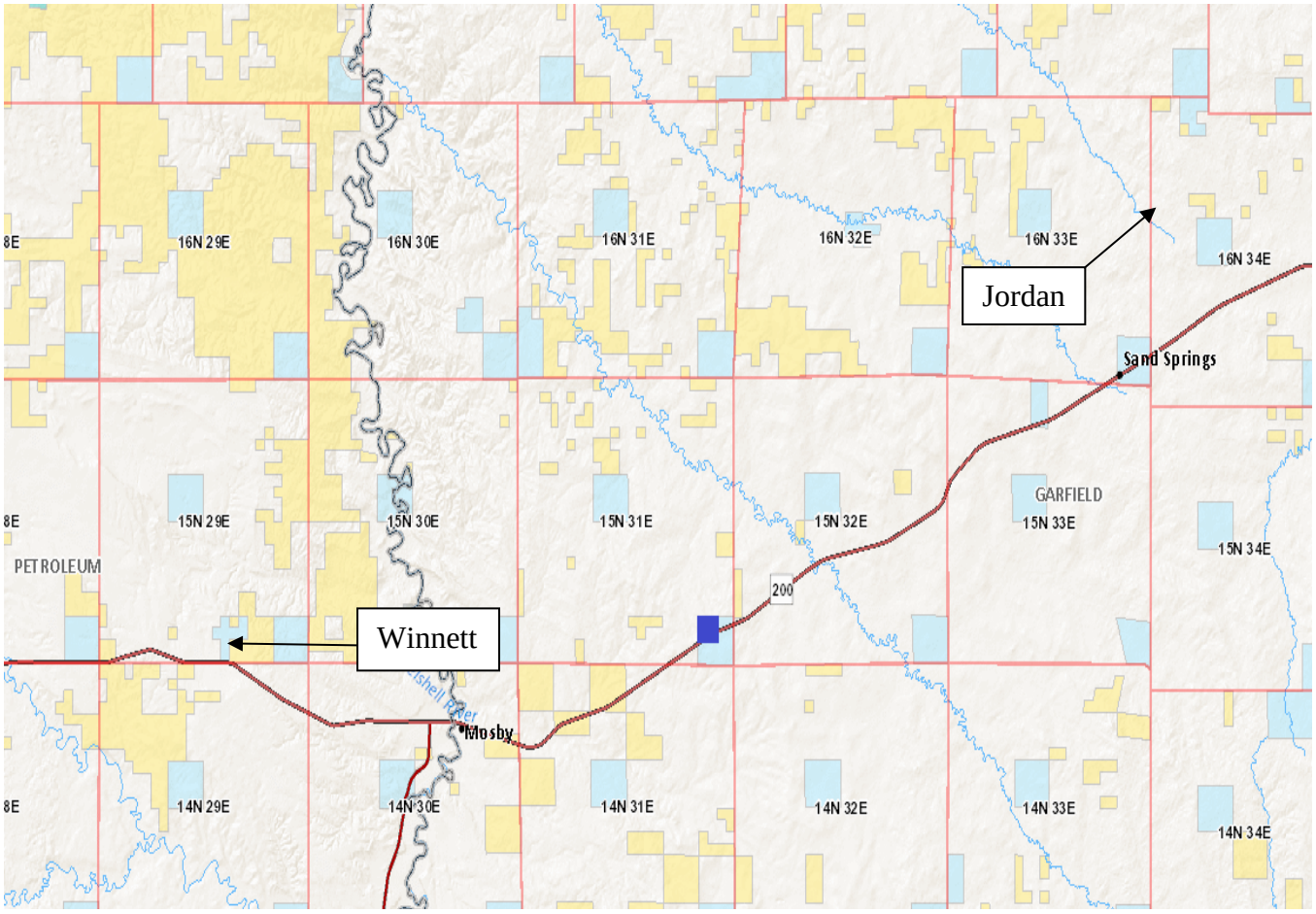
Mid-Rivers Telephone has made application for a buried fiber optic cable to an existing communications tower located on private land to the West. The proposed route follows an existing traveled way and is within sage grouse general habitat. Therefore, other routes considered were eliminated for environmental as well as topographic reasons. Pursuant to *Sage Grouse Executive Order No. 12-2015*, special stipulations will be placed in the easement document to address mitigation measures, such as restrictions related to construction time periods.

Department Recommendation

The director recommends approval of this buried fiber optic cable application.

Rights of Way Applications

December 21, 2015



Rights of Way Applications

December 21, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	City of Bozeman PO Box 1230 Bozeman MT 59771
Application No.:	17126
R/W Purpose:	one eight inch sewer and one eight inch water main line
Lessee Agreement:	ok
Acreage:	0.49
Compensation:	$8826.00
Legal Description:	30-foot strip through NW4SE4, Sec. 36, Twp. 1S, Rge. 5E, Gallatin County
Trust Beneficiary:	Common Schools

Item Summary

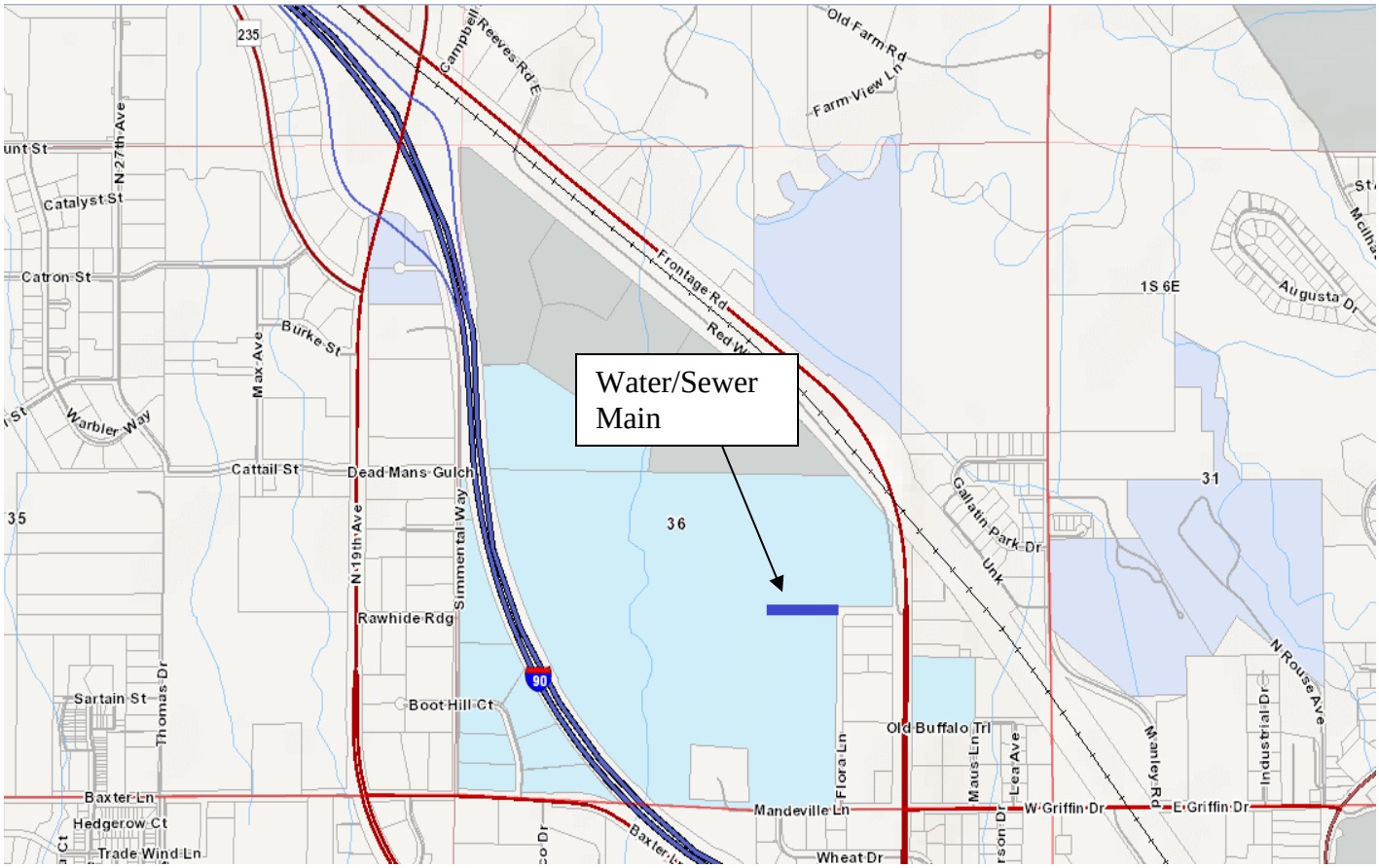
The city of Bozeman has made application to install an eight inch sewer and eight inch water main line to provide service to a proposed corporate headquarters building by Mountain Retail LLC (Murdoch's) adjacent to state land. The new proposed lines will connect to an existing 12 inch water main and ten inch sanitary sewer line that also traverses the state school trust land. The placement of this easement and subsequent sewer and water main installation will enhance this area and the state school trust land property, referred to as the North Park properties, for future development opportunities. During the summer of 2015, a bald eagle nest was established in the SW4 of this parcel. Pursuant to the Migratory Bird Treaty Act and the Bald and Golden Eagle Protection Act (50 CFR 22.26), disturbance causing activities within ½ mile of the nest are typically prohibited from February 1 through August 15 each year. The city of Bozeman will be responsible for making necessary arrangements through U.S. Fish and Wildlife Services to address activities near the nest.

Department Recommendation

The director recommends approval of this water and sewer line application.

Rights of Way Applications

December 21, 2015



Rights of Way Applications

December 21, 2015

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Tongue River Electric PO Box 138 Ashland MT 59003
Application No.:	17135
R/W Purpose:	two 7.2kV overhead distribution lines
Lessee Agreement:	ok
Acreage:	4.16
Compensation:	$1308.00
Legal Description:	one 20-foot strip through W2NW4, Government Lots 3,4,5, N2SE4, SE4SE4 and across the Powder River; one 20-foot strip through S2SE4, NE4SE4, Sec. 16, Twp. 1N, Rge. 54E, Custer County
Trust Beneficiary:	Common Schools & Public Land

Item Summary

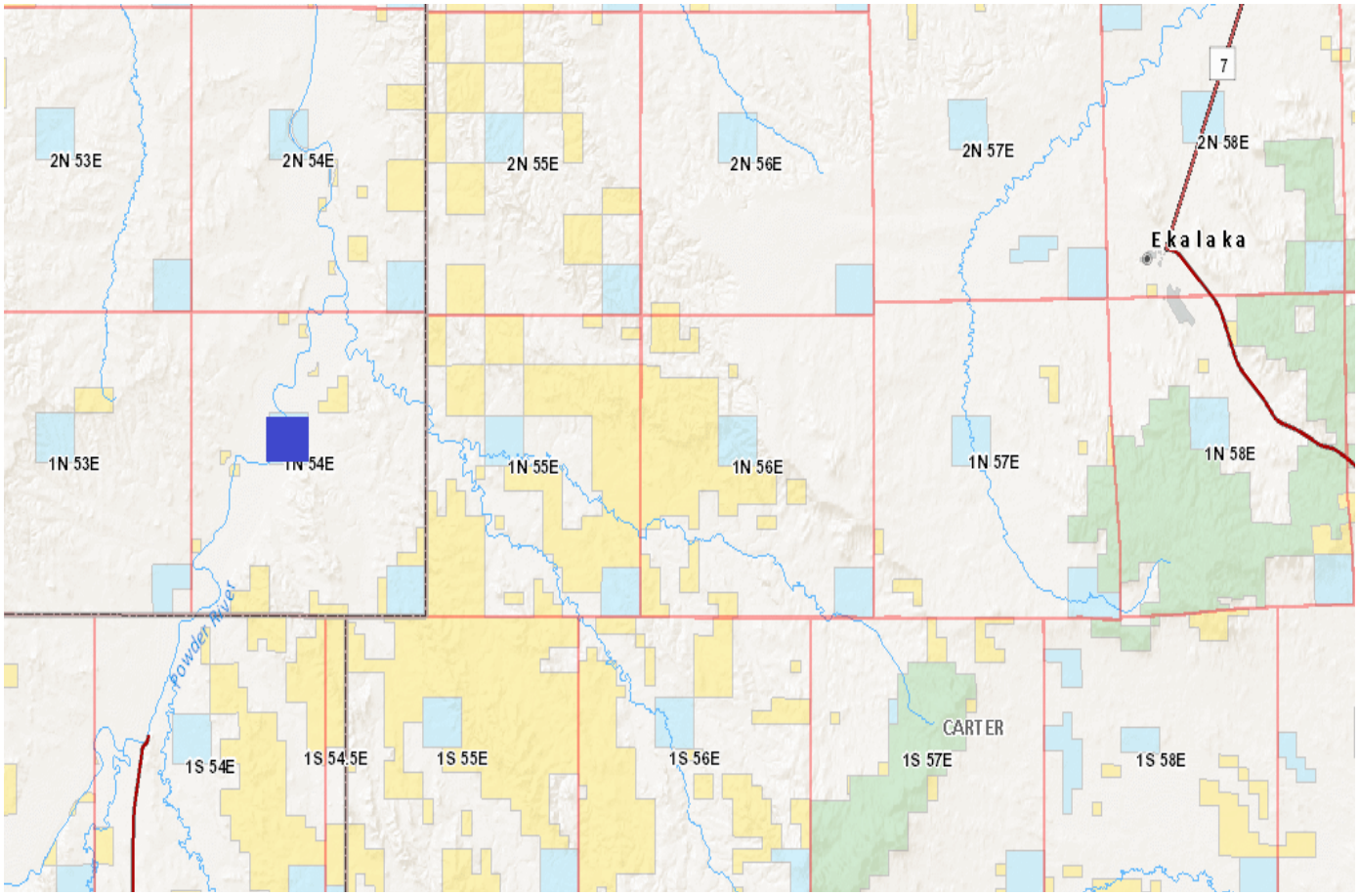
Tongue River Electric has made application for two 7.2kV overhead distribution lines. One of the 20-foot strips will go through the W2NW4, government lots 3, 4, 5, N2SE4, SE4SE4 and across the Powder River. Flooding of the Powder River has caused the current area of this electrical line crossing to become in danger of washing out. The proponent has reengineered the location of this line to be moved to a more suitable crossing upstream from the existing one. These lines cross through sage grouse general habitat area. Pursuant to *Sage Grouse Executive Order No. 12-2015*, special stipulations will be placed in the easement document to address mitigation measures, such as restrictions related to construction time periods.

Department Recommendation

The director recommends approval of these overhead distribution lines.

Rights of Way Applications

December 21, 2015



Land Board Agenda Item
December 21, 2015

1215-10B Reciprocal Access Agreement - Lower Thompson – Jones (Plum Creek)

Location: Sanders County

Trust Benefits: Common Schools, Public Buildings

Trust Revenue: N/A

Item Summary

I. **Applicant:**
Plum Creek Timberlands, L.P.
999 Third Avenue, Suite 4300
Seattle, WA 98104

II. **Purpose of Reciprocal Access Agreement:**
State land is intermingled with Plum Creek Timberlands, L.P. (cooperator) property. In order for both parties to gain legal access, they have proposed to exchange easements as part of this Reciprocal Access Agreement. Each party will grant perpetual non-exclusive easements, 60 feet in width, for the purpose of constructing, reconstructing, maintaining, repairing, and using a road or road segment for all lawful purposes (including buried utilities). Under this agreement, the state is acquiring non-motorized access rights in favor of the public.

III. **Legal Description:**
State Land (R/W)

Section 14, T21N, R26W	P.B.	Public Buildings
Section 2, T22N, R27W	P.B.	Public Buildings
Section 22, T23N, R27W	P.B.	Public Buildings
Section 26, T23N, R27W	P.B.	Public Buildings
Section 36, T23N, R27W	C.S.	Common Schools
Section 36, T23N, R28W	C.S.	Common Schools

Cooperator Land (R/W)
Sections 2, 4, 5, 9, and 10, T22N, R27W
Sections 33 and 35, T23N, R27W

IV. **General Information:**
Tributary area, right of way area, and miles of road are summarized as follows:

	State	Cooperator	Total
Tributary Area:	4,203 acres	7,066 acres	11,269 acres
Miles of Road:	0.33 miles	5.33 miles	5.66 miles
Right of Way Area:	2.41 acres	38.78 acres	41.19 acres

Land Office: Northwestern Land Office (NWLO)
Unit Office: Plains
Land Classification: Forest
County: Sanders

Beneficiary: P.B. – Public Buildings and C.S. – Common Schools

Section 2, T22N, R27W	P.B.
Section 4, T22N, R27W	P.B., C.S.
Section 10, T22N, R27W	P.B.
Section 32, T23N, R27W	P.B.
Section 34, T23N, R27W	C.S.

V. **Costs to be borne by each party**:
Excess costs, by land value and road costs are summarized as follows:

	EXCESS COSTS	
	Cooperator owes State	State owes Cooperator
Land Value	$ 3,077	$ 17,127
Road Costs	$ 2,620	$ 16,371
Total Excess Costs	$ 5,697	$ 33,498

NET BALANCE

Land Value	$ 0	$ 14,050
Road Costs	$ 0	$ 13,751
Subtotals	$ 0	$ 27,801
NET EXCESS TOTAL LAND AND ROAD		**$ 27,801**

VI. **Results of MEPA Analysis:**
The DNRC Plains Unit Office prepared an environmental assessment (October 27, 2015) for the project.

VII. **Benefits to State:**
Benefits include integrated transportation planning results in reduced total road density by utilizing existing roads.

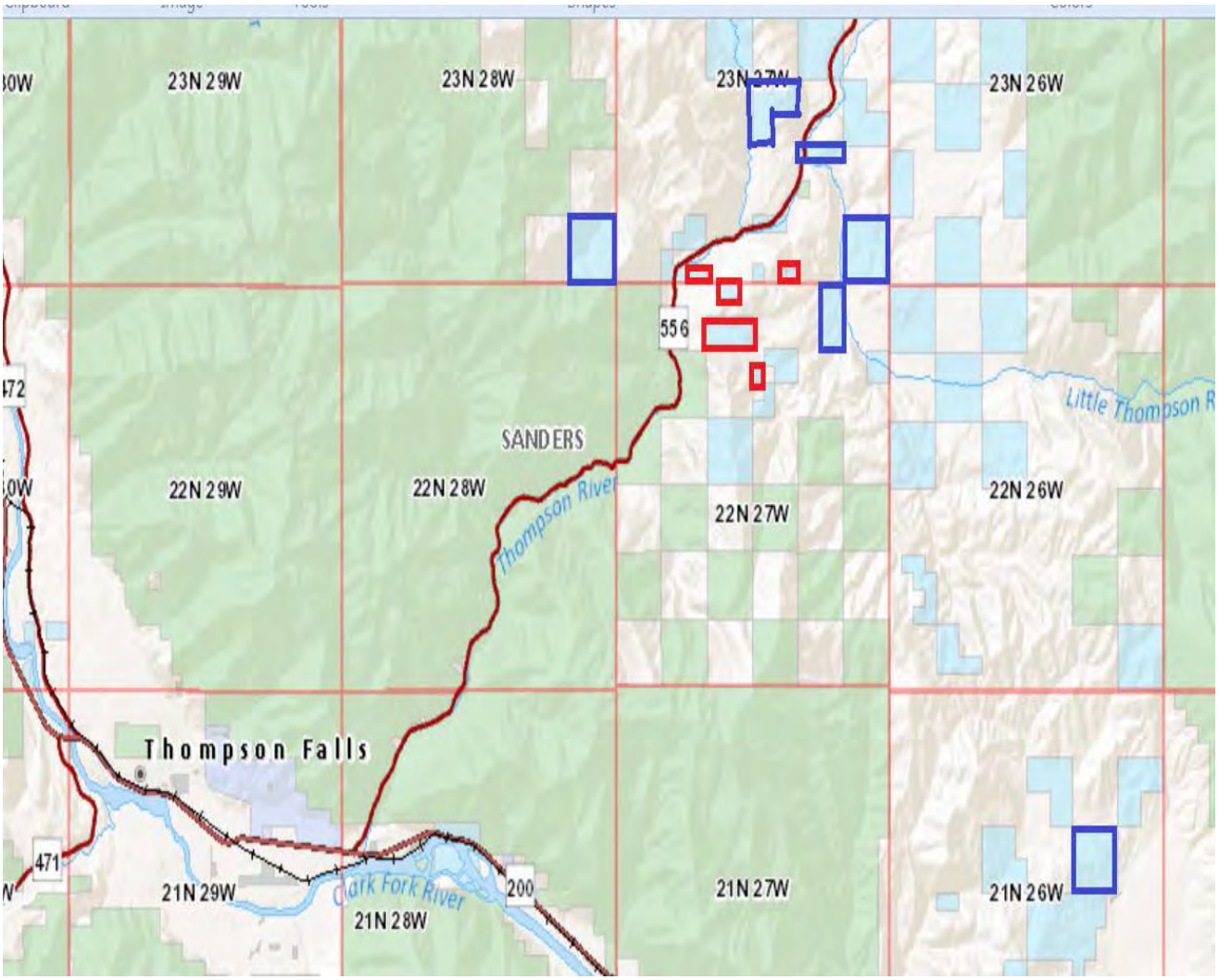
This exchange of reciprocal easements will provide permanent legal access on the existing transportation system to 242 acres of trust lands.

The road easements provide for sharing of future maintenance and reconstruction costs.

As a result of this agreement, the state will be acquiring walk-in access rights in favor of the public to the last two state parcels (560 acres) in Sections 20 and 28 in T21N, R26W. In this township nearly 4,000 acres of state trust land will now be accessed. This was a staged acquisition effort under two separate reciprocal agreements.

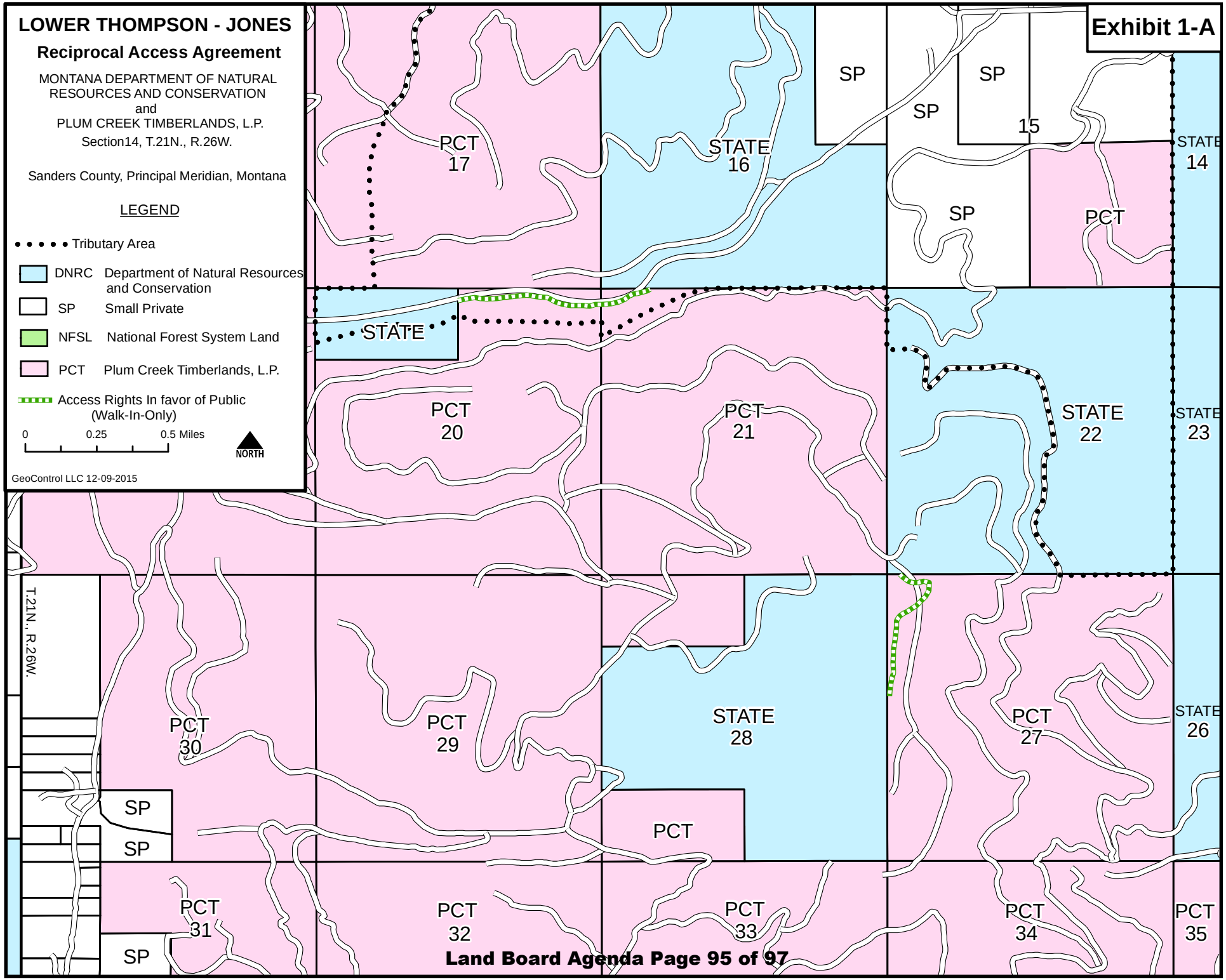
VIII. **Recommendation/Action:**
After review of the documents, exhibits, and benefits to the state, the director recommends approval of the Lower Thompson – Jones Reciprocal Access Agreement with a waiver of the 1% conveyance fee per policy, due to acquisition of access rights for the public to 560 acres of trust land.

VICINITY MAP



___ State Parcels – Access to be Granted Across

___ State Parcels – Access Being Acquired


LOWER THOMPSON - JONES
Reciprocal Access Agreement
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
and
PLUM CREEK TIMBERLANDS, L.P.
Section14, T.21N., R.26W.
Sanders County, Principal Meridian, Montana
LEGEND
Tributary Area
DNRC Department of Natural Resources and Conservation
SP Small Private
NFSL National Forest System Land
PCT Plum Creek Timberlands, L.P.
Access Rights In favor of Public (Walk-In-Only)
0 0.25 0.5 Miles
NORTH
GeoControl LLC 12-09-2015
Exhibit 1-A
T.21N., R.26W.
PCT 17
STATE 16
SP
SP
SP
15
SP
PCT
STATE 14
STATE
PCT 20
PCT 21
STATE 22
STATE 23
PCT 30
PCT 29
STATE 28
PCT 27
STATE 26
SP
SP
PCT
PCT 31
PCT 32
PCT 33
PCT 34
PCT 35
SP

1215-11

FISCAL YEAR 2015 HIGHLIGHTS

Land Board Agenda Item
December 21, 2015

1215-11 Fiscal Year 2015 Highlights

Location: State of Montana

Trust Benefits: All Trusts

Trust Revenue: Common Schools Distributable = $48.3 million
School Facilities and Technology Account = $7.2 million

Item Summary
The Department of Natural Resources and Conservation Trust Land Management Division will give a presentation on fiscal year 2015 trust revenues at the Land Board meeting.