

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
Monday, December 19, 2016, at 9:00 a.m.
State Capitol, Room 303
Helena, MT

ACTION ITEMS

- 1216-1 **Department of Military Affairs: Approval to Purchase Land for Butte-Silver Bow Readiness Center**
Benefits: N/A (non-trust land)
Location: Silver Bow County
Approved 5-0
- 1216-2 **Department of Military Affairs: Approval of 351 Transfer of Hamilton Armory to the City of Hamilton**
Benefits: N/A (non-trust land)
Location: Ravalli County
Approved 5-0
- 1216-3 **Department of Military Affairs: Approval to Sell Harlowton Armory**
Benefits: N/A (non-trust land)
Location: Wheatland County
Approved 5-0
- 1216-4 **FWP: Harrison Lake FAS Addition - (Donation from DNRC)**
Benefits: N/A (non-trust land)
Location: Madison County
No Action
- 1216-5 **Timber Sale: Ames Divide Limited Access**
Benefits: Common Schools
Location: Beaverhead County
Approved 5-0
- 1216-6 **Oil and Gas Lease Sale: December 6, 2016**
Benefits: Common Schools, MSU Morrill
Location: Blaine, Toole Counties
Approved 5-0
- 1216-7 **Land Banking Parcels: Set Minimum Bid for Sale - Sale 705**
Benefits: Common Schools
Location: Yellowstone County
Approved 5-0
- 1216-8 **Sale of Cabin and Home Site: Set Minimum Bid for Sale – Sales 815, 821, 823-825, & 827**
Benefits: Montana State University, Common Schools
Location: Missoula County
Approved 5-0
- 1216-9 **Sale of Cabin and Home Site: Final Approval for Sale – Sale 817**
Benefits: Montana State University
Location: Missoula County
Approved 5-0
- 1216-10 **Land Banking Acquisition: Preliminary Approval for Purchase**
Benefits: TBD
Location: Garfield County
Approved 5-0
- 1216-11 **Land Acquisition: Approval for Purchase**
Benefits: TBD
Location: Missoula County
Approved 5-0

1216-12 Land Exchange: Final Approval – SRI River Holdings

*Benefits: Montana State University, Common Schools, Eastern College – MSU/Western
Montana – UM*

Location: Madison & Silver Bow Counties

Approved 5-0

1216-13 Easements

*Benefits: Broadwater, Cascade, Flathead, Gallatin, Hill, Jefferson, Lewis & Clark, Liberty,
Meagher, Mineral, Missoula, Powell, Sheridan, Yellowstone Counties*

*Location: Common Schools, MSU Morrill, Pine Hills School, Public Buildings, Public Lands
Trust*

Approved 5-0

INFORMATIONAL ITEM

1216-14 Fiscal Year 2016 Highlights

Benefits: All Trusts

Location: State of Montana

PUBLIC COMMENT

1216-1

DEPARTMENT OF MILITARY AFFAIRS:

Approval to Purchase Land for Butte-Silver
Bow Readiness Center

**Land Board Agenda Item
December 19, 2016**

1216-1 Department of Military Affairs: Approval to Purchase Land for Butte-Silver Bow Readiness Center

Location: Silver Bow County

Trust Benefits: Non-Trust

Trust Revenue: N/A

Item Summary

The Department of Military Affairs proposes to purchase land in Silver Bow County consisting of 52.97 acres at a cost to the state (through the Montana Army National Guard Land Fund) of \$105,940.00, just under the appraised value. The property is located at approximately 5 miles west of Butte near the convergence of I15 and I90 on Rick Jones Way.

Proponent

Montana Department of Military Affairs

Purchase Price

\$105,940.00

Beneficiary

Montana Army National Guard

Background

The Montana Army National Guard is mandated by National Guard Bureau and the Department of Defense to reduce and consolidate out of date and ill-equipped facilities state-wide. The purchase of the land in the Butte area will allow the Department of Military Affairs to close severely undersized and outdated facilities in Butte and Anaconda while at the same time providing a suitable modern facility for soldiers to train in.

The size of the land purchase is dictated by Anti-Terrorism Force protection requirements, training requirements, and the potential future placement of a maintenance facility at this location. The location was determined based on the needs of the MTARNG, the desires of Butte – Silver Bow city/county and the suitability of the lands available.

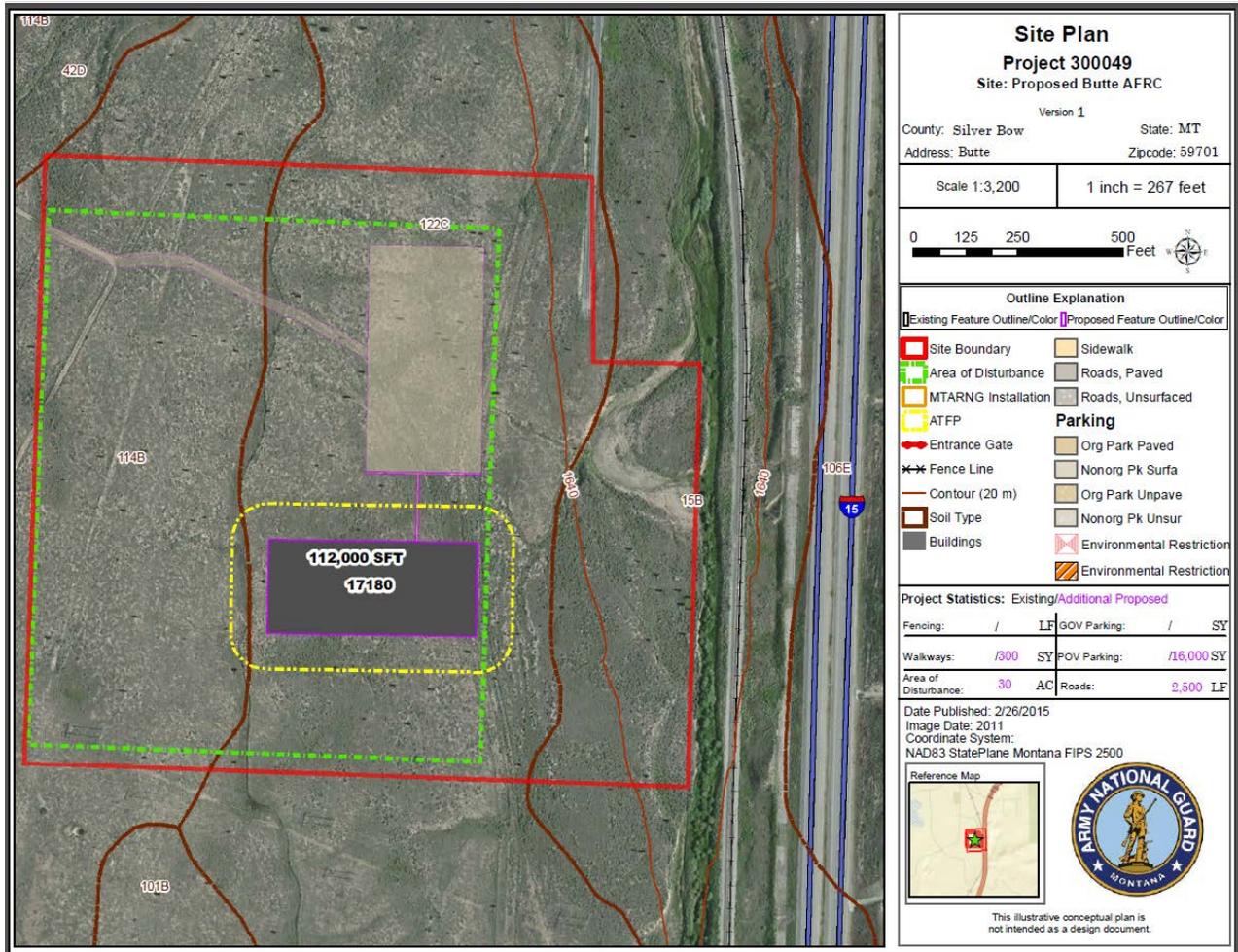
The Montana Department of Military Affairs received authorization to spend funds from the designated land purchase account (statutory appropriation MCA 10-1-108) on the property from the Governor on November 14, 2016 and is now requesting approval from the Land Board for the actual purchase of the land.

Process

An appraisal was complete on June 28, 2016, listing a market value of \$106,000. A cultural resource evaluation was completed and no historical significance was noted. A MEPA was completed in November of 2016 with no significant environmental issues identified.

The Montana Department of Military Affairs Recommendation

The Montana Department of Military Affairs requests Land Board approval for the purchase of the land in Silver Bow County for the purchase price of \$105,940.00



1216-2

DEPARTMENT OF MILITARY AFFAIRS:

Approval of 351 Transfer of Hamilton Armory
to the City of Hamilton

**Land Board Agenda Item
December 19, 2016**

1216-2 Department of Military Affairs: Approval of 351 Transfer of Hamilton Armory to the City of Hamilton

Location: Ravalli

Trust Benefits: Non-Trust

Trust Revenue: N/A

Item Summary

The Department of Military Affairs proposes to sell the Hamilton Armory/Readiness Center consisting of a 9,723 sf Armory building; several storage out buildings on a 5.93 acre parcel to the City of Hamilton for the \$1,200,000. The property is located at 910 W. Main Street, in Hamilton, MT. The City intends to use the buildings for a public purpose; a Justice Center.

Proponent

Montana Department of Military Affairs

Sale Price

\$1,200,000.

Beneficiary

Non-trust Land

Background

The Montana Department of Military affairs no longer has a need for these buildings due to changes in force structure. The City of Hamilton requested permission to purchase the property a Section 351 sale (77-2-351, MCA)

The City has a need for the property to house a proposed Justice Center. The armory is located on Main Street in the City of Hamilton with the back half of the property being utilized as a city park.

Sale or exchange of property under (77-2-351, MCA), requires consultation with the appropriate legislative committee. The Montana Department of Military Affairs received authorization to sell the property from the Legislative Council at their November 15, 2016 meeting.

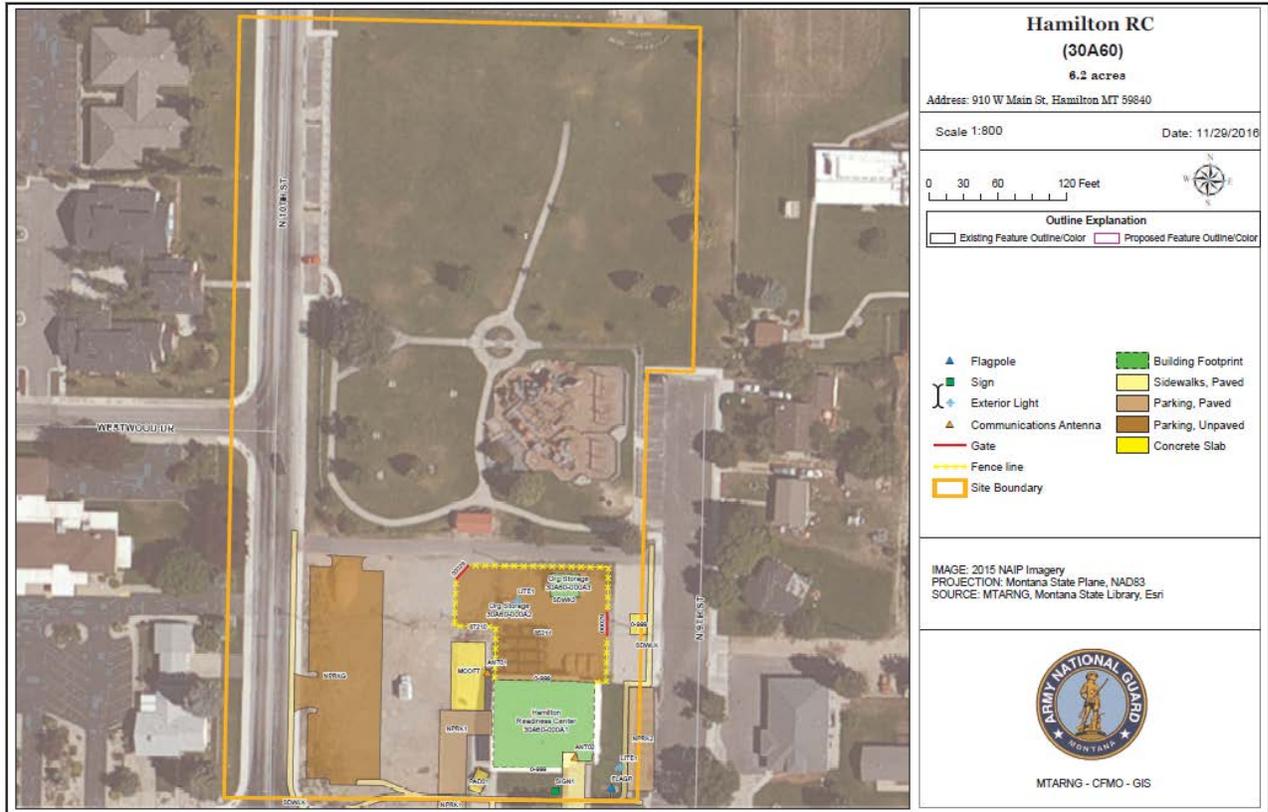
A reversionary clause will be placed in the deed that requires the property to be used for a public purpose or it will revert to the state.

Process

An appraisal was complete on August 10, 2016, listing a market value of \$1,200,000. A cultural resource evaluation was completed and no historical significance was noted.

Agency Recommendation

The Montana Department of Military Affairs requests the Land Board approval of the request to sell the property to the City of Hamilton for the appraised value of \$1,200,000.



1216-3

DEPARTMENT OF MILITARY AFFAIRS:

Approval to Sell Harlowton Armory

**Land Board Agenda Item
December 19, 2016**

1216-3 Department of Military Affairs: Approval Sell Harlowton Armory

Location: Wheatland County

Trust Benefits: Non-Trust

Trust Revenue: N/A

Item Summary

The Department of Military Affairs proposes to hold a public auction for the Harlowton Armory/Readiness Center consisting of a 12,698 sf armory, on a 5.46 acre parcel. The property is located at 9895 Highway 12 West in Harlowton, MT.

Proponent

Montana Department of Military Affairs

Sale Price

\$375,000.

Beneficiary

Non-trust Land

Background

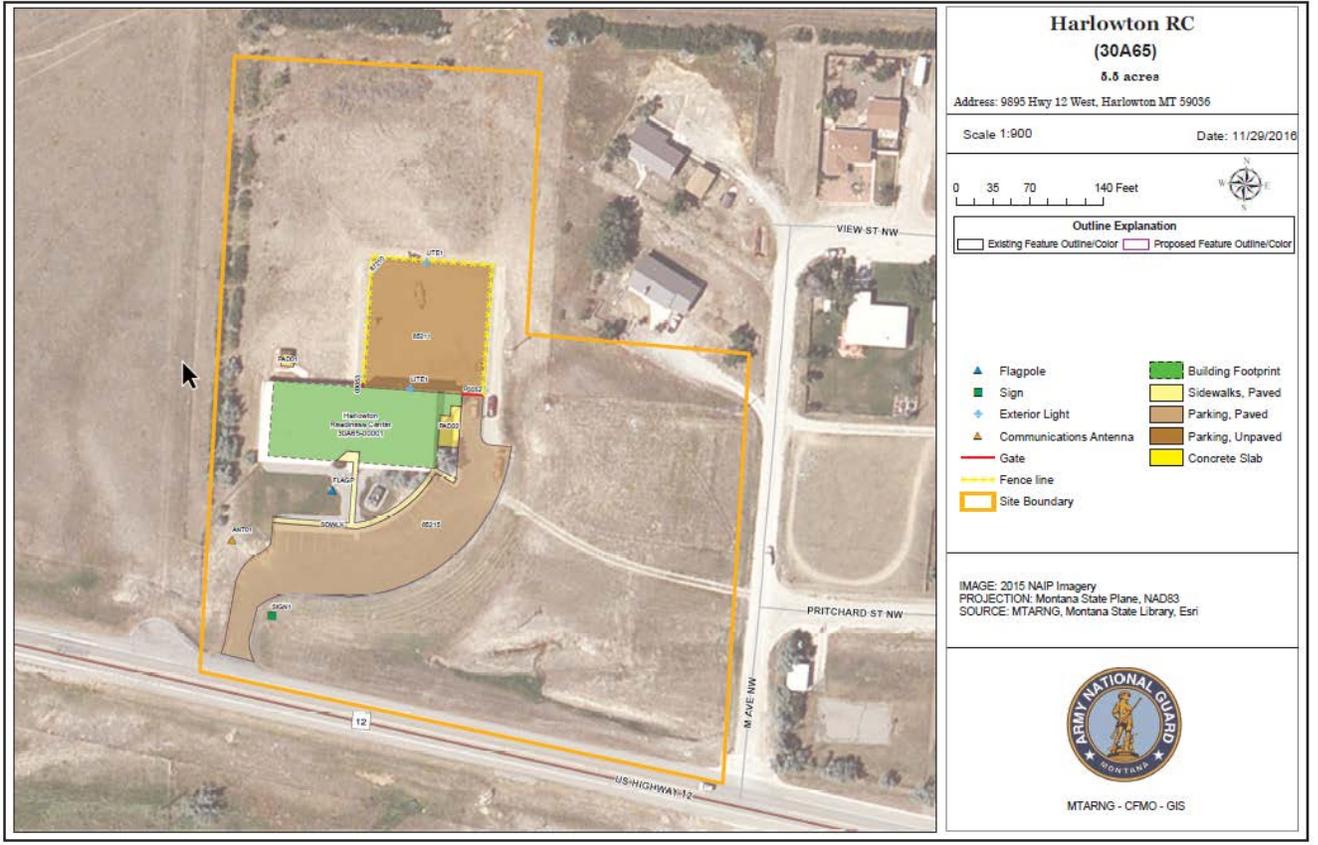
The Montana Department of Military affairs no longer has a need for these buildings due to changes in force structure. The county and city are not interested in purchasing the building so Department of Military Affairs would like permission to sell the property.

Process

An appraisal was complete on June 10, 2016, listing a market value of \$375,000. A cultural resource evaluation was completed and no historical significance was noted.

Agency Recommendation

The Montana Department of Military Affairs requests the Land Board approval of the request to sell the property for the appraised value of \$375,000.



1216-4

FWP: HARRISON LAKE FAS
ADDITION

Donation from DNRC

**Land Board Agenda Item
December 19, 2016**

1216-4 FWP: Harrison Lake FAS Addition (Donation from DNRC)

Location: Madison County, Montana

Trust Benefits: n/a

Trust Revenue: n/a

Item Summary

Montana Fish, Wildlife and Parks (FWP) proposes to accept a donation of approximately 193 acres as an addition to the Harrison Lake Fishing Access Site. The property is located east of Harrison in Madison County, Montana (map attached). The property is part of the Willow Creek Project and is owned and administered by the Montana Department of Natural Resources and Conservation (DNRC) through its State Water Projects Bureau. The Willow Creek Water Users Association (WCWUA) operates the Willow Creek Project under a water marketing contract with DNRC. At the request of the WCWUA, SB 221 was introduced and passed during the 2015 Legislative Session requiring DNRC to attempt to dispose of the Willow Creek Project lands. In order to ensure continued public access to the lake, DNRC is proposing to transfer through donation, approximately 193 acres of their land to FWP. Combined with FWP's existing ownership of approximately 37 acres this transaction will bring FWP's land ownership to a total of approximately 230 acres. DNRC is now prepared to transfer the 193 acres to FWP and the balance of the DNRC property to the WCWUA.

An EA was prepared by DNRC with the public comment period extending from February 8 through March 8, 2016. Public comments were evaluated and a Decision Notice was released by DNRC on May 16, 2016 recommending transfer to FWP. The Department has been trying to work with the WCWUA to address management concerns and will continue to do so after the transfer is complete. In addition, FWP has requested that DNRC grant the WCWUA a flowage easement on the land being transferred to FWP to alleviate WCWUA's concerns regarding the operation of the reservoir. This easement would allow the land to be flooded up to the level that has been or could be flooded by the current dam.

FWP Commission approved accepting the donation of the property on October 13, 2016.

Rationale or Land Board Action

Accepting the donation will improve management boundaries of the Fishing Access Site and will also ensure that the public has access to the water regardless of the fluctuating water level. This donated addition to Harrison Lake Fishing Access Site will provide fishery and recreational benefits to the people of Montana for generations to come.

FWP Recommendation

FWP recommends approval by the Land Board to accept the donation of approximately 193 acres as an addition to the Harrison Lakes Fishing Access Site.

Harrison Lake FAS - Site Location





Harrison Lake FAS - Proposed Addition

-  Current FWP Land Ownership
-  Proposed FWP Land Ownership (transfer from DNRC)



1 inch equals 0.25 miles

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November 21, 2016

Colleen Coyle, Esq.
P.O. Box 456
Ennis, MT 59729
coylelawpllc@gmail.com

Re: Willow Creek Property Transfer

Dear Colleen,

As you know, the Department of Fish, Wildlife and Parks (“FWP”) withdrew the proposed transfer of land from DNRC to FWP from the November 21, 2016 Land Board agenda. We did so with the understanding that we would place the proposed transfer on the agenda of the Land Board’s December 19th meeting. FWP delayed final Land Board approval at the request of the Willow Creek Water Users’ Association (“WCWUA”).

It has come to my attention you have been discussing potential changes to the eastern boundary of the parcel with the surveyor who prepared the certificate of survey (“COS”). Practical considerations of where that boundary may eventually be located will definitely need to be discussed with the surveyor, but I want to make it absolutely clear that FWP is not willing to change the COS before accepting the transfer from DNRC. As we discussed in my office on November 10th, FWP would delay the Land Board’s consideration of the transfer until its December meeting in order to work with WCWUA toward an agreement – presumably in the form of an MOU – in which FWP will agree to pursue in good faith an adjustment to the eastern boundary of the parcel. In exchange, FWP will seek a commitment from WCWUA to work with FWP and DNRC toward gathering data that may be used to plan drought resilience in the Willow Creek drainage and active participation in that drought planning process. FWP is also willing to continue the discussion of public access and recreation management.

FWP representatives, including myself would be glad to meet with you and members of the WCWUA if you would like to discuss an agreement. Ron Spoon, Ray Heagney and I will be available the week of November 28. Please let me know if you would like to meet. Thank you.

Sincerely,



William A. Schenk

1216-5

TIMBER SALE:

AMES Divide Limited Access

**Land Board Agenda Item
December 19, 2016**

1216-5 Timber Sale: Ames Divide Limited Access

**Location: Beaverhead County
Section 6, T6S, R13W**

Trust Beneficiaries: Common Schools

Trust Revenue: \$23,610 (Negotiated Rate for Limited Access Sale)

Item Summary

Location: The Ames Divide Limited Access Timber Sale is located approximately 28 miles west of Dillon, Montana.

Size and Scope: The sale includes 3 harvest units (*87 acres*) of tractor logging.

Volume: The estimated harvest volume is 2,091 tons (*360 MBF*) of sawlogs.

Estimated Return: The negotiated rate is \$10.50 per ton. This sale would generate approximately \$21,955 in stumpage value, along with approximately \$1,654 for other forest products, for a total return of \$23,610 to the Common Schools Trust and \$3,110 in Forest Improvement fees.

Prescription: This sale has a combination of salvage and sanitation harvest with a lesser amount of shelterwood and seed tree harvest prescriptions designed to reduce insect and disease issues and to promote forest health.

Road Construction/Maintenance: DNRC is proposing 3 miles of road maintenance and 0.5 miles of new temporary road construction.

Access: The purchaser has obtained access to this timber sale via a private landowner.

Public Comments: No comments were received.

DNRC Recommendation

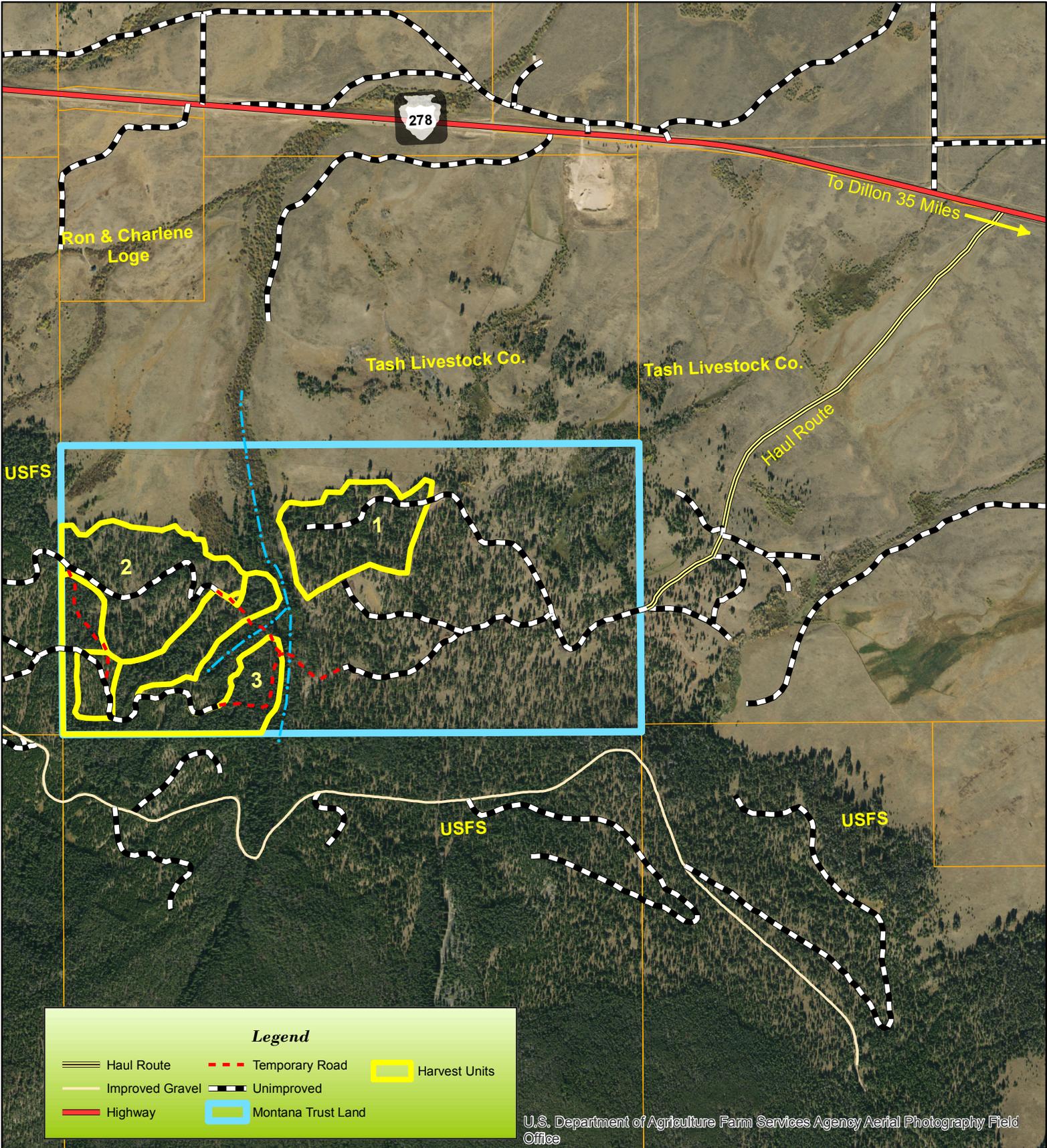
The Director recommends the Land Board direct DNRC to sell the Ames Divide Limited Access Timber Sale.

AMES DIVIDE LIMITED ACCESS TIMBER SALE

1216-5



South 1/2 Section 16, T6S, R13W - Beaverhead County

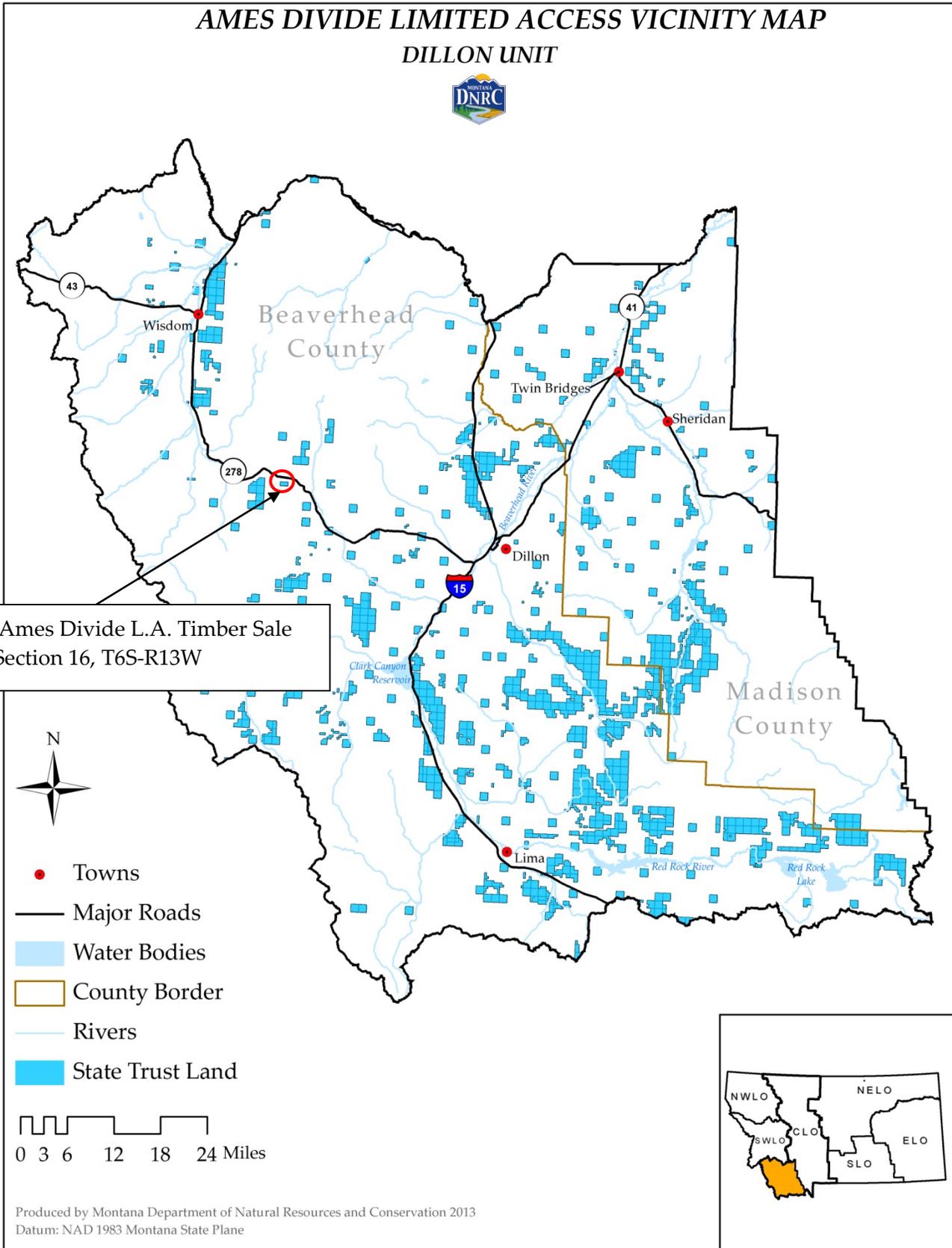


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AMES DIVIDE LIMITED ACCESS VICINITY MAP DILLON UNIT

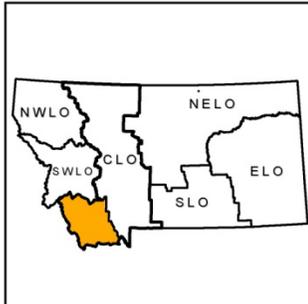


Name: Ames Divide L.A. Timber Sale
Legal: Section 16, T6S-R13W

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

0 3 6 12 18 24 Miles

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



1216-6

OIL AND GAS LEASE SALE:

December 6, 2016

**Land Board Agenda Item
December 19, 2016**

1216-6 Oil and Gas Lease Sale (December 6, 2016)

Location: Blaine, Toole Counties

Trust Benefits: Common Schools, MSU Morrill

Trust Revenue: \$11,921.60

Item Summary

The Department of Natural Resources and Conservation (DNRC) held an oil and gas lease sale on December 6, 2016, in the auditorium at the Montana Department of Transportation (MDOT) building. A total of twenty tracts were offered for lease. Twenty tracts were leased for a total of \$11,921.60. The twenty tracts that were sold covered a total of 7,494.40 acres. The average bid per acre was \$1.59.

The high competitive bid for the December 6, 2016 sale was \$8.00 per acre for Tract 9 in Blaine County and the largest total bid was \$960.00 for several tracts in Blaine and Toole Counties.

DNRC Recommendation

The director requests Land Board approval to issue the leases from the December 6, 2016 oil and gas lease sale.

State of Montana
Oil & Gas Lease Sale - December 6, 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, December 6, 2016.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Blaine									
1	1, 2, 3, 4, 5, 6, 9	31.N	20.E	16	All	* 640.00	\$1.50	\$960.00	MONTANA LAND & EXPLORATION, INC.
2	1, 2, 3, 4, 5, 6	31.N	20.E	21	All	* 640.00	\$1.50	\$960.00	MONTANA LAND & EXPLORATION, INC.
3	1, 2, 3, 4, 5, 6, 8	31.N	21.E	16	All	* 640.00	\$1.50	\$960.00	MONTANA LAND & EXPLORATION, INC.
4	1, 2, 3, 4, 5, 6, 8	31.N	21.E	22	E2	* 320.00	\$1.50	\$480.00	MONTANA LAND & EXPLORATION, INC.
5	1, 2, 3, 4, 5, 6, 8	31.N	21.E	26	W2	* 320.00	\$1.50	\$480.00	MONTANA LAND & EXPLORATION, INC.
6	1, 2, 3, 4, 5, 6, 8	31.N	21.E	27	All	* 640.00	\$1.50	\$960.00	MONTANA LAND & EXPLORATION, INC.
7	1, 2, 3, 4, 5, 6, 8	31.N	21.E	28	N2NW4	80.00	\$1.50	\$120.00	MONTANA LAND & EXPLORATION, INC.
8	1, 2, 3, 4, 5, 6, 7, 8	31.N	21.E	36	All	* 640.00	\$1.50	\$960.00	MONTANA LAND & EXPLORATION, INC.
9	1, 2, 3, 4, 5, 6, 8, 10	34.N	19.E	35	NW4NW4	40.00	\$8.00	\$320.00	LONEWOLF ENERGY, INC.
Toole									
10	1, 2, 3, 4, 5, 6, 11	35.N	3.W	16	W2, below the base of the Mission Canyon formation	320.00	\$1.50	\$480.00	SYNERGY OFFSHORE LLC
11	1, 2, 3, 4, 5, 6	35.N	4.W	29	NW4SW4, S2SW4, below the base of the Cut Bank (Kootenai) formation	* 120.00	\$2.00	\$240.00	SYNERGY OFFSHORE LLC
12	1, 2, 3, 4, 5, 6, 7	35.N	4.W	30	Lots 1, 2, 3, 4, E2W2, E2SE4, below the base of the Swift formation	* 382.40	\$1.50	\$573.60	SYNERGY OFFSHORE LLC
13	1, 2, 3, 4, 5, 6	35.N	4.W	31	Lots 1, 2, E2NW4, below the base of the Swift formation	152.00	\$1.50	\$228.00	SYNERGY OFFSHORE LLC
14	1, 2, 3, 4, 5, 6	35.N	4.W	32	N2NW4, below the base of the Cut Bank (Kootenai) formation	* 80.00	\$1.50	\$120.00	SYNERGY OFFSHORE LLC
15	1, 2, 3, 4, 5, 6, 9	35.N	4.W	34	SW4NE4, E2E2, NW4SE4	240.00	\$1.50	\$360.00	SYNERGY OFFSHORE LLC
16	1, 2, 3, 4, 5, 6	35.N	4.W	36	All, below the base of the Kootenai formation	640.00	\$1.50	\$960.00	SYNERGY OFFSHORE LLC
17	1, 2, 3, 4, 5, 6	36.N	1.W	11	All	* 640.00	\$1.50	\$960.00	KEESUN CORP.
18	1, 2, 3, 4, 5, 6	36.N	1.W	12	W2SE4, SW4	* 240.00	\$1.50	\$360.00	KEESUN CORP.
19	1, 2, 3, 4, 5, 6	36.N	1.W	13	W2, W2E2	480.00	\$1.50	\$720.00	KEESUN CORP.
20	1, 2, 3, 4, 5, 6	36.N	1.W	24	NW4, W2NE4	240.00	\$3.00	\$720.00	KEESUN CORP.

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

Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	7,494.40	20

Oil and Gas Lease Sale Summary

Total Tracts	20
Total Acres	7,494.40
Total Bid Revenue	\$11,921.60
Average Bid Per Acre	\$1.59

State of Montana
Oil & Gas Lease Sale - December 6, 2016
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 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.
- 9 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 10 Any activity within 1/8 mile of the river, stream, floodplain, or lake/reservoir on or adjacent to this tract must be approved in writing by the TLMD prior to commencement. No surface occupancy is allowed within the bed of the river and/or stream, abandoned channels, the bed of the lake/reservoir, or on islands and accretions associated with the river, stream, or lake/reservoir.
- 11 This tract is located within the Kevin-Sunburst oil and gas field area and is adjacent to a portion of the Kevin Rim ACEC. The Department will solicit input from the Montana Department of Fish, Wildlife and Parks for any new well proposals.

1216-7

LAND BANKING PARCELS:

Set Minimum Bid for Sale – Sale 705

1216-7 Land Banking Parcel: Set the Minimum for Sale

Location: Yellowstone County

Trust Benefits: Common Schools

Trust Revenue: \$290,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid to sell one parcel totaling approximately 640 acres nominated for sale in Yellowstone County. The sale was nominated by the lessee and the parcel is located approximately 10 miles east of Billings, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
705	640	ALL, Section 16, T1N-R28E	Patterson Report Services Inc.	Common Schools

Sale Parcel 705 has been primarily managed as grazing land and has a below average productivity.

The parcel is not legally accessible by the public and is surrounded by private land.

Economic Analysis:

Short-term – The rate of return on the sale parcel is 0.58%. 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 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 2.64% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

The state parcel nominated for sale was inventoried to Class III standards for cultural and paleontological resources. No *Antiquities*, as defined under the Montana State Historic Preservation Act, were identified. A formal report of findings has been prepared and filed with the Montana State Historic Preservation Office per the requirements of the Montana State Antiquities Act.

Background:

In October 2013, the Board granted preliminary approval for this parcel to continue through the Land Banking sale evaluation process.

In May of 2016, the parcel was appraised by an independent appraiser contracted by the Department concluding a market value of \$300,000. The lessee chose to exercise their right to commission an alternative appraisal at their own expense. The alternative appraisal’s

conclusion of market value is \$280,000. Both appraisal were prepared by licensed real estate appraisers, complied with the Uniform Standards of Professional Appraisal Practice, and provided reasonable estimates of the current fair market value of the subject property. Accordingly, the Department recommends that the minimum bid be set at the average of the two values or \$290,000.

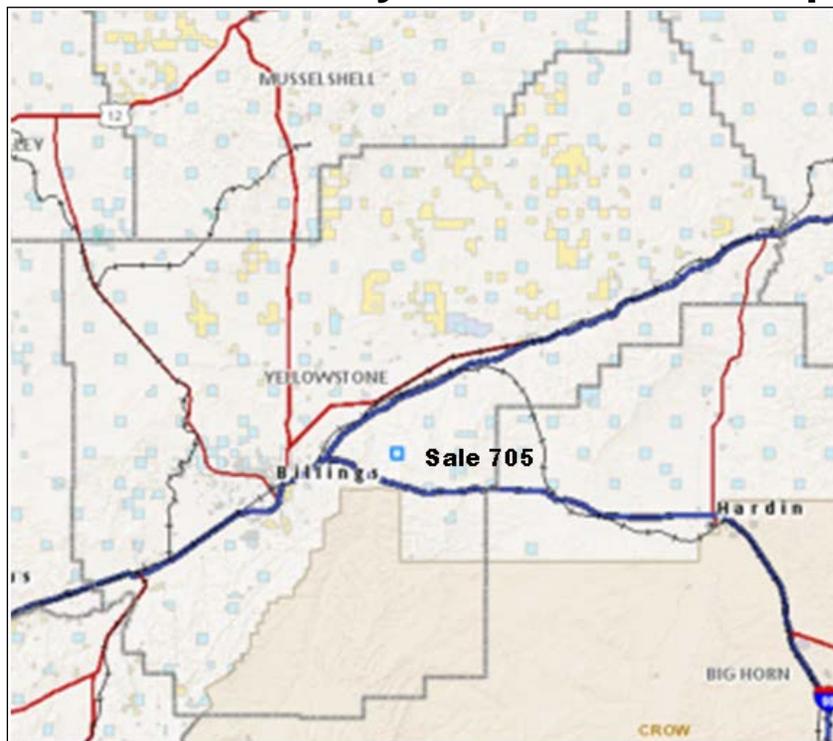
Appraised value of sale parcel:

Sale #	Original Appraised Value With Access	Appraised Value per acre	Alternative Appraised Value With Access	Appraised Value per acre	Recommended Minimum Bid
705	\$300,000	\$469	\$280,000	\$438	\$290,000

DNRC Recommendation

The director recommends that the Land Board set the minimum bid at the value shown above.

Yellowstone County Sale Location Map





1216-8

SALE OF CABIN AND HOMESITE:

Set Minimum Bid for Sale – Sales 815, 821,
823-825, & 827

**Land Board Agenda Item
December 19, 2016**

1216-8 Sale of Cabin and Home Sites: Set Minimum Bid for Sale – Sales 815, 821, 823, 824, 825 & 827

Location: Missoula County

Trust Benefits: Montana State University, Common Schools

Trust Revenue: \$ 1,080,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid on six cabin sites nominated for sale in Grant Creek area and Seeley Lake Outlet West in Missoula County. These sales were nominated by the lessees in conjunction with the Cabin and Home Site Sale Program. The sales and are located North of Missoula and West of Seeley Lake, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
815	0.861	Lot 9, Seeley Lake Outlet West, Section 4, T16N-R15W	Beesnest Properties LLC	MSU
821	1.325	Lot 6, Seeley Lake Outlet West, Section 4, T16N-R15W	Bertoglio Family LLC	MSU
823	1.305	Lot 5, Grant Creek, Section 16, T14N-R19W	Vincent & Relinda Lindgren	Common Schools
824	1.052	Lot 3, Grant Creek, Section 16, T14N-R19W	A. James & Loretta Diede	Common Schools
825	2.401	Lot 2, Grant Creek, Section 16, T14N-R19W	Richard Bridges	Common Schools
827	1.534	Lot 1A, Grant Creek, Section 16, T14N-R19W	MMP Investors, et al.	Common Schools

The parcels are currently leased as cabin sites and produce an average income for residential leases statewide.

The parcels will be sold with the access that is currently provided under the lease agreement and can be conveyed by DNRC.

Economic Analysis:

Short term – The average rate of return on sale parcel 815 is 2.30%. The average rate of return on sale parcel 821 is 2.63%. The average rate of return on sale parcel 823 is 1.41%. The average rate of return on sale parcel 824 is 1.45%. The average rate of return on sale parcel 825 is 1.96%. The average rate of return on sale parcel 827 is 1.98%. The parcels will continue to receive these returns 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 2.64% 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 sales. Home sites typically contain numerous structures and the ground surfaces within most home sites have been variously disturbed over the course of many years of occupation and development. These sales will have no effect to state owned heritage properties.

Appraised Values of Land and Improvements:

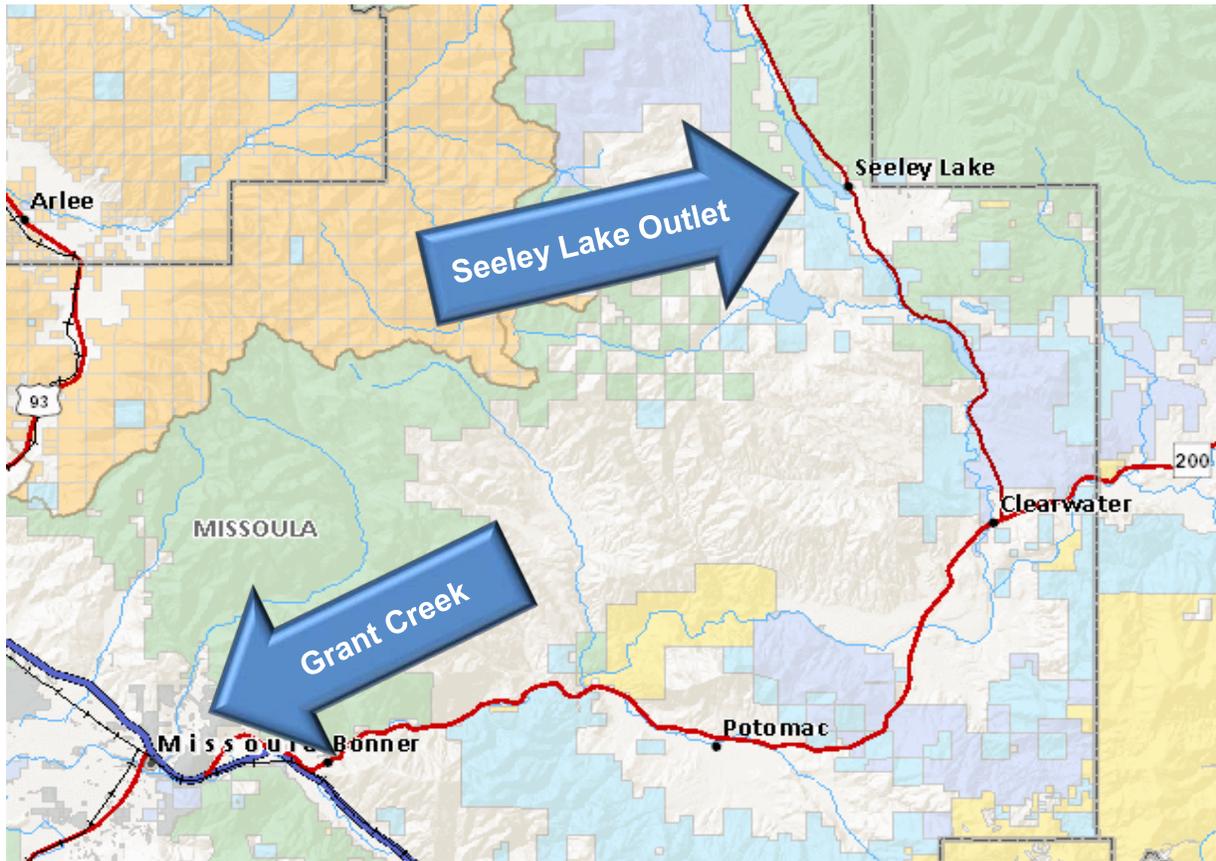
Sale #	Appraised Value of Land	Appraised Value of Improvements
815	\$160,000	\$80,000
821	\$160,000	\$200,000
823	\$220,000	\$270,000
824	\$210,000	\$170,000
825	\$165,000	\$330,000
827	\$165,000	\$180,000

At the request of the lessees and in accordance with 77-2-317(1)(c), informal administrative hearings were held in August 2016 for sale parcels 815, 821, 823, 824 & 825 to contest the valuations of the land and/or improvements under consideration for sale. The Hearing Examiner concluded that the appraisal valuations for both the land and improvements was a reasonable and unbiased estimate of current fair market value and recommended that the Land Board set the minimum bid at the appraised values stated above.

DNRC Recommendation

The director recommends that the Land Board set the minimum bid for the cabin site lots at the appraised values and the maximum value of compensation for the improvements shown above.

Missoula County Sales Location Map



Grant Creek, Sale # 823, 824 & 825
Lot 2, 3 & 5 Grant Creek, Section 16, T14N-R19W



Seeley Lake Outlet West, Sale # 815 & 821
Lot 6 & 9, Seeley Lake Outlet West, Section 4, T16N-R15W



1216-9

SALE OF CABIN AND HOMESITE:

Final Approval for Sale – Sale 817

**Land Board Agenda Item
December 19, 2016**

1216-9 Cabin and Home Sites: Final Approval for Sale – Sale 817

Location: Missoula County

Trust Benefits: Montana State University

Trust Revenue: \$160,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval on one cabin site nominated for sale in Missoula County. The sale was nominated by the lessee in conjunction with the Cabin and Home Site Sale Program.

Sale #	# of Acres	Legal	Nominator	Trust
817	1.465	Lot 11, Seeley Lake Outlet West, Section 4, T16N-R15W	Lori Posey, et al.	MSU

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

The parcel will be sold with the access that is currently provided under the lease agreement and can be conveyed by DNRC.

Economic Analysis:

Short term – The average rate of return on sale parcel 817 is 2.66%. The parcel will 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 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 2.64% 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 sales. Home sites typically contain numerous structures and the ground surfaces within most home sites have been variously disturbed over the course of many years of occupation and development. These sales will have no effect to state owned heritage properties.

Background:

In January 2016, the board granted preliminary approval for this parcel to continue through the cabin site sale evaluation process. In September 2016, the board set the minimum bid for the land and the maximum value of compensation for the improvements at the appraised values below:

Sale #	Appraised Value of Land	Appraised Value of Improvements
817	\$160,000	\$80,000

Sale Price:

The cabin site was sold at a public auction on November 29, 2016. There was one bidder, who was the lessee. 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 value shown above. The sale will be closed within 60 days of final approval by the board.

Missoula County Sale Location Map



Seeley Lake Outlet West Sale #817
Lot 11, Seeley Lake Outlet West, Section 4, T16N-R15W



1216-10

LAND BANKING ACQUISITION:

Preliminary Approval for Purchase

1216-10 Land Banking Acquisition: Preliminary Approval for Purchase

Location: Garfield County

Trust Benefits: TBD

Trust Revenue: N/A

Item Summary

The Department of Natural Resources and Conservation (DNRC) has identified a potential land acquisition of 2,720 acres known as the Two Furrow Farm available for sale in Garfield County.

Proposed Acquisition:

These acres include approximately 2,372 acres of dryland agricultural land and 348 acres of dryland grazing in addition to a residence, shop, and multiple sheds, barns and grain bins. The property is for sale for \$1,898,560.

Selection Considerations:

The department has conducted a review of this property nominated for acquisition per Administrative Rule 36.25.813 (3).

Access: The parcel is accessible from Two Furrow Road, a county road. Purchase of this property would also secure additional perpetual administrative and public access to two existing parcels of Trust land.

Revenue: The predicted annual rate of return, over a 20 year period is estimated at 2.75%. The dryland agricultural land is typically planted in spring/winter wheat, with a crop/summer fallow rotation.

Multiple Use: 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 two existing parcels of Trust land and the purchase of this property would ensure additional permanent public access those Trust lands.

Location: The property is located approximately twenty miles southeast of Jordan, MT in Garfield County, along the south side of Two Furrow Road.

Cooperation: DNRC will contact FWP Region 7 & and the Garfield 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 1 hazardous materials study, an in-depth financial analysis, and a survey, if needed, followed by final Land Board approval.

DNRC Recommendation:

The department recommends preliminary approval of the Two Furrow Farm for further consideration for acquisition.

Two Furrow Farm

Garfield County, Estimated Price: \$1,898,560

Location: 20 miles southeast of Jordan, MT in Garfield County

Acreage: 2,720± deeded acres (2,372± acres Dryland Crop and 348± acres Grazing)

Crop Land: 2,372± acres of dryland crop land of which 1,460± acres are currently planted to spring/winter wheat with an additional 912± fallow acres.

Carrying Capacity: There are 348± grazing acres and 2,372 acres of aftermath grazing currently available.

Stockwater: There are currently six developed wells and associated stockwater pipelines on the property that supply both domestic and stockwater needs on the property.

Irrigation: None

Timber: None

Fencing: The entire ranch perimeter is fenced. In addition, there is interior fencing between fields typically along section boundaries. The fencing appears to be in good condition.

Improvements: The property has a 4 bedroom 2 bath house, shop, several sheds and barns and 40K bushel grain storage bins.

County/Taxes: \$4,341 annually

Precipitation: 10-14 inch precipitation zone

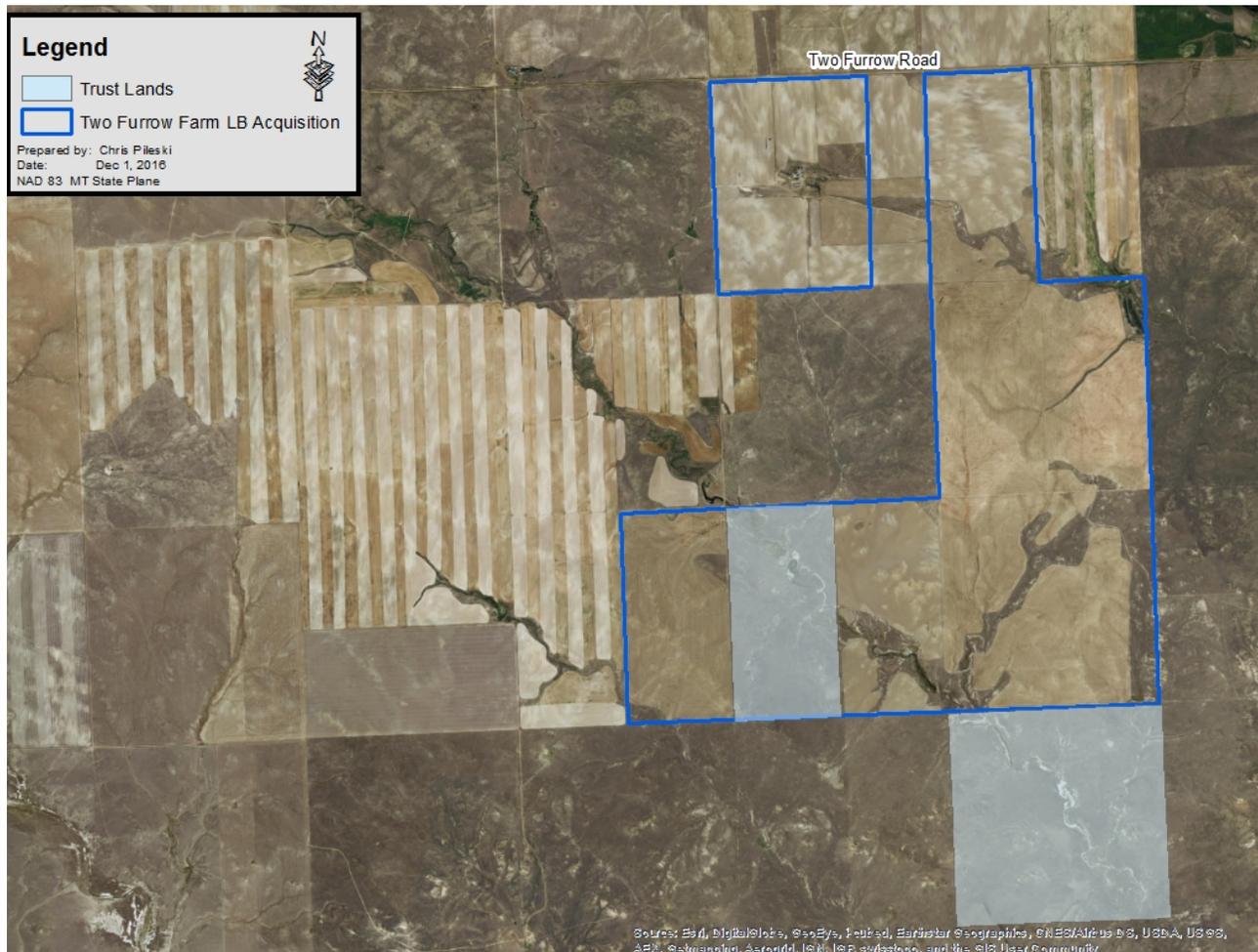


Two Furrow Farm

Comments: The 2,720± acre Two Furrow Farm presents an opportunity to purchase six parcels of productive dryland agricultural lands in southeastern Garfield County. The proposed acquisition would also provide access to two previously inaccessible parcels of existing State Trust lands totaling 960 acres. This acquisition would create a large block of 3,680± acres of Trust land which would be accessible via the Two Furrow Road which is a county road in Garfield County. The property supports antelope, deer, waterfowl and upland game bird hunting opportunities, as well as hiking and bird watching.

Revenue projections for agriculture and grazing lease estimate annual revenue to the Trust beneficiary of \$52,217. The dryland agricultural land is mainly planted in wheat with a mix of winter wheat, spring wheat and summer fallow rotation. The projected revenue would result in a rate of return of 2.75%. The sellers are not interested in leasing back the land and it is expected that the state would put the parcels out for bid for a new lessee. There are other viable and similar farming operations in the immediate vicinity of the property which should ensure competitive bidding potential for those agricultural leases.

This area is a productive dryland agricultural area and would provide some additional income diversity for the Trust beneficiary.



1216-11

LAND ACQUISITION:

Approval for Purchase

1216-11 Land Acquisition: Approval for Purchase

Location: Missoula County

Trust Benefits: Montana State University

Trust Revenue: N/A

Item Summary

The Department of Natural Resources and Conservation (DNRC) has identified a potential land acquisition of approximately 1.87± acres near Placid Lake in Missoula County.

Proposed Acquisition:

Cabin sites are being sold by the Department pursuant to MCA 77-2-318. To facilitate the sale of certain cabin sites in the Placid Lake area, the Department would like to purchase two very small strips of land from The Nature Conservancy and a private individual. The strips of land would provide insurable legal access to each cabin site, which will facilitate the sale of the cabin sites.

The cabin sites are currently being accessed along an easement on a constructed roadway. Under the terms of the easement, it may not provide access to anyone other than the State or the State's lessees. The terms of this easement also restricts the State's ability to assign rights to third parties. The current owners will not provide an amended easement, but would consider selling the strip of land which would provide access.

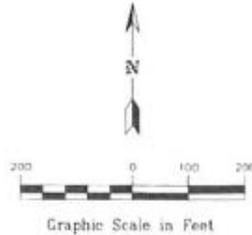
The property would be purchased for an estimated \$6,000.

The Department is hereby requesting permission from the Board to pursue actions necessary to acquire fee title in and to the property to be incorporated into the cabin site lease lots that are located directly adjacent to the strips of land and secure legal access to these cabin sites.

DNRC Recommendation:

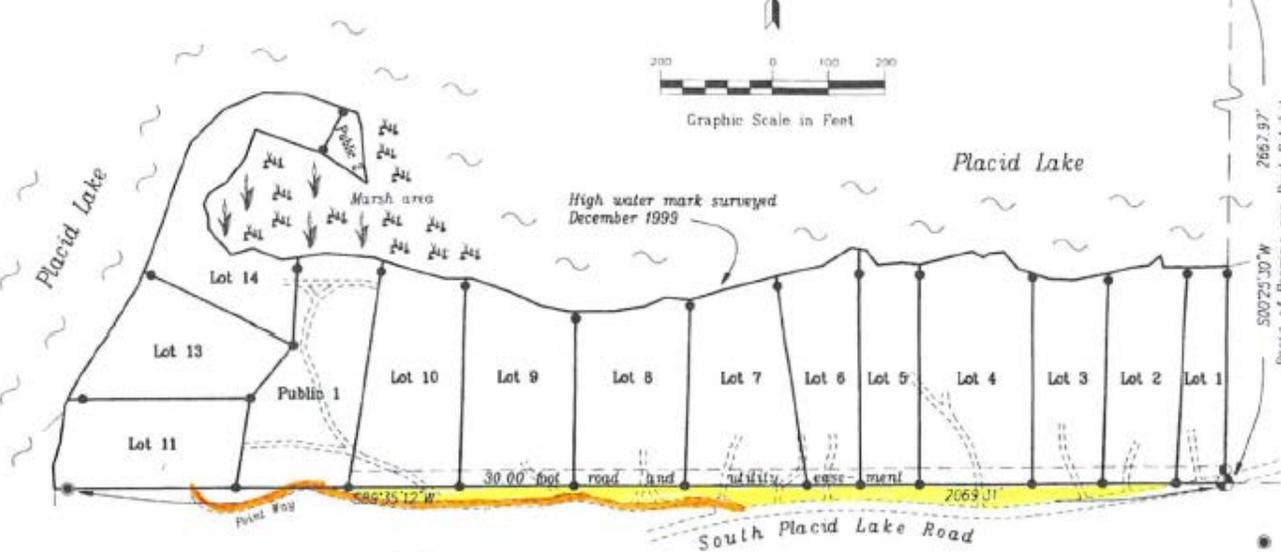
The department recommends approval of this acquisition.

Placid Lake Leased Lots, Section 28
 Government Lot 3, Section 28, T.16N., R.15W., PM, Mt
 Missoula County, Montana



1/4	Sec	T	R
	28	16N	15W

Principal Meridian, Montana
 Missoula County



Lot #	Gross Area (Acres)	Net Area (Acres)	Lake frontage (Feet)
1	0.736	± 0.674	72.86
2	1.230	± 1.139	165.93
3	1.121	± 1.034	138.05
4	1.916	± 1.777	227.41
5	1.001	± 0.928	122.39
6	1.132	± 1.066	159.19
7	1.543	± 1.395	159.02
8	1.505	± 1.368	209.08
9	1.582	± 1.443	207.11
10	1.586	± 1.449	154.17
11	1.247		169.09
13	1.260		267.84
14	1.444		1082.97

CERTIFICATE OF PROFESSIONAL LAND SURVEYOR
 State of Montana
 County of Flathead) SS

I, Jane L. Eby, a registered Land Surveyor do hereby certify that this diagram is an abbreviated copy of a survey performed under my supervision. This diagram is prepared for administrative purposes for the Department of Natural Resources and Conservation. A full and complete copy of this survey is recorded with the Missoula County Clerk and Recorder, filed May 17, 2000. Certificate No. 5048

Dated this 17th day of May, 2000

 Jane L. Eby
 Registered Professional Engineer & Land Surveyor
 Montana Registration No. 8694ES

- Legend**
- Special meander corner
Found 1/2" diameter rebar with 1 1/2" diameter aluminum cap, no markings
 - Quarter section corner
Found General Land Office stone
 - Center quarter section corner
Found 1/2" diameter rebar with 1 1/2" diameter aluminum cap, no markings
 - Found 1/2" diameter rebar with 1 1/2" diameter aluminum cap, no markings
 - Lot corner.
Set 1/2" diameter rebar with 2" diameter aluminum cap marked "EBY & ASSOCIATES" and "J L EBY 8694ES"
Note: Lot boundary is to the high water mark at the Clearwater River. Monuments set near high water mark are reference monuments only.
 - Graveled road
 - Marsh area

EBY & ASSOCIATES
 PROFESSIONAL LAND SURVEYORS
 Post Office Box 7144
 Kalispell, MT 59904
 Phone 406-755-1339

1216-12

LAND EXCHANGE:

Final Approval – SRI River Holdings

**Land Board Agenda Item
December 19, 2016**

1216-12 Land Exchange: Final Approval for SRI River Holdings Land Exchange

Location: Madison and Silver Bow Counties

**Trust Benefits: Montana State University, Common Schools, Eastern College
– MSU / Western College – U of M**

Trust Revenue: N/A

Item Summary

The Department of Natural Resources and Conservation (DNRC) requests final approval of a land exchange proposal with SRI River Holdings, LLC (SRI) involving 616 acres of state land for 861.28 acres of private land in Madison and Silver Bow Counties. All properties are located approximately two miles northwest of Twin Bridges, Montana.

Acres:

State Trust Land			
County	Legal Description	Trust	Acres
Madison	NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ E $\frac{1}{2}$, NW $\frac{1}{4}$, SW $\frac{1}{4}$, Section 20, T3S-R6W	Montana State University	528 \pm
Madison	Parcel located in the NW $\frac{1}{4}$, north of the Melrose-Twin Bridges Road, Section 29, T3S-R6W	Eastern College – MSU / Western College – U of M	8 \pm
Madison	E $\frac{1}{2}$ NE $\frac{1}{4}$, less Jefferson Riverbed, Section 16, T3S-R6W	Common Schools	80 \pm
			616 \pm
SRI River Holdings, LLC Land			
County	Legal Description	Acres	
Madison	Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$, Section 30, T1S-R7W	630 \pm	
Madison	Tract 1, Un-recorded Certificate of Survey, Section 11, T4S-R7W	111 \pm	
Silver Bow	SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, Section 25, T1S-R8W	120.28 \pm	
			861.28 \pm

Location: Madison & Silver Bow Counties

Beneficiary Montana State University, Common Schools, Eastern College – MSU / Western College – U of M

* State receives an additional 245 \pm acres

PUBLIC INVOLVEMENT PROCESS

- **September 30, 2014**-DNRC meets with SRI Ranch Representatives and known stakeholders to evaluate the possible exchange lands. Individuals at the meeting included FWP Biologists and wardens, Skyline Sportsmen Group, Beaverhead Outdoors Association, and a Public Lands/Water Access Association representative.
- **April 2015**-DNRC performs preliminary scoping of the land exchange proposal that was submitted by SRI Ranch. A public notice was placed in the *Madisonian*, *Dillon Tribune*, and *Whitehall Ledger*. 93 scoping letters were mailed by DNRC for comment on the land exchange proposal. Scoping letters were mailed to the Jefferson River Canoe Trail (JRCT), landowners, residents, and interested parties.
- **June 29, 2015**- SRI Ranch Representatives meet with JRCT. SRI Ranch offers contingences that are eventually rejected by JRCT.
- **September 14, 2016**-DNRC mails out scoping letters and posts legal notice in the *Madisonian* and *Montana Standard* newspapers requesting comments on the land exchange proposal.
- **October 4, 2016**-DNRC met with representatives from the JRCT and Steve Morehouse in Three Forks to discuss the proposed exchange and options for the JRCT.
- **October 14, 2016**-Scoping and comment period closes (however, comments are still accepted if received).
- **November 1, 2016**-Public Meeting held at Twin Bridges High School. The meeting was publicly advertised in the *Whitehall Ledger* on 10/26, the *Dillon Tribune* and *Madisonian* on 10/27 and the *Montana Standard* on 10/26 and 10/30. Notice of meeting was posted to "Meetings and Events" calendar on DNRC home page 10/20. Additionally, a press release announcing the meeting was distributed to the *Bozeman Chronicle*, *Montana Standard*, *Dillon Tribune*, *Whitehall Ledger*, and *Anaconda Leader* on 10/31. Both the *Bozeman Chronicle* and *Montana Standard* ran online versions of the release on their web pages throughout the day of Nov. 1.
- **November 17th 2016**- EA posted on DNRC website, comment period ended.

EXCHANGE CRITERIA ANALYSIS

The following review documents how the land exchange meets or exceeds the land exchange criteria and accrues benefits to the Montana State University, Common Schools, and Eastern College – MSU / Western College – U of M Trust Beneficiaries.

1. EQUAL OR GREATER VALUE

The private land proposed for exchange is comprised of 861.28 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.

The state trust land proposed for exchange is comprised of 616 acres. Approximately 80 acres on the Jefferson River (less the riverbed) and 536 acres of grassland west of Twin Bridges.

Private land and state land were appraised with an effective date of September 15, 2016. The appraiser reported the current fair market value for the subject properties as of that date to be:

State Property - \$997,500, or an average value of \$1,640 per acre.
 SRI Private Property - \$1,471,780, or an average value of \$1,708 per acre.

The Trust Beneficiaries would receive an additional \$474,280 in land value.

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 about a mile of river frontage, including a side channel. The tract is located approximately ¼ mile north of the Pennington Bridge fishing access site. In addition to acquiring the land adjacent to the river, the state would also obtain the portion of the riverbed as well. 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 land offered in the exchange is grazing land located in the Rochester Basin area has approximately 1¼ 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 about 0.9 miles of frontage on the Jefferson River, a navigable river. Since the Jefferson River is a navigable river, the state would retain the riverbed in the exchange, which is estimated to be about 16 acres. So the state would actually dispose of roughly 64 acres. Public access to this tract is by floating down the river. The department has permissive administrative access for management of the parcel only.

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.

Meets Criteria

3. EQUAL OR GREATER INCOME TO THE TRUST

As part of the exchange, DNRC will offer SRI a new 10 year grazing lease on the exchanged property at the minimum AUM rate.

The private land offered in the exchange contains 861.28 acres of grazing land that would support approximately 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 616 acres of grazing land that will support approximately 150 AUM's. The state minimum grazing rental is \$19.57/AUM. Thus the projected annual income from grazing is \$2,936.

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.

Meets Criteria

4. EQUAL OR GREATER ACREAGE

The land exchange proposes to exchange 616 acres of state trust land for 861.28 acres of private deeded land. The trust beneficiary would receive an additional 245± acres.

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 block of 2,570.84 acres of contiguous state trust land west of Twin Bridges with access from the Melrose Bench Road, a county road. A large portion of this block of state trust land is restricted to archery and shotgun use only due to the close proximity of several residences. The proposed exchange would reduce this block of state land by approximately 524 acres. The public would still have access to 2,050 acres of state trust land west of Twin Bridges. Exchanging these lands would not isolate any state trust lands from existing legal access and the majority of the lands would still remain consolidated.

In the proposed exchange, the state would block up 1,285 acres of state land at the north end of Rochester Basin. SRI would grant a permanent public easement to this new block of state land that borders U.S. Forest Service and BLM lands in the Highwood Mountains. This access would provide good recreational access to thousands of acres of state, Forest Service and BLM lands.

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 would create a large block of state trust land with legal access which borders Forest Service and BLM lands indicating the potential for long-term appreciation. The 111 acre Big Hole parcel to be conveyed to the State has a much higher potential for appreciation over the 80 acre Jefferson River State parcel given its physical access and flood irrigated surface topography.

Meets Criteria

7. ACCESS

The private land offered for exchange 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.

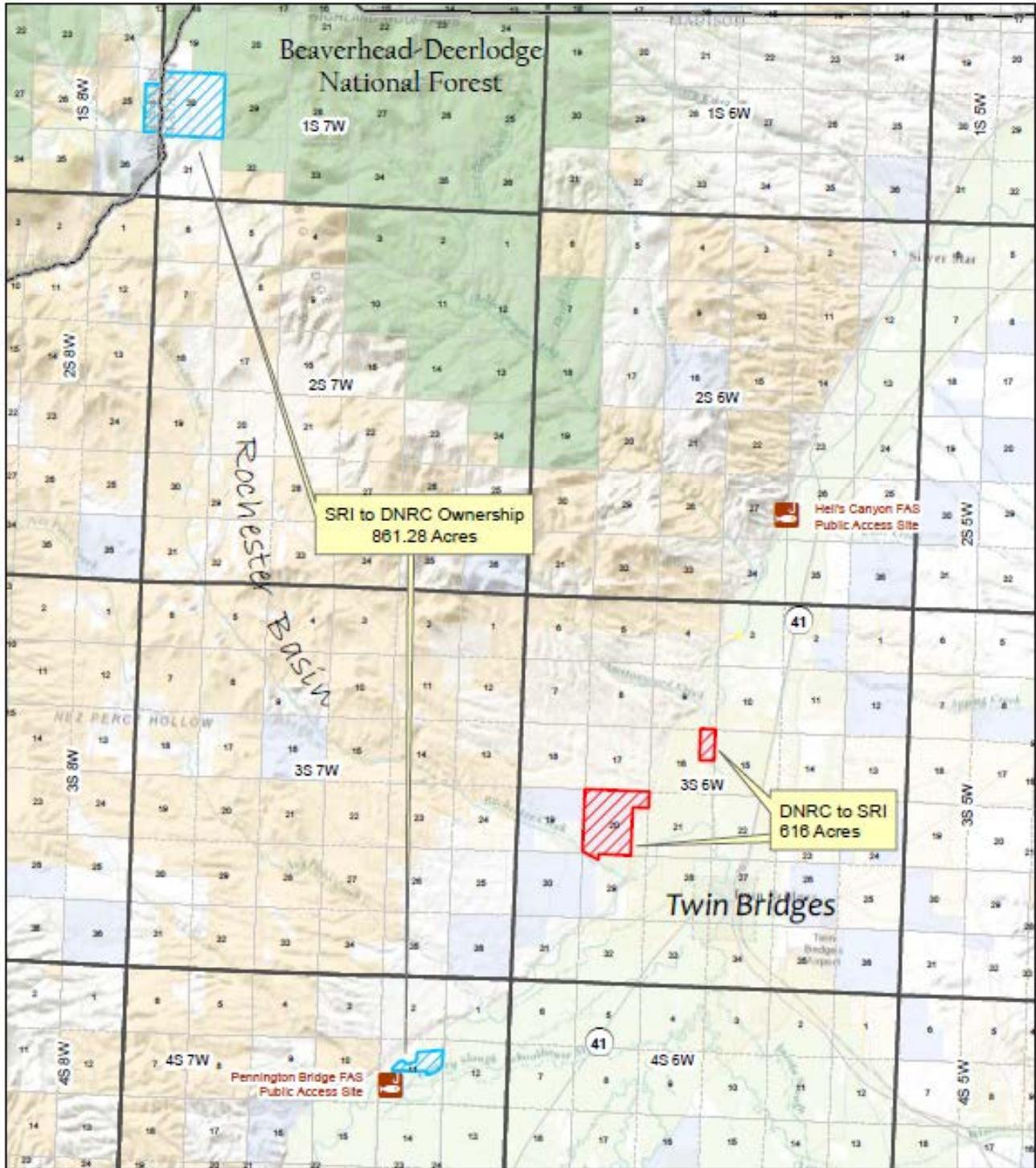
In addition, the state would receive an administrative road easement to access the private land exchanged on the Big Hole River by land. Public access would be via floating down the river.

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

Meets Criteria

AGENCY RECOMMENDATIONS

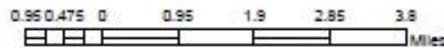
The department believes this proposed land exchange would benefit the trust beneficiaries, and the State of Montana. The department requests that this exchange receive final approval from the Land Board to proceed with finalizing the land exchange.



Proposed Exchange Parcels

- SRI Holdings to Transfer to DNRC
- MT DNRC Trust Lands to Transfer to SRI Holdings

- State Government
- USDI BLM
- USDA Forest Service



1216-13

EASEMENTS:

**Land Board Agenda Item
December 19, 2016**

1216-13 Easements

Location: Broadwater, Cascade, Flathead, Gallatin, Hill, Jefferson, Lewis & Clark, Liberty, Meagher, Mineral, Missoula, Powell, Sheridan, Yellowstone

Trust Benefits: Common Schools, MSU Morrill, Pine Hills School, Public Buildings, Public Lands Trust

**Trust Revenue: Common Schools= \$47,347
MSU Morrill=\$765
Pine Hills School= \$1200
Public Buildings=\$460
Public Lands Trust=\$24,915**

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Applicant	Right-of-Way Purpose	Term	Page(s)
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Northwestern Energy	Historic Natural Gas Utility	Permanent	3-40
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Hill County Electric Co-op	Historic Electric Utility	Permanent	58-60
Phillips 66 Carrier LLC	New Petroleum Pipeline	30-Year	61,64
Yellowstone Pipe Line Company	New Petroleum Pipeline	30-Year	62,64
Cenex Pipeline LLC	New Petroleum Pipeline	30-Year	63-64

Rights of Way Applications

December 19, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Chad & Elizabeth Hutchins 1819 23rd Ave, Apt. E 222 Seattle WA 98122
Application No.:	17457
R/W Purpose:	a private access road to a one single family residence and associated outbuildings
Lessee Agreement:	ok
Acreage:	0.23
Compensation:	\$4,754.00
Legal Description:	tract of land in SE4NE4, Sec. 36, Twp. 4N, Rge. 2E, Gallatin County
Trust Beneficiary:	Common Schools

Item Summary

Chad & Elizabeth Hutchins have made application for a private access road encroaching on State Trust land for access to their home and garage. The area in trespass on State Trust land has also been fenced. In 2007 the predecessors in interest to the Hutchins constructed a residence within approximately 5 feet of the section line between the private property and State Trust land. As constructed the tuck-under garage faces the section boundary line and results in access crossing the State. The applicants are in process of selling the property and wish to rectify the encroachment. Because the access road and fencing were constructed without authorization after 1997, and pursuant to §77-1-125, MCA, the Department is recommending the Land Board assess a trespass penalty equal to two times the land value for this encroachment, equaling \$4,264.00. The base value for the easement is \$490.00 which is added to the penalty, resulting in a total easement cost of \$4,754.00. The private property to be accessed is described as:

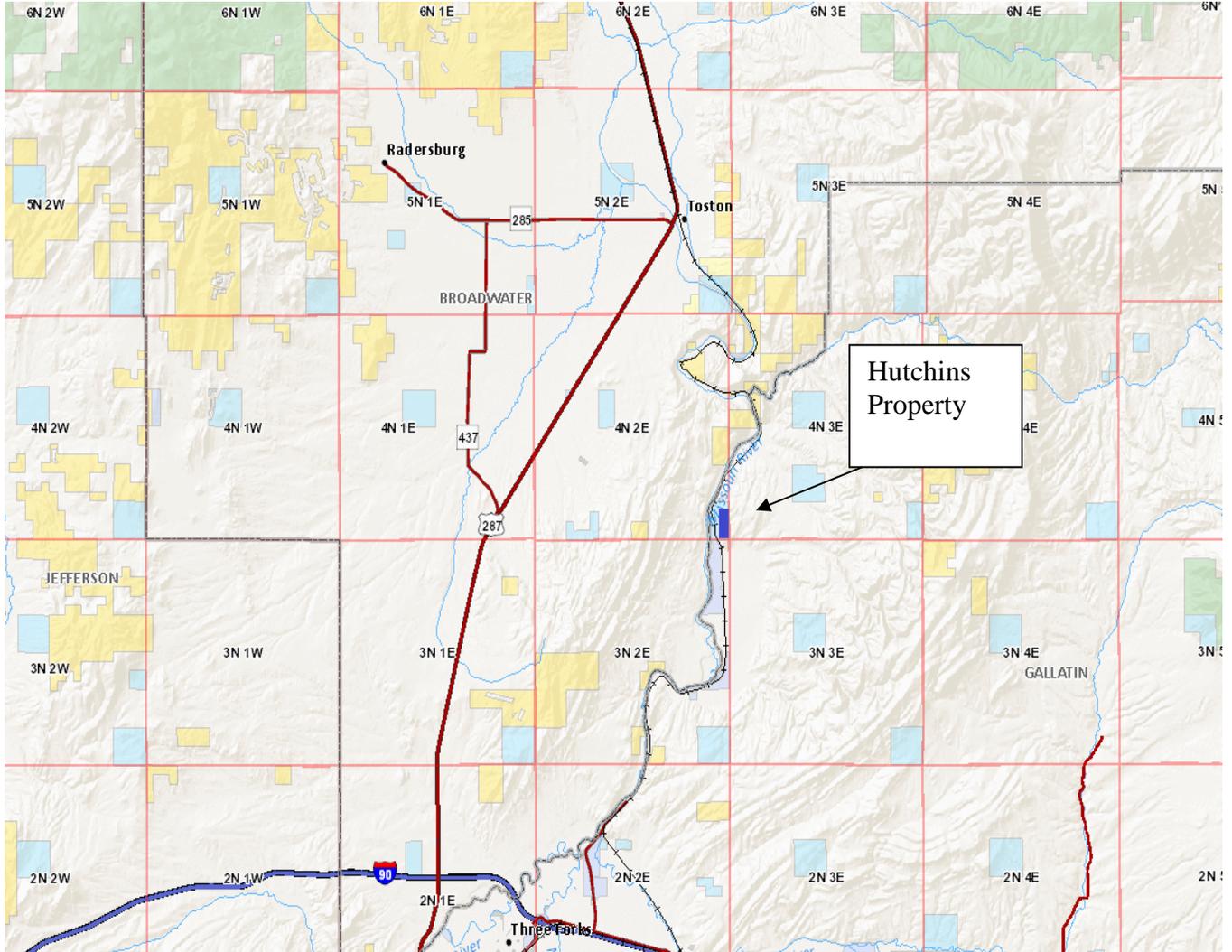
- Sec. 31, Twp. 4N, Rge. 3E – Lot 818; W2W2SW4NW4 of COS 865

DNRC Recommendation

The director recommends approval of this private access road encroachment and penalty assessment.

Rights of Way Applications

December 19, 2016



Application # 17457 – Hutchins

Rights of Way Applications

December 19, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17218
R/W Purpose:	two 7.2 kV overhead electric distribution lines across the Clark Fork River
Lessee Agreement:	N/A (Historic)
Acreage:	0.08
Compensation:	\$457.00
Legal Description:	10-foot strip through W2SW4, Sec. 22, Twp. 13N, Rge. 19W Missoula County
Trust Beneficiary:	Public Lands

Item Summary

Northwestern Energy has made application for multiple buried and overhead electric distribution and transmission lines and natural gas pipelines that were 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 these overhead electric distribution and transmission lines and natural gas pipelines as historic rights of ways.

DNRC Recommendation

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

Rights of Way Applications

December 19, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17279
R/W Purpose:	a 7.2kV buried electric distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	0.92
Compensation:	\$460.00
Legal Description:	30-foot strip through SE4NE4, Sec. 19, Twp. 19N, Rge. 29W, Mineral County
Trust Beneficiary:	Public Buildings

Item Summary

See page 3

DNRC Recommendation

See page 3

Rights of Way Applications

December 19, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17458
R/W Purpose:	a buried 2" natural gas pipeline
Lessee Agreement:	N/A (Historic)
Acreage:	0.09
Compensation:	\$765.00
Legal Description:	20-foot strip through SE4NE4, Sec. 34, Twp. 31N, Rge. 22W, Flathead County
Trust Beneficiary:	MSU Morrill

Item Summary

See page 3

DNRC Recommendation

See page 3

Rights of Way Applications

December 19, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17460
R/W Purpose:	a buried 4" natural gas pipeline across the Middle Fork of the Flathead River
Lessee Agreement:	N/A (Historic)
Acreage:	0.09
Compensation:	\$225.00
Legal Description:	20-foot strip through NE4NE4, Sec. 35, Twp. 32N, Rge. 19W, Flathead County
Trust Beneficiary:	Public Lands

Item Summary

See page 3

DNRC Recommendation

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Rights of Way Applications

December 19, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17461
R/W Purpose:	a buried 1" natural gas pipeline across the Stillwater River
Lessee Agreement:	N/A (Historic)
Acreage:	0.04
Compensation:	\$100.00
Legal Description:	20-foot strip through SE4SE4, Sec. 5, Twp. 28N, Rge. 21W, Flathead County
Trust Beneficiary:	Public Lands

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Rights of Way Applications

December 19, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17462
R/W Purpose:	a buried 10" natural gas pipeline across the Stillwater River
Lessee Agreement:	N/A (Historic)
Acreage:	0.16
Compensation:	\$280.00
Legal Description:	50-foot strip through NW4NW4, Sec. 9, Twp. 28N, Rge. 21W, Flathead County
Trust Beneficiary:	Public Lands

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Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17465
R/W Purpose:	a buried 3" natural gas pipeline across the Whitefish River
Lessee Agreement:	N/A (Historic)
Acreage:	0.04
Compensation:	\$100.00
Legal Description:	20-foot strip through SE4NW4, Sec. 34, Twp. 30N, Rge. 21W, Flathead County
Trust Beneficiary:	Public Lands

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Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17469
R/W Purpose:	a buried 10.75" natural gas pipeline across the Stillwater River
Lessee Agreement:	N/A (Historic)
Acreage:	0.13
Compensation:	\$228.00
Legal Description:	50-foot strip through SW4SE4, Sec. 5, Twp. 28N, Rge. 21W, Flathead County
Trust Beneficiary:	Public Lands

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Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17471
R/W Purpose:	a buried 10.75" natural gas pipeline across the Flathead River
Lessee Agreement:	N/A (Historic)
Acreage:	0.86
Compensation:	\$1505.00
Legal Description:	50-foot strip through SE4NW4, SW4NE4, Sec. 31, Twp. 30N, Rge. 20W, Flathead County
Trust Beneficiary:	Public Lands

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17472
R/W Purpose:	a buried 10.75" natural gas pipeline
Lessee Agreement:	N/A (Historic)
Acreage:	5.89
Compensation:	\$29,450.00
Legal Description:	50-foot strip through W2NW4, N2SW4, SE4SW4, Sec. 36, Twp. 31N, Rge. 17W, Flathead County
Trust Beneficiary:	Common Schools

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Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17475
R/W Purpose:	a 12.5kV overhead electric distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	2.09
Compensation:	\$1045.00
Legal Description:	30-foot strip through S2SE4, Sec. 16, Twp. 6N, Rge. 4W, Jefferson County
Trust Beneficiary:	Common Schools

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Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17476
R/W Purpose:	a 12.5kV overhead electric distribution line across the Missouri River
Lessee Agreement:	N/A (Historic)
Acreage:	0.1
Compensation:	\$100.00
Legal Description:	10-foot strip through SW4NW4, Sec. 15, Twp. 16N, Rge. 2W, Cascade County
Trust Beneficiary:	Public Lands

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17477
R/W Purpose:	a 12.5kV overhead electric distribution line across the Missouri River
Lessee Agreement:	N/A (Historic)
Acreage:	0.06
Compensation:	\$100.00
Legal Description:	10-foot strip through NE4SE4, Sec. 16, Twp. 16N, Rge. 2W, Cascade County
Trust Beneficiary:	Public Lands

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17478
R/W Purpose:	a 12.5kV overhead electric distribution line across the Dearborn River
Lessee Agreement:	N/A (Historic)
Acreage:	0.02
Compensation:	\$100.00
Legal Description:	10-foot strip through NW4NW4, Sec. 19, Twp. 16N, Rge. 2W, Lewis & Clark County
Trust Beneficiary:	Public Lands

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17479
R/W Purpose:	a 12.5kV overhead electric distribution line across the Missouri River
Lessee Agreement:	N/A (Historic)
Acreage:	0.07
Compensation:	\$100.00
Legal Description:	10-foot strip through SW4NW4, NW4SW4, Sec. 19, Twp. 16N, Rge. 2W, Lewis & Clark County
Trust Beneficiary:	Public Lands

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17480
R/W Purpose:	a 12.5kV overhead electric distribution line across the Missouri River
Lessee Agreement:	N/A (Historic)
Acreage:	0.1
Compensation:	\$100.00
Legal Description:	10-foot strip through SW4SW4, Sec. 20, Twp. 16N, Rge. 2W, Cascade County
Trust Beneficiary:	Public Lands

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17481
R/W Purpose:	a 12.5kV overhead electric distribution line across the Missouri River
Lessee Agreement:	N/A (Historic)
Acreage:	0.08
Compensation:	\$100.00
Legal Description:	10-foot strip through SE4NW4, SW4NE4, Sec. 20, Twp. 16N, Rge. 2W, Cascade County
Trust Beneficiary:	Public Lands

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17482
R/W Purpose:	a 12.5kV overhead electric distribution line across the Missouri River
Lessee Agreement:	N/A (Historic)
Acreage:	0.08
Compensation:	\$100.00
Legal Description:	10-foot strip through NE4NW4, NW4NE4, Sec. 20, Twp. 16N, Rge. 2W, Cascade County
Trust Beneficiary:	Public Lands

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17483
R/W Purpose:	a 12.5kVoverhead electric distribution line across the Dearborn River
Lessee Agreement:	N/A (Historic)
Acreage:	0.02
Compensation:	\$100.00
Legal Description:	10-foot strip through NE4NE4, Sec. 24, Twp. 16N, Rge. 3W, Lewis & Clark County
Trust Beneficiary:	Public Lands

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17484
R/W Purpose:	a 7.2kV overhead electric distribution line across the Missouri River
Lessee Agreement:	N/A (Historic)
Acreage:	0.08
Compensation:	\$100.00
Legal Description:	10-foot strip through SE4SW4, Sec. 29, Twp. 12N, Rge. 2W, Lewis & Clark County
Trust Beneficiary:	Public Lands

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17485
R/W Purpose:	a 12.5kV overhead electric distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	0.96
Compensation:	\$768.00
Legal Description:	30-foot strip through S2NE4, Sec. 30, Twp. 12N, Rge. 3W, Lewis & Clark County
Trust Beneficiary:	Pine Hills School

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17486
R/W Purpose:	a 12.47kV overhead electric distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	0.08
Compensation:	\$100.00
Legal Description:	30-foot strip through SW4NW4, Sec. 34, Twp. 11N, Rge. 8E, Meagher County
Trust Beneficiary:	Common Schools

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17487
R/W Purpose:	a 12.47kV overhead electric distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	5.59
Compensation:	\$4472.00
Legal Description:	30-foot strip through NW4NW4, S2NW4, NE4SW4, SW4SE4, S2SE4, Sec. 16, Twp. 11N, Rge. 3E, Meagher County
Trust Beneficiary:	Common Schools

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17488
R/W Purpose:	a 24.94kV overhead electric distribution line across Sheep Creek
Lessee Agreement:	N/A (Historic)
Acreage:	0.01
Compensation:	\$100.00
Legal Description:	10-foot strip through SE4NW4, Sec. 13, Twp. 12N, Rge. 4E, Meagher County
Trust Beneficiary:	Public Lands

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17490
R/W Purpose:	a 230kV overhead electric transmission line across the Dearborn River
Lessee Agreement:	N/A (Historic)
Acreage:	0.07
Compensation:	\$100.00
Legal Description:	30-foot strip through NE4SW4, Sec. 22, Twp. 17N, Rge. 5W, Lewis & Clark County
Trust Beneficiary:	Public Lands

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17491
R/W Purpose:	a 100kV overhead electric transmission line across the Missouri River
Lessee Agreement:	N/A (Historic)
Acreage:	0.24
Compensation:	\$390.0
Legal Description:	30-foot strip through SW4NW4, Sec. 30, Twp. 7N, Rge. 2E, Broadwater County
Trust Beneficiary:	Public Lands

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17492
R/W Purpose:	a 100kV overhead electric transmission line across the Dearborn River
Lessee Agreement:	N/A (Historic)
Acreage:	0.07
Compensation:	\$100.00
Legal Description:	30-foot strip through SW4NE4, Sec. 14, Twp. 16N, Rge. 3W, Lewis & Clark County
Trust Beneficiary:	Public Lands

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Northwestern Energy 11 East Park Butte MT 59701
Application No.:	17493
R/W Purpose:	a 230kV overhead electric transmission line across the Blackfoot River
Lessee Agreement:	N/A (Historic)
Acreage:	0.18
Compensation:	\$225.00
Legal Description:	30-foot strip through NE4SE4, Sec. 34, Twp. 14N, Rge. 12W, Powell County
Trust Beneficiary:	Public Lands

Item Summary

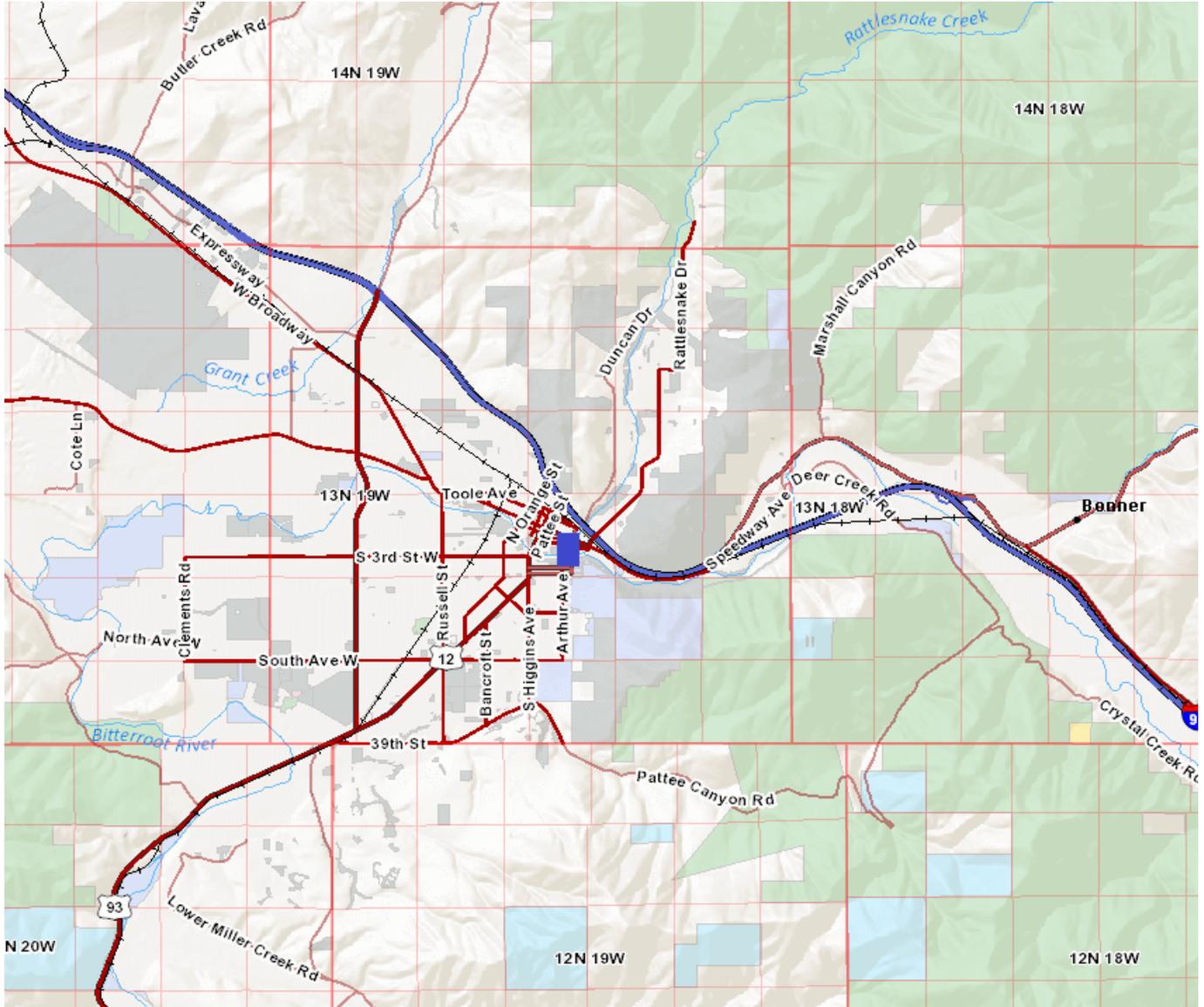
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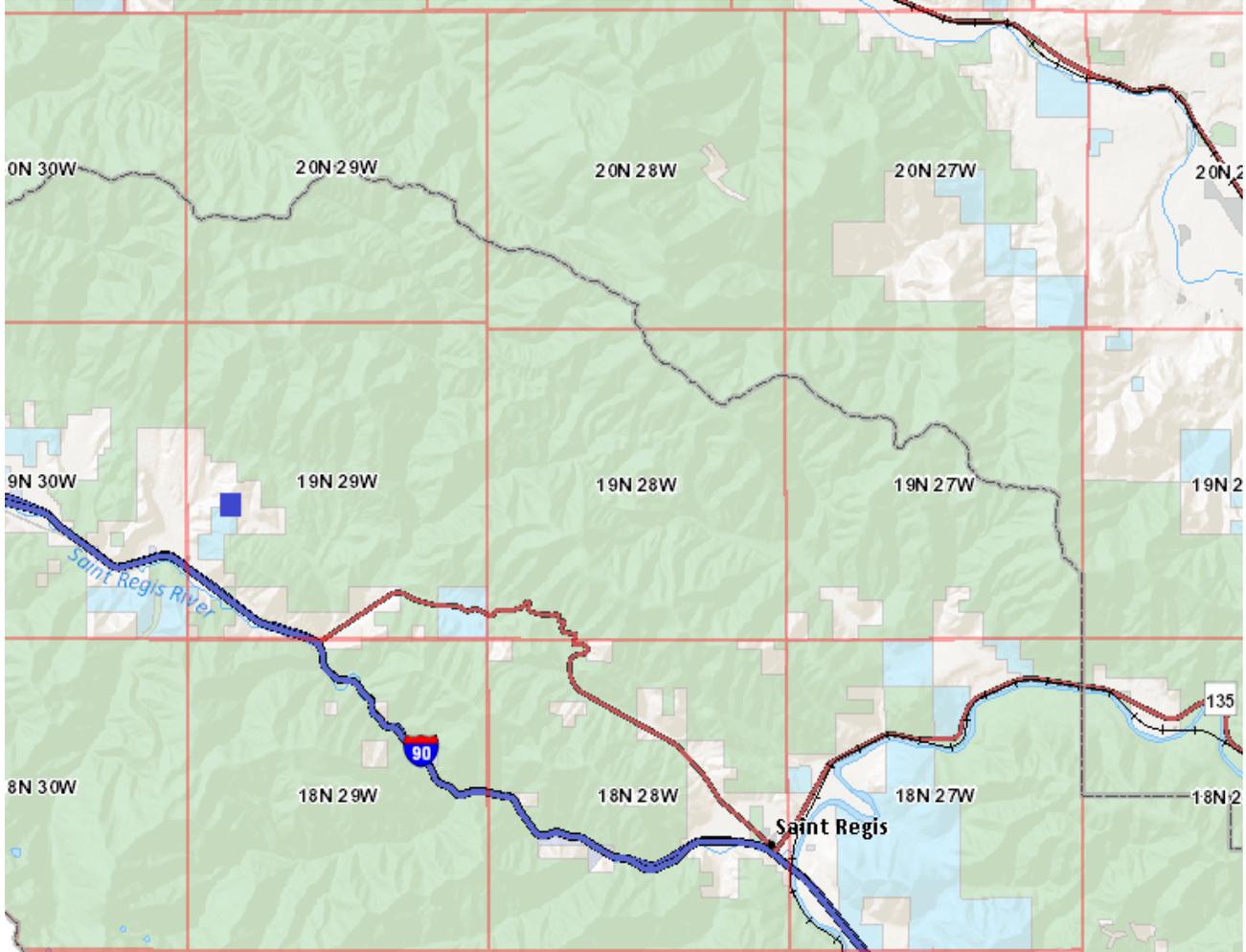
December 19, 2016



Application # 17218 – NWE

Rights of Way Applications

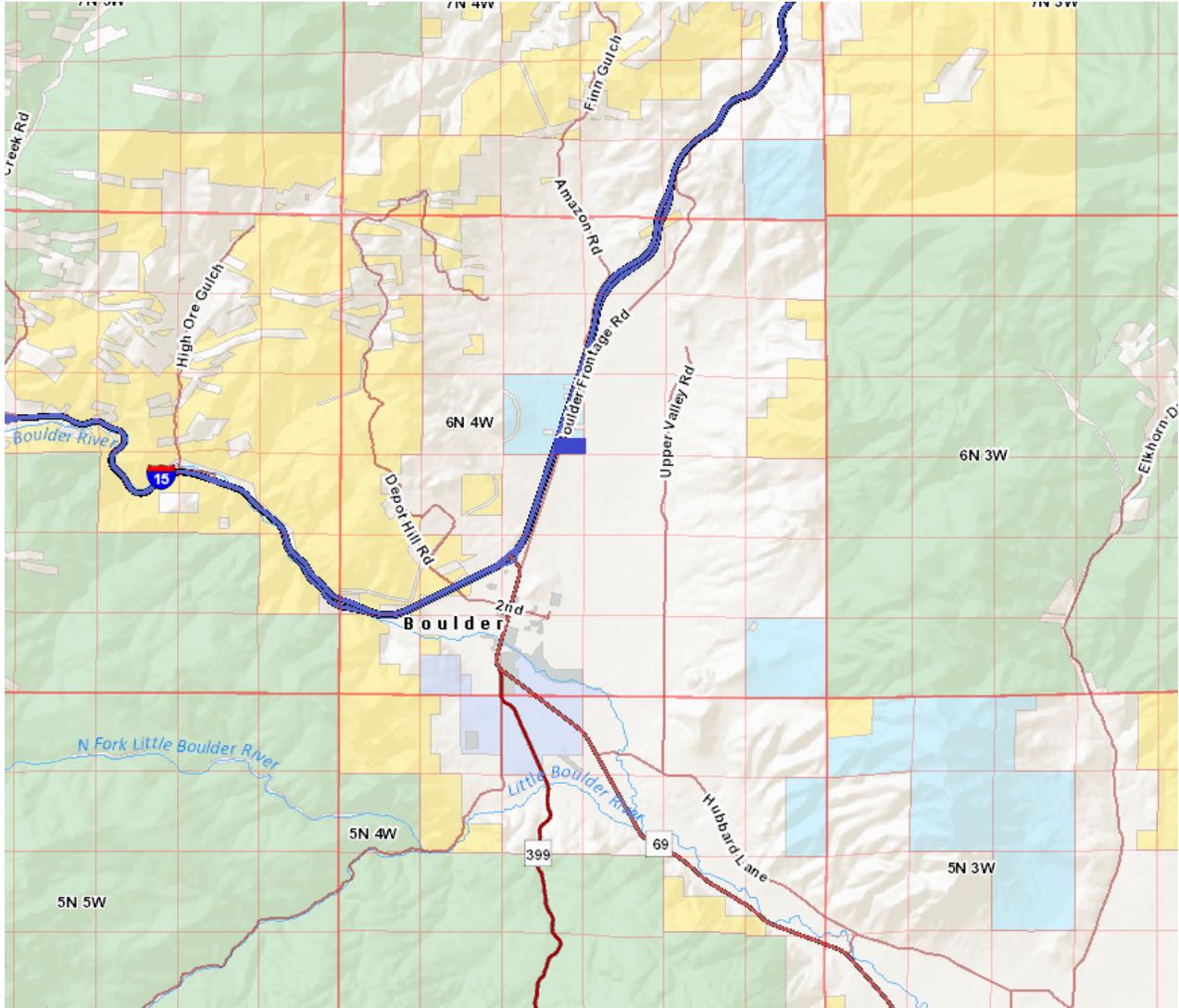
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Application # 17279 – NWE

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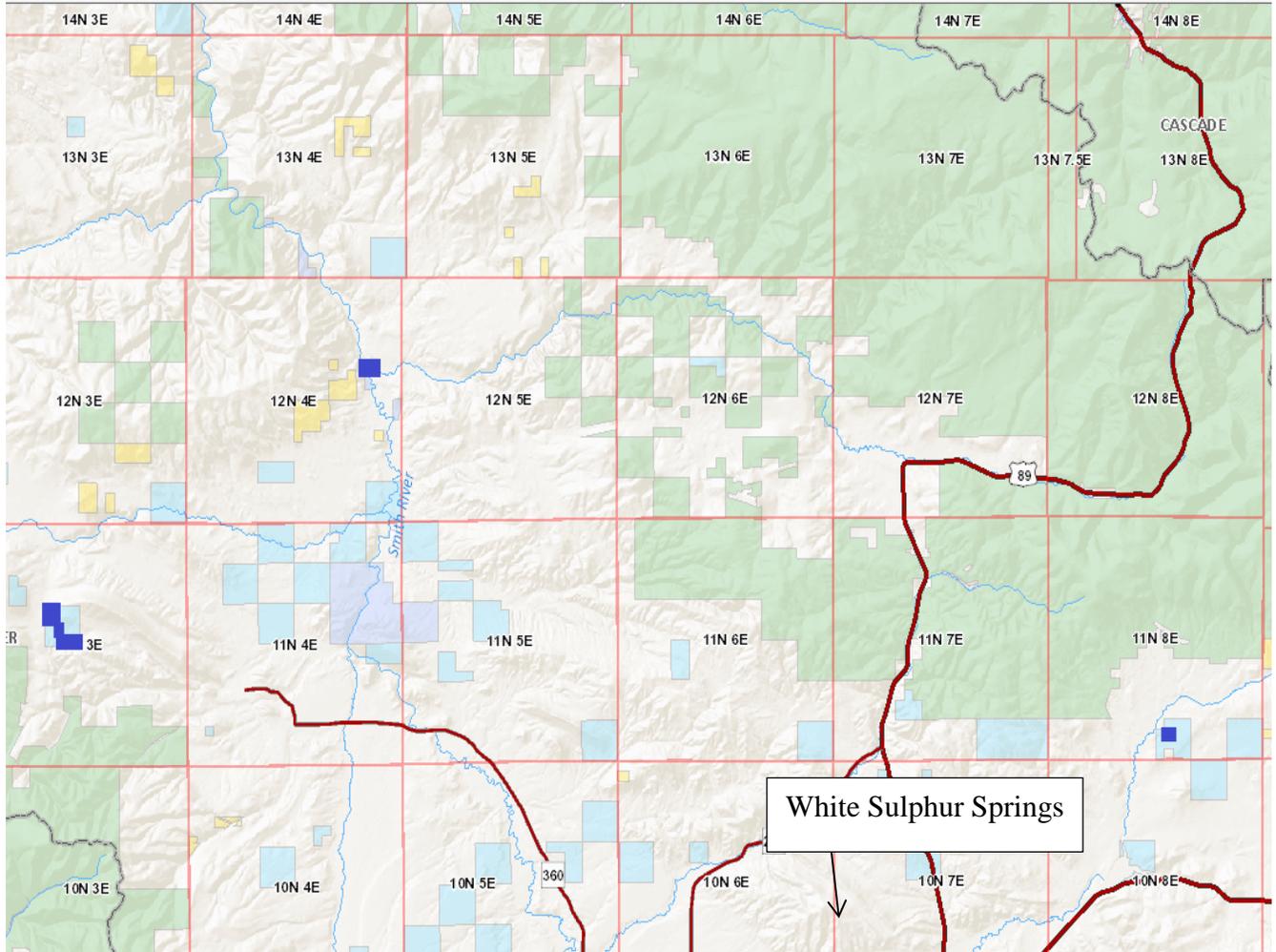
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Application # 17475 – NWE

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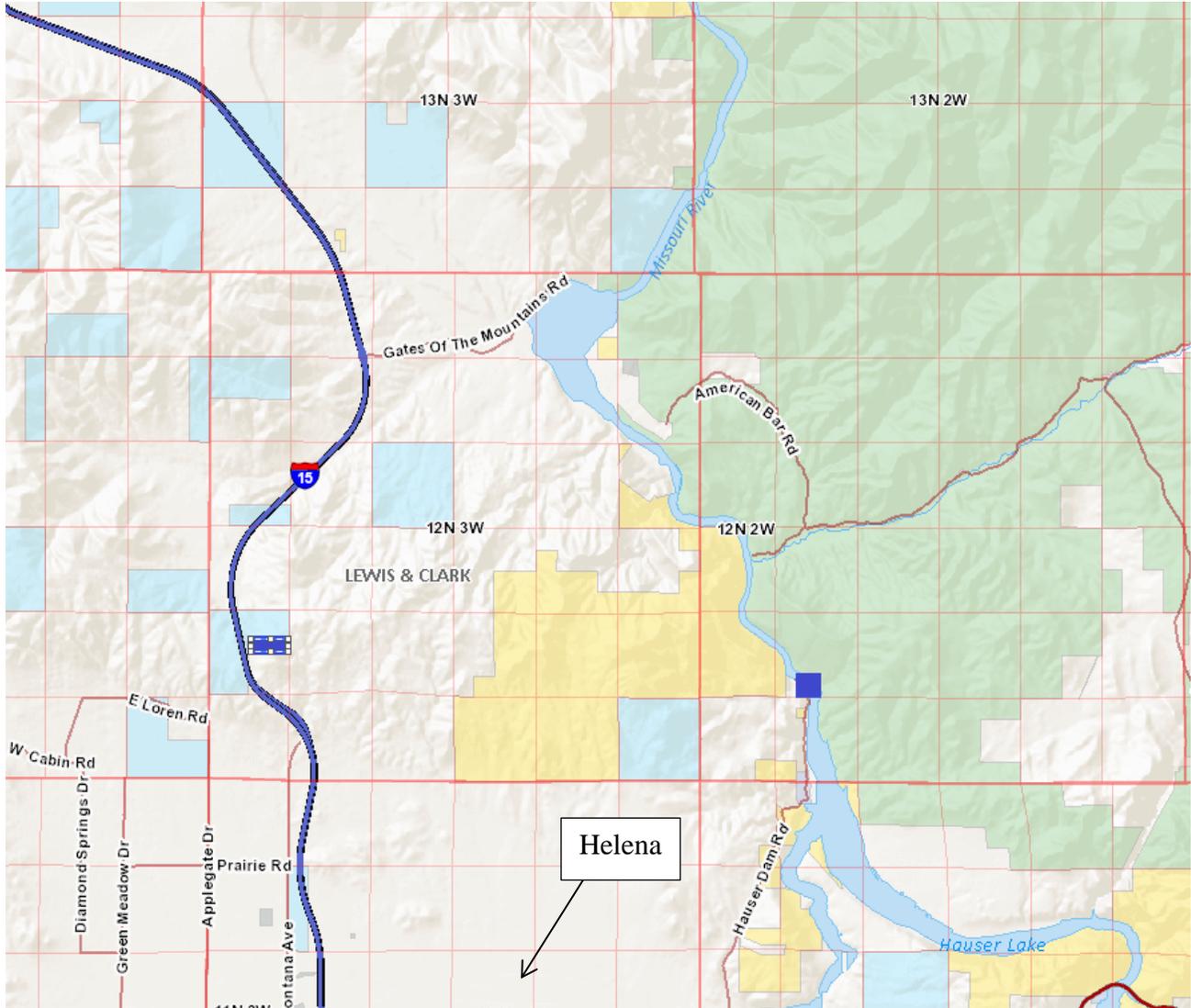
December 19, 2016



Application #'s 17486-17488 – NWE

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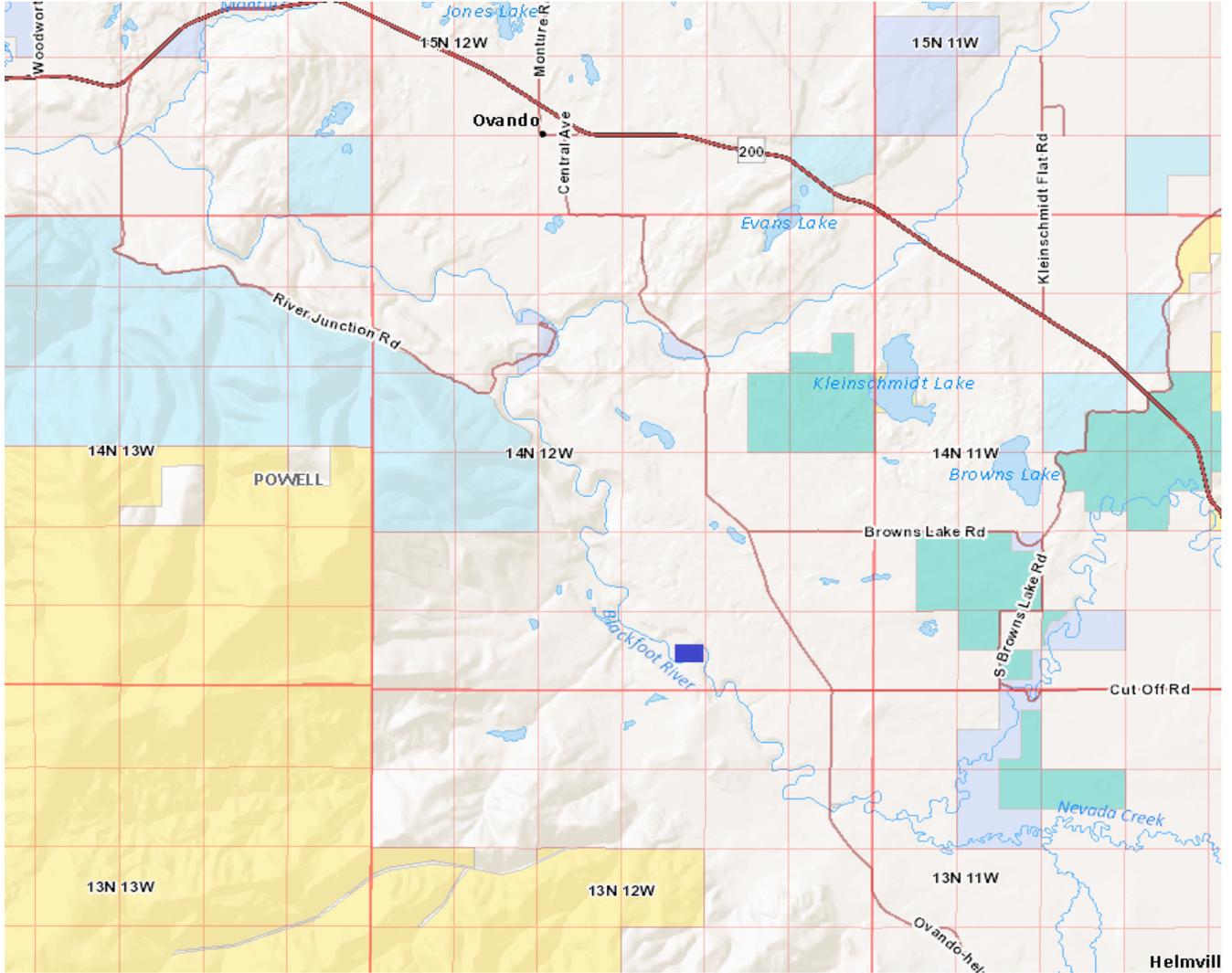
December 19, 2016



Application #'s 17484-17485 – NWE

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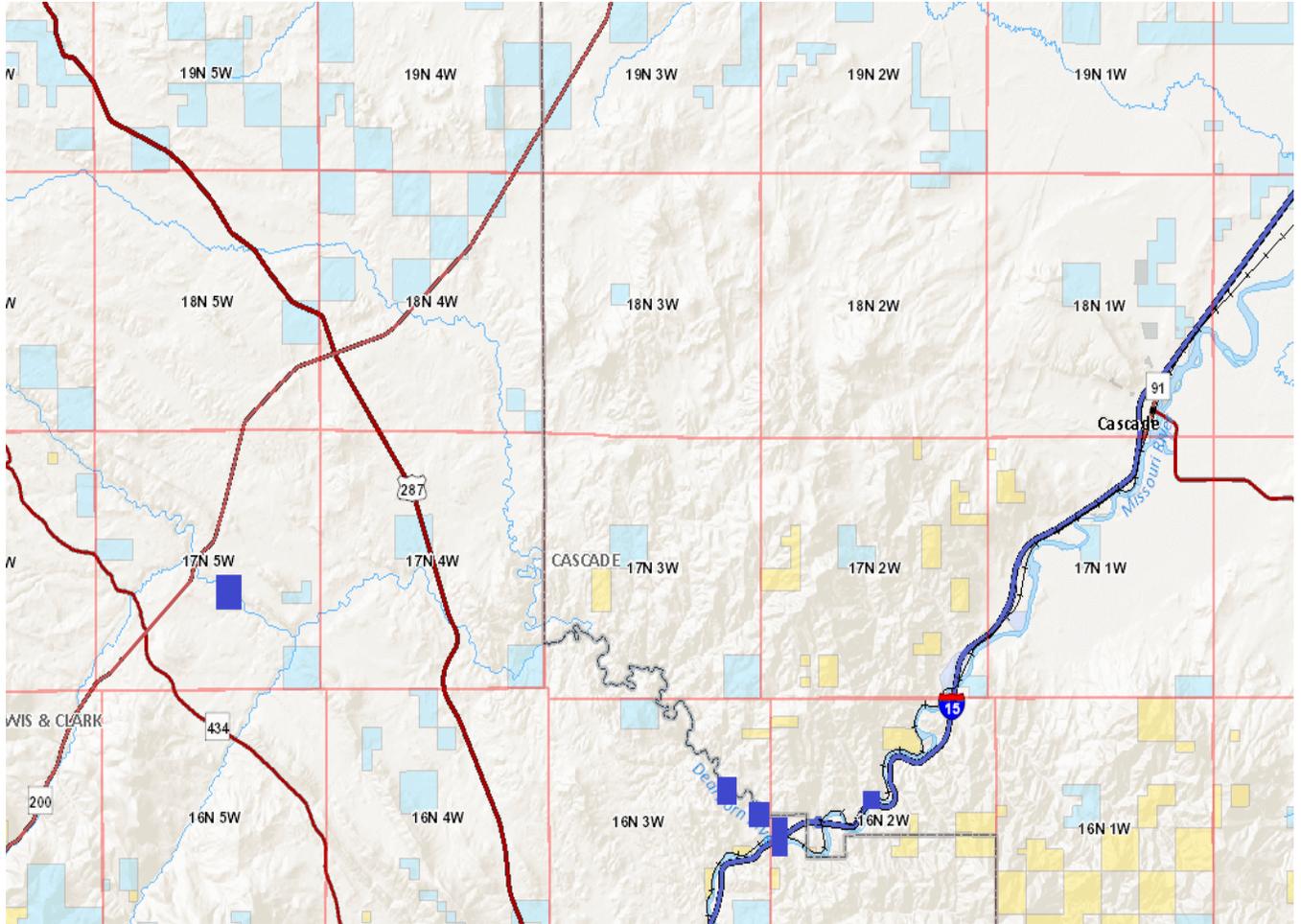
December 19, 2016



Application # 17493 – NWE

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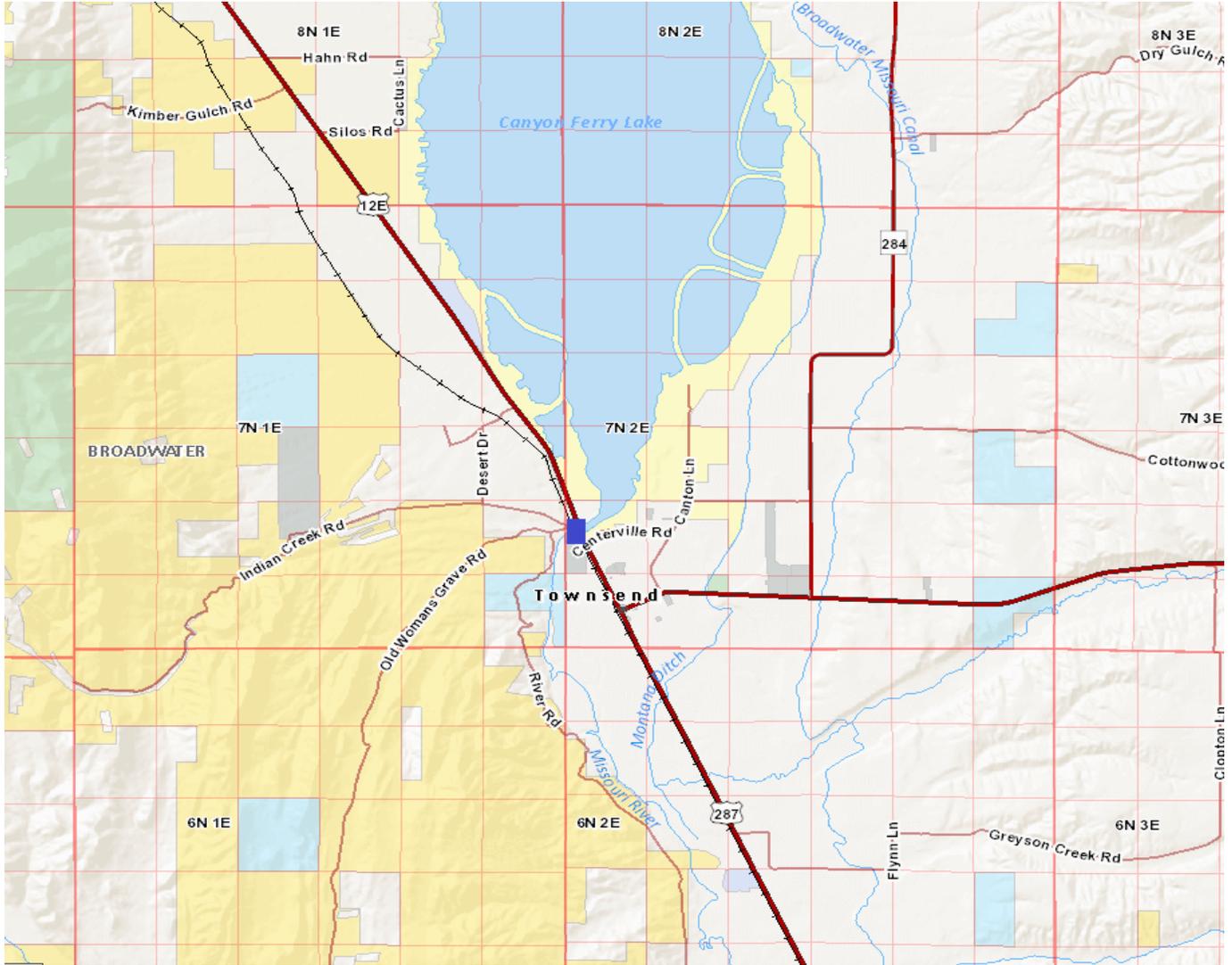
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Application #'s 17476-17483, 17490, 17492 – NWE

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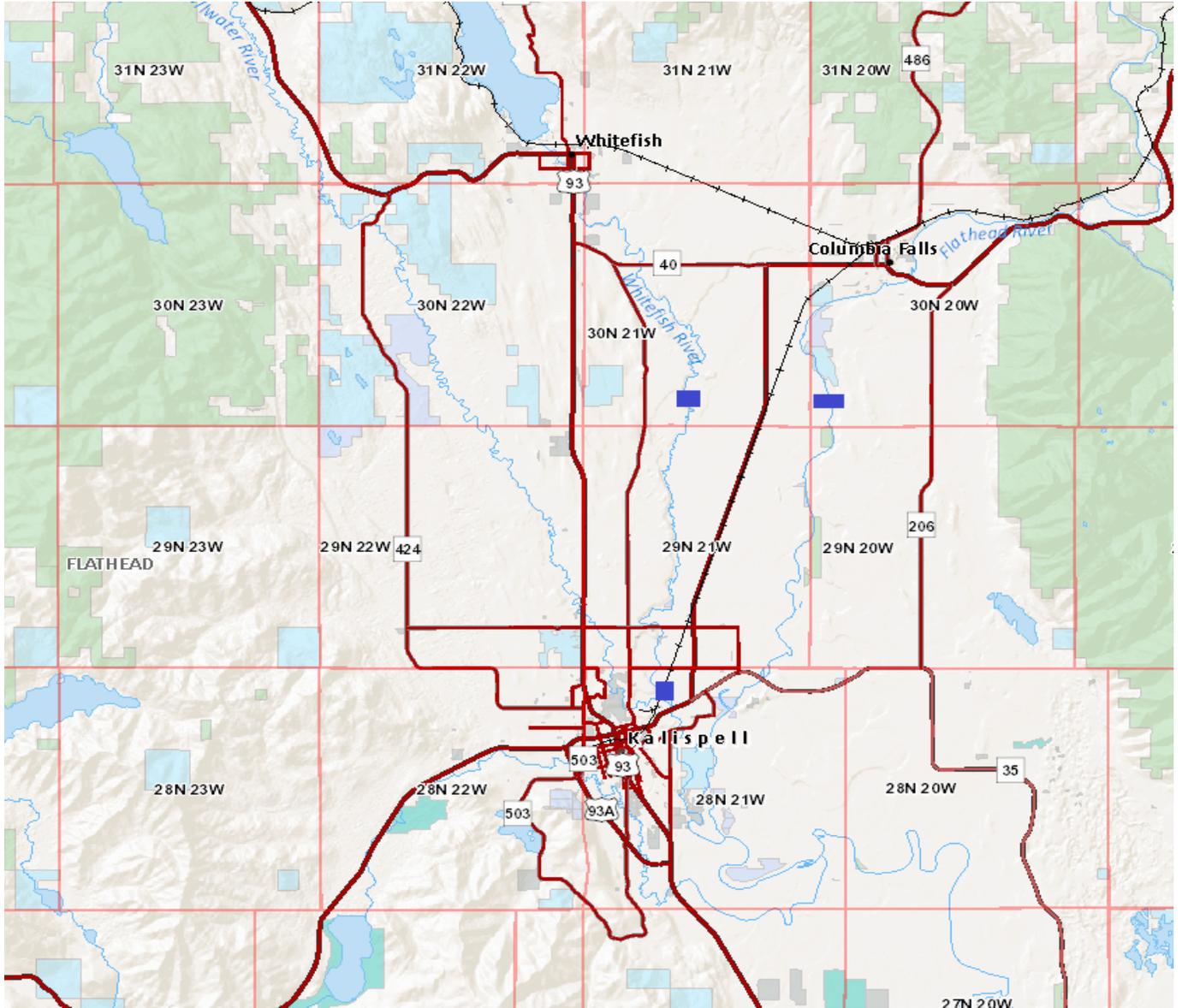
December 19, 2016



Application # 17491- NWE

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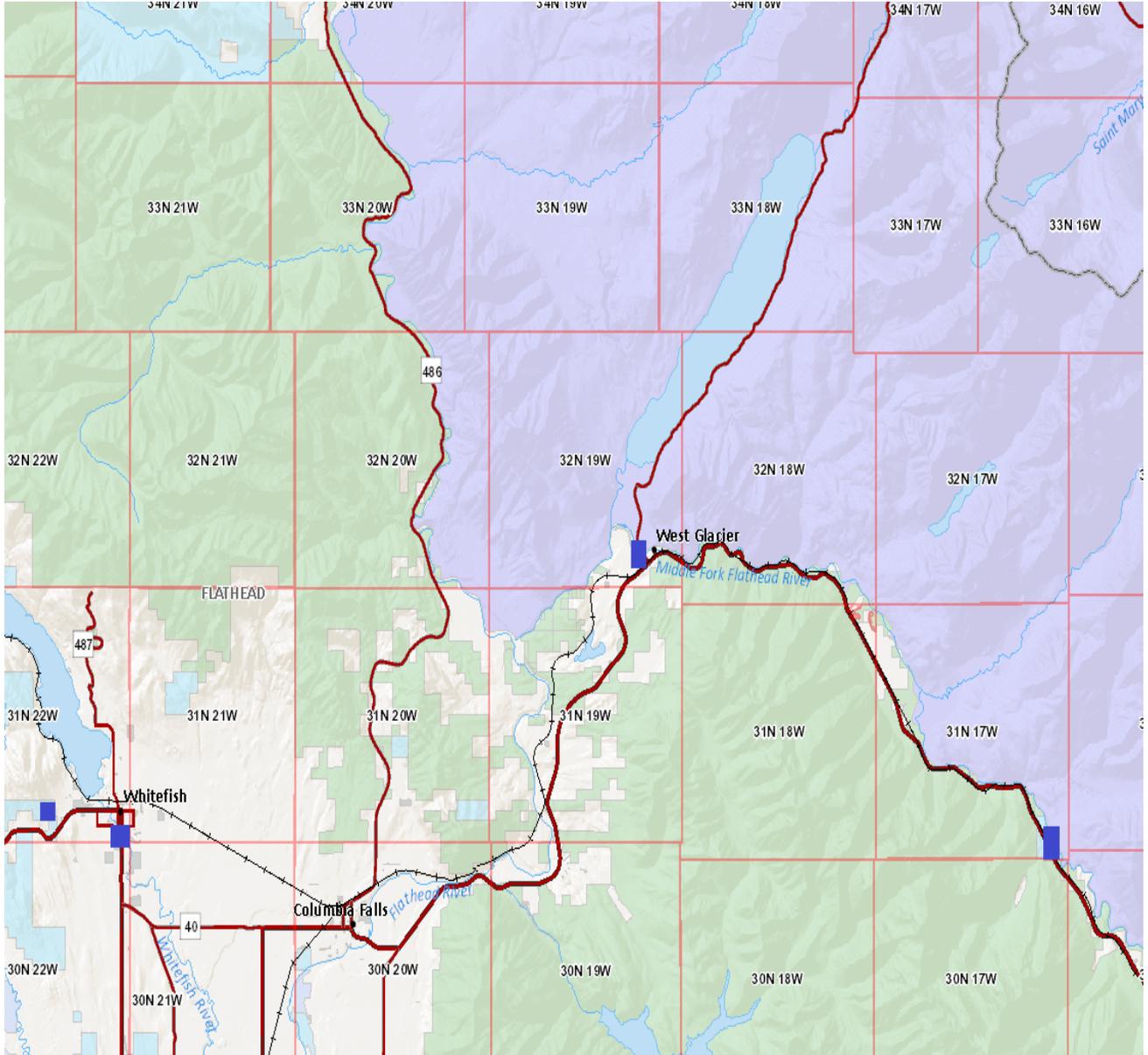
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Application #'s 17461, 17462, 17465, 17469 & 17471 – NWE

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Application #'s 17458, 17460, 17467, 17472 – NWE

Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Thomas & Renee Maurer 3416 Upper River Road Great Falls MT 59405
Application No.:	17531
R/W Purpose:	a private access road for the purpose of access to one single family residence and associated outbuildings, normal farming and ranching operations and timber management
Lessee Agreement:	N/A (Historic)
Acreage:	0.72
Compensation:	\$432.00
Legal Description:	20-foot strip through NE4SW4, Sec. 14, Twp. 15N, Rge. 5W, Lewis & Clark County
Trust Beneficiary:	Pine Hills School

Item Summary

Thomas & Renee Maurer have made application for the use of an existing road for the purpose of access to one single family residence and associated outbuildings and for conducting normal farming and ranching operations and for timber management. The road has been in place for years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The private property to be accessed is described as:

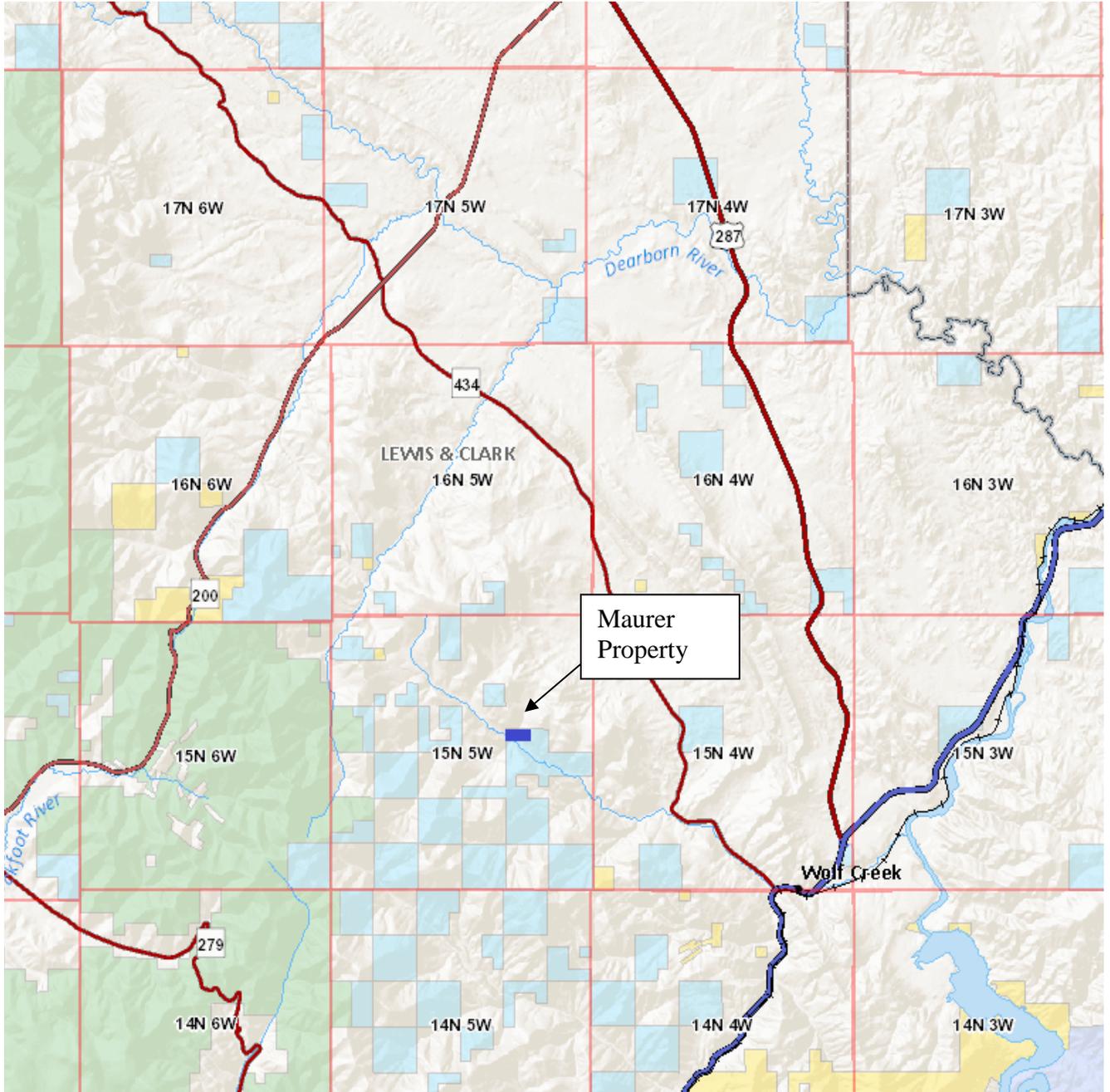
- Sec. 14, Twp. 15N, Rge. 5W - N2

DNRC Recommendation

The director recommends approval of this historic private access road.

Rights of Way Applications

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Application # 17531 - Maurer

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Triangle Telephone Cooperative Assoc., Inc. PO Box 1220 Havre MT 59501
Application No.:	17601
R/W Purpose:	a buried telecommunications cable
Lessee Agreement:	ok
Acreage:	1.21
Compensation:	\$970.00
Legal Description:	20-foot strip through W2NW4, Sec. 21, Twp. 35N, Rge. 10E, Hill County
Trust Beneficiary:	Common Schools

Item Summary

Triangle Telephone has made application to install new underground telecommunications facilities to upgrade their current facilities and services to the Rudyard Exchange serving area in and around Rudyard, Montana. These improvements will offer state of the art telecommunications toll and distribution facilities, as well as future growth capabilities. The proposed route is the most direct route between terminus locations. Portions of the proposed route are within sage grouse general habitat. Pursuant to *Sage Grouse Executive Order No. 12-2015* special stipulations will be placed in the easement documents to address mitigation measures, such as restrictions related to construction time periods. This project, identified as Project No. 1466440596269, 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

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Triangle Telephone Cooperative Assoc., Inc. PO Box 1220 Havre MT 59501
Application No.:	17602
R/W Purpose:	a buried telecommunications cable
Lessee Agreement:	ok
Acreage:	2.4
Compensation:	\$1680.00
Legal Description:	20-foot strip through N2NW4, E2SE4, Sec. 16, Twp. 37N, Rge. 9E, Hill County
Trust Beneficiary:	Common Schools

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Triangle Telephone Cooperative Assoc., Inc. PO Box 1220 Havre MT 59501
Application No.:	17603
R/W Purpose:	a buried telecommunications cable
Lessee Agreement:	ok
Acreage:	2.35
Compensation:	\$1245.00
Legal Description:	20-foot strip through N2N2, Sec. 26, Twp. 35N, Rge. 9E, Hill County
Trust Beneficiary:	Common Schools

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Triangle Telephone Cooperative Assoc., Inc. PO Box 1220 Havre MT 59501
Application No.:	17604
R/W Purpose:	a buried telecommunications cable
Lessee Agreement:	ok
Acreage:	2.46
Compensation:	\$1968.00
Legal Description:	20-foot strip through E2E2, Sec. 16, Twp. 34N, Rge. 9E, Hill County
Trust Beneficiary:	Common Schools

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Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Triangle Telephone Cooperative Assoc., Inc. PO Box 1220 Havre MT 59501
Application No.:	17605
R/W Purpose:	a buried telecommunications cable
Lessee Agreement:	needed
Acreage:	1.26
Compensation:	\$347.00
Legal Description:	20-foot strip through E2SE4, Sec. 16, Twp. 35N, Rge. 9E, Hill County
Trust Beneficiary:	Common Schools

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Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Triangle Telephone Cooperative Assoc., Inc. PO Box 1220 Havre MT 59501
Application No.:	17606
R/W Purpose:	a buried telecommunications cable
Lessee Agreement:	needed
Acreage:	0.68
Compensation:	\$200.00
Legal Description:	20-foot strip through W2SW4, SE4SE4, Sec. 9, Twp. 37N, Rge. 9E, Hill County
Trust Beneficiary:	Common Schools

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Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Triangle Telephone Cooperative Assoc., Inc. PO Box 1220 Havre MT 59501
Application No.:	17607
R/W Purpose:	a buried telecommunications cable
Lessee Agreement:	needed
Acreage:	0.61
Compensation:	\$168.00
Legal Description:	20-foot strip through NE4NE4, Sec. 33, Twp. 35N, Rge. 9E, Hill County
Trust Beneficiary:	Common Schools

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Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Triangle Telephone Cooperative Assoc., Inc. PO Box 1220 Havre MT 59501
Application No.:	17608
R/W Purpose:	a buried telecommunications cable
Lessee Agreement:	needed
Acreage:	2.42
Compensation:	\$1694.00
Legal Description:	20-foot strip through S2S2, Sec. 1, Twp. 36N, Rge. 9E, Hill County
Trust Beneficiary:	Common Schools

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Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Triangle Telephone Cooperative Assoc., Inc. PO Box 1220 Havre MT 59501
Application No.:	17609
R/W Purpose:	a buried telecommunications cable
Lessee Agreement:	ok
Acreage:	1.21
Compensation:	\$968.00
Legal Description:	20-foot strip through E2SE4, Sec. 16, Twp. 33N, Rge. 9E, Hill County
Trust Beneficiary:	Common Schools

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Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Triangle Telephone Cooperative Assoc., Inc. PO Box 1220 Havre MT 59501
Application No.:	17610
R/W Purpose:	a buried telecommunications cable
Lessee Agreement:	needed
Acreage:	1.21
Compensation:	\$968.00
Legal Description:	20-foot strip through N2NE4, Sec. 15, Twp. 35N, Rge. 10E, Hill County
Trust Beneficiary:	Common Schools

Item Summary

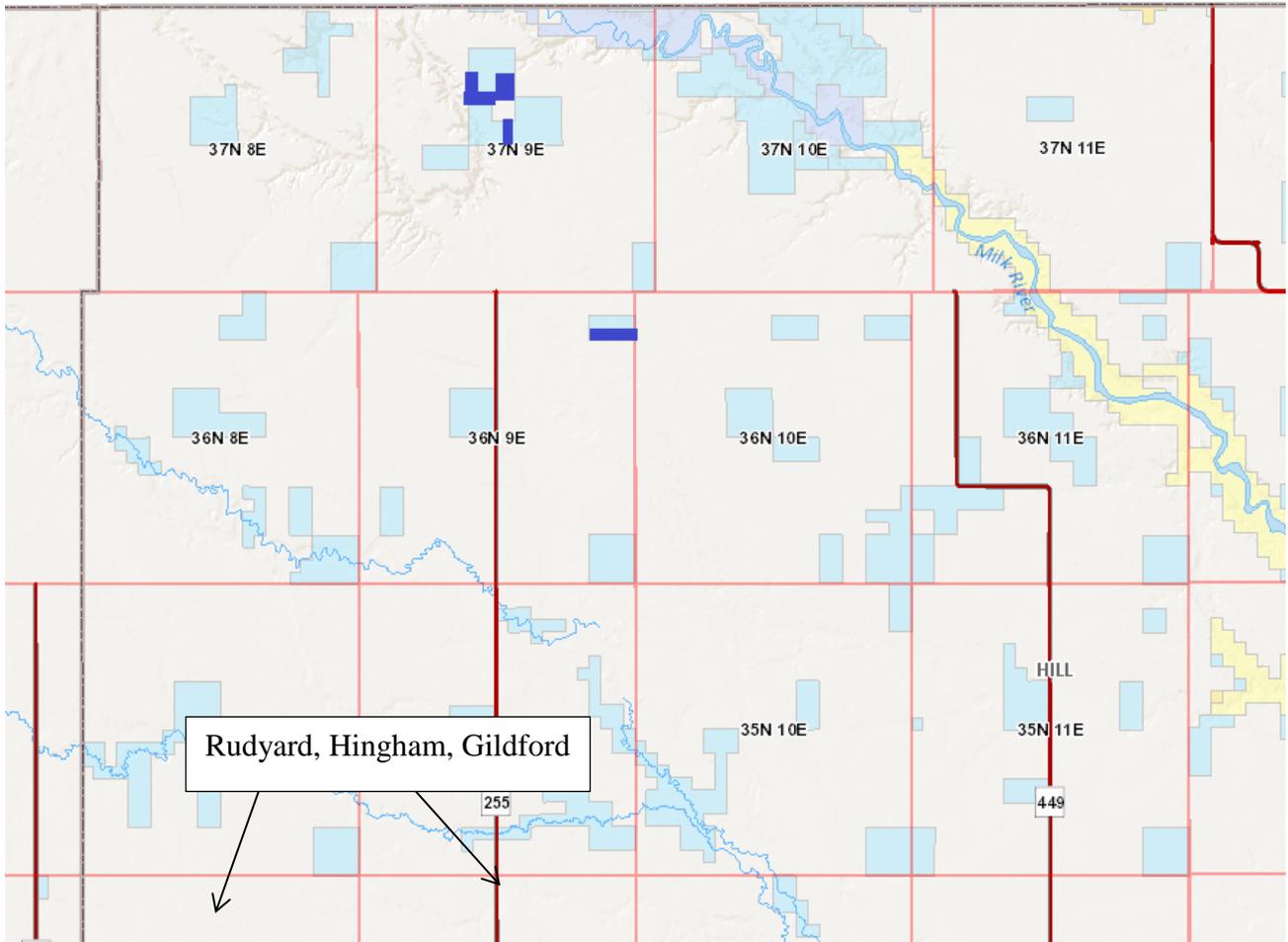
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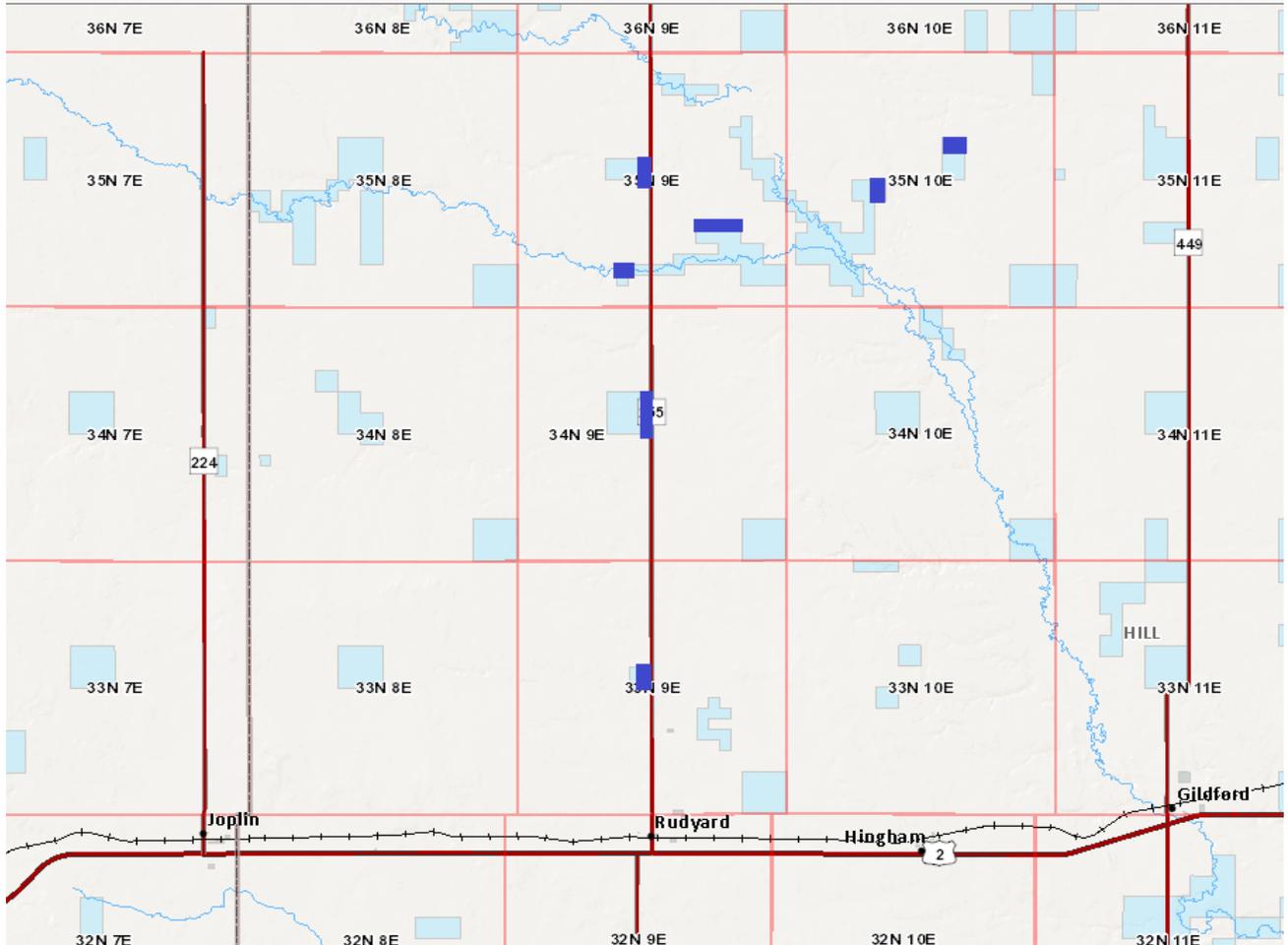
December 19, 2016



Application #'s 17602, 17606, 17608 – Triangle Telephone

Rights of Way Applications

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Application #'s 17601, 17603 – 05, 17607, 17609 – 10 – Triangle Telephone

Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Dry Prairie Rural Water Authority PO Box 517 Culbertson MT 59218
Application No.:	17613
R/W Purpose:	a 6" buried water pipeline
Lessee Agreement:	ok
Acreage:	1.82
Compensation:	\$1002.00
Legal Description:	30-foot strip through N2NE4, Sec. 16, Twp. 34N, Rge. 57E, Sheridan County
Trust Beneficiary:	Common Schools

Item Summary

Dry Prairie Rural Water Authority has made application for a buried water pipeline to serve the rural area in Sheridan County. The proposed pipeline is part of the federally funded water system under construction to bring quality drinking water to the Fort Peck area. The selected route is the most cost effective for the project.

DNRC Recommendation

The director recommends approval of this buried water pipeline.

Rights of Way Applications

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Dry Prairie Rural Water Authority PO Box 517 Culbertson MT 59218
Application No.:	17614
R/W Purpose:	a 2" buried water pipeline
Lessee Agreement:	needed
Acreage:	1.16
Compensation:	\$870.00
Legal Description:	30-foot strip through N2NE4, Sec. 16, Twp. 34N, Rge. 56E, Sheridan County
Trust Beneficiary:	Common Schools

Item Summary

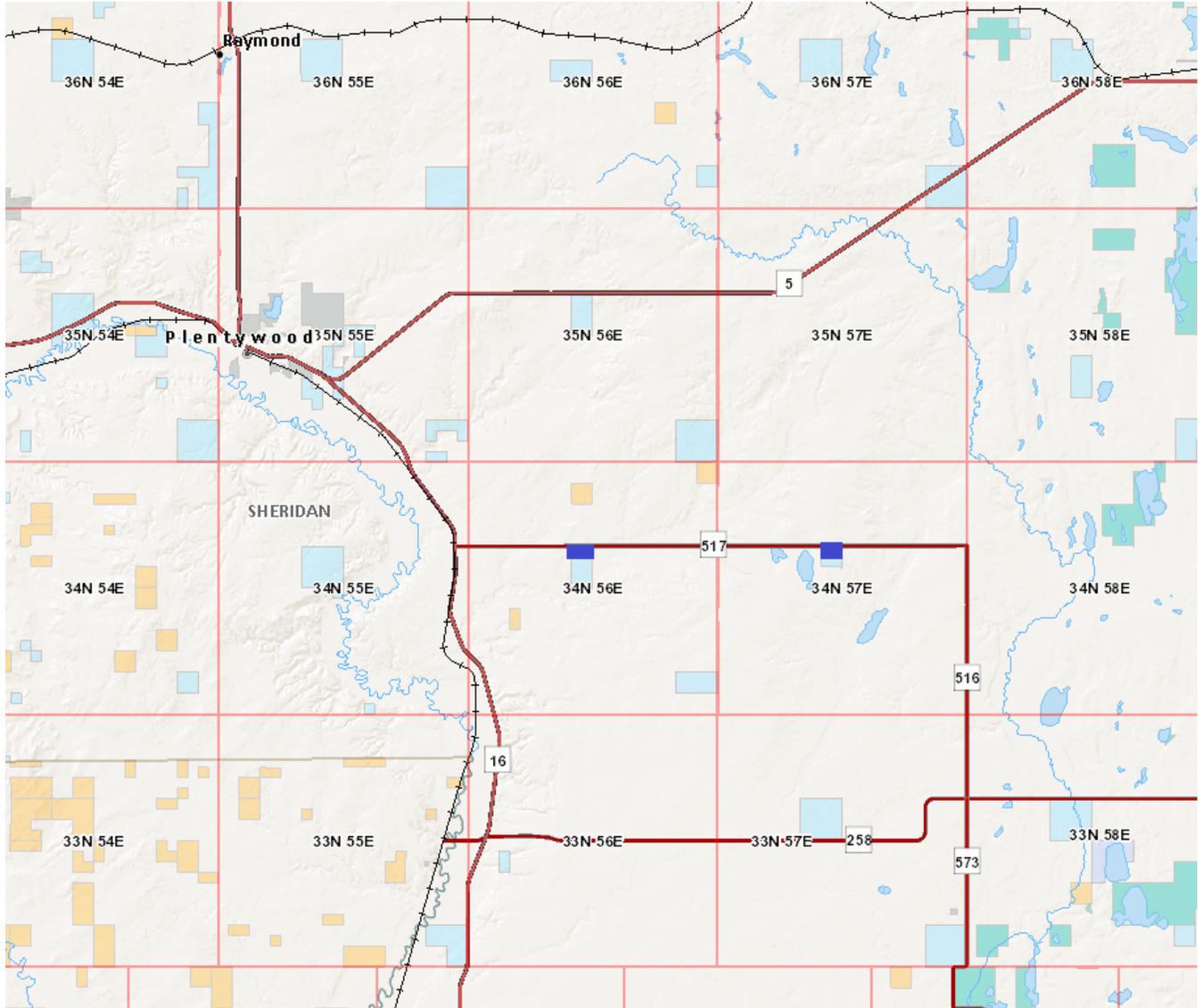
See page 55

DNRC Recommendation

See page 55

Rights of Way Applications

December 19, 2016



Application #'s 17613 – 17614 – Dry Prairie Rural Water Authority

Rights of Way Applications

December 19, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Hill County Electric Co-op PO Box 2330 Havre MT 59501
Application No.:	17641
R/W Purpose:	a 7.2kV overhead electric distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	0.35
Compensation:	\$100.00
Legal Description:	10-foot strip through NE4NE4, Sec. 30, Twp. 36N, Rge. 6E, Liberty County
Trust Beneficiary:	Common Schools

Item Summary

Hill County Electric Co-op has made application for an overhead electric distribution line that was constructed on state lands many years ago without proper authorization from the Land Board. Pursuant to §77-1-130, MCA Hill County Electric is requesting recognition of this overhead electric distribution line as historic rights of ways.

DNRC Recommendation

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

Rights of Way Applications

December 19, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Hill County Electric Co-op PO Box 2330 Havre MT 59501
Application No.:	17642
R/W Purpose:	a 7.2kV overhead electric distribution line
Lessee Agreement:	N/A (Historic)
Acreage:	0.22
Compensation:	\$100.00
Legal Description:	10-foot strip through SW4SE4, Sec. 19, Twp. 36N, Rge. 6E, Liberty County
Trust Beneficiary:	Common Schools

Item Summary

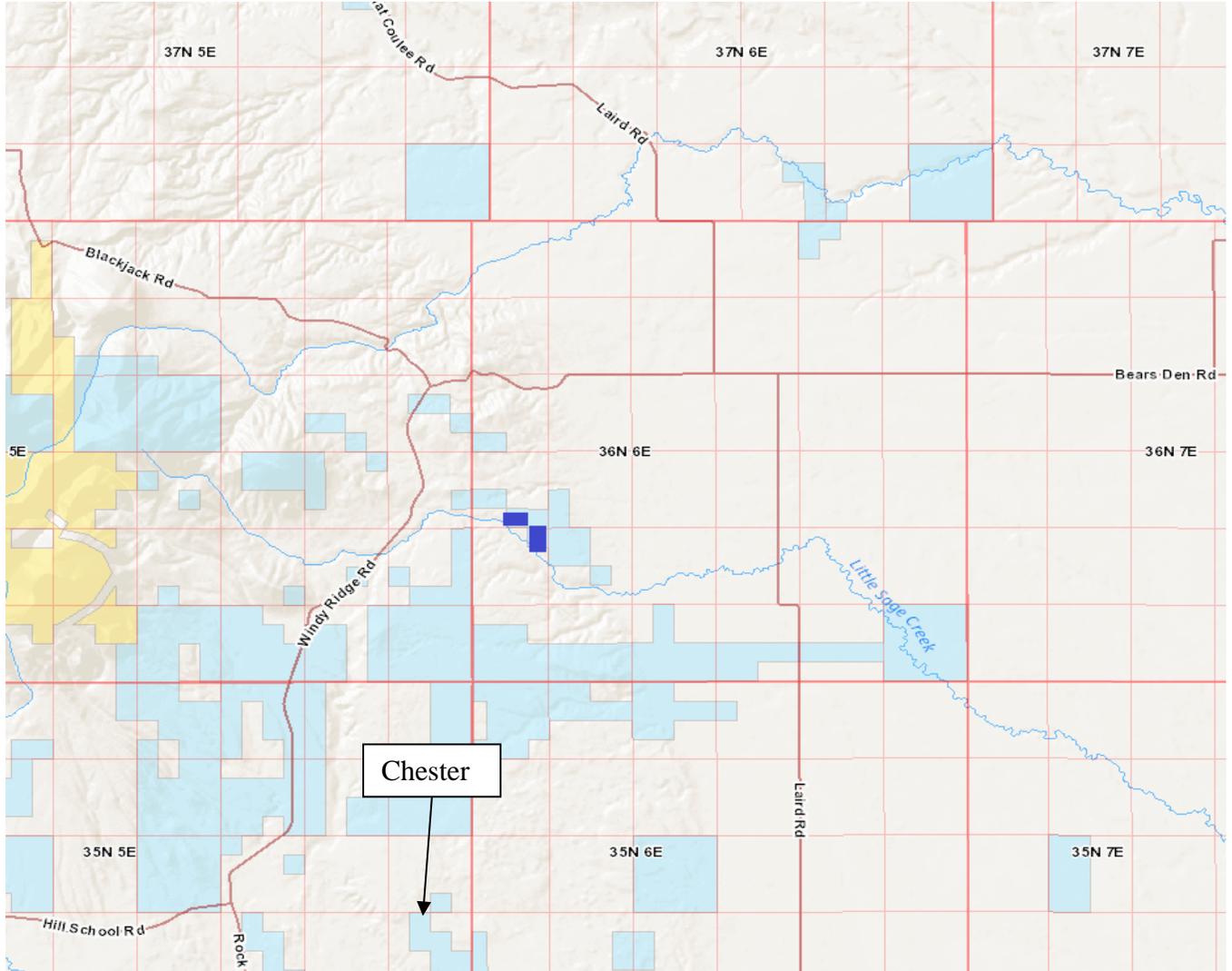
See page 58

DNRC Recommendation

See page 58

Rights of Way Applications

December 19, 2016



Application #'s 17641 & 17642 – Hill County Electric Co-op

Rights of Way Applications

December 19, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Phillips 66 Carrier LLC 2626 Lillian Billings MT 59101
Application No.:	17643
R/W Purpose:	an 8" buried petroleum pipeline across the Yellowstone River
Lessee Agreement:	N/A (Navigable River)
Acreage:	0.31
Compensation:	\$6550.00
Legal Description:	30-foot strip through SE4SE4, Sec. 27 & NE4NE4, Sec. 34, Twp. 1N, Rge. 26E, Yellowstone County
Trust Beneficiary:	Public Lands

Item Summary

Phillips 66 Carrier LLC has made application to install a new 8" petroleum pipeline 40-feet below the Yellowstone River using HDD technology. The existing pipeline is part of a "bundle" consisting of five pipelines installed in 1991 under easements approved by the Land Board to Exxon, Conoco, Cenex, Yellowstone Pipeline Company and Montana-Dakota Utilities. The Department has facilitated meetings with all pipeline owners within this bundle with four of the five companies agreeing to replace their respective pipelines using HDD technology. Exxon applied for and received approval of their HDD replacement at the April, 2016 Land Board meeting. Montana-Dakota Utilities has elected not to participate with the project at this time. Because not all companies have agreed to replace their pipelines, removal is not feasible due to the fact that the existing bundle of active pipelines are tied together with cables with approximately one-foot of clearance between each. Currently, the bundle have a depth of cover between 4 and 9 feet. The existing participating pipelines will be cleaned of all crude, filled with nitrogen and capped. The capped lines will be monitored for exposure using the same protocols employed for active pipelines. Should the bundle, or any pipeline therein, become exposed the Department will work with all five companies to determine the proper course of action to undertake to ensure safety.

DNRC Recommendation

The director recommends approval of this 30-year term easement for an 8" petroleum pipeline across the Yellowstone River.

Rights of Way Applications

December 19, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Yellowstone Pipe Line Company 2626 Lillian Billings MT 59101
Application No.:	17644
R/W Purpose:	an 8" buried petroleum pipeline across the Yellowstone River
Lessee Agreement:	N/A (Navigable River)
Acreage:	0.31
Compensation:	\$6550.00
Legal Description:	30-foot strip through SE4SE4, Sec. 27 & NE4NE4, Sec. 34, Twp. 1N, Rge. 26E, Yellowstone County
Trust Beneficiary:	Public Lands

Item Summary

This pipeline is part of the five pipeline bundle described on page 61.

DNRC Recommendation

The director recommends approval of this 30-year term easement for an 8" petroleum pipeline across the Yellowstone River.

Rights of Way Applications

December 19, 2016

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Cenex Pipeline LLC PO Box 909 Laurel MT 59044
Application No.:	17645
R/W Purpose:	an 8" buried petroleum pipeline across the Yellowstone River
Lessee Agreement:	N/A (Navigable River)
Acreage:	0.33
Compensation:	\$7105.00
Legal Description:	30-foot strip through N2NE4, Sec. 34, Twp. 1N, Rge. 26E, Yellowstone County
Trust Beneficiary:	Public Lands

Item Summary

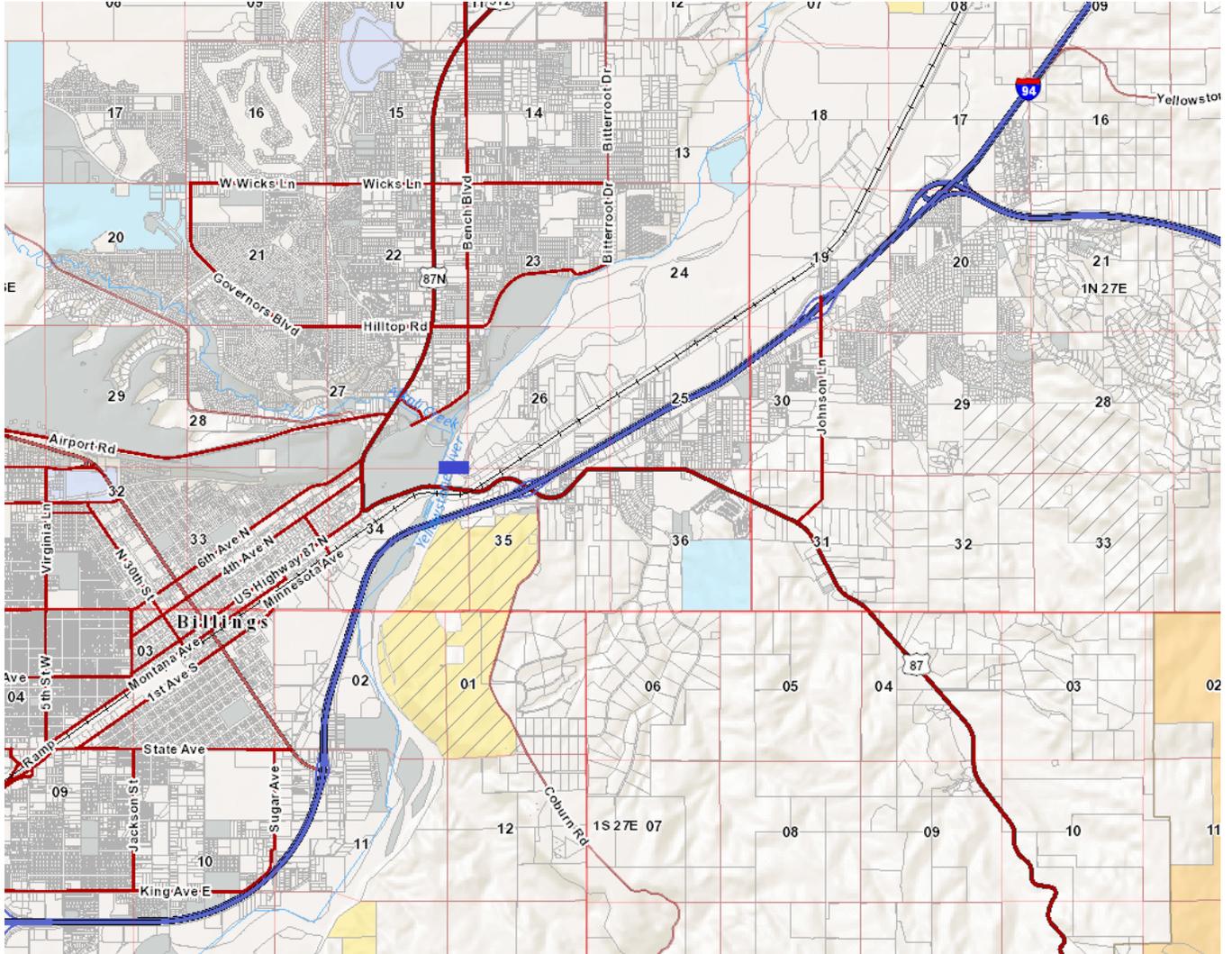
This pipeline is part of the five pipeline bundle described on page 61.

DNRC Recommendation

The director recommends approval of this 30-year term easement for an 8" petroleum pipeline across the Yellowstone River.

Rights of Way Applications

December 19, 2016



Application #'s 17643 – 17654 – Phillips 66 Carrier LLC, Yellowstone Pipeline Company & Cenex Pipeline LLC

1216-14

INFORMATIONAL ITEM:

Fiscal Year 2016 Highlights