

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
March 21, 2016, at 9:00 a.m.
State Capitol, Room 303
Helena, MT

ACTION ITEMS

- 316-1 Timber Sales**
A. Good Goat
Benefits: Public Buildings, MSU 2nd
Location: Flathead County
B. Rhodes Draw
Benefits: Common Schools
Location: Flathead County
C. Castle Rock
Benefits: Common Schools
Location: Powder River County
Approve 5-0
- 316-2 Administrative Rule Adoption – DNRC Conservation Strategies**
*Benefits: Common Schools, Eastern College – MSU/Western College – UM MSU 2nd Grant ,
MSU Morrill, Public Buildings, School for Deaf and Blind, Montana Tech, Pine Hills
School*
Location: Flathead, Lincoln Counties
Approve 5-0
- 316-3 Communitization Agreements**
A. Buckley 1-9H
Benefits: Common Schools
Location: Richland County
B. Marla-Hill 4HSU
Benefits: Common Schools
Location: Richland County
C. Jar 1-28H
Benefits: Common Schools
Location: Roosevelt County
D. Christopher 25-36 1H
Benefits: Common Schools, Department of Transportation (non-trust land)
Location: Roosevelt County
Approve 5-0
- 316-4 Oil and Gas Lease Sale (March 1, 2016)**
Benefits: Public Buildings
Location: Toole County
Approve 5-0
- 316-5 Land Banking Parcels: Preliminary Approval for Sale**
Benefits: Common Schools
Location: Pondera County
Approve 5-0
- 316-6 Land Banking Parcels: Set Minimum Bid for Sale**
Benefits: Common Schools, Public Buildings
Location: Cascade, Lewis and Clark, Teton Counties
Approve 5-0
- 316-7 Easements**
Benefits: Common Schools, MSU Morrill, Montana Tech, Public Buildings, Public Land Trust
*Location: Carter, Dawson, Lake, Missoula, Pondera, Powell, Richland, Rosebud, Teton, Toole
Counties*
Approve 5-0

PUBLIC COMMENT

316-1

TIMBER SALES:

- A. Good Goat
- B. Rhodes Draw
- C. Castle Rock

**Land Board Agenda Item
March 21, 2016**

316-1A Timber Sales: Good Goat**Location: Flathead County****Sections 1 & 2, T31N R24W and Section 31, T32N R23W****Trust Beneficiaries: MSU 2nd Grant, Public Buildings****Trust Revenue: \$364,965 (estimated, minimum bid)****Item Summary**

The Good Goat Timber Sale is located approximately 11 miles northwest of Whitefish, Montana. The sale includes 12 harvest units (303 acres) of tractor logging. The estimated harvest volume is 17,838 tons (2,714 MBF) of sawlogs. The estimated minimum bid is \$20.46 per ton, which would generate approximately: \$364,965 for the Public Buildings Trust and the Montana State University 2nd Grant; and, \$68,141 in Forest Improvement fees. The project is within the Habitat Conservation Plan (HCP) and complies with the commitments outlined in the HCP.

The sale prescriptions were developed to promote timber production and conversion to the desired species mix within stands. Treatments are primarily improvement cut harvests (52%) with a lesser amount of commercial thin (20%) and seed tree (28%). Post-harvest, units will be site prepped to promote natural regeneration of western larch and Douglas-fir and to reduce fire hazard. Old growth is not present in any of the stands to be harvested.

The Department of Natural Resources and Conservation (DNRC) is proposing 0.2 miles of new temporary road construction. DNRC is also proposing 10.1 miles of road improvements. The temporary road built for this timber sale will have a cross-laminated timber bridge installed. Post-harvest, the bridge will be taken out and the road reclaimed. There will be no changes to current road restrictions with this project.

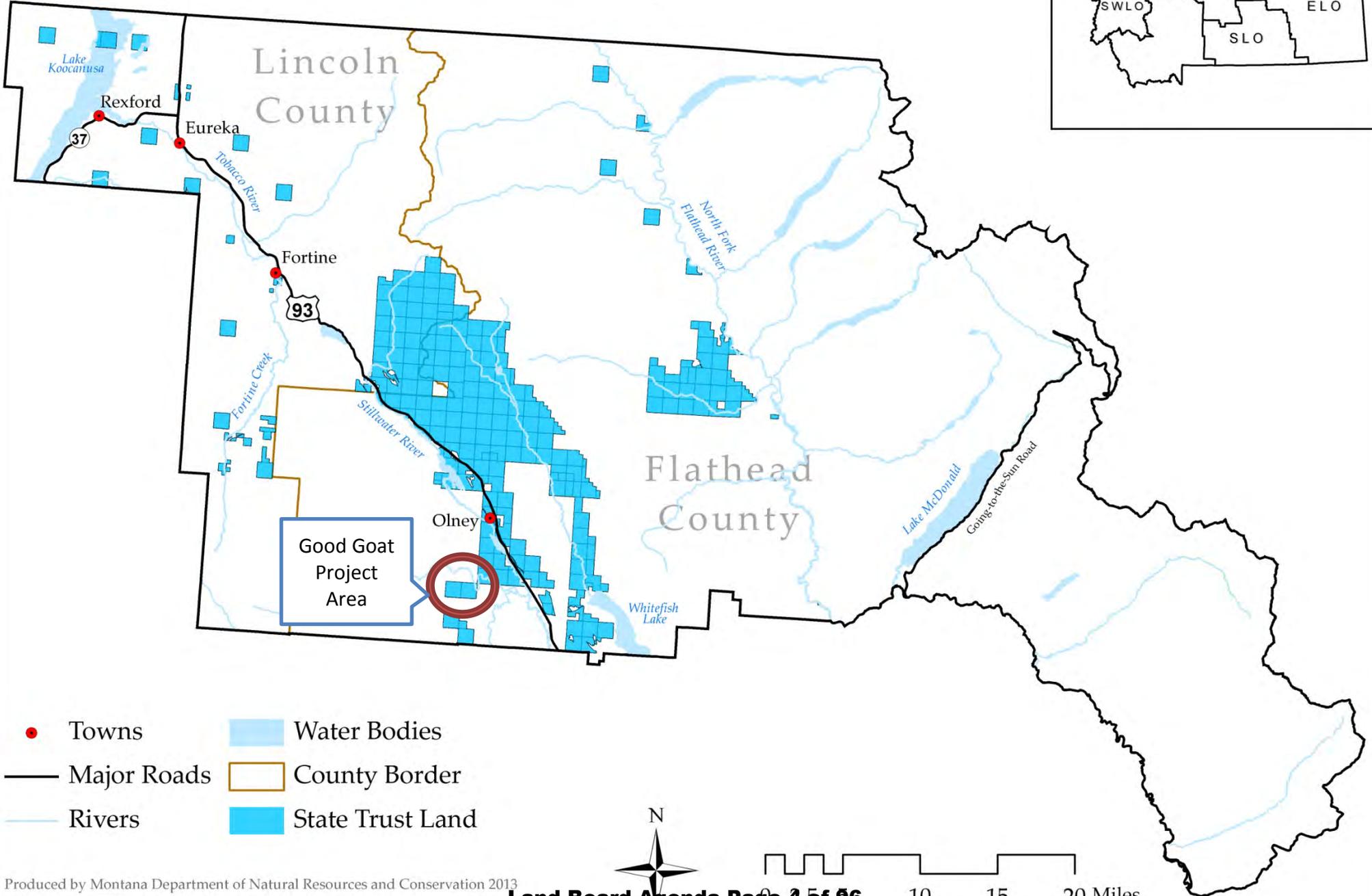
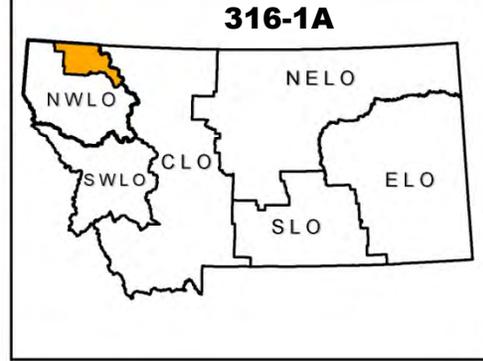
Access is obtained through a cost-share agreement with the US Forest Service and through county or state roads.

Scoping notices were placed in the *Whitefish Pilot* and the *Kalispell Daily Interlake* newspapers. Scoping letters were sent to neighboring landowners, individuals, agencies, industry representatives, as well as other organizations that have expressed interest in DNRC management activities. The initial proposal was also posted on the DNRC website and posted at the Olney Post Office for 30 days. During the 30-day comment period DNRC received two phone calls, one letter and five emails. One phone call and one email were in general support of the project. A caller expressed concern about the increase in fire danger next to private property due to fuel loading. To address this concern, harvest units adjacent to private property would meet the high standard for reduction of logging slash. The remaining correspondence was from a group of residents in a neighborhood located south of the sale area. All were concerned with log truck traffic safety, wear of the road surface from truck traffic, and noise and dust resulting from truck traffic. These concerns were mitigated by utilizing our cost-share road haul route to the north instead of to the south where the concerned neighbors live. Timing constraints were implemented for harvesting and roadwork due to a northern goshawk nest near the eastern edge of the project area.

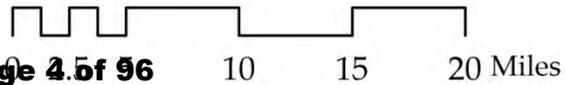
DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the Good Goat Timber Sale.

GOOD GOAT TIMBER SALE VICINITY MAP STILLWATER UNIT



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



Good Goat Timber Sale

Harvest Units and Road Work

Sections 1 & 2, T31N R24W and Section 31, T32N R23W

Attachment A 3 of 3



Unit	Acres	Est Tons	Est Mbf
1	22.9	1,749	266
2	28.1	2,153	328
3	17.5	1,475	224
4	62	3,826	582
5	50.7	2,000	304
6	10	533	81
7	5.3	405	62
8	43.2	2,389	364
9A	8.8	267	41
9B	13	741	113
10	29	1,947	296
11	12	352	54
Total	302.5	17,837	2,715

Legend

CLT Bridge

Closures

Berm

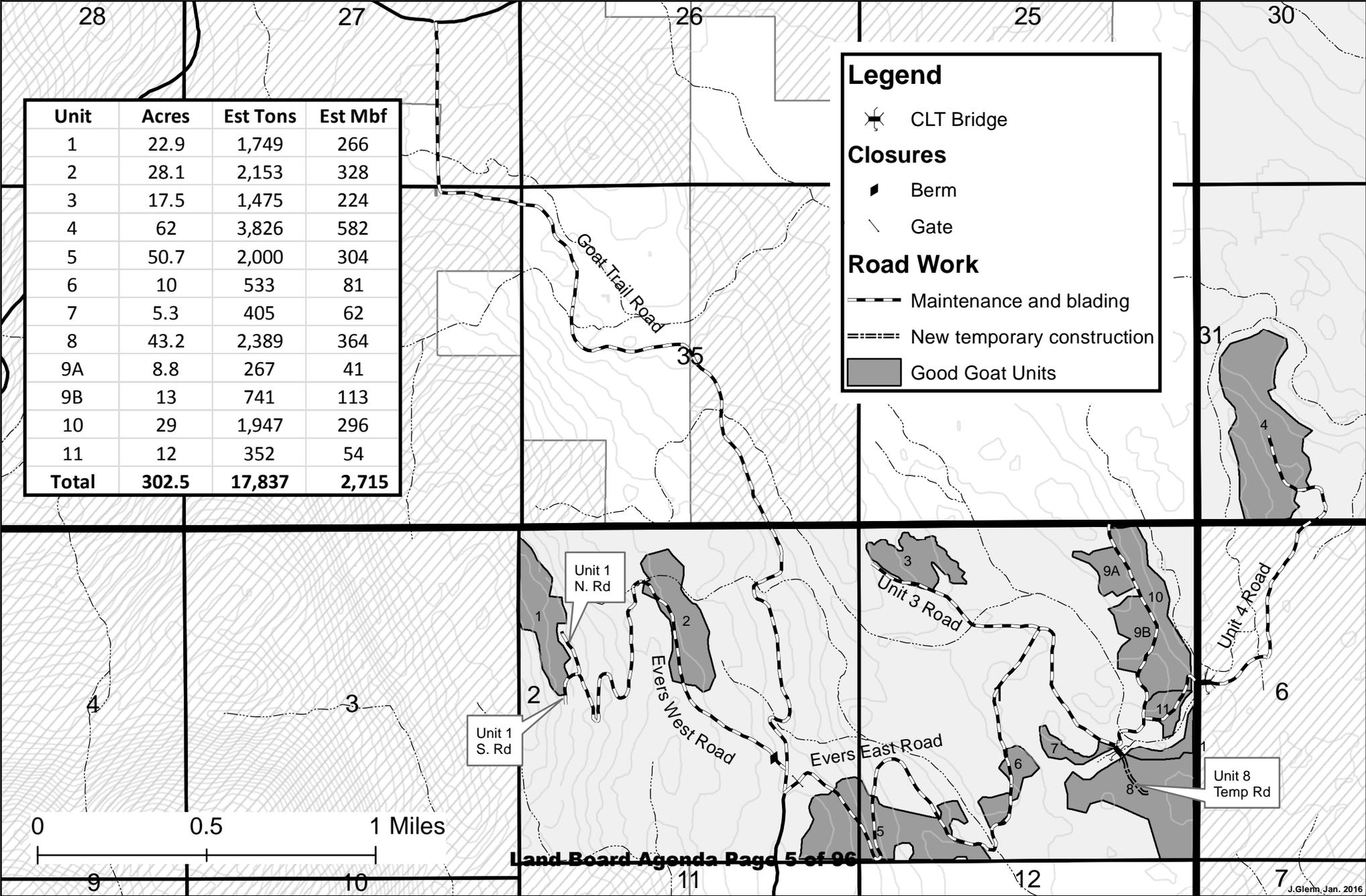
Gate

Road Work

Maintenance and blading

New temporary construction

Good Goat Units



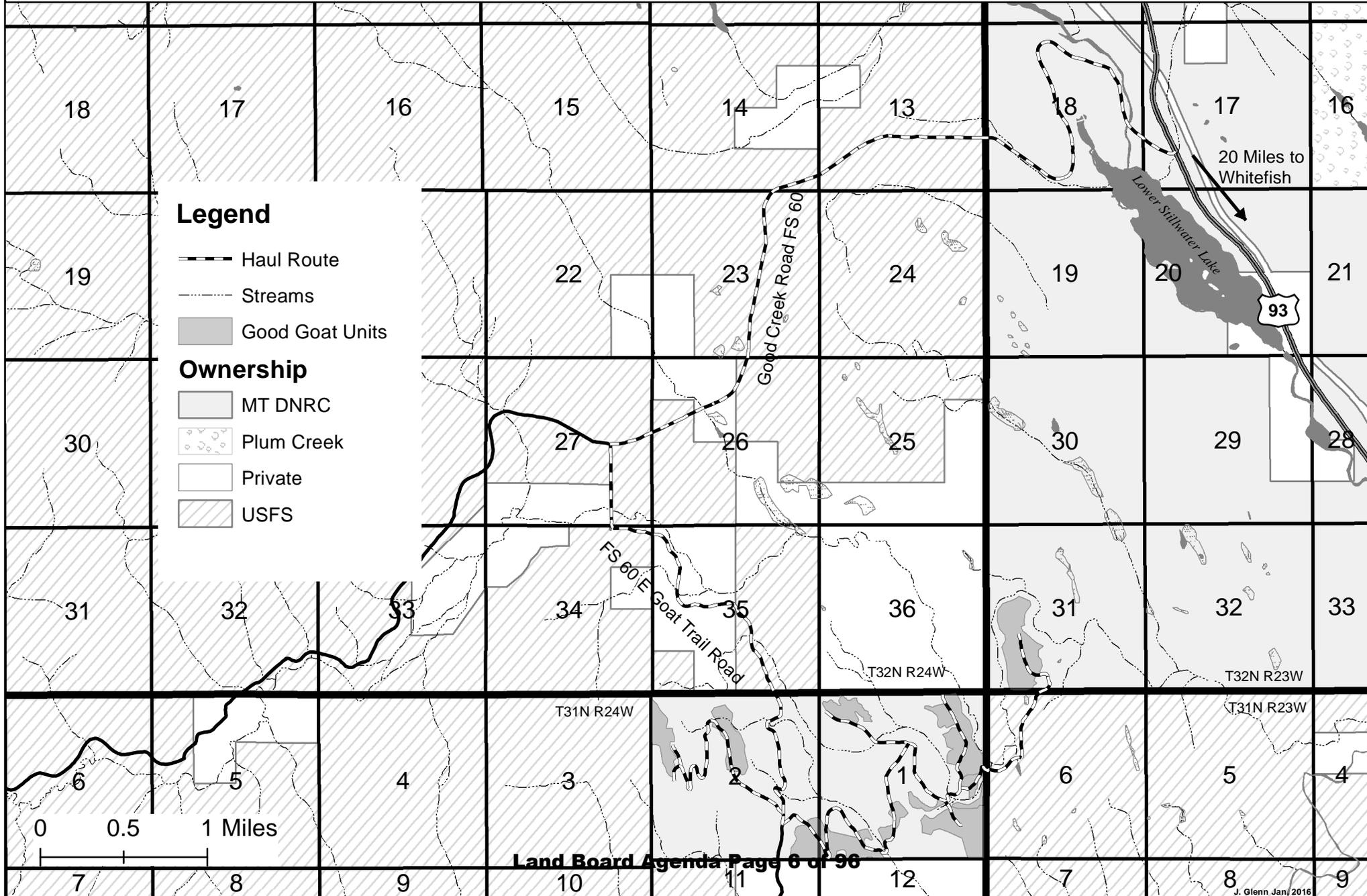
0 0.5 1 Miles

Good Goat Timber Sale

Haul Route

Sections 1 & 2, T31N R24W and Section 31, T32N R23W

Attachment A 2 of 3



Land Board Agenda Item
March 21, 2016

316-1B Timber Sale: Rhodes Draw Sanitation

**Location: Flathead County
Section 16, T29N R23W**

Trust Benefits: Common Schools

Trust Revenue: \$86,863 (estimated, minimum bid)

Item Summary

The Rhodes Draw Sanitation Timber Sale is located approximately six miles northwest of Kalispell, Montana. The sale includes six harvest units (434 acres) of tractor logging. The estimated harvest volume is 4,902 tons (791 MBF) of sawlogs. The minimum bid is \$17.72 per ton, which would generate approximately \$86,863 for the Common School Trust and \$19,853 in Forest Improvement fees. The project is within the Habitat Conservation Plan (HCP) and complies with the commitments outlined in the HCP.

This sale has a prescription of salvage and sanitation harvest and a small amount of commercial thinning treatments. These treatments have been developed to reduce insect and disease issues and to promote desired future conditions in this stand. Logging-related scarification will provide opportunity for regeneration. Old growth is not present in any of the stands to be harvested.

The Department of Natural Resources and Conservation (DNRC) is proposing five miles of road maintenance. All roads will continue to be closed to public motorized use upon completion of the sale.

Access has been obtained through a reciprocal agreement with F.H. Stoltze Land and Lumber Company and Montana Forest Products.

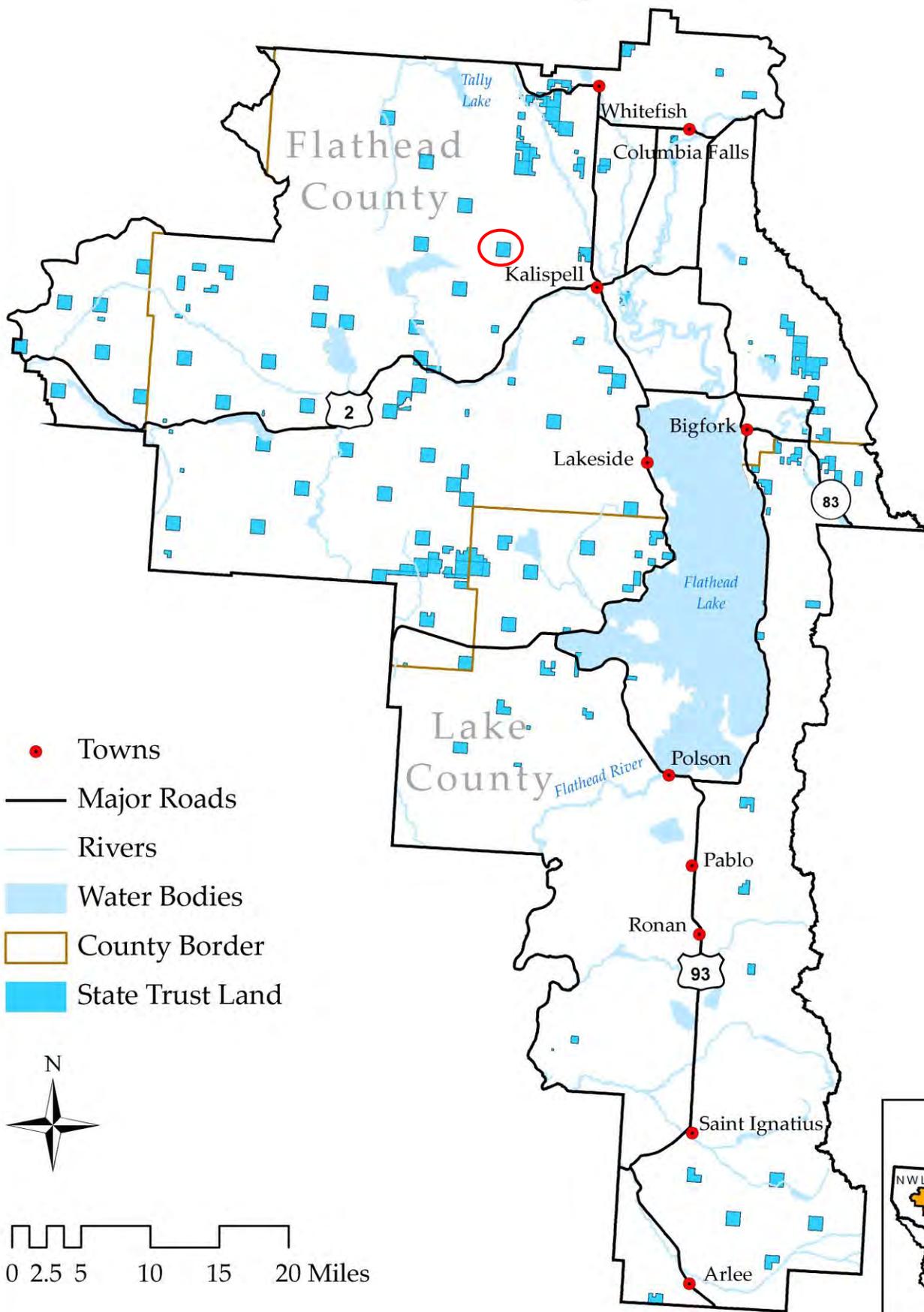
Scoping notices were sent to neighboring landowners, individuals, agencies, industry representatives, and other organizations that have expressed interest in DNRC management activities. The initial proposal was also placed on the DNRC website. Four letters and two emails were received. All comments were in support of the project.

DNRC Recommendation

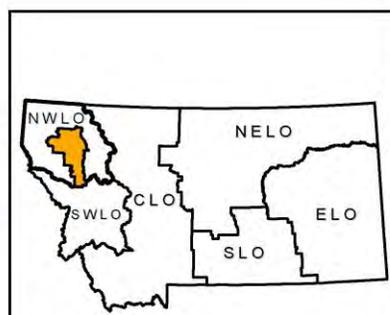
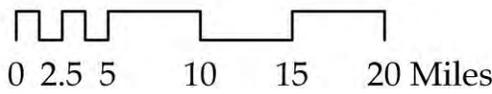
The director recommends the Land Board direct DNRC to sell the Rhodes Draw Sanitation Timber Sale.

Rhodes Draw Sanitation VICINITY MAP KALISPELL UNIT

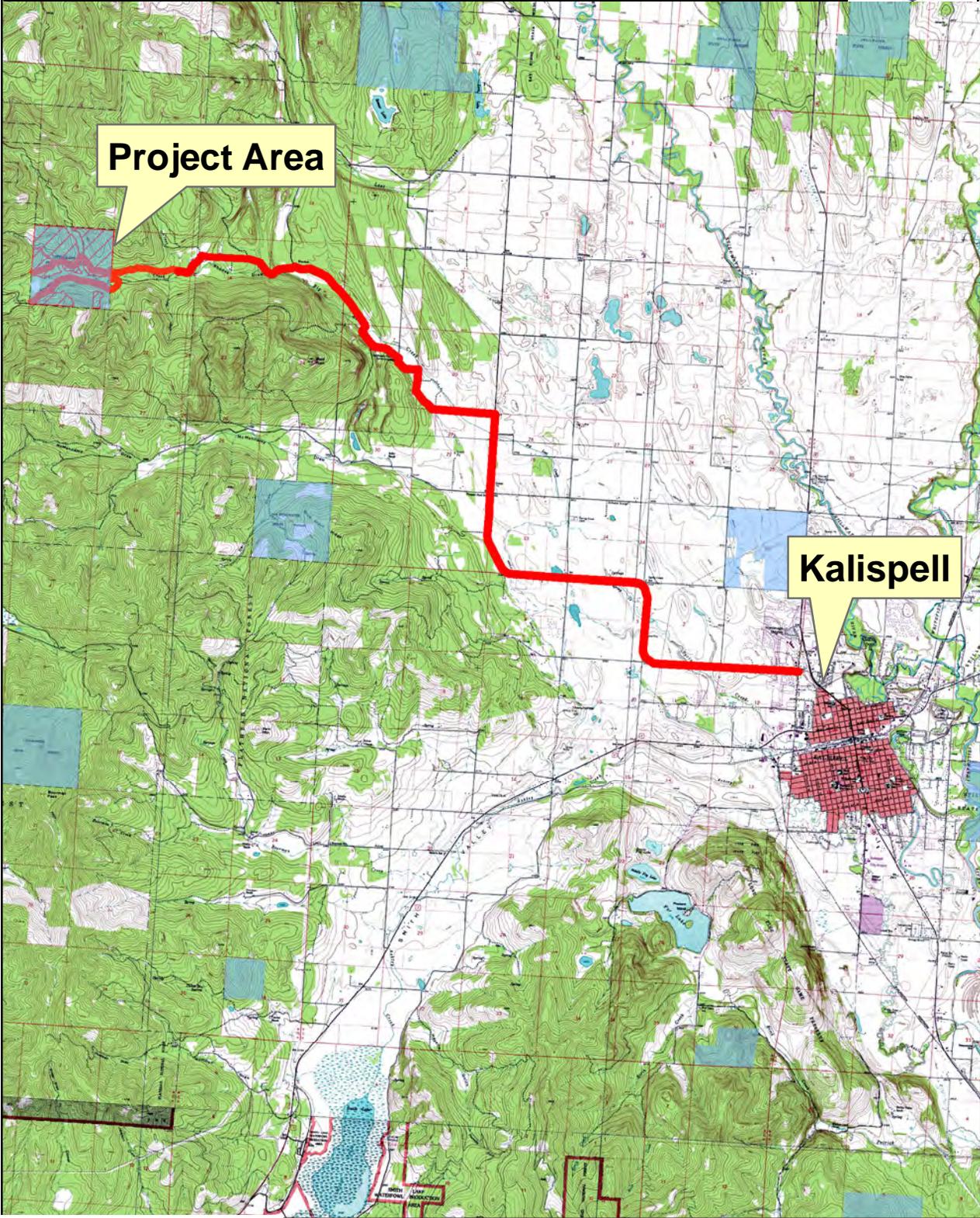
316-1B



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



Haul Route



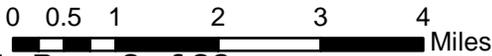
Project Area

Kalispell

Legend

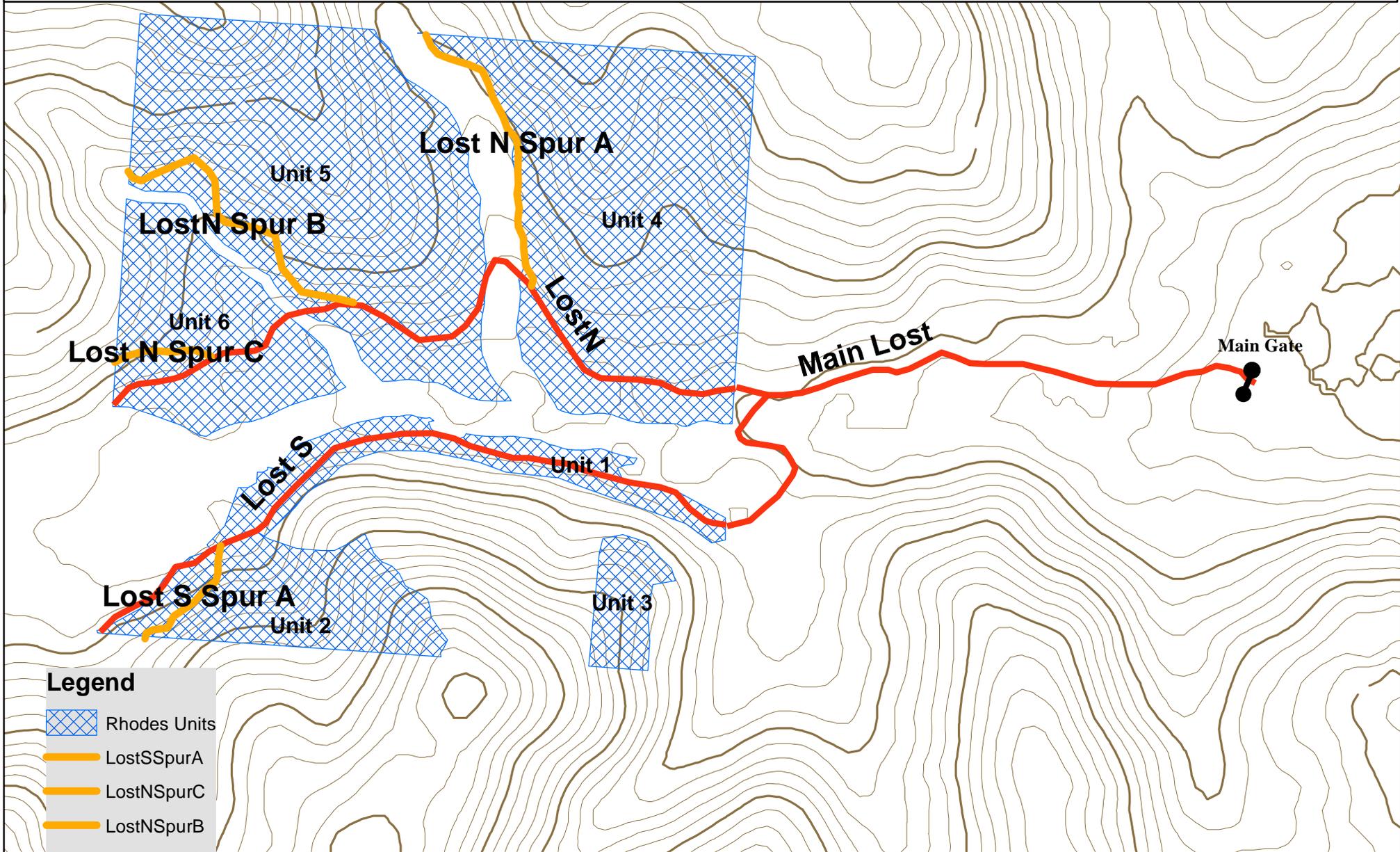
 Ownership Trust Lands

 Haul_Route



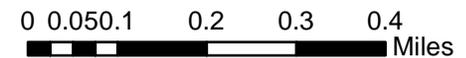
Rhodes Draw Sanitation

316-1B



Legend

- Rhodes Units
- LostSSpurA
- LostNSpurC
- LostNSpurB
- LostNsuprA
- LostS
- LostN
- Main Lost



N



Land Board Agenda Item
March 21, 2016

316-1C Timber Sale: Castle Rock Salvage

**Location: Powder River County
Section 16, T1S R47E**

Trust Beneficiaries: Common Schools

Trust Revenue: \$13,000 (estimated, minimum bid)

Item Summary

The Castle Rock Salvage Timber Sale is located approximately 3.5 miles northwest of Stacy, Montana. The sale has one harvest unit (330 acres) of tractor logging. The estimated harvest volume is 6,500 tons (1 MMBF) of sawlogs. The minimum bid is \$2.00 per ton, which would generate approximately \$13,000 for the Common School Trust and \$2,340 in Forest Improvement fees. The sale is not within the Habitat Conservation Plan (HCP).

The sale prescription is to remove: all burned trees with little to no green needles; trees with cracked boles exposing the cambium tissue; dead trees; and live, green trees that are not well formed or are showing signs of stress will be harvested. Dominant and co-dominant ponderosa pine from all size classes will be left to promote regeneration. Old growth is not present in any of the stands to be harvested.

The Department of Natural Resources and Conservation (DNRC) is proposing two miles of temporary road construction. Approximately three miles of existing road will be used. All temporary spur roads will be closed and reclaimed upon completion of the sale.

Scoping letters were mailed to landowners and interested parties on January 28, 2016. The notice was also posted on the DNRC website. Legal notices were placed in the *Powder River Examiner* and the *Miles City Star* newspapers. No comments were received.

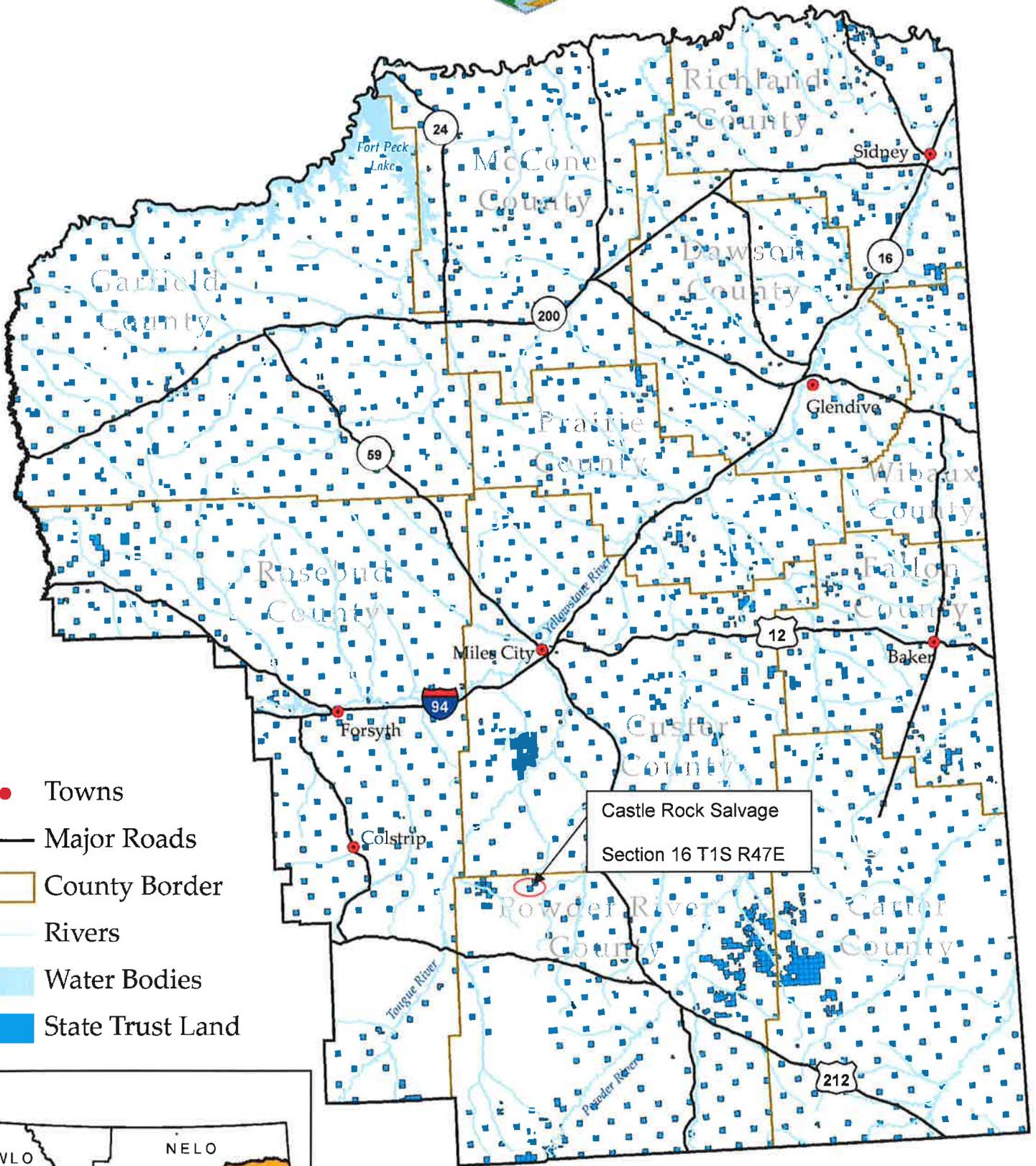
DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the Castle Rock Salvage Timber Sale.

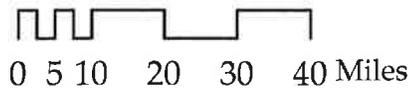
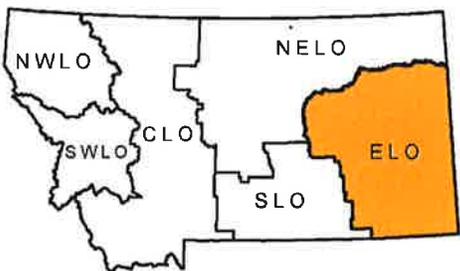
Castle Rock Salvage VICINITY MAP

EASTERN LAND OFFICE

316-1C



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

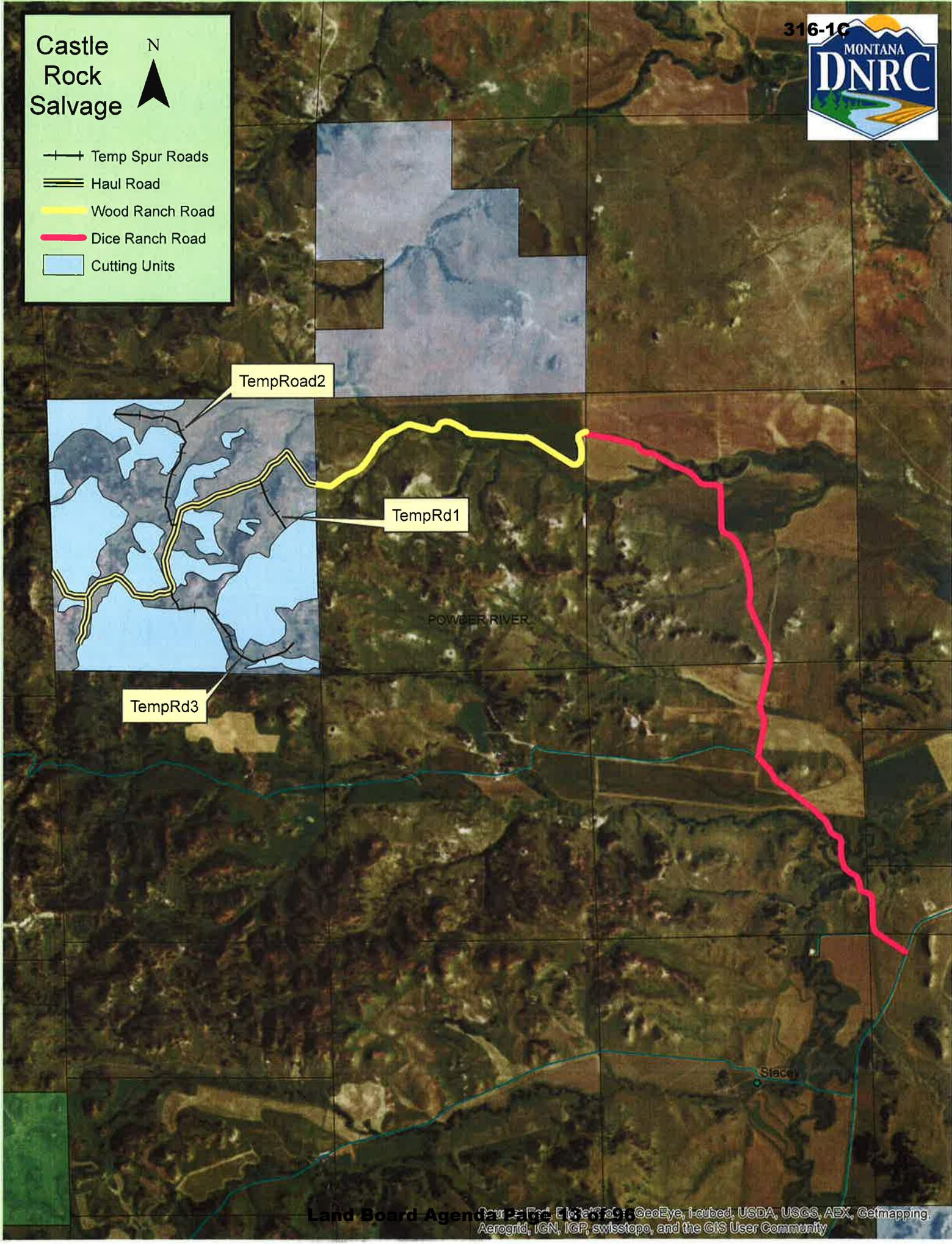




Castle Rock Salvage



- Temp Spur Roads
- Haul Road
- Wood Ranch Road
- Dice Ranch Road
- Cutting Units



TempRoad2

TempRd1

TempRd3

POWDER RIVER

Stacey

Castle
Rock
Salvage



Attachment A

316-1C



POWDER RIVER

316-2

ADMINISTRATIVE RULE ADOPTION – DNRC CONSERVATION STRATEGIES

**Land Board Agenda Item
March 21, 2016**

316-2 Administrative Rule Adoption – DNRC Conservation Strategies

Location: Flathead, Lincoln Counties

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

Trust Revenue: N/A

Item Summary

On August 31, 2015, during a special meeting of the Land Board, the Land Board directed the 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 Land Board approved the draft proposal notice on December 21, 2015 enabling DNRC to proceed with rulemaking. The proposal notice was 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 ran through February 5, 2016, and one public hearing was held on January 8, 2016. No comments were received. An environmental assessment (EA) was completed on March 4, 2016. Scoping letters for the EA were mailed to interested parties and posted on the DNRC website. Legal notices were placed in the *Daily Inter Lake* and the *Flathead Beacon*. During the 30-day EA comment period, DNRC received one letter and one email. The letter contained questions and concerns that DNRC responded to in the EA. The email was in support of the project.

DNRC Recommendation

The director recommends the Land Board approve the draft adoption notice so DNRC can file the adoption notice with the Secretary of State on March 28, 2015. The rules will be effective on April 9, 2016.

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)
Forests)

NOTICE OF ADOPTION

To: All Concerned Persons

1. On January 8, 2016, the Department of Natural Resources and Conservation published MAR Notice No. 36-22-191 pertaining to the public hearing on the proposed amendments to the above-stated rules at page 8 of the 2016 Montana Administrative Register, Issue Number 1.
2. The department has amended ARM 36.11.432 and 36.11.470 as proposed.
3. No written comments or oral testimony were received.

/s/

JOHN E. TUBBS
Director
Natural Resources and Conservation

/s/

MARK PHARES
Rule Reviewer

Certified to the Secretary of State on [DATE, 2016]

316-3

COMMUNITIZATION AGREEMENTS:

- A. Buckley 1-9H
- B. Marla-Hill 4HSU
- C. Jar 1-28H
- D. Christopher 25-36 1H

Land Board Agenda Item
March 21, 2016

316-3A Communitization Agreement: Buckley 1-9H Well

**Location: Richland County
T25N R56E Sections 4 & 9**

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.

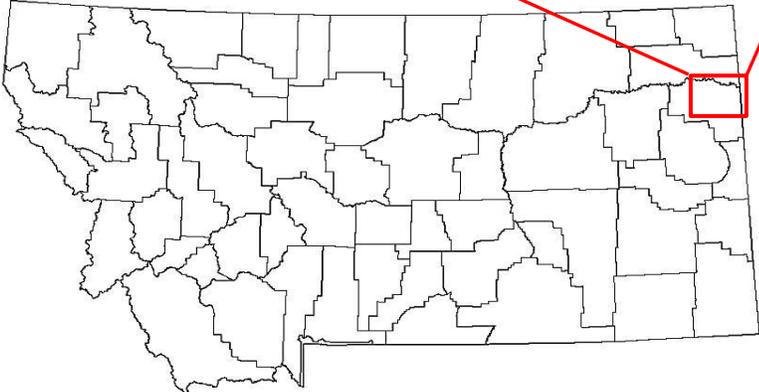
The Buckley 1-9H well is a horizontal Bakken/Three Forks formation oil well. The well is located approximately 22 miles northwest of Sidney and was drilled into private land in Section 9. DNRC owns 80.00 acres of the 1,275.04 mineral acres in the permanent spacing unit that will be communitized. The agreement encompasses any wells producing from the Bakken/Three Forks Formation in Sections 4 & 9 of T25N R56E.

The DNRC tract comprises 6.274313% of the communitized area. DNRC will consequently receive 1.045928% of all oil production (16.67% royalty rate x 6.274313% tract participation).

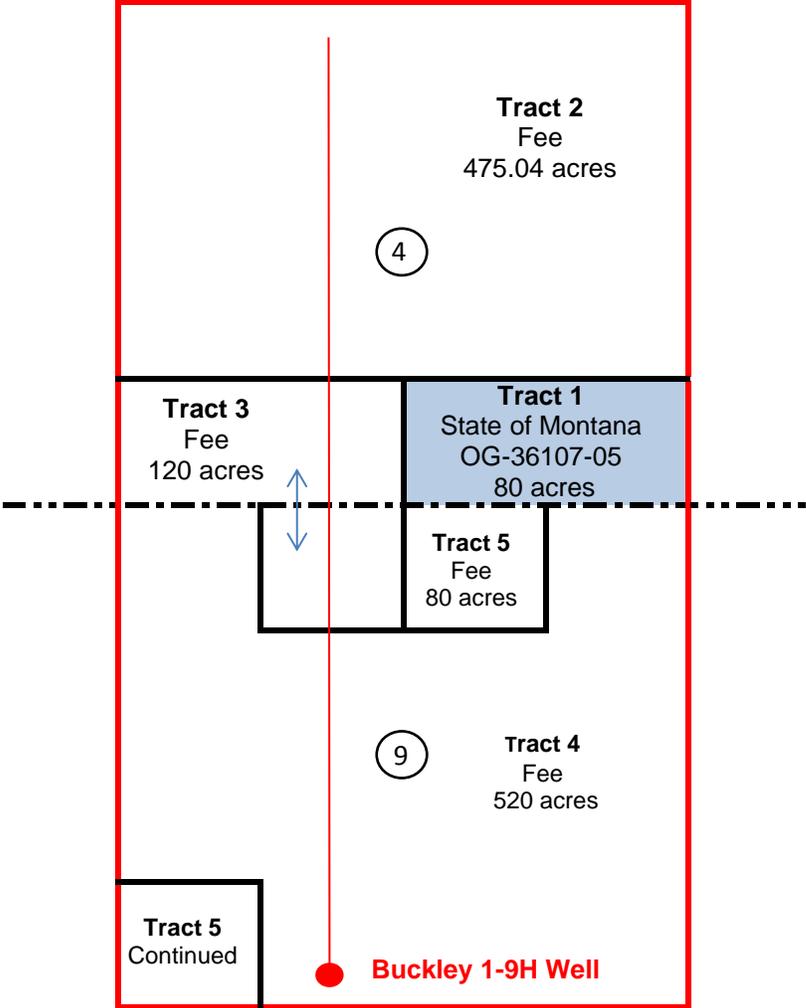
DNRC Recommendation

The director recommends the Land Board approve this communitization agreement.

Vicinity Map Buckley 1-9H Well



Township 25 North Range 56 East Sections 4 & 9



Tract No.	Type	Acres	Tract Participation	Royalty %	Owner's Interest
1	State of Montana OG-36107-05	80.00	6.274313%	16.67%	1.045928%
2	Fee	475.04	37.256870%	18.75%	6.985663%
3	Fee	120.00	9.411469%	18.75%	1.764651%
4	Fee	520.00	40.783034%	various	
5	Fee	80.00	6.274313%	N/A	
Total		1,275.04	100.000%		

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

Land Board Agenda Item
March 21, 2016

316-3B Communitization Agreement: Marla-Hill 4HSU Well

Location: Richland County
T23N R55E Sections 1 & 2
T24N R55E Sections 35 & 36

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.

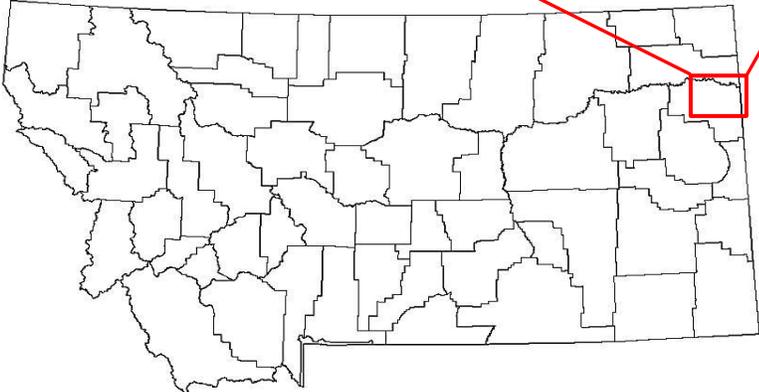
The Marla-Hill 4HSU well is a horizontal Bakken/Three Forks formation oil well. The well is located approximately 22 miles west of Sidney and was drilled into state land in Section 36. DNRC owns 640.00 acres of the 2559.20 mineral acres in the permanent spacing unit that will be communitized. The agreement encompasses production from the Bakken/Three Forks Formation from the Marla-Hill 4HSU in Sections 1 & 2 of T23N R55E and Sections 35 & 36 of T24N R55E.

The DNRC tract comprises 25.007815% of the communitized area. DNRC will consequently receive 3.251016% of all oil production (13.0% royalty rate x 25.007815% tract participation).

DNRC Recommendation

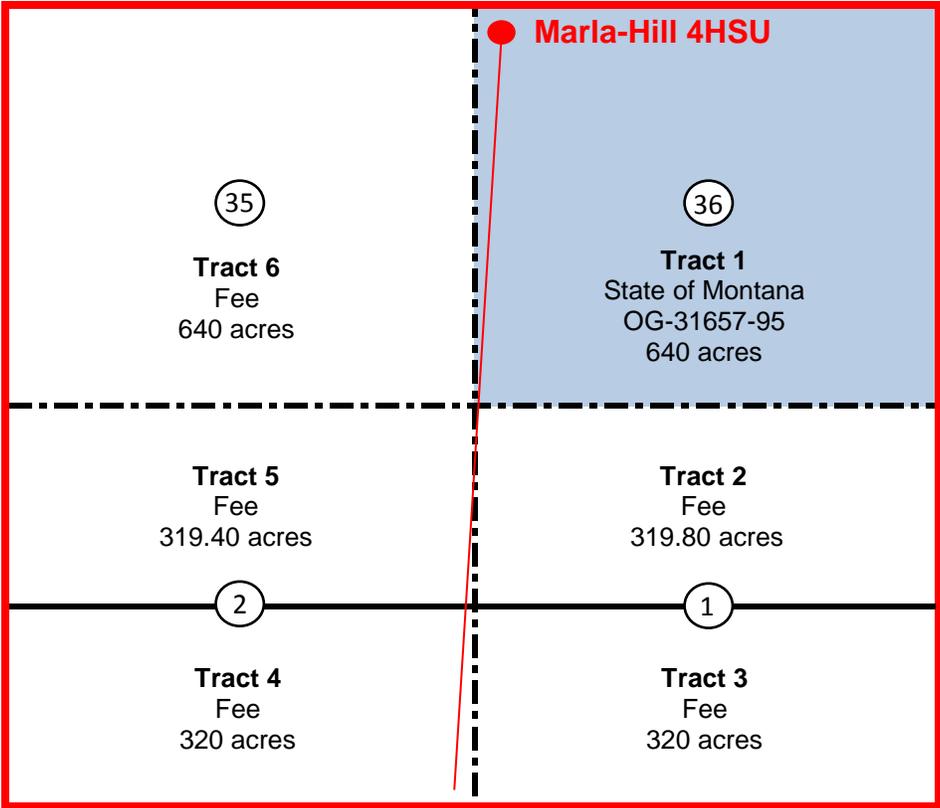
The director recommends the Land Board approve this communitization agreement.

Vicinity Map Marla-Hill 4HSU Well



Township 24 North Range 55 East
Sections 35 & 36

Township 23 North Range 55 East
Sections 1 & 2



Tract No.	Type	Acres	Tract Participation	Royalty %	Owner's Interest
1	State of Montana OG-31657-95	640.00	25.007815%	13.00%	3.251016%
2	Fee	319.80	12.496093%	17.50%	2.186816%
3	Fee	320.00	12.503907%	16.67%	2.084401%
4	Fee	320.00	12.503907%	16.67%	2.084401%
5	Fee	319.40	12.480463%	various	
6	Fee	640.00	25.007815%	various	
Total		2,559.20	100.000000%		

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

**Land Board Agenda Item
March 21, 2016**

316-3C Communitization Agreement: Jar 1-28H Well

**Location: Roosevelt County
T28N R57E Sections 28 & 33**

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.

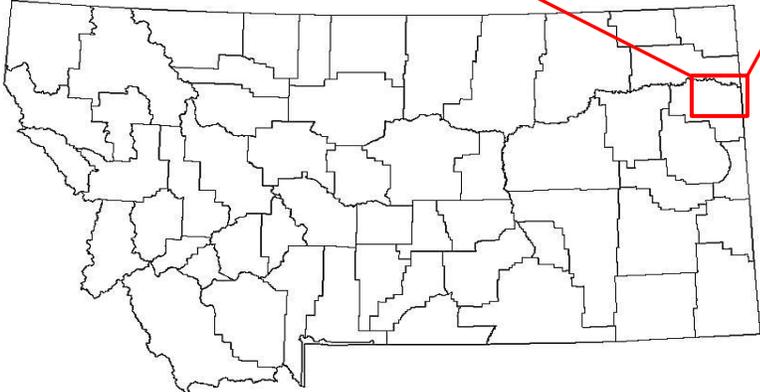
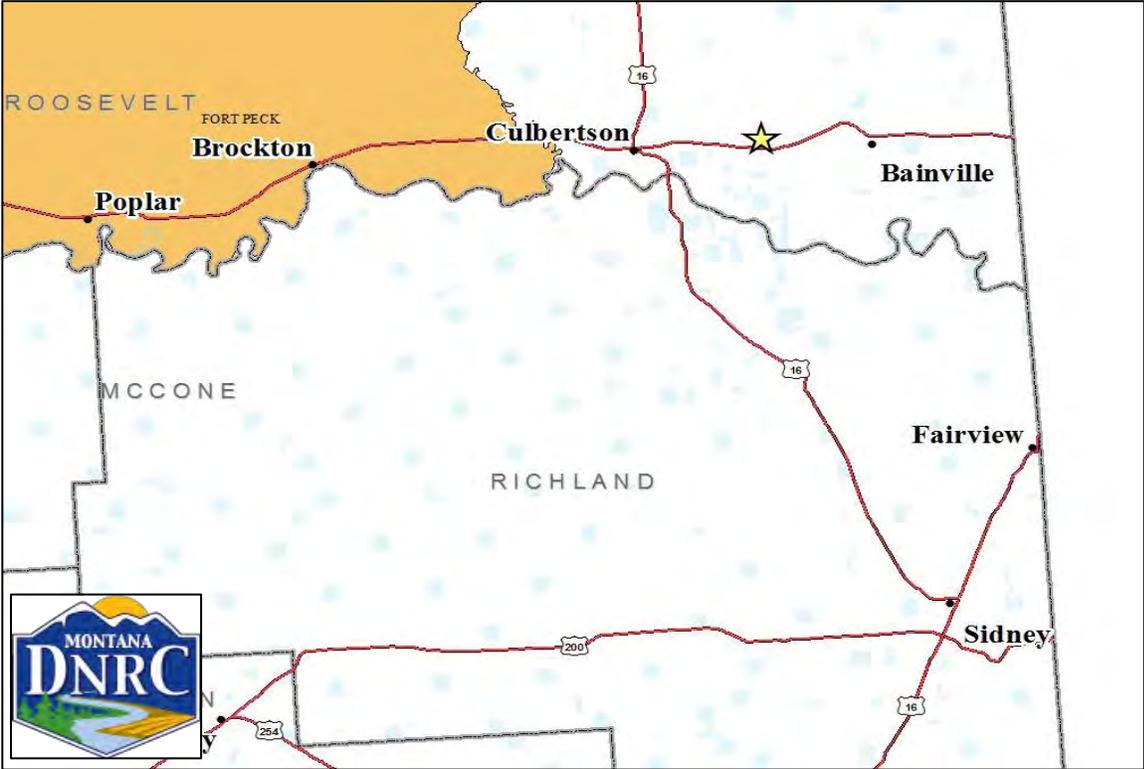
The Jar 1-28H well is a horizontal Bakken/Three Forks formation oil well. The well is located approximately seven miles east of Culbertson and was drilled into private land in Section 28. DNRC owns 80.00 acres of the 1,280.00 mineral acres in the permanent spacing unit that will be communitized. The agreement encompasses any wells producing from the Bakken/Three Forks Formation in Sections 28 & 33 of T28N R57E.

The DNRC tract comprises 6.250000% of the communitized area. DNRC will consequently receive 0.812500% of all oil production (13.00% royalty rate x 6.250000% tract participation).

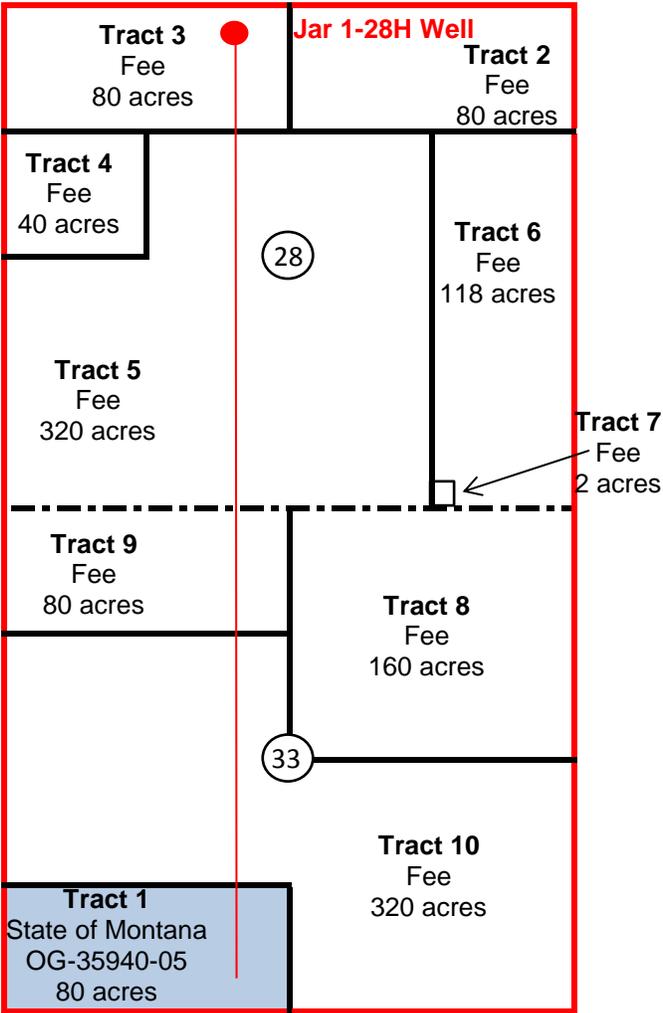
DNRC Recommendation

The director recommends the Land Board approve this communitization agreement.

Vicinity Map Jar 1-28H Well



Township 28 North Range 57 East Sections 28 & 33



Tract No.	Type	Acres	Tract Participation	Royalty %	Owner's Interest
1	State of Montana OG-35940-05	80.00	6.250000%	13.00%	0.812500%
2	Fee	80.00	6.250000%	15.00%	0.937500%
3	Fee	80.00	6.250000%	18.75%	1.171875%
4	Fee	40.00	3.125000%	18.75%	0.585938%
5	Fee	320.00	25.000000%	18.75%	4.687500%
6	Fee	118.00	9.218750%	18.75%	1.728516%
7	Fee	2.00	0.156250%	20.00%	0.031250%
8	Fee	160.00	12.500000%	12.50%	1.562500%
9	Fee	80.00	6.250000%	20.00%	1.250000%
10	Fee	320.00	25.000000%	18.75%	4.687500%
Total		1,280.00	100.000000%		

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

Land Board Agenda Item
March 21, 2016

316-3D Communitization Agreement: Christopher 25-36 1H Well

**Location: Roosevelt County
T28N R56E Sections 25 & 36**

Benefits: Common Schools (trust), Department of Transportation (non-trust)

Trust Revenue: Unknown

Item Summary

Statoil Oil & Gas LP 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.

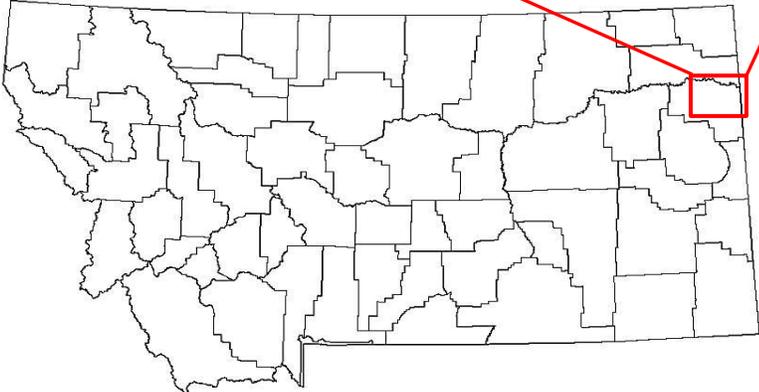
The Christopher 25-36 1H well is a horizontal Bakken/Three Forks formation oil well. The well is located approximately five miles east of Culbertson and was drilled into private land in Section 25. DNRC owns 651.91 acres of the 1,280.00 mineral acres in the permanent spacing unit that will be communitized. The agreement encompasses any wells producing from the Bakken/Three Forks Formation in Sections 25 & 36 of T28N R56E.

The DNRC tracts comprise 50.930469% of the communitized area. DNRC will consequently receive 8.490109% of all oil production (16.67% royalty rate x 50.930469% tract participation).

DNRC Recommendation

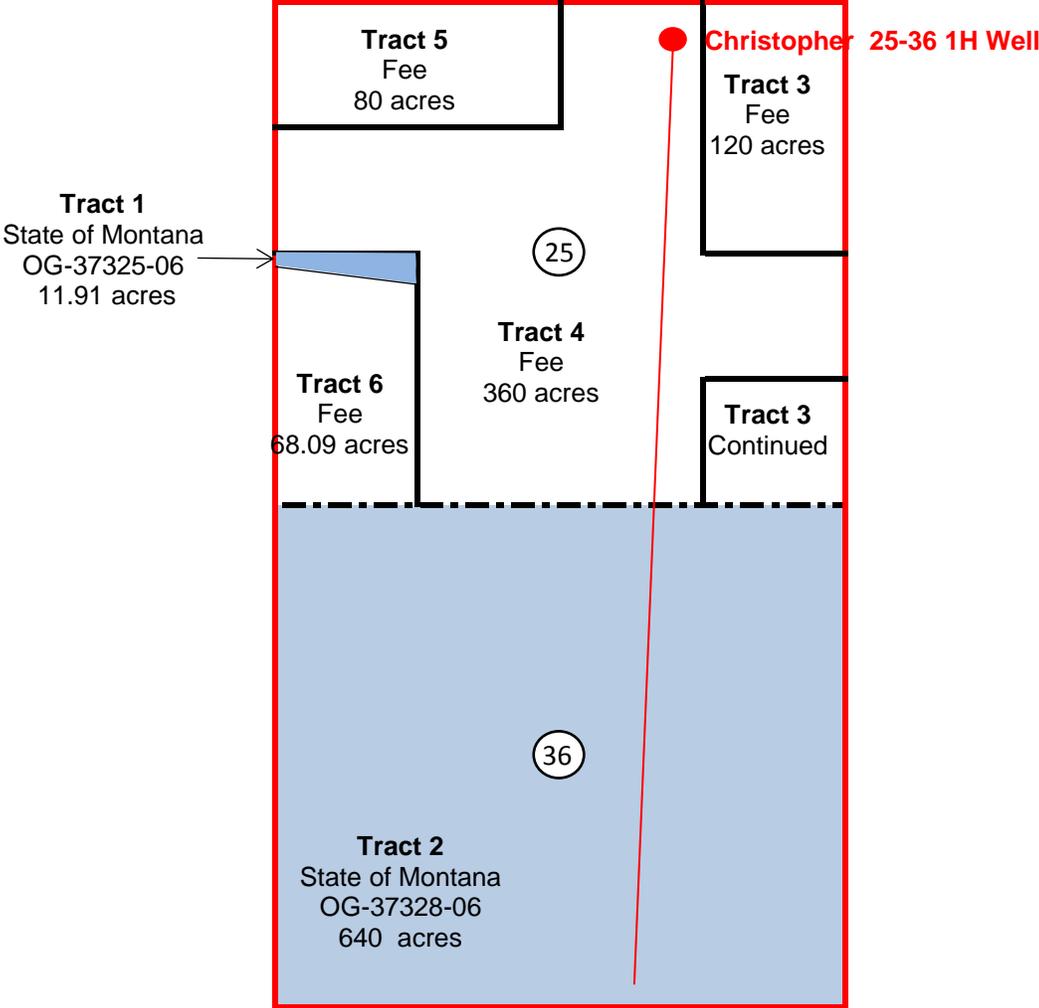
The director recommends the Land Board approve this communitization agreement.

Vicinity Map Christopher 25-36 1H Well



Township 28 North Range 56 East

Sections 25 & 36



Tract No.	Type	Acres	Tract Participation	Royalty %	Owner's Interest
1	State of Montana OG-37325-06	11.91	0.930469%	16.67%	0.155109%
2	State of Montana OG-37328-06	640.00	50.000000%	16.67%	8.335000%
3	Fee	120.00	9.375000%	18.75%	1.757813%
4	Fee	360.00	28.125000%	various	
5	Fee	80.00	6.250000%	15.00%	0.937500%
6	Fee	68.09	5.319531%	18.75%	0.997412%
Total		1,280.00	100.000000%		

* The Operator of the Communitized Area is Statoil Oil & Gas LP.

316-4

OIL AND GAS LEASE SALE

(March 1, 2016)

**Land Board Agenda Item
March 21, 2016**

316-4 Oil and Gas Lease Sale (March 1, 2016)

Location: Toole County

Trust Benefits: Public Buildings

Trust Revenue: \$250

Item Summary

The Department of Natural Resources and Conservation (DNRC) held an oil and gas lease sale on March 1, 2016, in the auditorium at the Montana Department of Transportation building. A total of two tracts were offered for lease. Two tracts were leased for a total of \$250.00. The two tracts sold covered a total of 120.00 acres. The average bid per acre was \$2.08.

The high competitive bid for the March 1, 2016, sale was \$2.75 per acre for Tract 2 and the largest total bid was \$140.00 for Tract 1 in Toole County.

DNRC Recommendation

The director requests Land Board approval to issue the leases from the March 1, 2016, oil and gas lease sale.

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

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

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

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

Summary by Lessor

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

Oil and Gas Lease Sale Summary

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

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

1 Prior to the drilling of any well on or into the lease premises, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.

Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.

2 The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.

3 The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises. The lessee's methods of control shall be reviewed and approved by the Department's Unit Office that has jurisdiction for that locale.

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

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

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

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

316-5

LAND BANKING PARCELS:

Preliminary Approval for Sale

316-5 Land Banking Parcels: Preliminary Approval for Sale

Location: Pondera County

Trust Benefits: Common Schools

Trust Revenue: Appraisal to be completed after preliminary approval

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting preliminary approval to sell one parcel totaling approximately 120 acres nominated for sale in Pondera County. The sale was nominated by the lessee and is located approximately 13 miles southeast of Shelby, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
782	120±	SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ T30N-R1W Sec 29	Daniel & Judith Pace	Common Schools

The sale parcel has been used primarily for livestock grazing purposes. The parcel has lower than average productivity for grazing land statewide.

The sale parcel is not legally accessible by the public.

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

DNRC Recommendation

The director recommends the Land Board give preliminary approval to sell this parcel.

Pondera County Sale Location Map

316-5



Sale #782

SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$
Section 29, T30N-R1W



316-6

LAND BANKING PARCELS:

Set Minimum Bid for Sale

316-6 Land Banking Parcels: Set Minimum Bid for Sale

Location: Cascade, Lewis and Clark, Teton Counties

Trust Benefits: Common Schools, Public Buildings

Trust Revenue: \$11,146,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid to sell 33 parcels totaling approximately 9,488.26 acres nominated for sale in Cascade, Lewis and Clark, and Teton counties. These sales were nominated by the lessee (Montana Fish, Wildlife and Parks) and DNRC - Central Land Office. The Sun River Wildlife Management Area parcels are located approximately 26 miles Southwest of Choteau; the Beartooth Wildlife Management Area parcels are approximately 25 miles northeast of Helena; and, the Blackleaf Wildlife Management Area parcels are approximately 25 miles northwest of Choteau.

Sun River Wildlife Management Area					
Sale #	# of Acres	Legal Description	Nominator	Trust	Sale Unit*
724	79.73±	E½SW¼, Section 2, T21N-R8W	DNRC - CLO	Common Schools	1
725	40.00±	SW¼NW¼, Section 8, T21N-R8W	DNRC - CLO	Common Schools	1
726	40.00±	NE¼NE¼, Section 9, T21N-R8W	DNRC - CLO	Common Schools	1
727	40.00±	SW¼NW¼, Section 10, T21N-R8W	DNRC - CLO	Common Schools	1
728	200.00±	E½NW¼, NE¼SW¼, NW¼SE¼, SE¼SE¼ Section 11, T21N-R8W	DNRC - CLO	Common Schools	1
729	120.00±	S½SW¼, NW¼SW¼, Section 12, T21N-R8W	DNRC - CLO	Common Schools	1
730	160.00±	NW¼NW¼, NW¼SW¼, S½SW¼, Section 13, T21N-R8W	DNRC - CLO	Common Schools	1
731	240.00±	NE¼NE¼, SW¼NE¼, SE¼NW¼, N½SE¼, SE¼SE¼, Section 14, T21N-R8W	DNRC - CLO	Common Schools	1
732	80.00±	S½SW¼, Section 15, T21N-R8W	DNRC - CLO	Common Schools	1
733	640.00±	ALL, Section 16, T21N-R8W	DNRC - CLO	Common Schools	1
734	160.00±	SE¼NW¼, W½SE¼, NE¼SW¼, Section 17, T21N-R8W	DNRC - CLO	Common Schools	1
735	200.00±	NE¼NW¼, NE¼, Section 21, T21N-R8W	DNRC - CLO	Common Schools	1
736	120.00±	NE¼NW¼, W½NE¼, Section 22, T21N-R8W	DNRC - CLO	Common Schools	1
737	320.00±	S½, Section 23, T21N-R8W	DNRC - CLO	Common Schools	1

738	240.00±	E½E½, SW¼SE¼, SE¼SW¼, Section 26, T21N-R8W	DNRC - CLO	Common Schools	316-6 1
739	80.00±	N½NE¼, Section 35, T21N-R8W	DNRC - CLO	Common Schools	1
740	645.62±	Lots 1-7, NW¼SE¼, N½SW¼, W½NE¼, NW¼, less 5 acres in Lot 7, Section 36, T21N-R8W	DNRC - CLO	Common Schools	1
741	5.00±	5.00 acres in Government Lot 7 (SE¼SE¼), Section 36, T21N-R8W	DNRC - CLO	Common Schools	1

Beartooth Wildlife Management Area					
Sale #	# of Acres	Legal Description	Nominator	Trust	Sale Unit*
742	160.00±	SW¼, Section 10, T14N-R2W	MT FWP	Common Schools	1
743	640.00±	ALL, Section 14, T14N-R2W	MT FWP	Common Schools	1
744	480.00±	N½,W½SW¼,S½SE¼, Section 16, T14N-R2W	MT FWP	Common Schools	1
745	160.00±	E½NW¼,N½NE¼, Section 20, T14N-R2W	MT FWP	Common Schools	1
746	640.00±	ALL, Section 22, T14N-R2W	MT FWP	Common Schools	1
747	520.00±	NW¼, SW¼NE¼,S½, Section 24, T14N-R2W	MT FWP	Common Schools	1
748	160.00±	NE¼, Section 28, T14N-R2W	MT FWP	Common Schools	1
749	278.43±	Lot 2, SE¼NE¼, SE¼SW¼,SE¼, Section 30, T14N-R2W	MT FWP	Common Schools	1
750	640.00±	ALL, Section 36, T14N-R2W	MT FWP	Common Schools	1
751	480.00±	NW¼,S½, Section 36, T14N-R3W	MT FWP	Common Schools	1
752	640.00±	ALL, Section 36, T15N-R2W	MT FWP	Common Schools	1
753	640.00±	ALL, Section 16, T14N-R1W	MT FWP	Common Schools	3

Blackleaf Wildlife Management Area					316-6
Sale #	# of Acres	Legal Description	Nominator	Trust	Sale Unit*
754	519.48±	Lots 1, 2, 4 & 5, NW¼, W½NE¼, NW¼SE¼, N½SW¼, Section 16, T26N-R8W	MT FWP	Common Schools	2
755	80.00±	SE¼NW¼, NW¼NW¼, Section 17, T26N-R8W	MT FWP	Public Buildings	2
756	40.00±	NW¼SW¼, Section 10, T26N-R8W	MT FWP	Public Buildings	2

Sale parcels 724 - 756 are classified as grazing parcels. The parcels have average productivity for grazing lands statewide. They are managed by Montana Fish, Wildlife and Parks (FWP) as big game habitat within the wildlife management areas.

Although there is no public road access to the majority of the sale parcels, the parcels are legally accessible by the public through the wildlife management area's access rules.

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

Economic Analysis:

Short-term – The rate of return on the sale parcels within the Sun River WMA is 0.8%. The rate of return on the sale parcels within the Blackleaf WMA is 0.59%. The rate of return on the sale parcels within the Beartooth WMA is 1.58%. The parcels would continue to receive this return if they remain in state ownership.

Long-term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through the department’s Land Banking Program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 3.33% 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 land sales. The parcels will be sold to another state agency (FWP) with the same State Antiquities Act responsibilities as the DNRC. Thus, the proposed sales will have no effect to state owned Heritage Properties.

Background:

In August 2015, the Land Board granted preliminary approval for these parcels to continue through the Land Banking sale evaluation process.

Appraised value of sale parcels:

SALE UNIT 1 – Lewis & Clark County			
Sale #	Appraised Value With Access	Appraised Value per acre	Recommended Minimum Bid
724	\$99,696	\$1,250	\$99,696
725	\$140,000	\$3,500	\$140,000
726	\$56,000	\$1,400	\$56,000
727	\$56,000	\$1,400	\$56,000
728	\$250,084	\$1,250	\$250,084

729	\$150,051	\$1,250	\$150,051
730	\$200,068	\$1,250	\$200,068
731	\$300,101	\$1,250	\$300,101
732	\$201,923	\$2,524	\$201,923
733	\$1,615,385	\$2,524	\$1,615,385
734	\$150,000	\$938	\$150,000
735	\$504,807	\$2,524	\$504,807
736	\$302,885	\$2,524	\$302,885
737	\$551,673	\$1,724	\$551,673
738	\$413,755	\$1,724	\$413,755
739	\$137,918	\$1,724	\$137,918
740	\$1,113,034	\$1,724	\$1,113,034
741	\$8,620	\$1,724	\$8,620
742	\$112,000	\$700	\$112,000
743	\$690,000	\$1,078	\$690,000
744	\$52,000	\$108	\$52,000
745	\$112,000	\$700	\$112,000
746	\$416,000	\$650	\$416,000
747	\$286,000	\$550	\$286,000
748	\$104,000	\$650	\$104,000
749	\$615,000	\$2,208	\$615,000
750	\$416,000	\$650	\$416,000
751	\$468,000	\$975	\$468,000
752	\$416,000	\$650	\$416,000
Minimum Bid for Sale Unit 1			\$9,939,000
SALE UNIT 2 – Teton County			
Sale #	Appraised Value With Access	Appraised Value per acre	Recommended Minimum Bid
754	\$675,000	\$1,300	\$675,000
755	\$120,000	\$1,500	\$120,000
756	\$60,000	\$1,500	\$60,000
Minimum Bid for Sale Unit 2			\$855,000

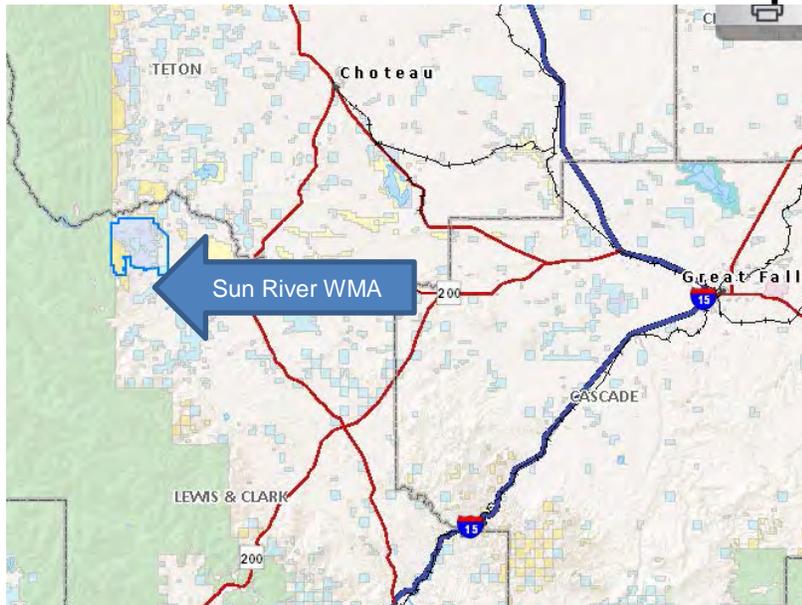
SALE UNIT 3 – Cascade County			
Sale #	Appraised Value With Access	Appraised Value per acre	Recommended Minimum Bid
753	\$352,000	\$550	\$352,000
Minimum Bid for Sale Unit 3			\$352,000

*Sale parcels will be combined into sale units by county. "Sale units" combine multiple parcels into a single sale.

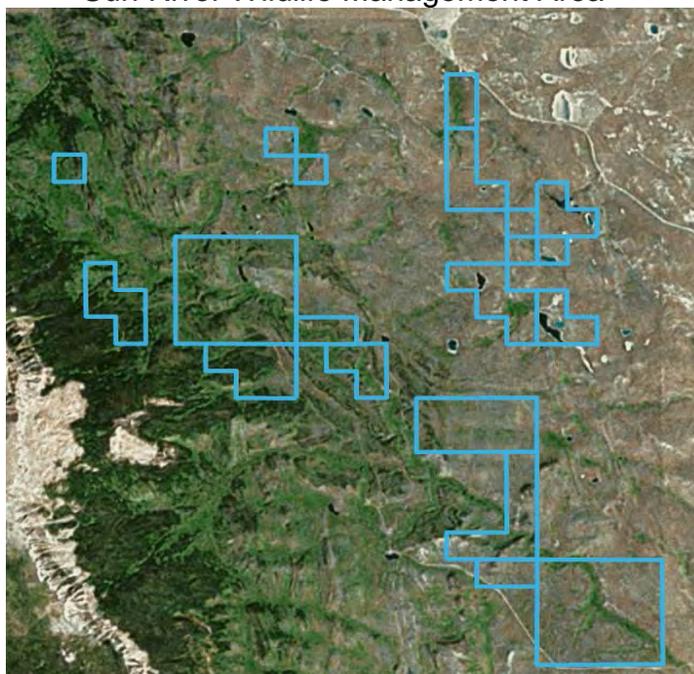
DNRC Recommendation

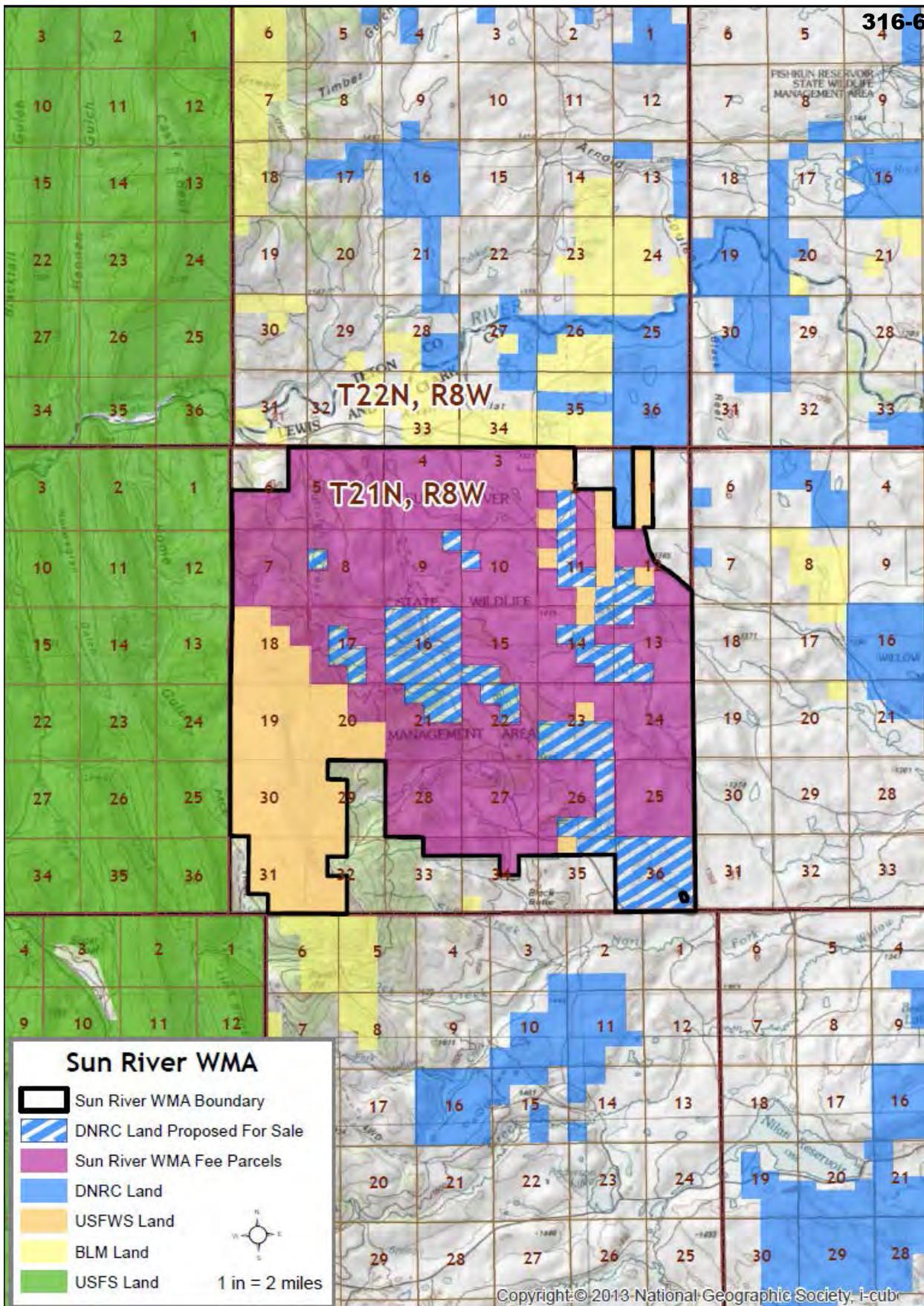
The director recommends the Land Board set the minimum bid for the parcels at the appraised values shown above.

Sun River WMA Sale Location Map

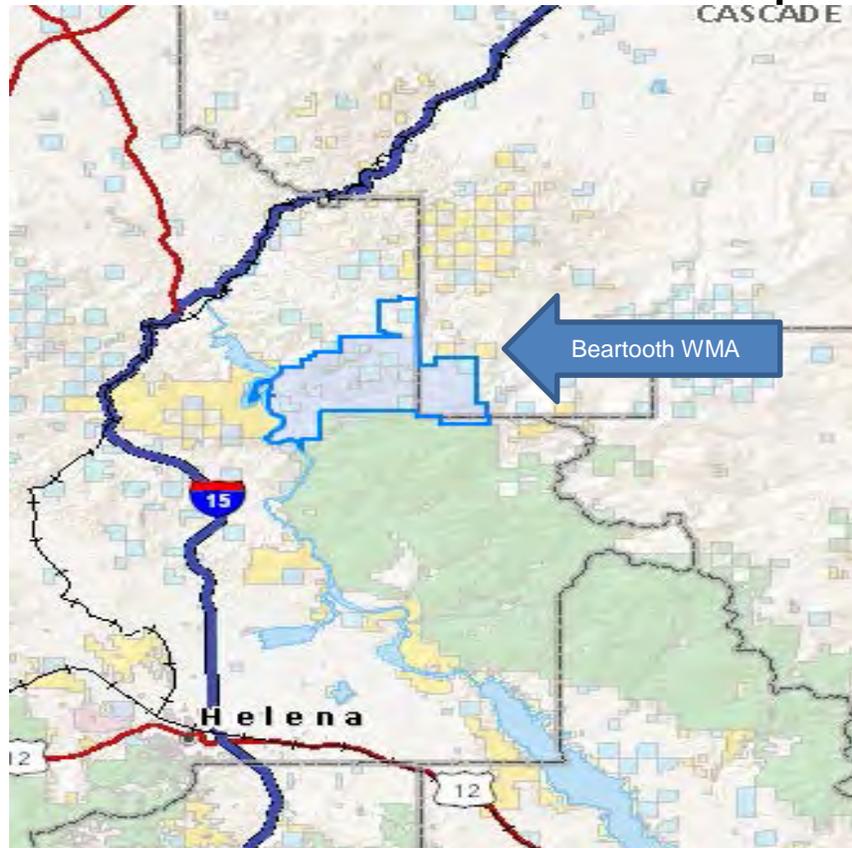


Sun River Wildlife Management Area

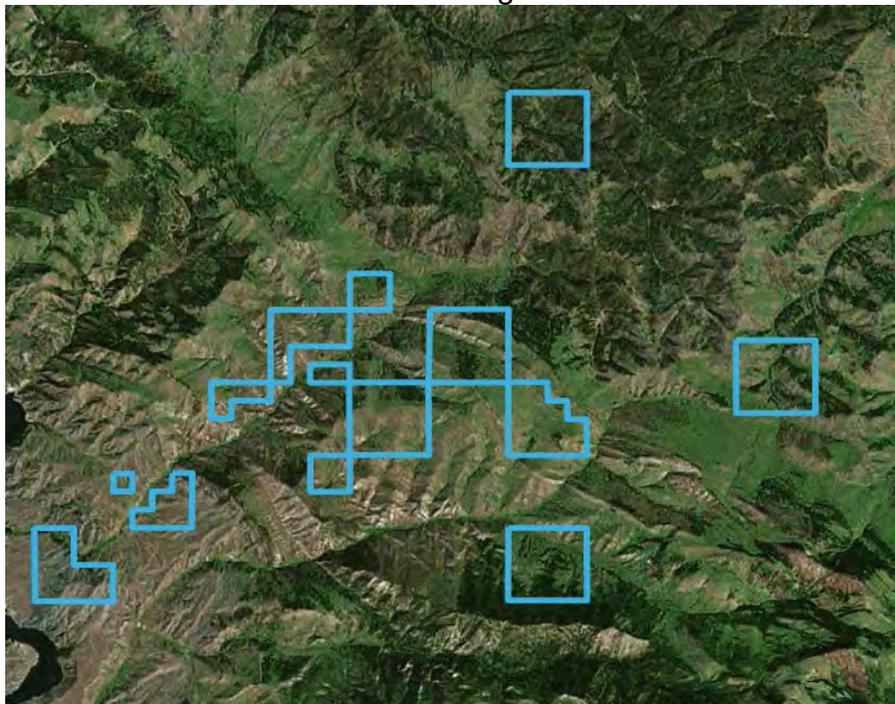


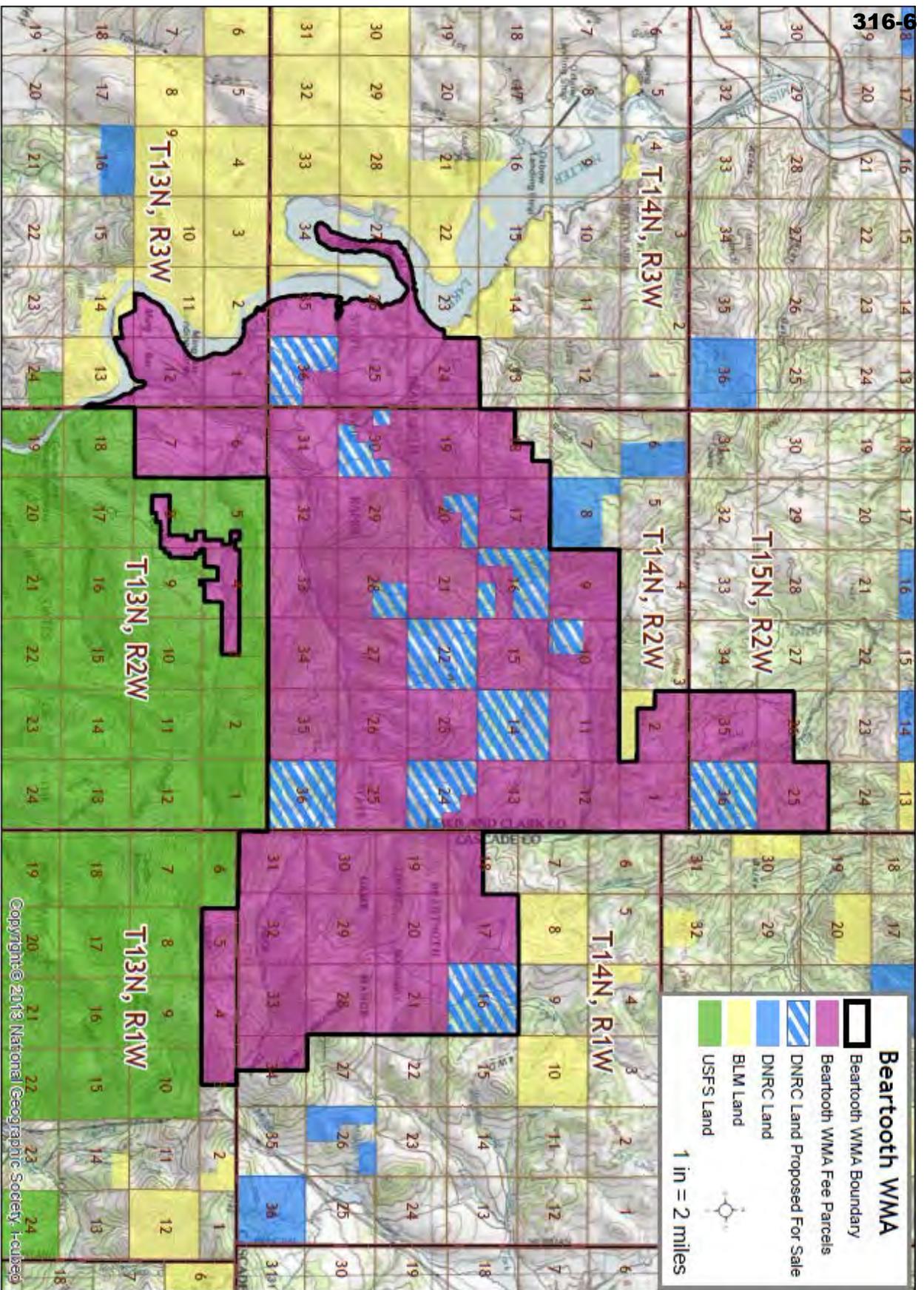


Beartooth WMA Sales Location Map



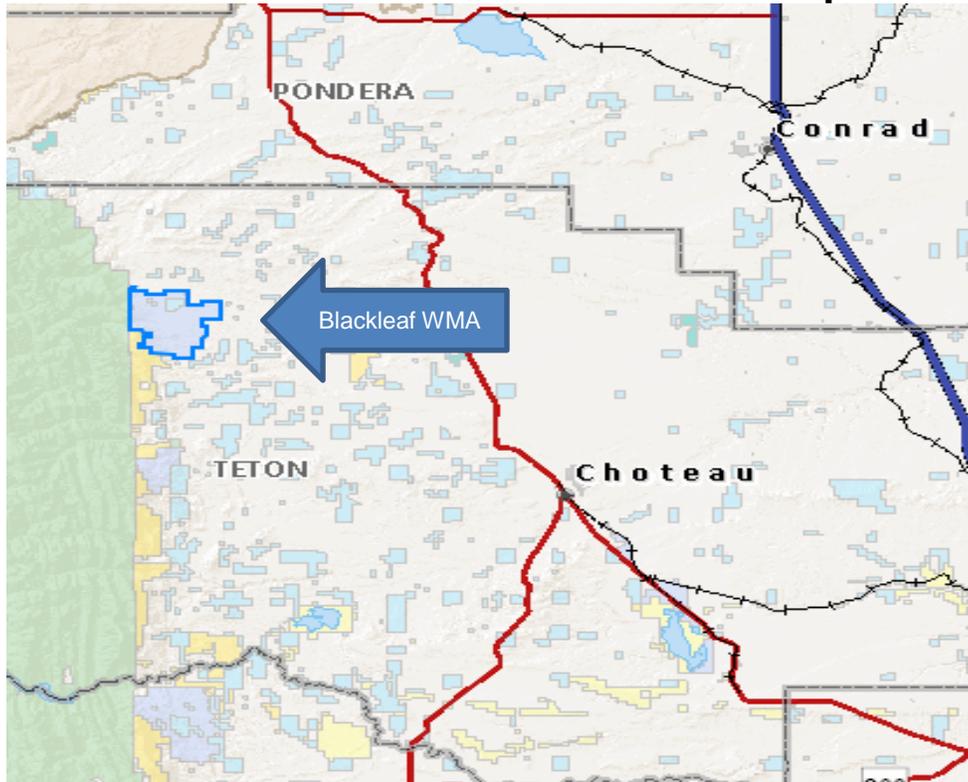
Beartooth Wildlife Management Area





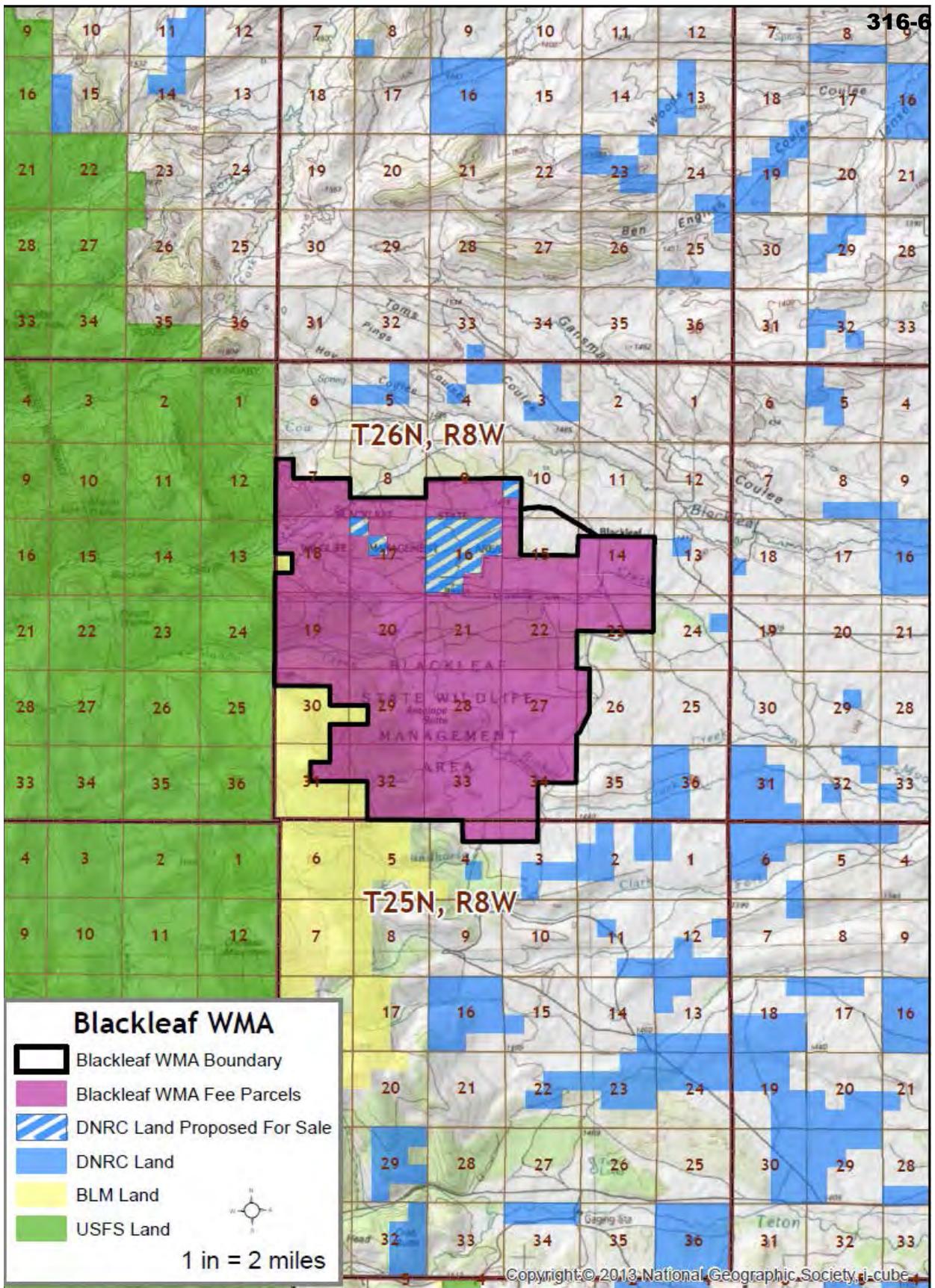
Blackleaf WMA Sales Location Map

316-6



Blackleaf Wildlife Management Area





316-7

EASEMENTS:

**Land Board Agenda Item
March 21, 2016**

316-7 Easements

Location: Carter, Dawson, Lake, Missoula, Pondera, Powell, Richland, Rosebud, Teton, Toole Counties

Trust Benefits: Common Schools, MSU Morrill, MT Tech, Public Buildings, Public Land

**Trust Revenue: Common Schools = \$79,922
MSU Morrill = \$2,448
MT Tech = \$450
Public Buildings = \$306
Public Land = \$1,127**

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
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Marlow & Joan Buller Family Trust	New Private Road Access	Permanent	15-16
Northwestern Energy	Historic Natural Gas Line	Permanent	17-22
Range Telephone Cooperative, Inc.	New Telecommunications Cable	Permanent	23-24
Larry & Dawn Draine	New Private Road Access	Permanent	25-26
Powell County	Historic County Road & Pre-Existing Historic County Road	Permanent	27-32
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Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: ONEOK Rockies Midstream LLC
2700 Lincoln Ave SE
Sidney MT 59270

Application No.: 16994
R/W Purpose: a buried 4" natural gas pipeline
Lessee Agreement: ok
Acreage: 1.27
Compensation: \$11,701.00
Legal Description: 20-foot strip through W2NW4, NW4SW4, Sec. 16, Twp. 25N, Rge. 54E, Richland County

Trust Beneficiary: Common Schools

Item Summary

ONEOK Rockies Midstream, LLC has made application for a 4" natural gas pipeline. The pipeline was previously authorized and installed under a land use license (LUL) issued in 2005. This application is to convert the LUL to a 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.

DNRC Recommendation

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

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: ONEOK Rockies Midstream LLC
 2700 Lincoln Ave SE
 Sidney MT 59270

Application No.: 16995
 R/W Purpose: a buried 4" natural gas pipeline
 Lessee Agreement: Pending
 Acreage: 2.31
 Compensation: \$21,348.00
 Legal Description: 20-foot strip through S2S2, Sec. 16, Twp. 25N, Rge. 53E,
 Richland County

Trust Beneficiary: Common Schools

Item Summary

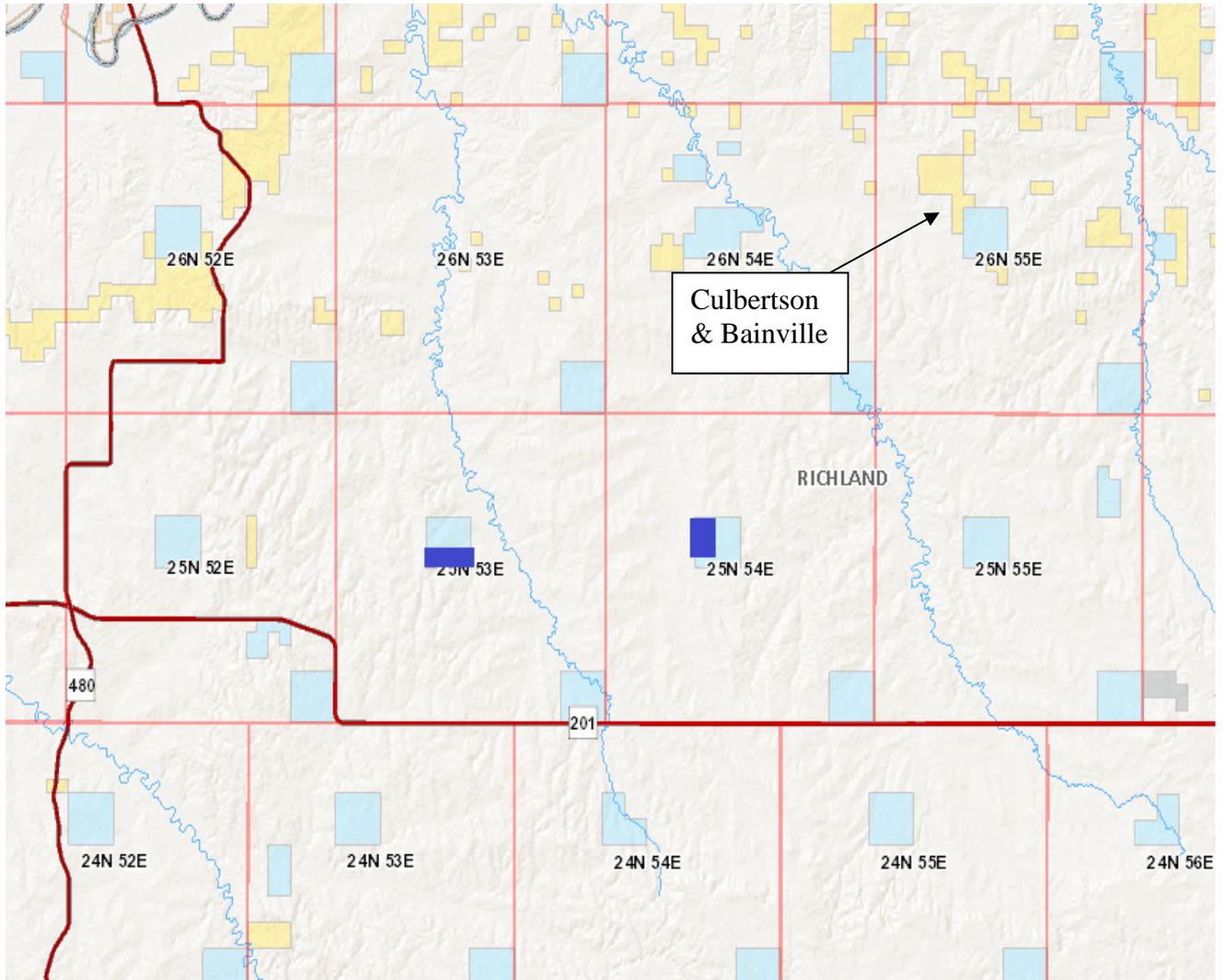
See page 1

DNRC Recommendation

See page 1

Rights of Way Applications

March 21, 2016



App #'s 16994 & 16995

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Powell County
409 Missouri Ave
Deer Lodge MT 59722

Application No.: 17076
R/W Purpose: a public county road known as Eastside Road
Lessee Agreement: N/A (Historic)
Acreage: 4.7
Compensation: \$0
Legal Description: 60-foot strip through SE4NE4, NE4SE4, SW4SE4,
Sec. 16, Twp. 6N, Rge. 9W,
Powell County

Trust Beneficiary: Common Schools

Item Summary

Powell County has made application for a pre-existing easement for a county road known as Eastside Road. The Department of Natural Resources and Conservation (DNRC) acquired its ownership of this section on November 8, 1889. Evidence was provided in the form of a Government Land Office survey dated November 25, 1869, and associated field notes dated September 18, 1869, which describe and depict this road as being a public road in existence at that time. Powell County has provided documentation that they have provided maintenance since at least 1896.

DNRC Recommendation

The director recommends approval from the Land Board for an acknowledgement of pre-existing easement for this county road.

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Powell County
409 Missouri Ave
Deer Lodge MT 59722

Application No.: 17078
R/W Purpose: a public county road known as Emery Road
Lessee Agreement: N/A (Historic)
Acreage: 7.27
Compensation: \$0
Legal Description: 60-foot strip through N2SW4, N2SE4, Sec. 36, Twp. 8N, Rge. 9W,
Powell County

Trust Beneficiary: Common Schools

Item Summary

Powell County has made application for a pre-existing easement for a county road known as Emery Road. The Department of Natural Resources and Conservation (DNRC) acquired its ownership of this section on November 8, 1889. Evidence was provided in the form of a Government Land Office map dated January 5, 1869, and associated field notes dated October 8, 1868, that describe and depict this road as being a public road in existence at that time. Powell County has provided documentation they have provided maintenance since at least 1896.

DNRC Recommendation

The director recommends Land Board approval for an acknowledgement of pre-existing easement for this county road.

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Powell County
409 Missouri Ave
Deer Lodge MT 59722

Application No.: 17079
R/W Purpose: a public county road known as Old Stage Road
Lessee Agreement: N/A (Historic)
Acreage: 10.6
Compensation: \$0
Legal Description: 60-foot strip through N2NW4, SW4NE4, NW4SE4, SE4SE4,
Sec. 22, Twp. 8N, Rge. 10W,
Powell County

Trust Beneficiary: Common Schools

Item Summary

Powell County has made application for a pre-existing easement for a county road known as Old Stage Road. The Department of Natural Resources and Conservation (DNRC) acquired its ownership of this section on December 19, 1899. Evidence was provided in the form of a Government Land Office map dated December 20, 1870, and associated field notes that describe and depict this road as being a public road in existence at that time. Powell County has provided documentation they have provided maintenance since at least 1896.

DNRC Recommendation

The director recommends Land Board approval for an acknowledgement of pre-existing easement for this county road.

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Powell County
409 Missouri Ave
Deer Lodge MT 59722

Application No.: 17080
R/W Purpose: a public county road known as Upper Racetrack Road
Lessee Agreement: N/A (Historic)
Acreage: 0.73
Compensation: \$0
Legal Description: 60-foot strip through NW4SW4, Sec. 16, Twp. 6N, Rge. 10W,
Powell County

Trust Beneficiary: Common Schools

Item Summary

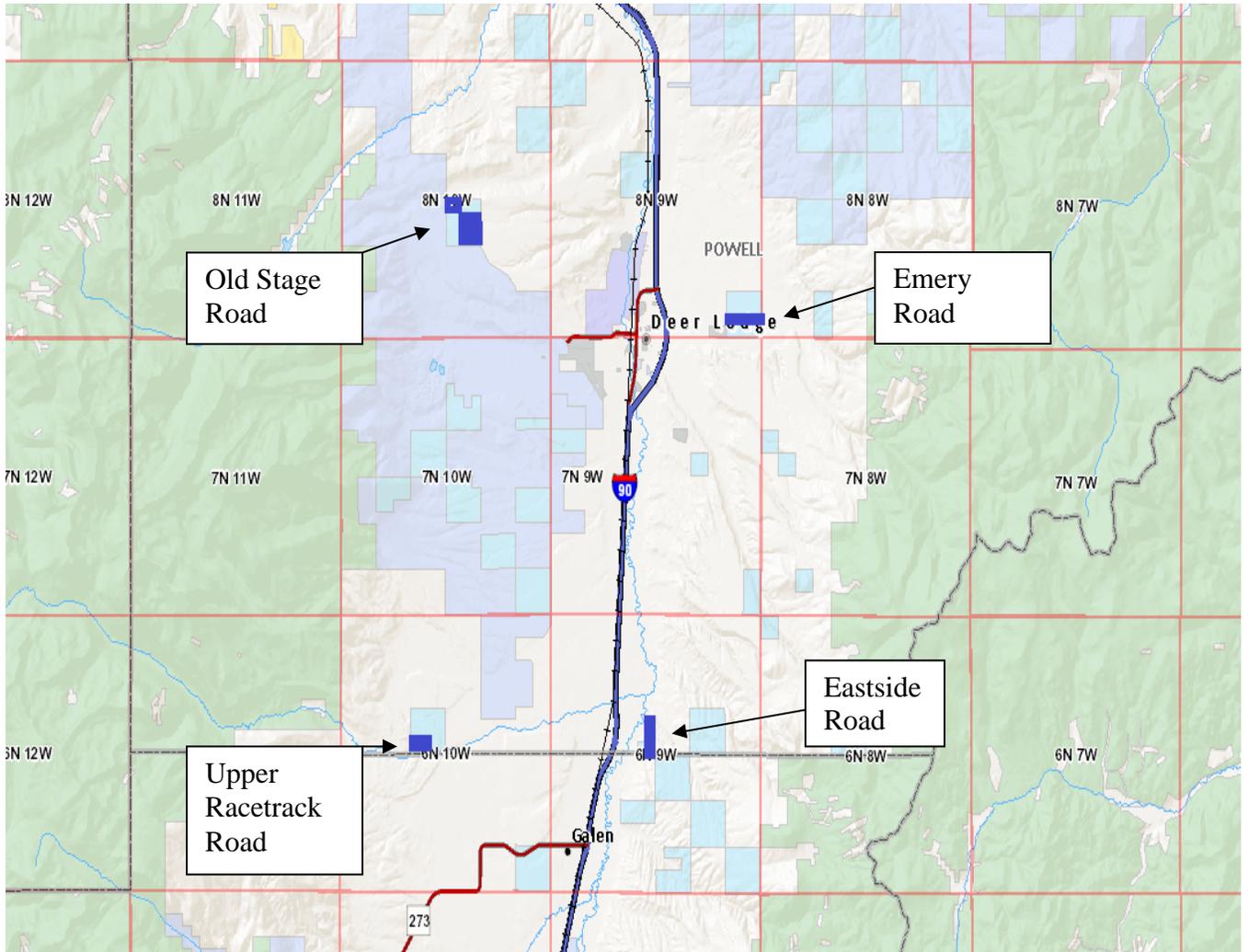
Powell County has made application for a pre-existing easement for a county road known as Upper Racetrack Road. The Department of Natural Resources and Conservation (DNRC) acquired its ownership of this section on November 8, 1889. Evidence was provided in the form of a Government Land Office map dated July 5, 1869, and associated field notes dated September 23, 1869, that describe and depict this road as being a public road in existence at that time. Powell County has provided documentation that they have provided maintenance since at least 1896.

DNRC Recommendation

The director recommends Land Board approval for an acknowledgement of pre-existing easement for this county road.

Rights of Way Applications

March 21, 2016



App #s 17076, 17078-80

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: ONEOK Rockies Midstream LLC
2700 Lincoln Ave SE
Sidney MT 59270

Application No.: 17116
R/W Purpose: a buried 8" natural gas pipeline
Lessee Agreement: ok
Acreage: 1.1
Compensation: \$6791.00
Legal Description: 30-foot strip through NE4NE4, Sec. 36, Twp. 24N, Rge. 55E,
Richland County

Trust Beneficiary: Common Schools

Item Summary

ONEOK Rockies Midstream, LLC has made application for an 8" natural gas pipeline. The pipeline was previously authorized and installed under a land use License (LUL) issued in 2004. This application is to convert the LUL 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.

DNRC Recommendation

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

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: ONEOK Rockies Midstream LLC
 2700 Lincoln Ave SE
 Sidney MT 59270

Application No.: 17117
 R/W Purpose: a buried 12" natural gas pipeline
 Lessee Agreement: ok
 Acreage: 6.32
 Compensation: \$24,183.00
 Legal Description: 50-foot strip through NW4NW4, S2N2,
 Sec. 16, Twp. 24N, Rge. 55E,
 Richland County

Trust Beneficiary: Common Schools

Item Summary

See page 9

DNRC Recommendation

See page 9

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: ONEOK Rockies Midstream LLC
 2700 Lincoln Ave SE
 Sidney MT 59270

Application No.: 17118
 R/W Purpose: a buried 6" natural gas pipeline
 Lessee Agreement: ok
 Acreage: 0.33
 Compensation: \$2402.00
 Legal Description: 25-foot strip through SE4SE4, Sec. 36, Twp. 23N, Rge. 59E,
 Richland County

Trust Beneficiary: Common Schools

Item Summary

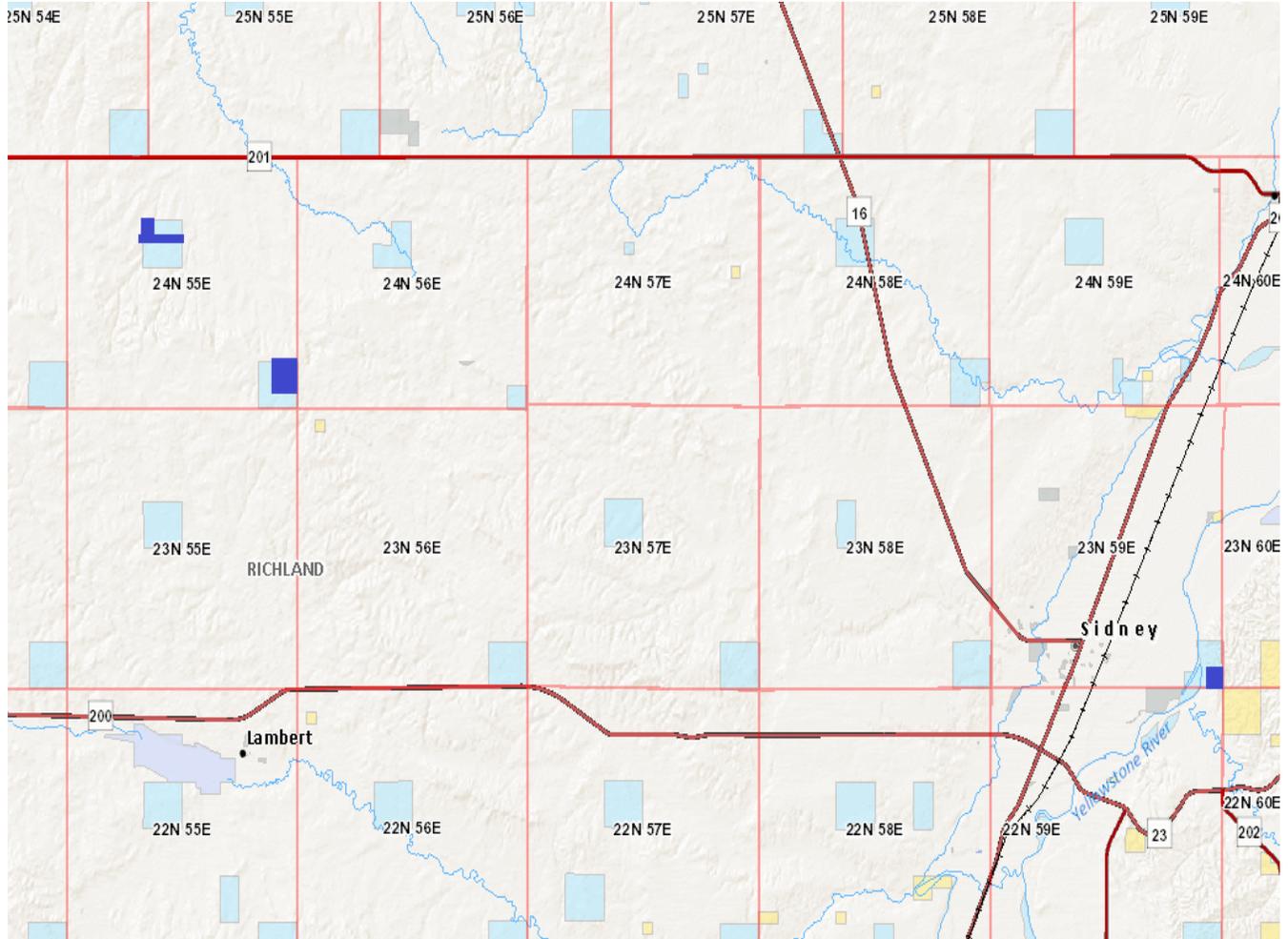
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DNRC Recommendation

See page 9

Rights of Way Applications

March 21, 2016



App #'s 17116-17118

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Newell & Mary Rosaaen
1735 Hwy 200
Richey MT 59259

Application No.: 17124
R/W Purpose: a private access road for the purpose of conducting normal farming and ranching operations

Lessee Agreement: ok
Acreage: 1.94
Compensation: \$534.00
Legal Description: 30-foot strip through N2SW4, Sec. 2, Twp. 20N, Rge. 51E, Dawson County

Trust Beneficiary: Common Schools

Item Summary

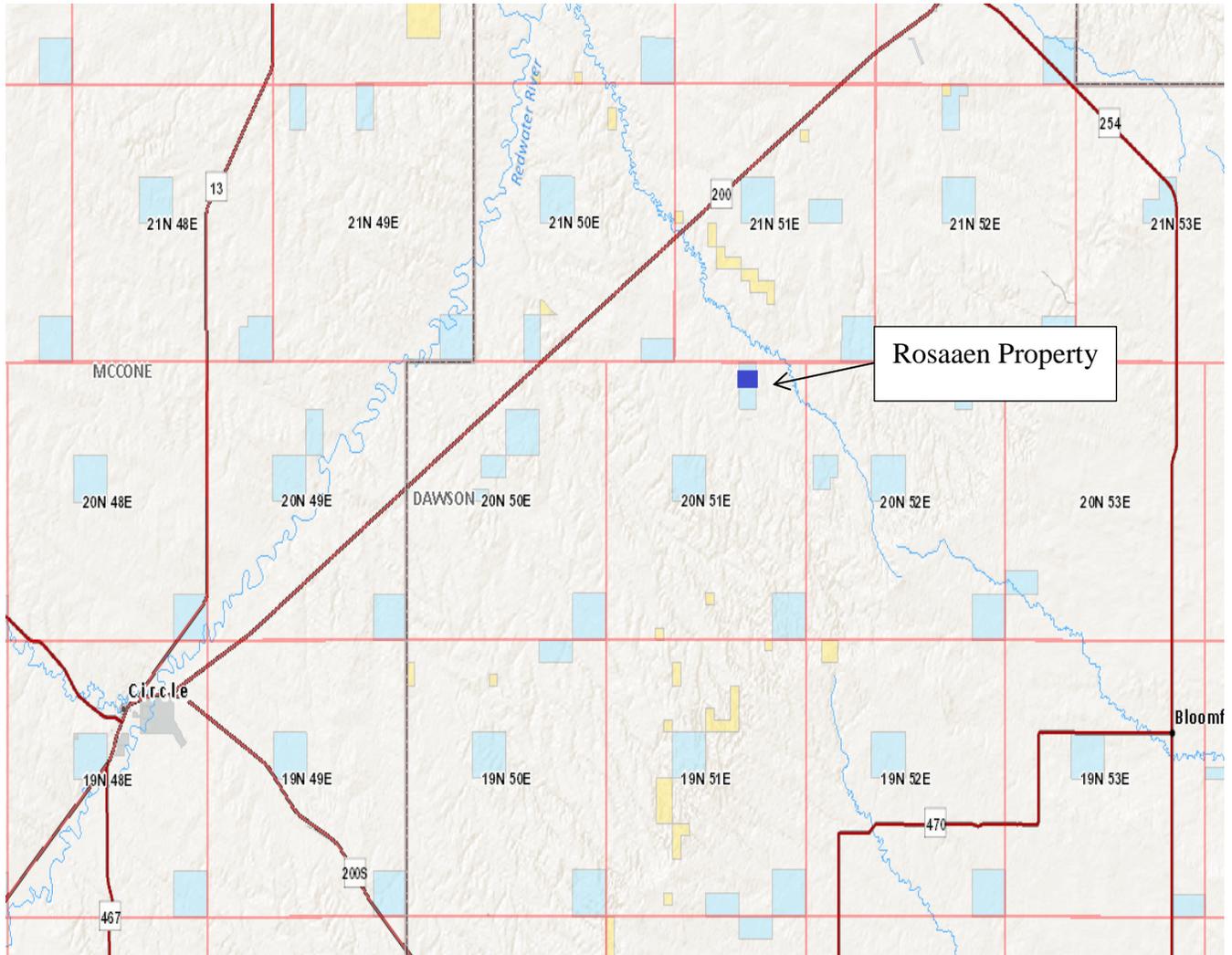
Newell and Mary Rosaaen have made application for a private access road for the purpose of conducting normal farming and ranching operations. The proposed route is an existing two track trail and is the only route possible to access their private property described as being the E2 of Section 2, Township 20N, Range 51E, Dawson County, Montana.

DNRC Recommendation

The director recommends Land Board approval of this private access road.

Rights of Way Applications

March 21, 2016



Application #17124 - Rosaaen

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Marlow & Joan Buller Family Trust
 PO Box 252
 Richey MT 59259

Application No.: 17136
 R/W Purpose: a private access road for the purpose of conducting normal farming and ranching operations

Lessee Agreement: ok
 Acreage: 1.6
 Compensation: \$880.00
 Legal Description: 30-foot strip through N2NE4, Sec. 16, Twp. 21N, Rge. 53E, Dawson County

Trust Beneficiary: Common Schools

Item Summary

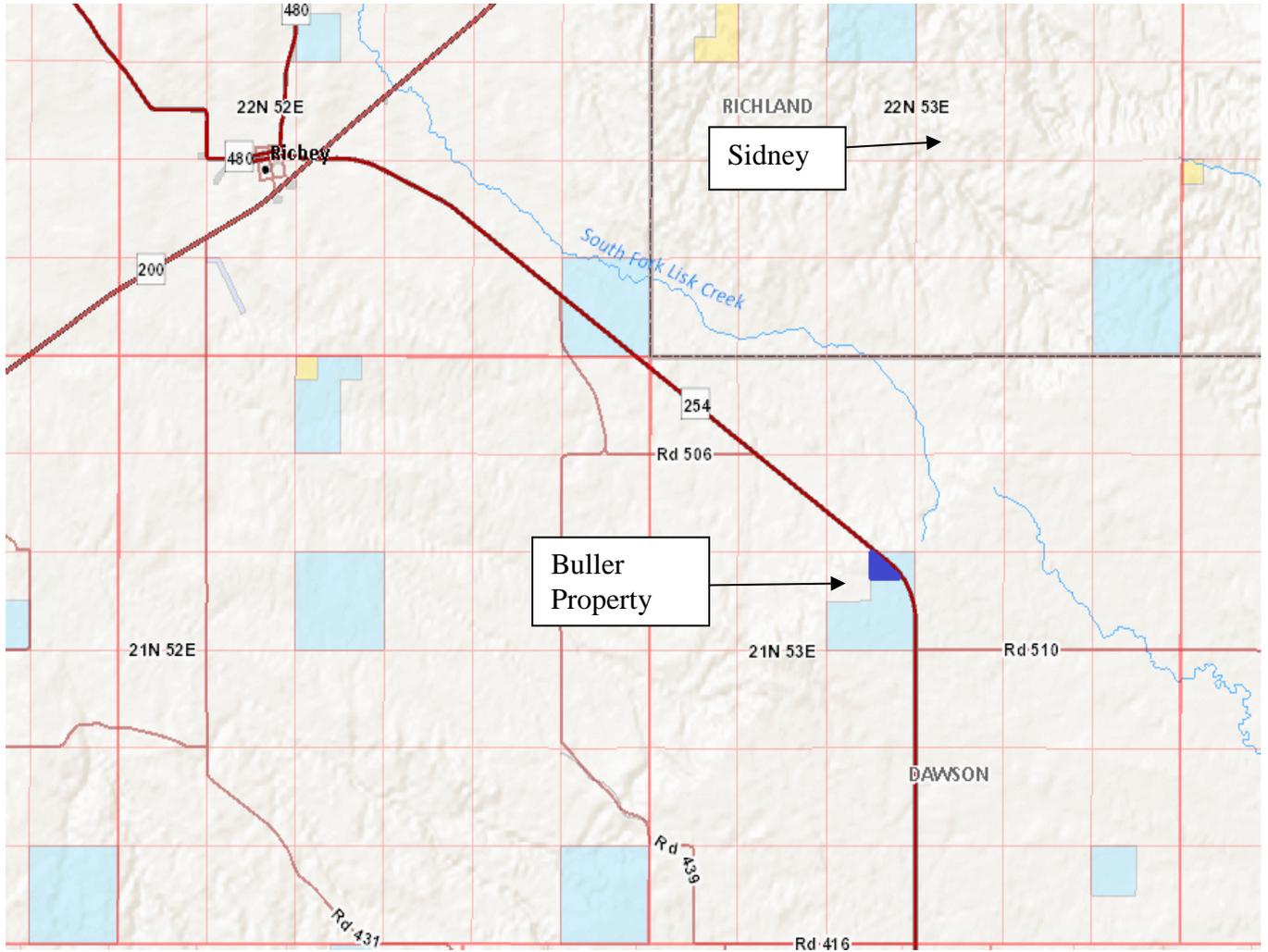
Marlow and Joan Buller of the Marlow & Joan Buller Family Trust have made application for a private access road for the purpose of conducting normal farming and ranching operations. The proposed route is an existing two track trail and is the only route possible to access the Buller private property in the NW4 of Section 16, Township 21N, Range 53E. The Buller's were formerly the lessees of the state land and recently assigned the lease to a family member. As a result, they lost the access privileges they had under their lease agreement.

DNRC Recommendation

The director recommends Land Board approval of this private access road.

Rights of Way Applications

March 21, 2016



App # 17136

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Northwestern Energy
 11 East Park
 Butte MT 59701

Application No.: 17172
 R/W Purpose: a buried 8" natural gas distribution line across the Clark Fork River
 Lessee Agreement: N/A (Historic)
 Acreage: 0.18
 Compensation: \$1027.00
 Legal Description: 30-foot strip through SW4SE4, Sec. 17, Twp. 13N, Rge. 19W, Missoula County

Trust Beneficiary: Public Land

Item Summary

Northwestern Energy has made application for this natural gas line that was constructed on state lands many years ago without proper authorization from the Land Board. Pursuant to 77-1-130, MCA, Northwestern Energy is requesting recognition of this natural gas line as a historic right of way.

DNRC Recommendation

The director recommends Land Board approval of this historic right of way for Northwestern Energy.

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17173
R/W Purpose:	a buried 2" natural gas distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	0.18
Compensation:	\$450.00
Legal Description:	20-foot strip through NW4NW4, Sec. 20, Twp. 26N, Rge. 19W, Lake County
Trust Beneficiary:	Montana Tech

Item Summary

See page 17

DNRC Recommendation

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Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17174
R/W Purpose:	a buried 3" natural gas distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	0.17
Compensation:	\$2550.00
Legal Description:	20-foot strip through SE4NE4, Sec. 16, Twp. 14N, Rge. 19W, Missoula County
Trust Beneficiary:	Common Schools

Item Summary

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DNRC Recommendation

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Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17181
R/W Purpose:	a buried 8" natural gas distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	1.32
Compensation:	\$1584.00
Legal Description:	30-foot strip through S2NE4, Sec. 36, Twp. 12N, Rge. 20W, Missoula County
Trust Beneficiary:	Common Schools

Item Summary

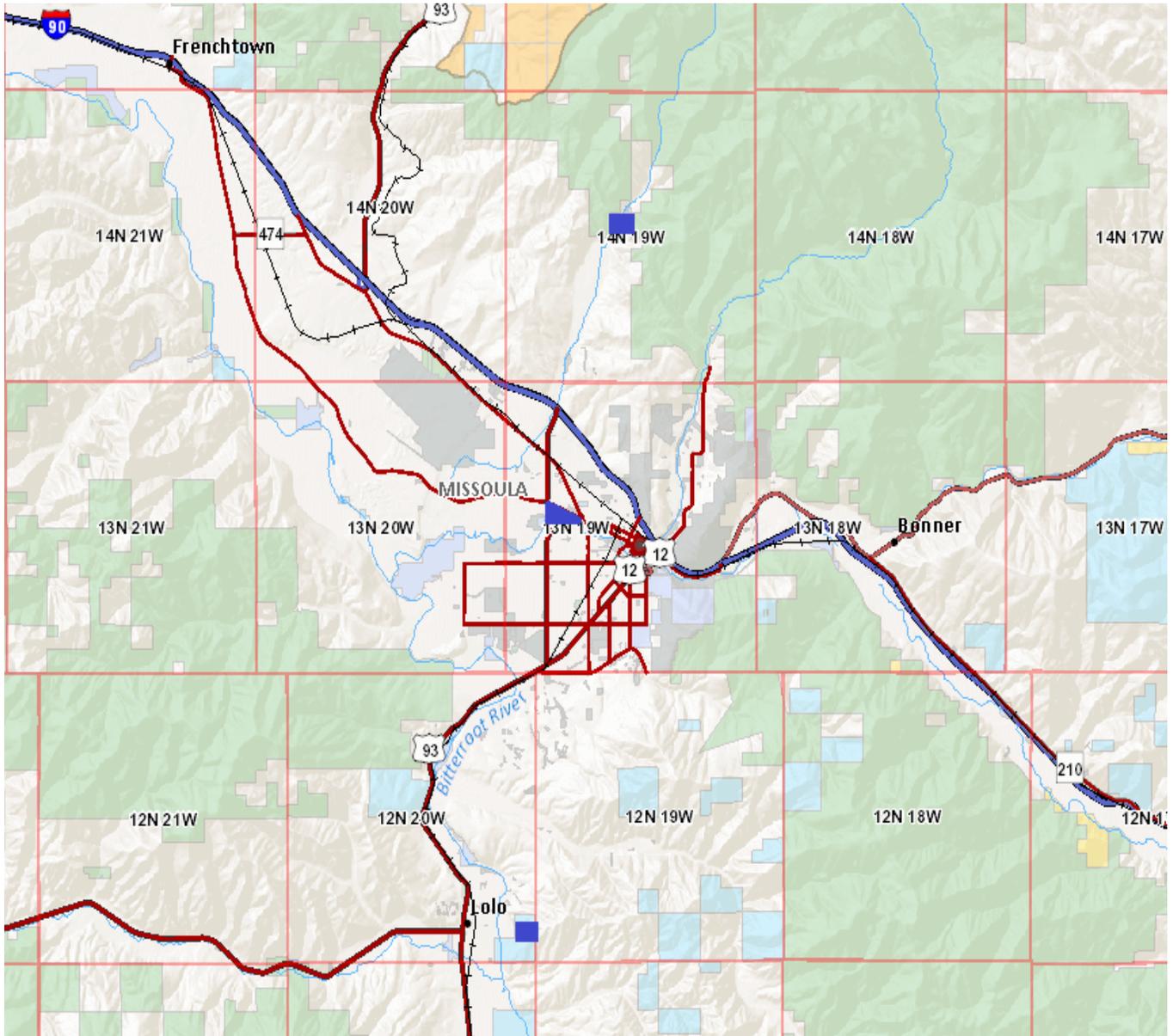
See page 17

DNRC Recommendation

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Rights of Way Applications

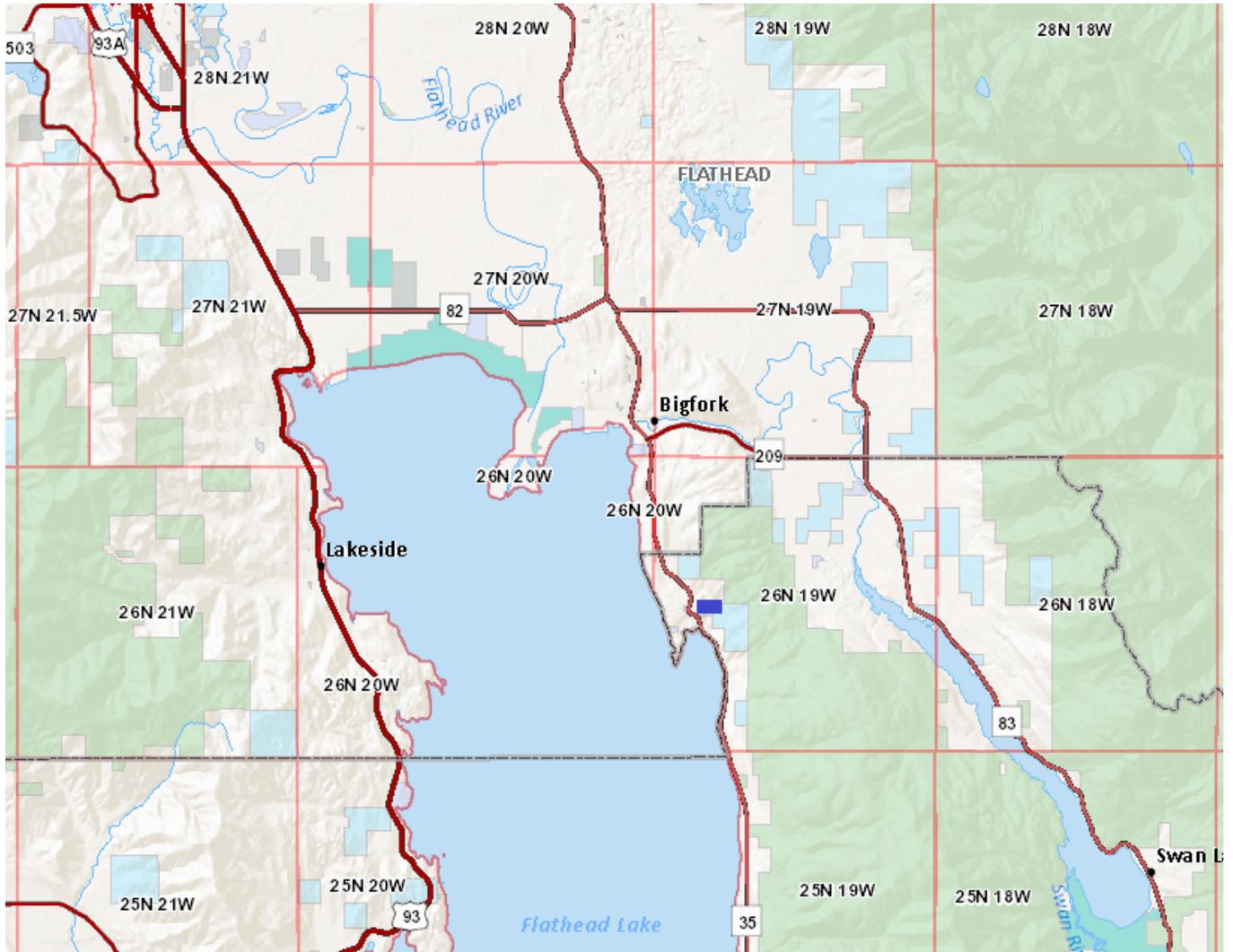
March 21, 2016



Application #s 17172, 17174, 17181

Rights of Way Applications

March 21, 2016



App #17173

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Range Telephone Cooperative, Inc.
 PO Box 127
 Forsyth MT 59327

Application No.: 17184
 R/W Purpose: a buried fiber optic telecommunications cable
 Lessee Agreement: ok
 Acreage: 0.3
 Compensation: \$100.00
 Legal Description: 20-foot strip through SE4SE4, Sec. 36, Twp. 2N, Rge. 39E,
 Rosebud County

Trust Beneficiary: Common Schools

Item Summary

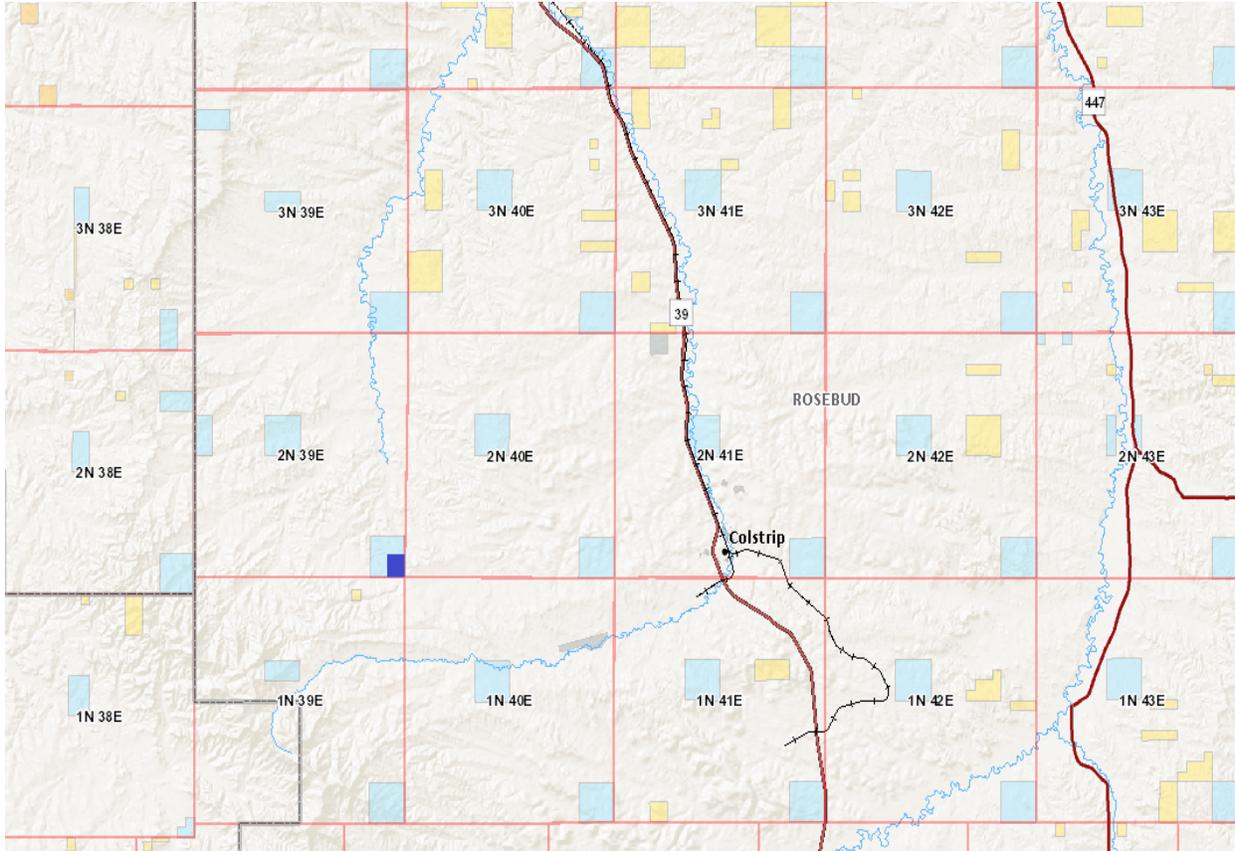
Range Telephone has made application for a buried telecommunications cable which will supply services to the Western Energy Company, West of Colstrip. The route will begin from an existing fiber cable located on state lands and continue on the state parcel for 663.9 feet to the east of Castle Rock Road. The line will be constructed using the rep/trench method. There is not an alternate route possible. The proposed route is within sage grouse general habitat. 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. This project, identified as Project No. 1454701375004, has been approved by the Montana Sage Grouse Habitat Conservation Program.

DNRC Recommendation

The director recommends approval of this buried telecommunications cable.

Rights of Way Applications

March 21, 2016



Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Larry & Dawn Draine
PO Box 56
Boyes MT 59316

Application No.: 17185
R/W Purpose: a private access road for the purpose of one single family residence and associated outbuildings and to conduct normal farming and ranching operations

Lessee Agreement: ok
Acreage: 1.28
Compensation: \$416.00
Legal Description: 30-foot strip through S2SW4, Sec. 16, Twp. 7S, Rge. 55E, Carter County

Trust Beneficiary: Common Schools

Item Summary

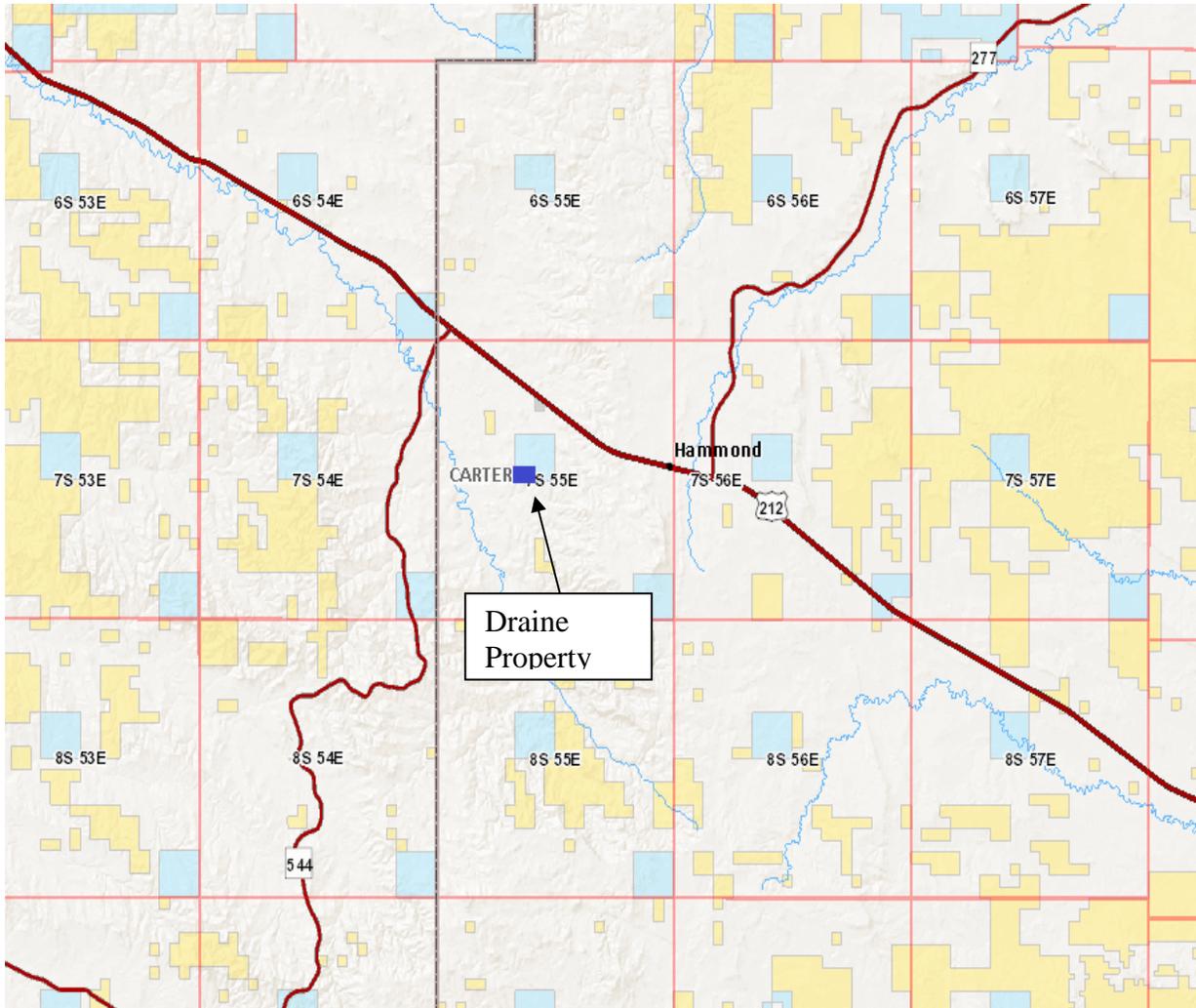
Larry and Dawn Draine have made application for a private access road for the purpose of one single family residence and associated outbuildings and to conduct normal farming and ranching operations. The proposed route is an existing unimproved road which may have some improvements and maintenance in the future. The Draine's plan to build a house on their private property accessed by this proposed easement, in which is described as "All of Section 12, Township 7S, Range 55E". There is not an alternate route possible due to the topography of the land. The proposed route is within sage grouse general habitat. 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. This project, identified as Project No. 1454705459464, has been approved by the Montana Sage Grouse Habitat Conservation Program.

DNRC Recommendation

The director recommends approval of this private access road.

Rights of Way Applications

March 21, 2016



Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Powell County
409 Missouri Ave
Deer Lodge MT 59722

Application No.: 17188
R/W Purpose: a public county road known as Warm Springs Road
Lessee Agreement: N/A (Historic)
Acreage: 0.29
Compensation: \$174.00
Legal Description: 60-foot strip through SE4NE4, Sec. 10, Twp. 9N, Rge. 10W,
Powell County

Trust Beneficiary: Common Schools

Item Summary

Powell County has made application for this county road that was constructed on state land 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.

DNRC Recommendation

The director recommends Land Board approval of this historic right of way for Powell County.

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Powell County
409 Missouri Ave
Deer Lodge MT 59722

Application No.: 17190
R/W Purpose: a public county road known as Hoover Creek Road
Lessee Agreement: N/A (Historic)
Acreage: 1.67
Compensation: \$1002.00
Legal Description: 60-foot strip through NW4NW4, Sec. 16, Twp. 10N, Rge. 11W,
Powell County

Trust Beneficiary: Common Schools

Item Summary

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DNRC Recommendation

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Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Powell County
409 Missouri Ave
Deer Lodge MT 59722

Application No.: 17191
R/W Purpose: a public county road known as Lower Dry Gulch Road
Lessee Agreement: N/A (Historic)
Acreage: 1.41
Compensation: \$4230.00
Legal Description: 60-foot strip through SW4NW4, NW4SW4,
Sec. 36, Twp. 15N, Rge. 12W,
Powell County

Trust Beneficiary: Common Schools

Item Summary

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DNRC Recommendation

See page 27

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Powell County
409 Missouri Ave
Deer Lodge MT 59722

Application No.: 17193
R/W Purpose: a public county road known as Boulder Road
Lessee Agreement: N/A (Historic)
Acreage: 0.35
Compensation: \$0
Legal Description: 60-foot strip through NE4SW4, Sec. 14, Twp. 7N, Rge. 9W,
Powell County

Trust Beneficiary: Common Schools

Item Summary

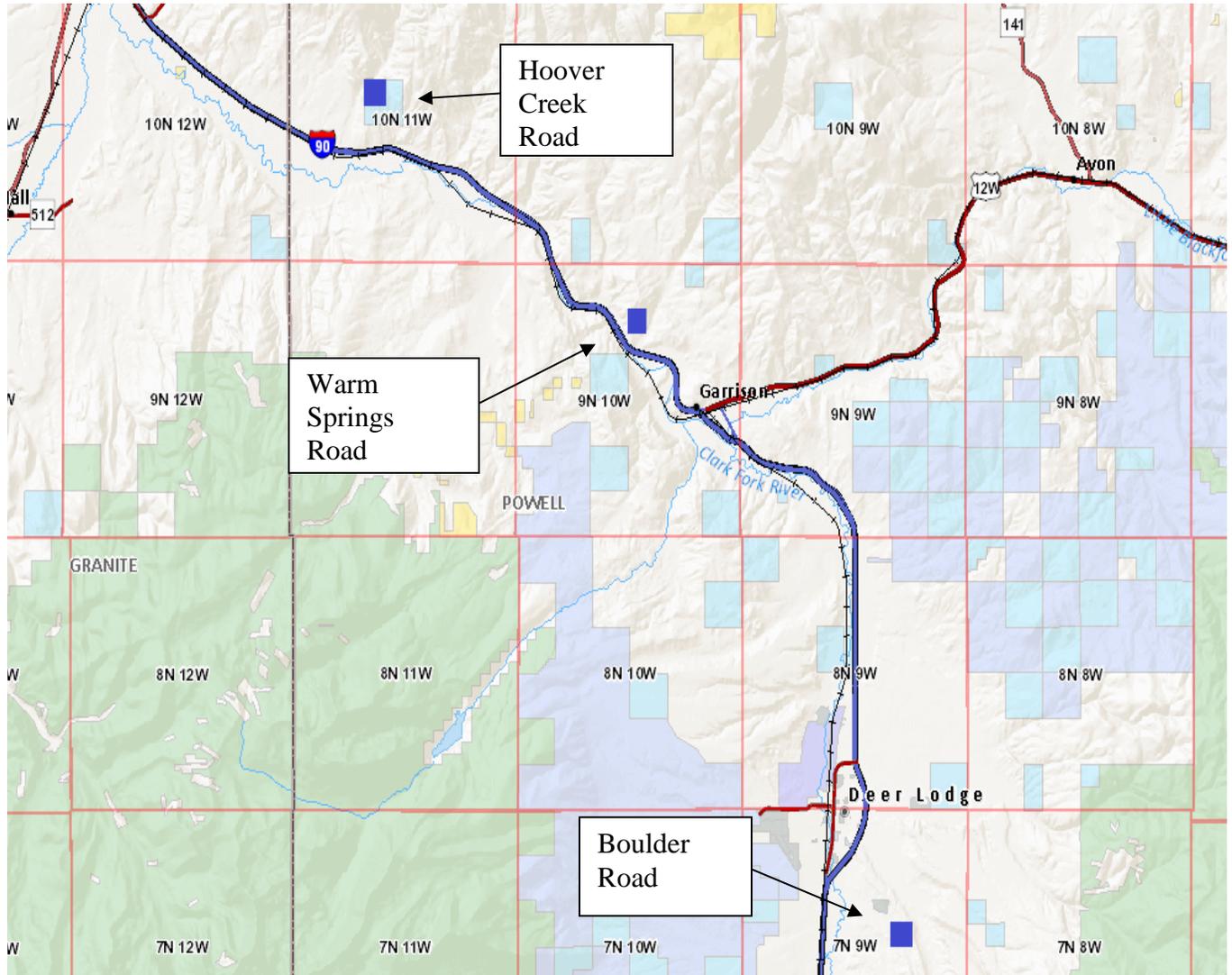
Powell County has made application for a pre-existing easement for a county road known as Boulder Road. The Department of Natural Resources and Conservation (DNRC) acquired its ownership of this section on December 19, 1899. Evidence was provided in the form of a Government Land Office map and associated field notes dated January 5, 1869, that describe and depict this road as being a public road in existence at that time. Powell County has provided documentation they have provided maintenance since at least 1896.

DNRC Recommendation

The director recommends Land Board approval for an acknowledgement of pre-existing easement for this county road.

Rights of Way Applications

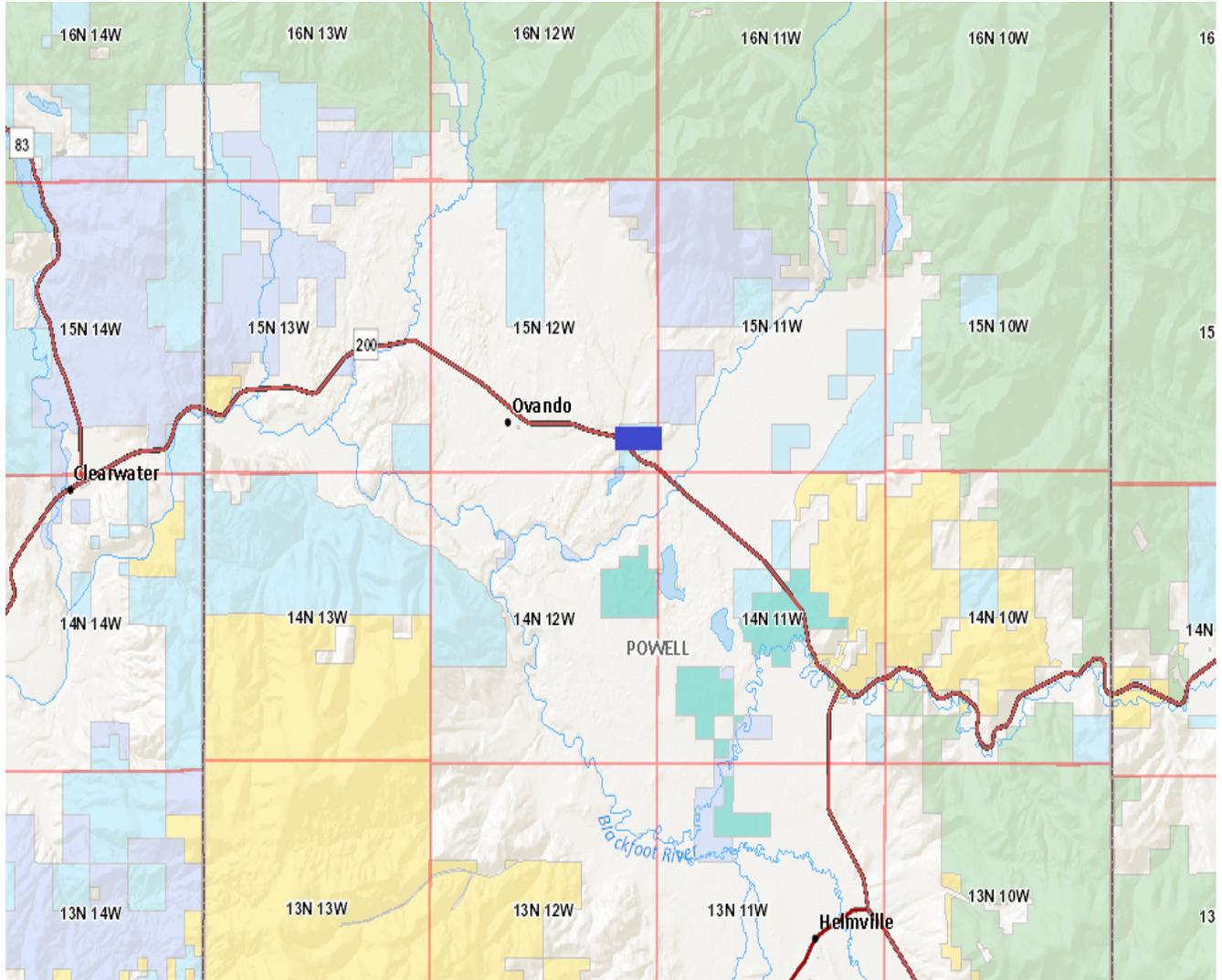
March 21, 2016



App #s 17188, 17190, 17193

Rights of Way Applications

March 21, 2016



App # 17191

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: 3 Rivers Telephone Cooperative, Inc.
 PO Box 429
 Fairfield MT 59436

Application No.: 17195
 R/W Purpose: a buried 6 & 12 fiber, fiber optic telecommunications cable
 Lessee Agreement: ok
 Acreage: 3.06
 Compensation: \$2448.00
 Legal Description: 20-foot strip through SW4NE4, NW4SE4, S2NE4,
 Sec. 22, Twp. 27N, Rge. 2W,
 Pondera County

Trust Beneficiary: MSU Morrill

Item Summary

3 Rivers Telephone Cooperative, Inc. had made application for a buried telecommunications cable. 3 Rivers is upgrading all existing copper telephone cables throughout their Brady Exchange to fiber optic cables. The upgrade will provide customers clearer and more reliable service in addition to accommodating the high-speed internet and digital television needs of rural subscribers. The cable will be buried 42" deep and be installed using a vibratory plow. The proposed route will parallel existing road corridors.

DNRC Recommendation

The director recommends Land Board approval of this buried telecommunications cable.

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: 3 Rivers Telephone Cooperative, Inc.
 PO Box 429
 Fairfield MT 59436

Application No.: 17196
 R/W Purpose: a buried 24 fiber, fiber optic transmission cable
 Lessee Agreement: N/A (Navigable River)
 Acreage: 0.03
 Compensation: \$100.00
 Legal Description: 20-foot strip through NW4SE4 across the Teton River,
 Sec. 14, Twp. 25N, Rge. 2W,
 Teton County

Trust Beneficiary: Public Land

Item Summary

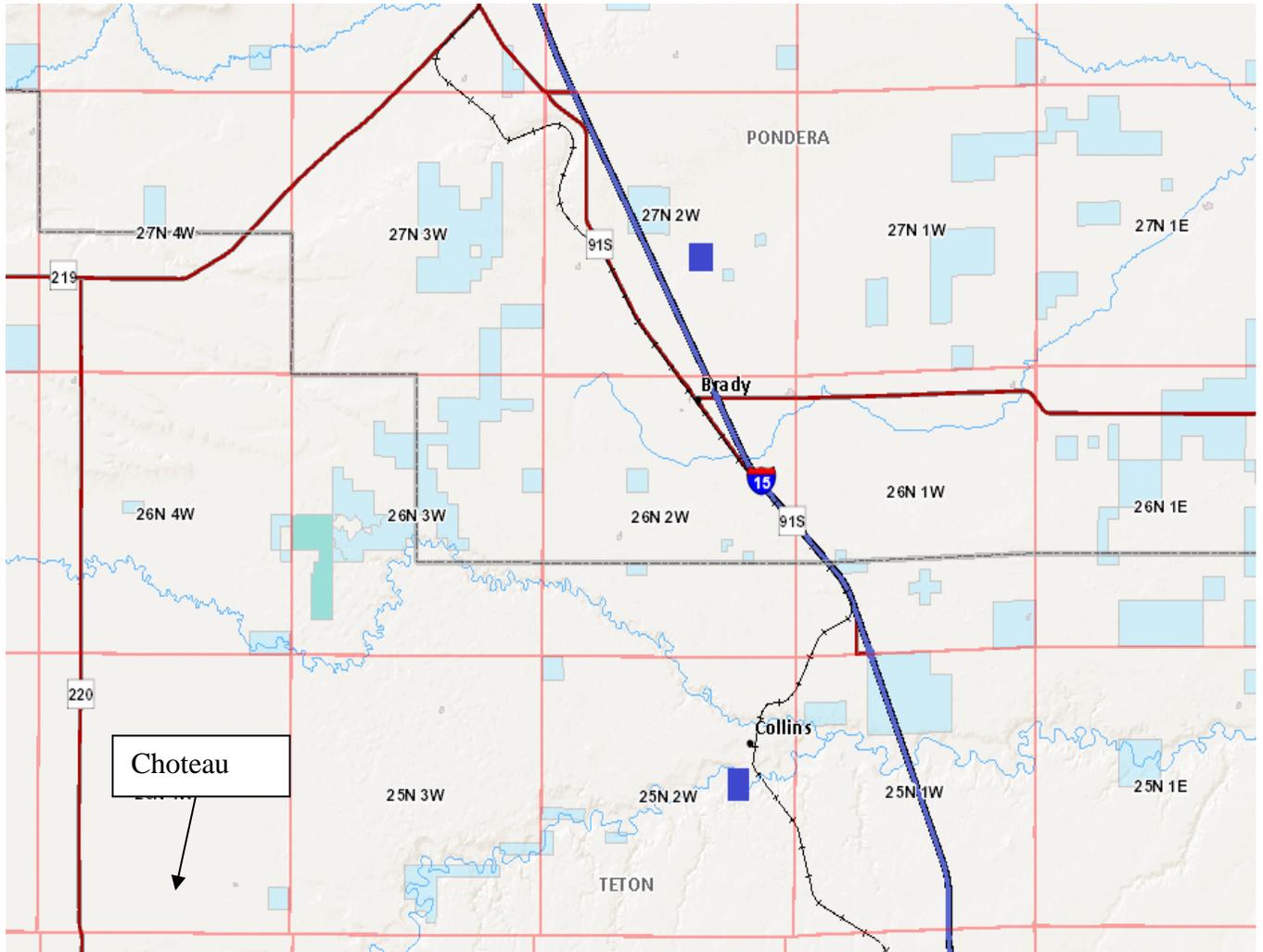
See page 33 - Additionally, the proposed route crosses the Teton River. The cable will be placed in HDPE conduit a minimum of 42" under the waterbed of the river utilizing the horizontal directional drilling method.

DNRC Recommendation

See page 33

Rights of Way Applications

March 21, 2016



App #s 17195-17196

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Marias River Electric Cooperative, Inc.
 PO Box 729
 Shelby MT 59474

Application No.: 17197
 R/W Purpose: a 69kV overhead power transmission line
 Lessee Agreement: N/A (Historic)
 Acreage: 0.91
 Compensation: \$200.00
 Legal Description: 8-foot strip through S2SE4, Sec. 34 & S2SW4,
 Sec. 35, Twp. 35N, Rge. 2E,
 Toole County

Trust Beneficiary: Common Schools

Item Summary

Marias River Electric Cooperative, Inc. has made application for several distribution and transmission electric lines that were constructed on state land many years ago without proper authorization from the Land Board. Pursuant to 77-1-130, MCA, Marias River Electric is requesting recognition of these overhead electric distribution and transmission lines as historic rights of ways.

DNRC Recommendation

The director recommends Land Board approval of this historic right of way for Marias River Electric Cooperative, Inc.

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Marias River Electric Cooperative, Inc.
 PO Box 729
 Shelby MT 59474

Application No.: 17198
 R/W Purpose: a 7.2kV overhead power distribution line
 Lessee Agreement: N/A (Historic)
 Acreage: 1.7
 Compensation: \$340.0
 Legal Description: 8-foot strip through E2E2, Sec. 21 & E2NE4, NE4SE4,
 Sec. 28, Twp. 34N, Rge. 2W,
 Toole County

Trust Beneficiary: Common Schools, Public Buildings

Item Summary

See page 36

DNRC Recommendation

See page 36

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Marias River Electric Cooperative, Inc.
 PO Box 729
 Shelby MT 59474

Application No.: 17199
 R/W Purpose: a 7.2kV overhead power distribution line
 Lessee Agreement: N/A (Historic)
 Acreage: 1.57
 Compensation: \$494.00
 Legal Description: 8-foot strip through W2W2, SW4NE4, SE4NW4,
 Sec. 36, Twp. 34N, Rge. 1W,
 Toole County

Trust Beneficiary: Common Schools

Item Summary

See page 36

DNRC Recommendation

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Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Marias River Electric Cooperative, Inc.
 PO Box 729
 Shelby MT 59474

Application No.: 17200
 R/W Purpose: a 7.2kV overhead power distribution line
 Lessee Agreement: N/A (Historic)
 Acreage: 0.64
 Compensation: \$128.00
 Legal Description: 8-foot strip through SE4SW4, Govt lot 4,
 Sec. 7, Twp. 34N, Rge. 2W,
 Toole County

Trust Beneficiary: Common Schools

Item Summary

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DNRC Recommendation

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Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Marias River Electric Cooperative, Inc. PO Box 729 Shelby MT 59474
Application No.:	17201
R/W Purpose:	a 69kV overhead power transmission line
Lessee Agreement:	N/A (Historic)
Acreage:	0.97
Compensation:	\$194.00
Legal Description:	8-foot strip through S2S2, Sec. 36, Twp. 35N, Rge. 2E, Toole County
Trust Beneficiary:	Common Schools

Item Summary

See page 36

DNRC Recommendation

See page 36

Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Marias River Electric Cooperative, Inc.
 PO Box 729
 Shelby MT 59474

Application No.: 17202
 R/W Purpose: a 7.2kV overhead power distribution line
 Lessee Agreement: N/A (Historic)
 Acreage: 0.99
 Compensation: \$446.00
 Legal Description: 8-foot strip through W2W2, Sec. 16, Twp. 35N, Rge. 1E,
 Toole County

Trust Beneficiary: Common Schools

Item Summary

See page 36

DNRC Recommendation

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Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Marias River Electric Cooperative, Inc.
 PO Box 729
 Shelby MT 59474

Application No.: 17203
 R/W Purpose: a 7.2kV overhead power distribution line
 Lessee Agreement: N/A (Historic)
 Acreage: 0.54
 Compensation: \$108.00
 Legal Description: 8-foot strip through W2SW4, Sec. 12, Twp. 35N, Rge. 3W,
 Toole County

Trust Beneficiary: Public Buildings

Item Summary

See page 36

DNRC Recommendation

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Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Marias River Electric Cooperative, Inc.
 PO Box 729
 Shelby MT 59474

Application No.: 17204
 R/W Purpose: a 69kV overhead power transmission line
 Lessee Agreement: N/A (Historic)
 Acreage: 1.0
 Compensation: \$323.00
 Legal Description: 8-foot strip through S2S2, Sec. 36, Twp. 35N, Rge. 2W,
 Toole County

Trust Beneficiary: Common Schools

Item Summary

See page 36

DNRC Recommendation

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Rights of Way Applications

March 21, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Marias River Electric Cooperative, Inc.
 PO Box 729
 Shelby MT 59474

Application No.: 17205
 R/W Purpose: a 7.2kV overhead power distribution line
 Lessee Agreement: N/A (Historic)
 Acreage: 0.03
 Compensation: \$100.00
 Legal Description: 8-foot strip through NW4SE4, Sec. 24, Twp. 35N, Rge. 3W,
 Toole County

Trust Beneficiary: Public Buildings

Item Summary

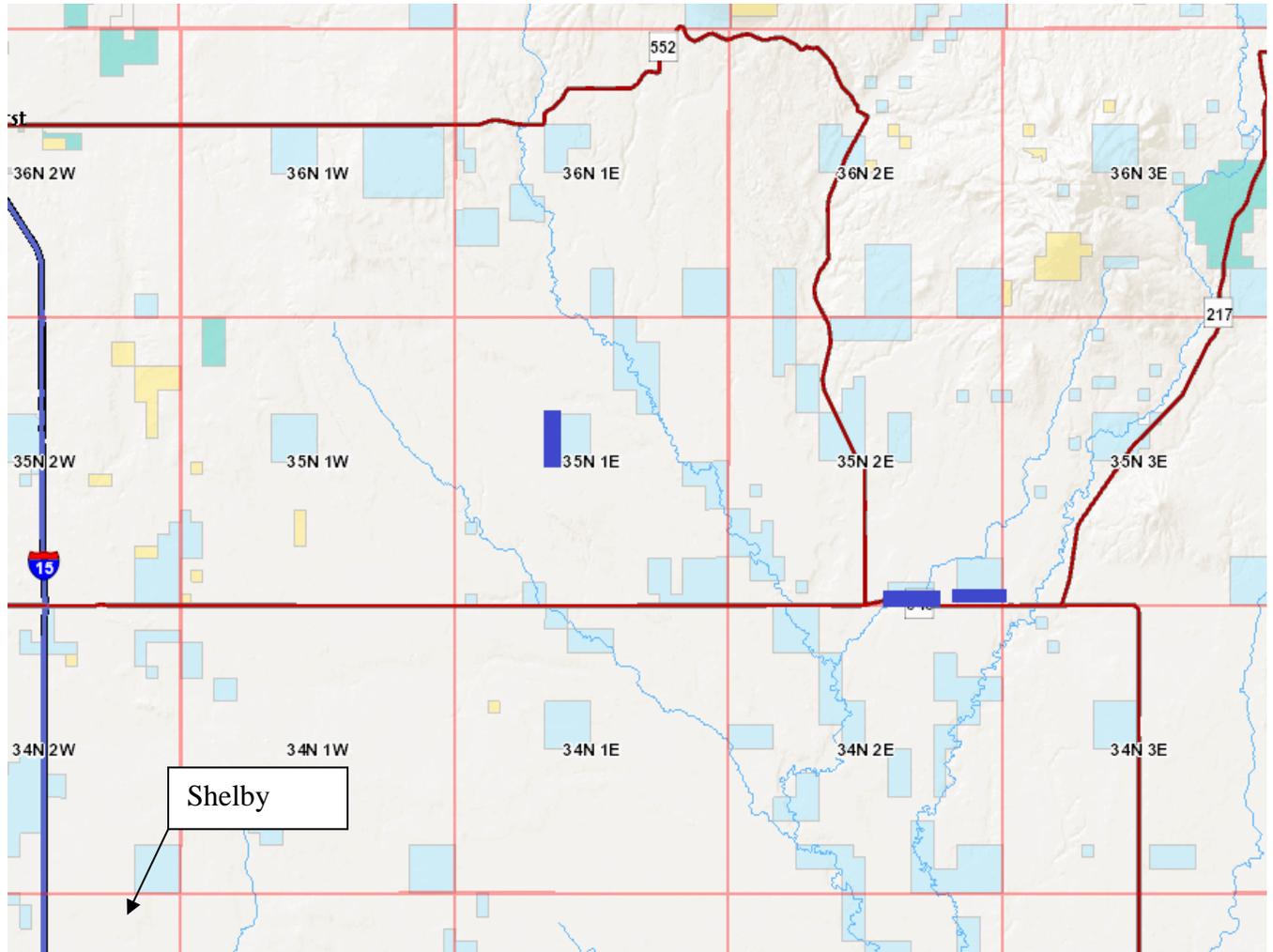
See page 36

DNRC Recommendation

See page 36

Rights of Way Applications

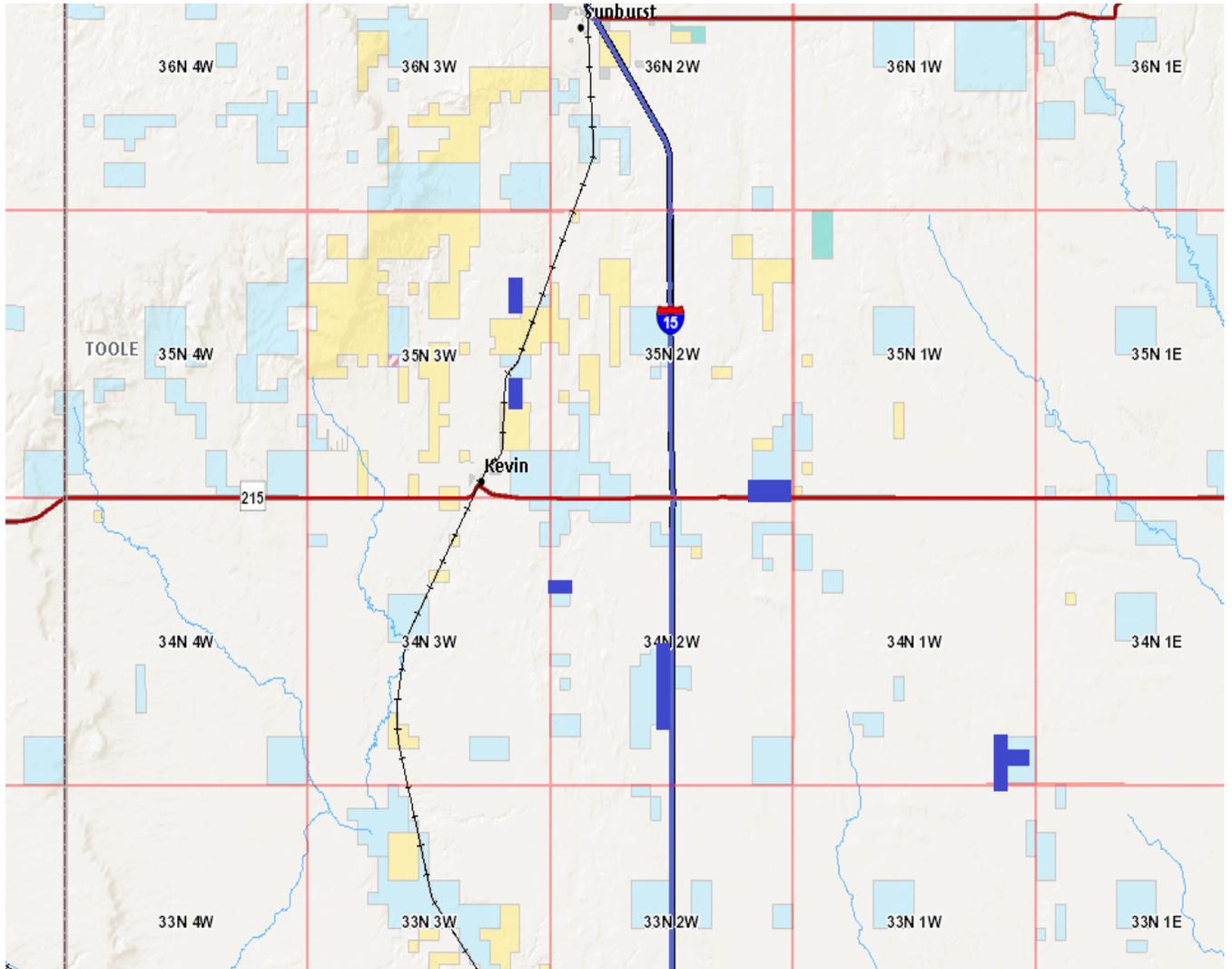
March 21, 2016



App #s 17197, 17201-17202

Rights of Way Applications

March 21, 2016



App #s 17198-17200, 17203-17205