

**AGENDA**  
**REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS**  
**Monday, December 16, 2019 at 9:00 am**  
**State Capitol, Room 303**  
**Helena, MT**

**ACTION ITEMS**

- 1219-1**    **Montana Heritage Preservation & Development Commission: Land Sale**    **APPROVED 4-0**  
*Benefits: N/A Non- Trust*  
*Location: Madison County*
- 1219-2**    **Timber Sales: Dayton Creek**    **APPROVED 4-0**  
*Benefits: Common Schools*  
*Location: Lake County*
- 1219-3**    **Disclaimer of Interest: George Stevens Land Trust**    **APPROVED 4-0**  
*Benefits: N/A*  
*Location: Chouteau County*
- 1219-4**    **Oil and Gas Lease Sale: (December 3, 2019)**    **APPROVED 4-0**  
*Benefits: Common Schools, Public Buildings, Public Land Trust – Navigable Rivers*  
*Location: Fallon, Musselshell, Petroleum, Richland, Rosebud, Toole, and Wibaux Counties*
- 1219-5**    **Cabin and Home Site: Set Minimum Bid for Sale**    **APPROVED 4-0**  
*Benefits: Montana Tech*  
*Location: Flathead County*
- 1219-6**    **Easements:**    **APPROVED 4-0**  
**A. Standard Grants**  
*Benefits: Capitol Buildings, Common Schools, MSU 2<sup>nd</sup> Grant, MSU Eastern/ UM Western, Montana Tech, Pine Hills School, Public Land Trust – Navigable Rivers*  
*Location: Lake, Lincoln, Madison, Toole, and Wheatland Counties*  
**B. Lightening Peak RAA Amendment**  
*Benefits: Common Schools*  
*Location: Lincoln County*
- 1219-7**    **Informational Item: Cabin & Home Site Sale Update (by Neighborhood)**  
*Benefits: N/A*  
*Location: Lewis and Clark, Missoula, and Flathead Counties*

**PUBLIC COMMENT**



# 1219-1

MONTANA HERITAGE  
PRESERVATION & DEVELOPMENT  
COMMISSION: LAND SALE



**Land Board Agenda Item  
December 16, 2019**

**1219-1 Montana Heritage Preservation & Development Commission – Land Sale**

**Location: Madison County**

**Trust Benefits: N/A – Non Trust**

**Trust Revenue: N/A**

**Item Summary**

The Montana Heritage Preservation and Development Commission proposes to sell its interest in a 16.658 acre tract near Virginia City to Central City LLC. The parcel, identified as Tract B115 and also known as Yeager PL Sur 115 ME 144 LT37, is a split ownership estate with 5/6 interest belonging to the Commission and the remaining 1/6 interest belonging to Central City LLC. The parcel originally contained 17.36 acres, however is undergoing a boundary line adjustment to remove 0.52 acres from the irregular shaped tract and add it to the adjacent Commission ownership for the purpose of ensuring the Alder Gulch Short Line Railroad is solely located on lands owned by the Commission completely in fee title. This eliminates lease expenditures for the Commission and provides direct earned revenue for the preservation of Virginia City and Nevada City. Currently, due to the split ownership estate, the Commission must lease that small portion of land the railway is located upon from Central City LLC in order to continue operation of the railway. The parcel proposed for disposal is not located within the historical landmark district, is not visible from the highway, and is not considered essential property by the Commission. A deed restriction will be placed on the land that requires approval of any buildings or permanent structures proposed on the Tract by the Commission and the Historic Preservation Officer of Virginia City. The sale of the reconfigured Tract B115 is in the best interest of the Commission to provide revenue and to solidify the ability to continue operation of the short line railroad.

**Appraisal, Public Notice**

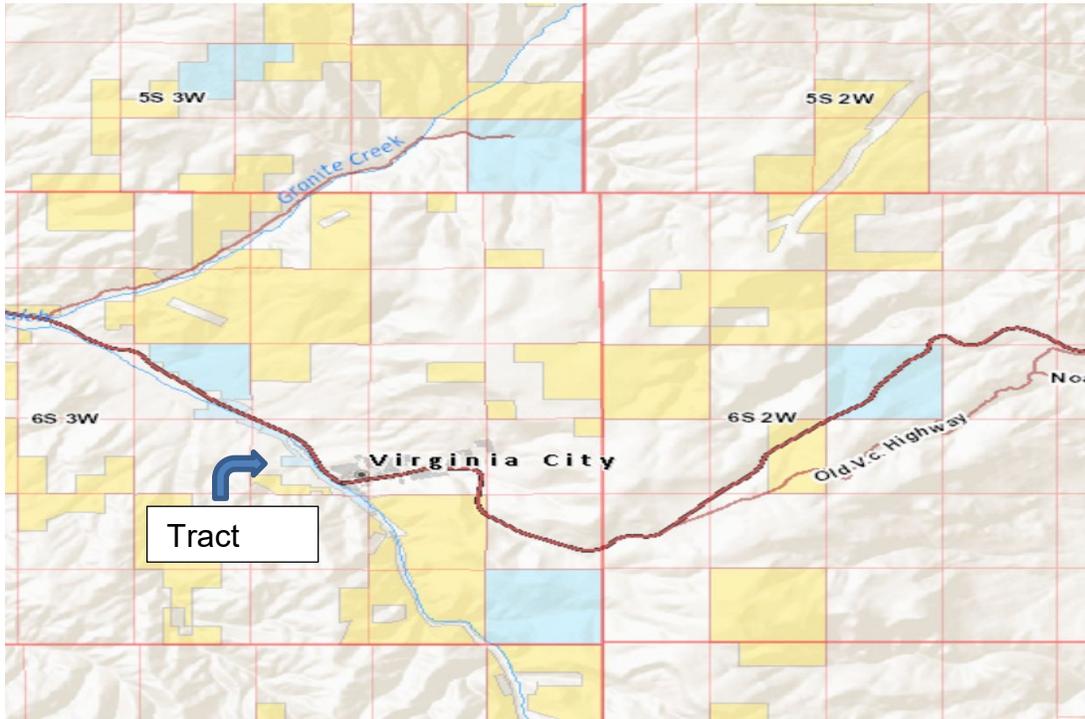
The parcel was appraised in February, 2018 by a certified general appraiser with an updated valuation occurring in January, 2019. The conclusion of value of the parcel is \$140,000. Because this is a split ownership estate, the 5/6<sup>th</sup> interest of the Commission is \$116,666.67 and will be revenue for the benefit of the Commission.

The Commission held two public meetings on the proposed land sale with no opposition voiced on the proposal. At the June 7, 2019 Commission meeting the members voted to proceed with the sale and recommend approval to the Land Board.

**Montana Heritage Commission Recommendation**

The Commission requests the Land Board accept the Heritage Preservation & Development Commission's proposal to sell Tract B115 to Central City LLC for the sum of \$116,666.67.

# VICINITY MAP



**CERTIFICATE OF SURVEY No. \_\_\_\_\_**

**LEGEND**

- FOUND MONUMENT AS DESCRIBED
- FOUND AC "52035"

**LEGAL DESCRIPTION**  
 A tract of land in the North East quarter of the South West Quarter of Section 22, Township 6 South, Range 3 West, Principal Meridian, Madison County, Montana being Unsub Survey 115.

**STATEMENT OF SURVEYOR**  
 I, the undersigned, David M. Albert, Registered Land Surveyor, do hereby certify that I supervised the survey, planning and description of the tracts shown on the accompanying C.O.S. in accordance with the provisions of the Montana Subdivision and Platting Act, Section 76-3-101 through 76-3-614, M.C.A., and the Madison County Subdivision Regulations.

DATED this \_\_\_ day of \_\_\_\_\_ 20\_\_  
 David M. Albert, 5203 S

**SURVEYOR'S NOTES:**  
 Date of Survey: October, 2017  
 Purpose of Survey: Control Boundary, Reclamation  
 State of Montana, Control Points for Aerial Mapping  
 State of Montana, Montana Historical Society 5/6,  
 Central City, LLC 1/6  
 Survey Commissioned by: Montana Heritage Commission,  
 Blaine Allen, Director

**STATEMENT OF COUNTY TREASURER**  
 I, Treasurer of Madison County, Montana, do hereby certify that the accompanying C.O.S. has been duly examined and that all real property taxes and special assessments assessed and levied on the subject land have been paid.

DATED this \_\_\_ day of \_\_\_\_\_ 20\_\_  
 Treasurer of Madison County

**STATEMENT OF CLERK AND RECORDER**  
 I, Clerk and Recorder of Madison County, Montana, do hereby certify that the foregoing instrument was filed in my office at \_\_\_\_\_ o'clock on this \_\_\_ day of \_\_\_\_\_ A.D., 20\_\_ and recorded in Book \_\_\_ of Plats on page \_\_\_ Records of the County Clerk and Recorder, Madison County, Montana.

DATED this \_\_\_ day of \_\_\_\_\_ 20\_\_  
 Clerk & Recorder Madison County

**STATEMENT OF SUBMITTER**  
 Bruce Wittenburg, Director  
 Montana Historical Society  
 State of \_\_\_\_\_  
 County of \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_  
 (Name of state) of \_\_\_\_\_  
 (City or village) of \_\_\_\_\_  
 (Party or parties)

(Money - paid) \_\_\_\_\_  
 (Money - saved) \_\_\_\_\_  
 Notary Public for the State of \_\_\_\_\_  
 My commission expires \_\_\_\_\_

**STATEMENT OF SUBMITTER**  
 Robert C. Bowling, Managing Member  
 Central City LLC  
 State of \_\_\_\_\_  
 County of \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_  
 (Name of state) of \_\_\_\_\_  
 (City or village) of \_\_\_\_\_  
 (Party or parties)

(Money - paid) \_\_\_\_\_  
 (Money - saved) \_\_\_\_\_  
 Notary Public for the State of \_\_\_\_\_  
 My commission expires \_\_\_\_\_

**DAVID M. ALBERT**  
 Professional Land Surveyor  
 404 East Madison Avenue  
 Helena, Montana 59704  
 Phone: (406) 339-6096  
 E-MAIL: davidalbert@redcom.com

DATE: 10-11-2017 SHEET NO: 1 of 1  
 COUNTY: Madison DRAWN: MTD

# 1219-2

## TIMBER SALES

Dayton Creek



**Land Board Agenda Item  
December 16, 2019**

**1219-2 Timber Sale: Dayton Creek**

**Location: Lake County  
Section: 16 T25N R21W**

**Trust Beneficiaries: Common Schools**

**Trust Revenue: \$333,289 (estimated, minimum bid)**

**Item Summary**

**Location:** The Dayton Creek Timber Sale is located 2 miles northwest of Dayton, Montana.

**Size and Scope:** The sale contains 4 harvest units, 283 acres of tractor logging.

**Volume:** The estimated harvest volume is 16,475 tons (2.6 MMBF).

**Estimated Return:** The minimum bid is \$20.23 per ton, which would generate approximately \$333,289 for the Trust Beneficiaries (Common Schools) and approximately \$77,433 in Forest Improvement fees.

**Prescription:** The Dayton Creek timber sale has a combination of Seed tree and Shelterwood prescriptions. These prescriptions were developed based upon the condition of the current standing timber, disease issues, and desired future conditions for these timber stands.

**Road Construction/Maintenance:** The Montana Department of Natural Resources and Conservation (DNRC) is proposing 7.9 miles of road maintenance.

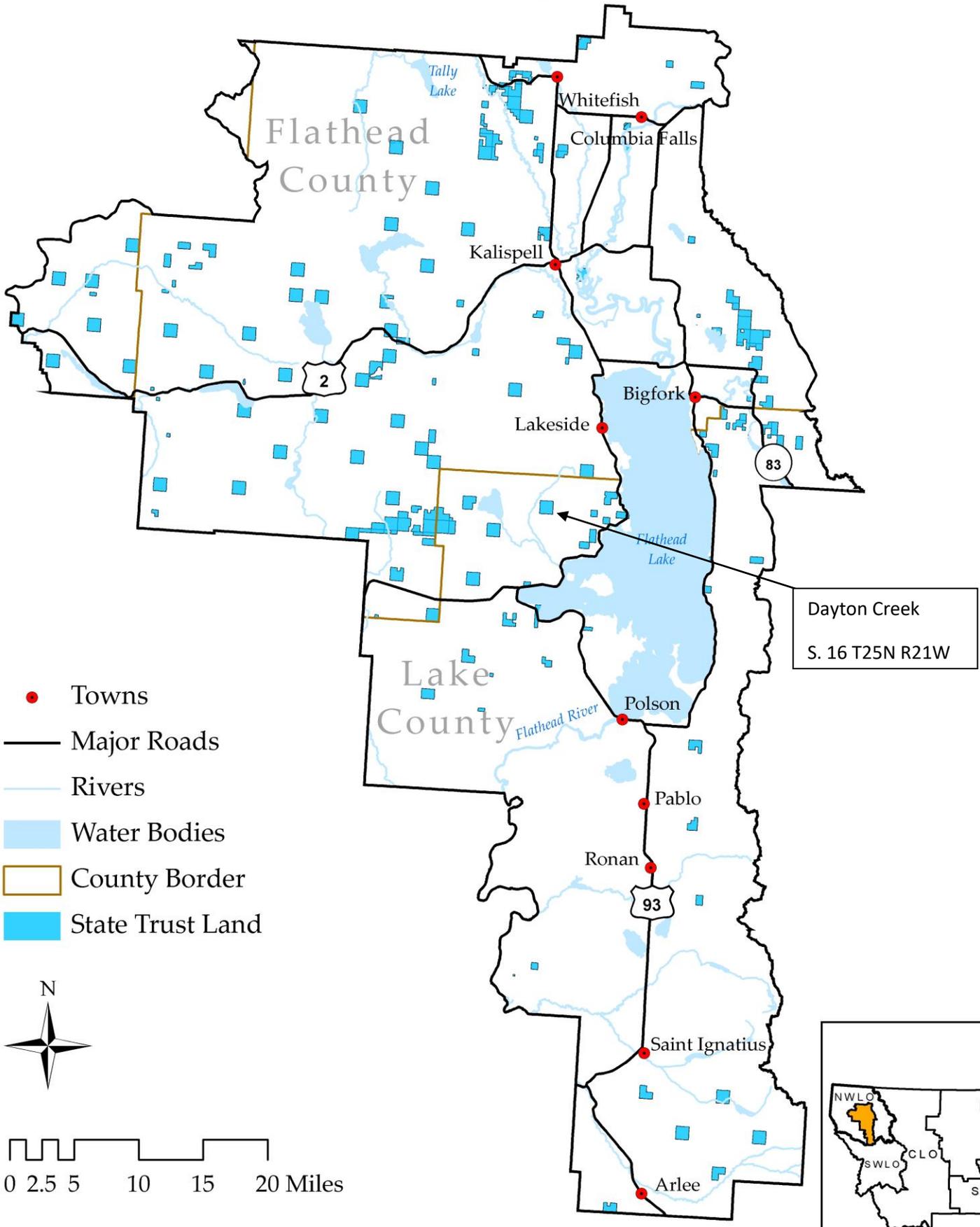
**Access:** DNRC was gifted and purchased easements for access to this project area.

**Public Comments:** There was one comment from The Department of Fish Wildlife and Parks (DFWP) with concerns about big game winter range in the project area. In order to mitigate this concern, we consulted with DNRC biologists and provided mitigation in the form of post-harvest road restrictions and maintaining no cut corridors through riparian areas to provide connectivity of winter range habitat.

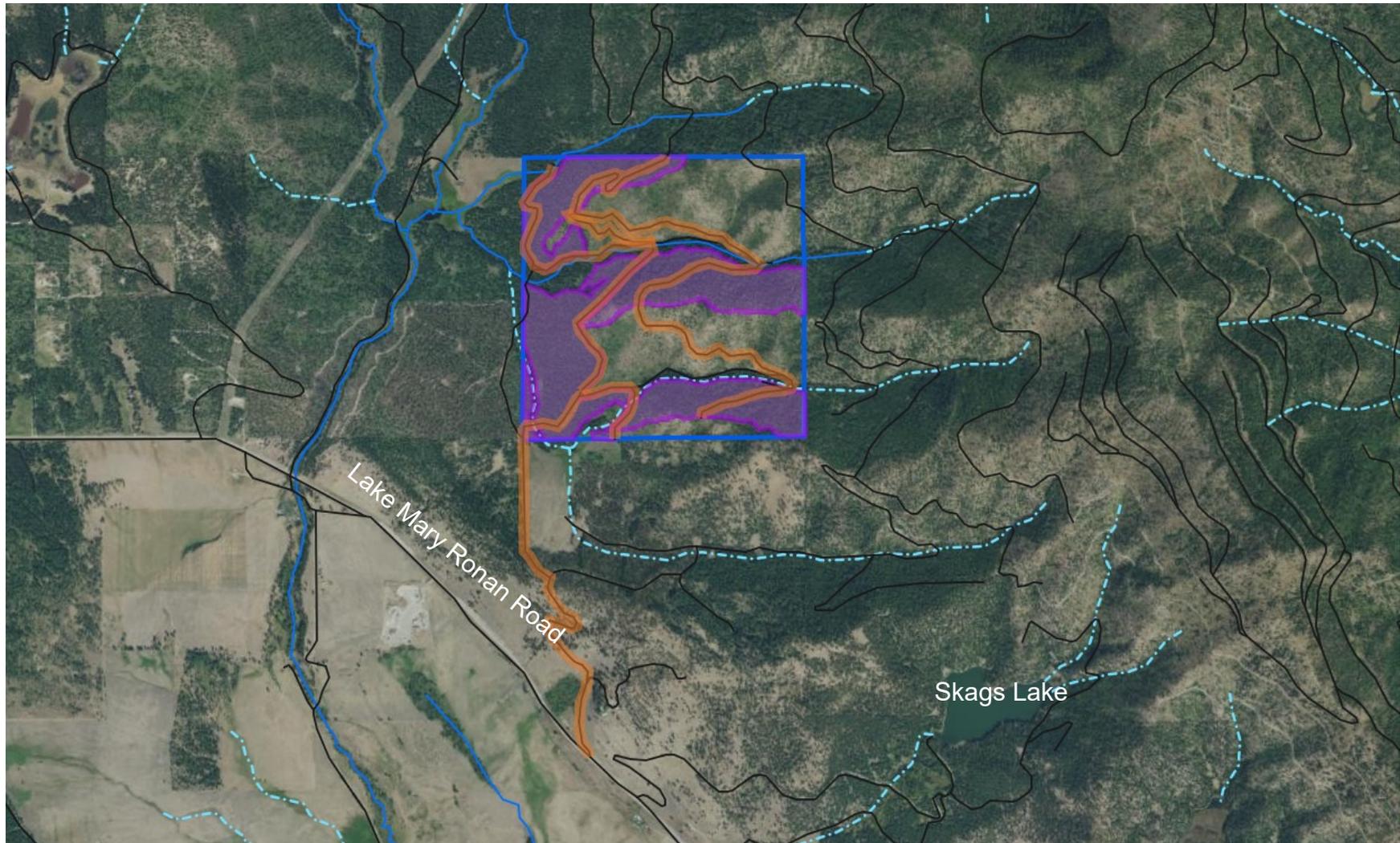
**DNRC Recommendation**

The director recommends the Land Board direct DNRC to sell the Dayton Creek Timber Sale.

# DAYTON CREEK VICINITY MAP KALISPELL UNIT



# Dayton Creek Timber Sale Haul Route and Harvest Units



- |                         |                           |            |
|-------------------------|---------------------------|------------|
| — Existing Road         | — Perennial Stream        | USFS Land  |
| — New Road              | - - - Intermittent Stream | USFWS Land |
| ... Road Reconstruction | Proposed Harvest Units    | BLM Land   |
| — Haul Route            | DNRC Surface Tracts       | MT FWP     |





# 1219-3

## DISCLAIMER OF INTEREST

George Stevens Land Trust



**Land Board Agenda Item  
December 16, 2019**

**1219-3 Disclaimer of Interest: George Stevens Land Trust**

**Location: Township 27 North, Range 8 East, Sections 23 & 26  
Chouteau County**

**Trust Benefits: N/A**

**Trust Revenue: N/A**

**Item Summary**

The George Stevens Land Trust filed a quiet title action against the Bureau of Land Management, a private landowner, and the State of Montana, through the Land Board and Department of Natural Resources and Conservation. In so doing, the Land Trust seeks to remove any potential clouds on title to property located adjacent to the Marias River. The Land Trust will dismiss the suit if it obtains disclaimers of interest. The Land Trust has sold the property and needs to clarify title to address concerns raised by the title company.

The stretch of the Marias River at issue is located 14 miles northwest of the town of Loma. [see Location Map on following page of this agenda item] Loma is also the location of the confluence of the Marias River with the Missouri River.

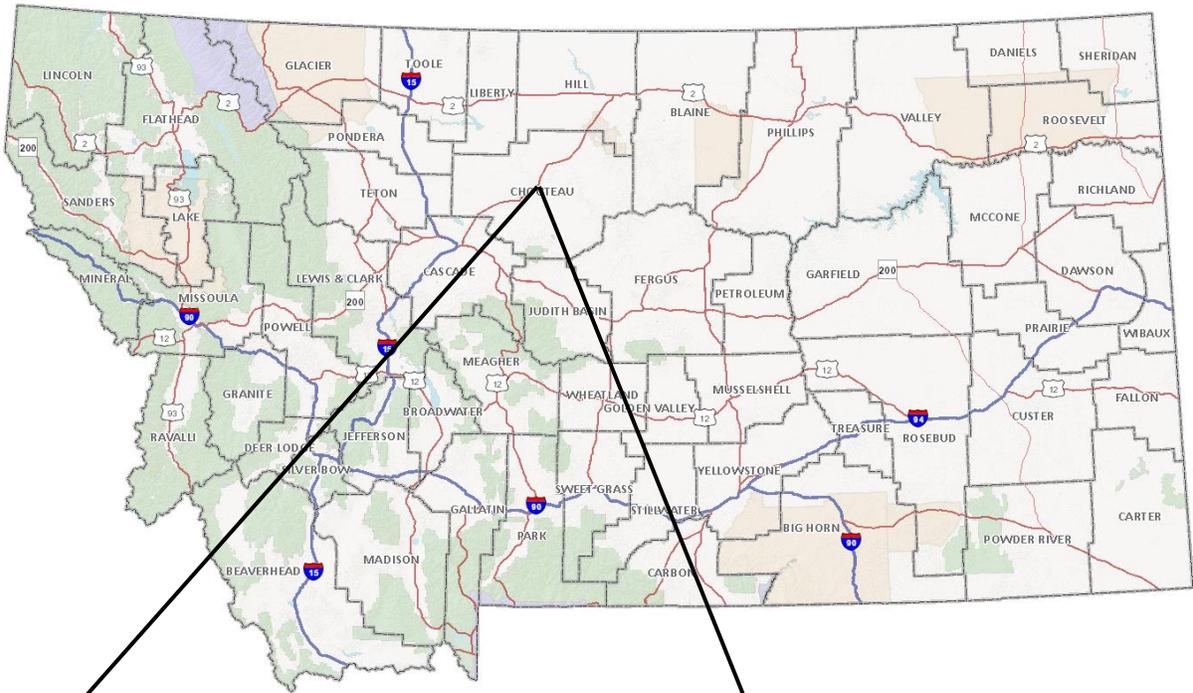
The State of Montana owns the beds of navigable rivers, which are designated by statute as public lands of the state. Conversely, the beds of non-navigable rivers are owned by the owner of the land on each side of the river, each landowner taking to the middle of the river. The State considers navigable waterways to be those waterways for which it has historical evidence of use in commerce. The department believes that based on available evidence and case law, this stretch of the Marias River would be adjudicated as navigable for title purposes.

This stretch of the Marias River was surveyed in 1898. [Exhibit 1] Sections 23 and 26 are outlined in black. However, the Marias River has moved significantly since 1898. Exhibit 2 shows both the historical 1898 and the resurveyed current locations of the river, as well as the property to be disclaimed by the State. Exhibit 3 presents most of the same information overlaid on an air photo of the area.

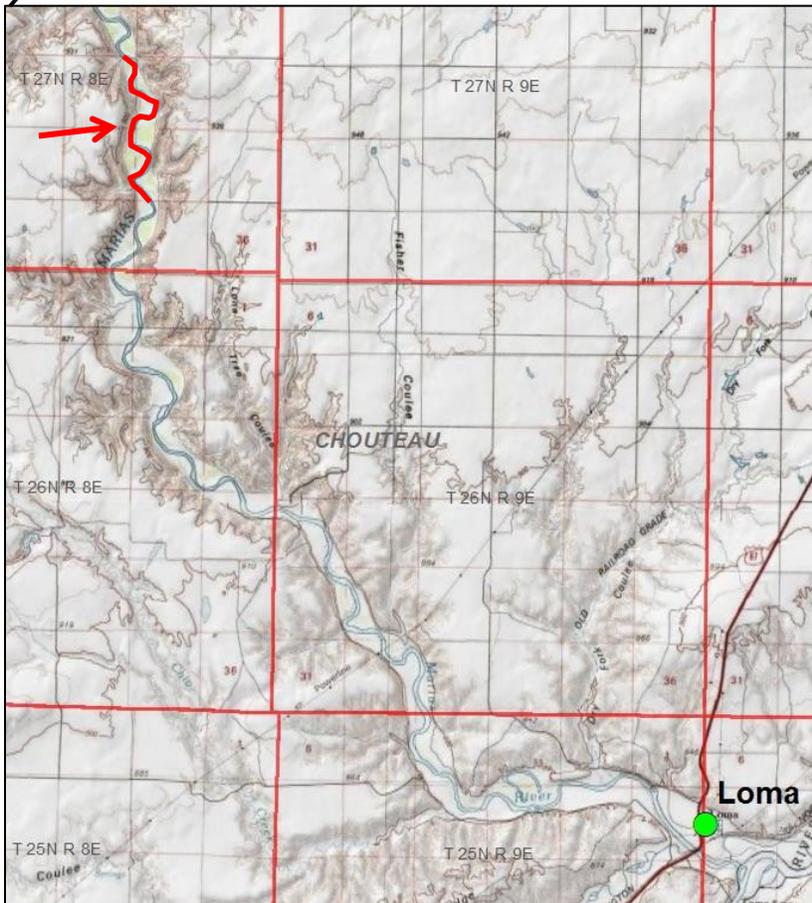
A proposed Disclaimer of Interest is attached as Exhibit 4. The document disclaims any State interest in the Land Trust property, while recognizing and preserving the State's ownership claim to the Marias riverbed and future islands.

**DNRC Recommendation**

The director recommends approval of the proposed Disclaimer of Interest.



Montana State Library



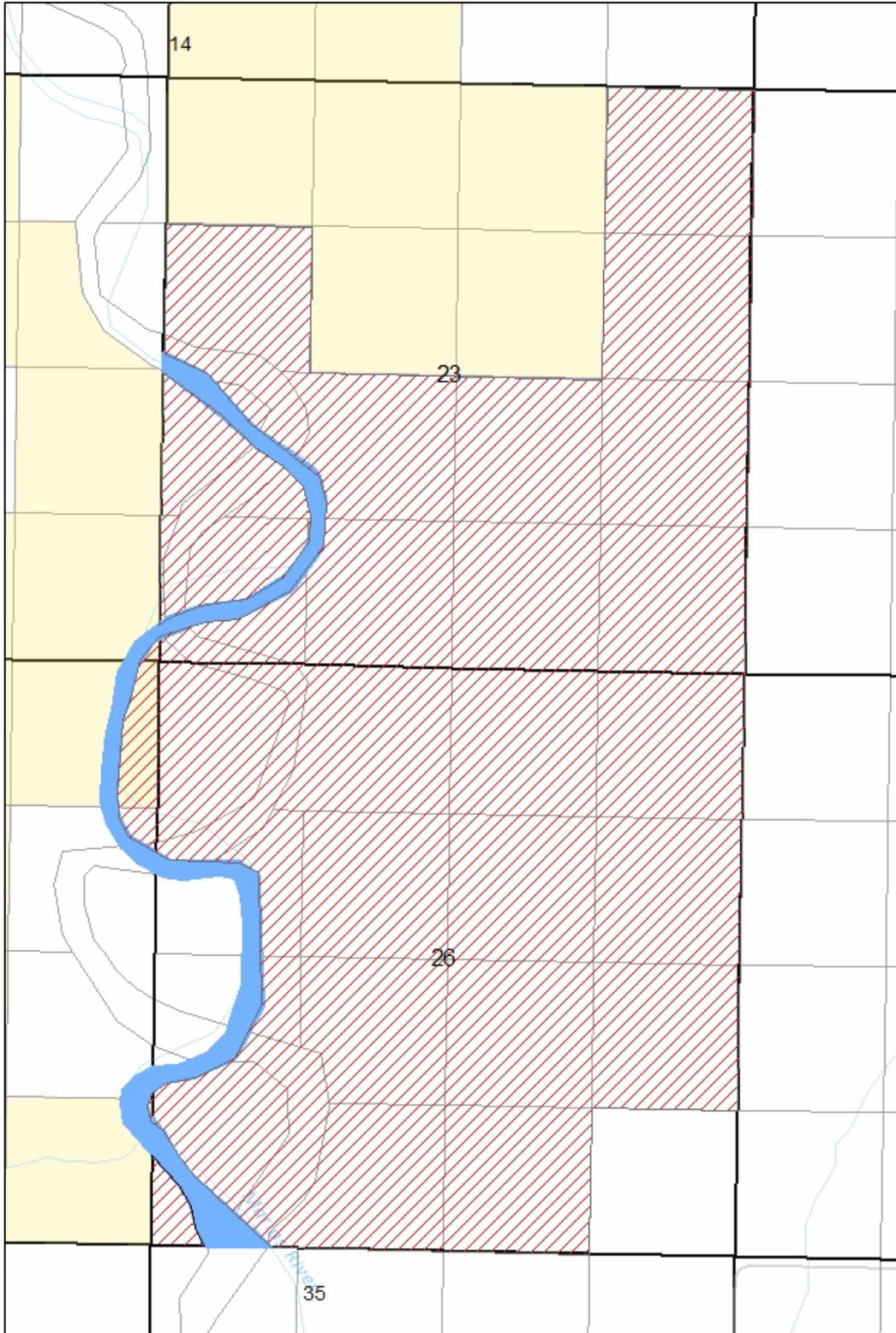
Location Map – Marias River

Exhibit 1



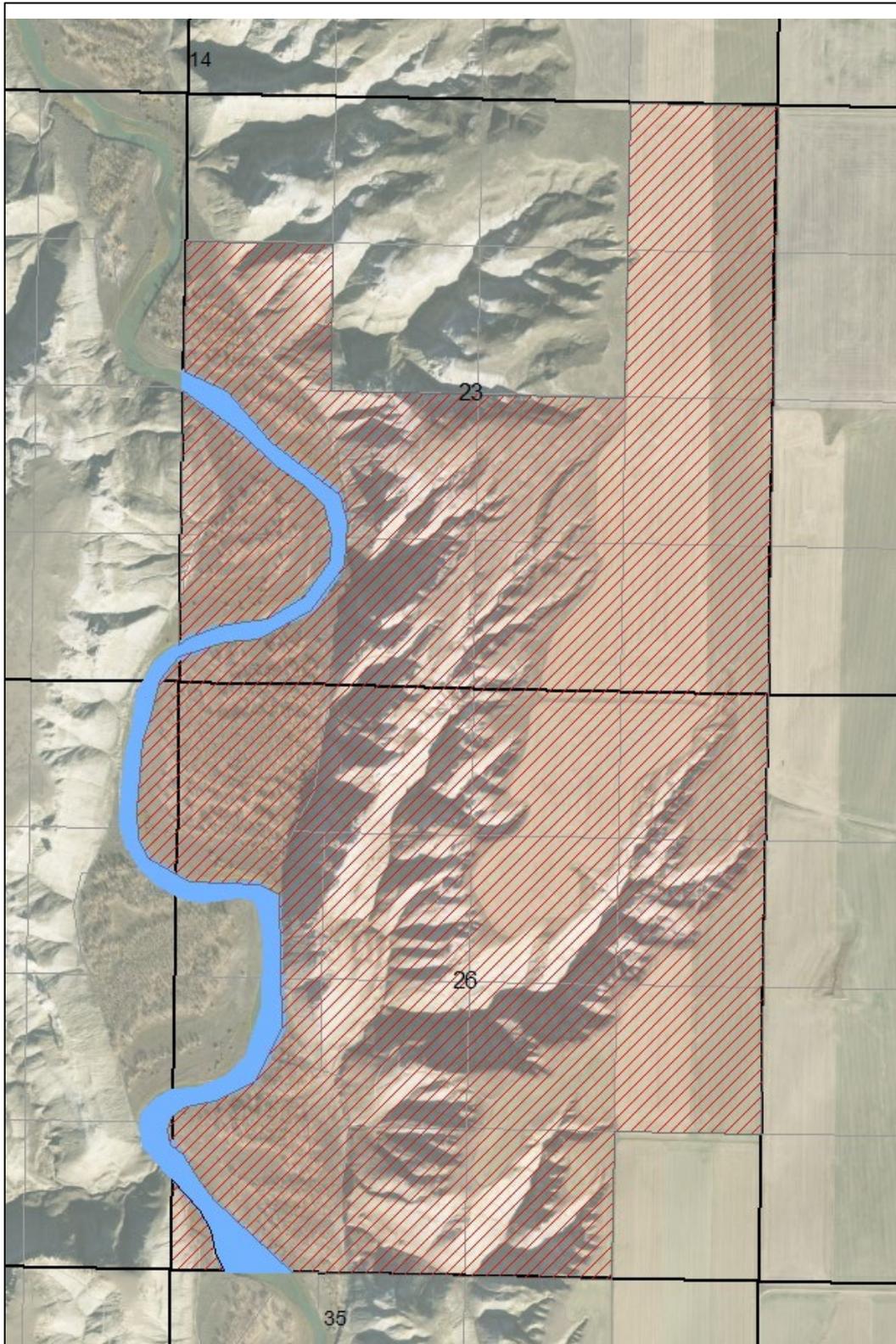
U.S. General Land Office Survey Plat, Approved June 30, 1898

Exhibit 2



Red Cross Hatch --- Area to be Disclaimed  
Blue --- Current Location of Marias River  
Grey Outline --- 1898 Location of Marias River  
Yellow --- BLM Surface Ownership

Exhibit 3



Aerial Photo of Area of Interest

After Recording Return to:

Exhibit 4

Monte Mason  
Minerals Management Bureau Chief  
Department of Natural Resources and Conservation  
P.O. Box 201601  
Helena, MT 59620-1601

**DISCLAIMER OF INTEREST FROM THE STATE OF MONTANA**

THE STATE OF MONTANA, acting by and through the State Board of Land Commissioners, whose address is P.O. Box 201601, Helena, MT, 59620-1601, hereby disclaims any and all interest in and to the following-described real property located in Chouteau County, Montana, to wit:

A tract of land located in Section 23 of Township 27 North, Range 8 East, P.M.M., County of Chouteau, State of Montana, being all of the following described lands:

The East half of the Northeast quarter ( $E\frac{1}{2}NE\frac{1}{4}$ ), Southeast quarter ( $SE\frac{1}{4}$ ), Southeast quarter of the Southwest quarter ( $SE\frac{1}{4}SW\frac{1}{4}$ ), and Lots 1 through 10, inclusive, as depicted on Page 2 of Certificate of Survey No. 208C, filed in the office of the Clerk and Recorder of Chouteau County on the 31<sup>st</sup> day of October 2019 at 3:00 o'clock p.m.;

And;

A tract of land located in Section 26 of Township 27 North, Range 8 East, P.M.M., County of Chouteau, State of Montana, being all of the following described lands:

The Northeast quarter ( $NE\frac{1}{4}$ ), the Northeast quarter of the Southeast quarter ( $NE\frac{1}{4}SE\frac{1}{4}$ ), the Northwest quarter of the Southeast quarter ( $NW\frac{1}{4}SE\frac{1}{4}$ ), the Southwest quarter of the Southeast quarter ( $SW\frac{1}{4}SE\frac{1}{4}$ ), the Southeast quarter of the Northwest quarter ( $SE\frac{1}{4}NW\frac{1}{4}$ ), and Lots 1 through 11, inclusive, as depicted on Page 3 of Certificate of Survey No. 208C, filed in the office of the Clerk and Recorder of Chouteau County on the 31<sup>st</sup> day of October 2019 at 3:00 o'clock p.m.;

A copy of said survey is attached hereto.

This Disclaimer of Interest is subject to all existing easements of record and to the reservation of the State of Montana of: the fee simple ownership of the active bed of the Marias River pursuant to Sections 70-1-202 and 70-16-201, MCA; the State's reservation of an easement for public use between the high-water marks of the Marias River pursuant to Section 87-2-305, MCA; and any

and all future changes from erosion, avulsion, or accretion, including but not limited to the formation of vertically accreted islands pursuant to Section 70-18-203, MCA, resulting in State ownership.

IN TESTIMONY WHEREOF the State of Montana has caused these presents to be executed by the Governor and to be attested by the Secretary of State and countersigned by the Director of the Montana Department of Natural Resources and Conservation, and the Great Seal of the State and the Seal of the State Board of Land Commissioners to be hereunto affixed this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

(GREAT SEAL OF  
THE STATE OF MONTANA)

\_\_\_\_\_  
STEVE BULLOCK  
Governor of the State of Montana

ATTEST:

\_\_\_\_\_  
COREY STAPLETON  
Secretary of State

Countersigned by: \_\_\_\_\_

(GREAT SEAL OF  
THE STATE BOARD  
OF LAND COMMISSIONERS)

JOHN E. TUBBS  
Director, Department of Natural Resources  
and Conservation

-----  
STATE OF MONTANA     )  
                                      :SS  
County of Chouteau     )

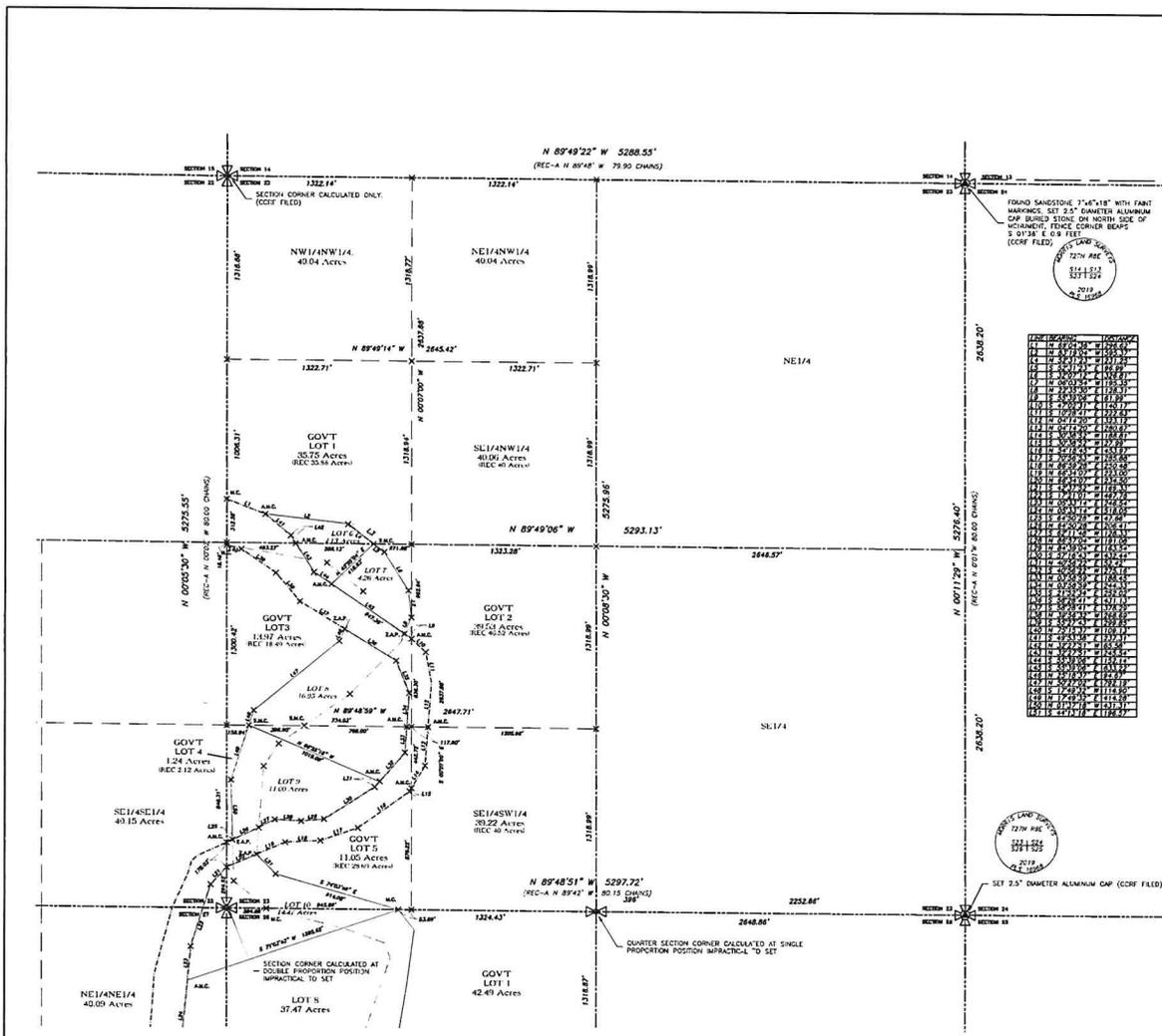
Document No.

Filed for record this \_\_\_\_\_ day of \_\_\_\_\_, 2019 at \_\_\_\_\_ o'clock  
\_\_\_\_M., recorded as Document No. \_\_\_\_\_ of the records of Chouteau County  
Clerk and Recorder.

Clerk & Recorder

By: \_\_\_\_\_,





**NOTES:**  
 The Scale of Bearings for this survey is referenced to a direct GPS measurement from geodetic north (using NGS 84, NAD83(2011), EPOCH2010.0000), resulting in a bearing of N 0°12'51\"/>

- LEGEND**
- Indicates a 5/8" diameter rebar, 24" in length, with a 2" diameter aluminum cap inscribed with "PLS 16968", set as a witness corner this survey.
  - ⊙ Indicates a 2 1/2" diameter rebar, 24" in length, with a 2-1/2" diameter aluminum cap inscribed as shown hereon, set this survey and certified corner.
  - ⊕ Indicates a stone, found this survey.
  - ⊗ Indicates a calculated point, nothing set
  - M.C. Meander Corner
  - S.M.C. Special Meander Corner
  - A.M.C. Auxiliary Meander Corner
  - Z.A.P. Zero Accretion Point
- Section Line  
 --- Quarter Section Line  
 --- Section Subdivision Line  
 --- Meander Line (2019)  
 --- Original Meander Line (1897)  
 --- Accreted Area (lot) Line 2019  
 --- Fence Line  
 --- Centerline of Road as mapped



SECTION	ACRES	REMARKS
1	40.04	NE1/4NW1/4
2	40.04	NE1/4NW1/4
3	40.04	NE1/4NW1/4
4	40.04	NE1/4NW1/4
5	40.04	NE1/4NW1/4
6	40.04	NE1/4NW1/4
7	40.04	NE1/4NW1/4
8	40.04	NE1/4NW1/4
9	40.04	NE1/4NW1/4
10	40.04	NE1/4NW1/4
11	40.04	NE1/4NW1/4
12	40.04	NE1/4NW1/4
13	40.04	NE1/4NW1/4
14	40.04	NE1/4NW1/4
15	40.04	NE1/4NW1/4
16	40.04	NE1/4NW1/4
17	40.04	NE1/4NW1/4
18	40.04	NE1/4NW1/4
19	40.04	NE1/4NW1/4
20	40.04	NE1/4NW1/4
21	40.04	NE1/4NW1/4
22	40.04	NE1/4NW1/4
23	40.04	NE1/4NW1/4
24	40.04	NE1/4NW1/4
25	40.04	NE1/4NW1/4
26	40.04	NE1/4NW1/4
27	40.04	NE1/4NW1/4
28	40.04	NE1/4NW1/4
29	40.04	NE1/4NW1/4
30	40.04	NE1/4NW1/4
31	40.04	NE1/4NW1/4
32	40.04	NE1/4NW1/4
33	40.04	NE1/4NW1/4
34	40.04	NE1/4NW1/4
35	40.04	NE1/4NW1/4
36	40.04	NE1/4NW1/4
37	40.04	NE1/4NW1/4
38	40.04	NE1/4NW1/4
39	40.04	NE1/4NW1/4
40	40.04	NE1/4NW1/4

**SURVEY COMMISSIONED BY:**  
 Leo Seminary

**NOTICE OF AGRICULTURAL AND INDUSTRIAL ACTIVITIES:**  
 Take notice that these parcels are in the vicinity of existing agricultural and industrial activities that may affect the use and/or enjoyment of the parcels.

**Purpose of Survey:**  
 The purpose of this survey is to provide a permanent record in the Office of the Clerk and Recorder, Chouteau County, Montana showing the Dependent Re-survey of Subdivision and Meander Lines in Sections 22, 23, 26 and 27, Township 27 North, Range 8 East, of the Principal Meridian of Montana. This Certificate of Survey is a retracement and shall not be subject to review as a subdivision. This survey has been prepared in conformance with the United States Department of Interior, Bureau of Land Management Manual of Surveying Instructions, and with the guidance of said agency.

**EXEMPT FROM REVIEW:**  
 This Certificate of Survey is exempt from review as a subdivision, by the definition of a subdivision pursuant to Montana Code Annotated section 76-3-103(16), whereas a subdivision "means a division of land"; this Certificate of Survey does not constitute a division of land.

**LOT INDEX:**

- GOVERNMENT LOT 1:**  
 Government Lot 1 has been retraced as part of this survey, in accordance with Chapter 8 of the 2009 BLM Manual of Survey Instructions, the accreted area has been defined as Lot 6. Lot 6 is the accreted area appurtenant to Lot 1.
- GOVERNMENT LOT 2:**  
 Government Lot 2 has been retraced as part of this survey, in accordance with Chapter 8 of the 2009 BLM Manual of Survey Instructions, the accreted area has been removed, due to erosion. The accreted area has been defined as Lot 7. Lot 7 is the accreted area appurtenant to Lot 2.
- GOVERNMENT LOT 3:**  
 Government Lot 3 has been retraced as part of this survey, in accordance with Chapter 8 of the 2009 BLM Manual of Survey Instructions, the accreted area has been removed, due to erosion. The accreted area has been defined as Lot 8. Lot 8 is the accreted area appurtenant to Lot 3.
- GOVERNMENT LOT 4:**  
 Government Lot 4 has been retraced as part of this survey, in accordance with Chapter 8 of the 2009 BLM Manual of Survey Instructions, the accreted area has been removed, due to erosion. The accreted area has been defined as Lot 9. Lot 9 is the accreted area appurtenant to Lot 4.
- GOVERNMENT LOT 5:**  
 Government Lot 5 has been retraced as part of this survey, in accordance with Chapter 8 of the 2009 BLM Manual of Survey Instructions, the accreted area has been removed, due to erosion. The accreted area has been defined as Lot 10. Lot 10 is the accreted area appurtenant to Lot 5.
- SE1/4SW1/4:**  
 The Southwest one-quarter of the Southwest one-quarter of Section 23 has been retraced as part of this survey, in accordance with Chapter 8 of the 2009 BLM Manual of Survey Instructions, the accreted area has been removed, due to erosion.
- LOT 6:**  
 This area is the accreted area between the historic left bank meander line of the Marias River and the current left bank meander line of the Marias River, with the side line determined by the "Proportionate Shore Line Method" as detailed in Chapter 8 of the 2009 BLM Manual of Survey Instructions, this accreted area is appurtenant to Government Lot 1.
- LOT 7:**  
 This area is the accreted area between the historic left bank meander line of the Marias River and the current left bank meander line of the Marias River, with the side line determined by the "Proportionate Shore Line Method" as detailed in Chapter 8 of the 2009 BLM Manual of Survey Instructions, this accreted area is appurtenant to Government Lot 2.
- LOT 8:**  
 This area is the accreted area between the historic right bank meander line of the Marias River and the current right bank meander line of the Marias River, with the side line determined by the "Proportionate Shore Line Method" as detailed in Chapter 8 of the 2009 BLM Manual of Survey Instructions, this accreted area is appurtenant to Government Lot 3.
- LOT 9:**  
 This area is the accreted area between the historic right bank meander line of the Marias River and the current right bank meander line of the Marias River, with the side line determined by the "Proportionate Shore Line Method" as detailed in Chapter 8 of the 2009 BLM Manual of Survey Instructions, this accreted area is appurtenant to Government Lot 4.
- LOT 10:**  
 This area is the accreted area between the historic left bank meander line of the Marias River and the current left bank meander line of the Marias River, with the side line determined by the "Proportionate Shore Line Method" as detailed in Chapter 8 of the 2009 BLM Manual of Survey Instructions, this accreted area is appurtenant to Government Lot 5.

**SPECIAL NOTE:**  
 The precision of measurements to and along the meander lines has been overstated hereon. State statutes require that measurements are illustrated to the nearest tenth of a foot, and measurements to the meander corners and lines should be considered overstated and the observed precision within half a degree and the nearest tenth of a chain.

**CERTIFICATE OF SURVEYOR:**  
 State of Montana) ss  
 County of Chouteau)

I, Matthew D. Morris, of Choteau, Montana, and I Colton D. Jones of Cheyenne, Wyoming certify that this map was made from notes taken during an actual survey performed by us and under our direction during the months of June through August 2016, and from records on file with the Office of the Clerk and Recorder, Chouteau County, Montana;

that this Certificate of Survey correctly represents the points and corners as set or found at the time of said survey;

Matthew D. Morris PLS, CRES  
 Montana Professional Land Surveyor License Number 16968;  
 Certified Federal Surveyor Certificate Number 1342

Colton D. Jones PLS, CRES  
 Montana Professional Land Surveyor License Number 18356;  
 Certified Federal Surveyor Certificate Number 1148



**CERTIFICATE OF SURVEY**  
 SHOWING A  
**DEPENDENT RE-SURVEY**  
**OF SUBDIVISION**  
**AND MEANDER LINES**  
 PREPARED FOR  
**THE GEORGE STEVENS LAND TRUST**  
 BEING LOCATED WITHIN THE  
 T. 27 N., R. 8 E., P.M., MT,  
 CHOUTEAU COUNTY, MONTANA  
 PAGE 2 OF 3





# 1219-4

OIL AND GAS LEASE SALE:

December 3, 2019



**Land Board Agenda Item  
December 16, 2019**

**1219-4 Oil and Gas Lease Sale (December 3, 2019)**

**Location: Fallon, Musselshell, Petroleum, Richland, Rosebud, Toole, Wibaux Counties**

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

**Trust Revenue: \$327,035.41**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) held an oil and gas lease sale on December 3, 2019, in the Montana Room at the Montana DNRC building. A total of eighty-three tracts were offered for lease. Eighty-three tracts were leased for a total of \$327,035.41. The eighty-three tracts that were sold covered a total of 33,473.82 acres. The average bid per acre was \$9.77.

The high competitive bid for the December 3, 2019 sale was \$220.00 per acre for Tract 21 in Richland County and the largest total bid was \$22,400.00 for Tract 8 in Fallon County.

**DNRC Recommendation**

The director requests Land Board approval to issue the leases from the December 3, 2019 oil and gas lease sale.

**State of Montana  
Oil & Gas Lease Sale - December 3, 2019  
Lease Sale Results**

The following described lands were offered for oil and gas leasing through oral competitive bidding in the Department of Natural Resources and Conservation Montana Room, 1539 Eleventh Avenue, Helena, Montana, beginning at 9:00 am, December 3, 2019.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
<b>Fallon</b>									
1	1, 2, 3, 4, 5, 6, 9	8.N	60.E	26	SE4, INCLUDING ALL FORMATIONS EXCEPT THE RED RIVER FORMATION	160.00	\$3.00	\$480.00	PRIMARY FUELS, LLC
2	1, 2, 3, 4, 5, 6, 9	8.N	60.E	36	W2, INCLUDING ALL FORMATIONS EXCEPT THE RED RIVER FORMATION	320.00	\$3.00	\$960.00	PRIMARY FUELS, LLC
3	1, 2, 3, 4, 5, 6, 9	8.N	60.E	36	E2	320.00	\$10.00	\$3,200.00	PRIMARY FUELS, LLC
4	1, 2, 3, 4, 5, 6, 7, 9	8.N	61.E	16	ALL	640.00	\$13.00	\$8,320.00	PRIMARY FUELS, LLC
5	1, 2, 3, 4, 5, 6, 9	8.N	61.E	28	E2, INCLUDING ALL FORMATIONS EXCEPT THE RED RIVER FORMATION	320.00	\$7.00	\$2,240.00	PRIMARY FUELS, LLC
6	1, 2, 3, 4, 5, 6, 7, 9	8.N	61.E	36	LOTS 1, 2, 3, 4	112.40	\$21.00	\$2,360.40	KKREP, LLC
7	1, 2, 3, 4, 5, 6, 9	10.N	58.E	2	LOTS 1, 2, S2NE4, SE4	319.54	\$61.00	\$19,491.94	PRIMARY FUELS, LLC
8	1, 2, 3, 4, 5, 6, 7, 9	11.N	58.E	36	ALL	640.00	\$35.00	\$22,400.00	PRIMARY FUELS, LLC
<b>Musselshell</b>									
9	1, 2, 3, 4, 5, 6, 7, 10	10.N	27.E	16	ALL	640.00	\$1.50	\$960.00	BTC OIL PROPERTIES, LLC
10	1, 2, 3, 4, 5, 6, 7, 10	10.N	27.E	36	LOTS 1-7, NW4, W2NE4, NW4SE4, N2SW4	635.35	\$1.50	\$953.02	BTC OIL PROPERTIES, LLC
11	1, 2, 3, 4, 5, 6, 7, 10, 11	10.N	28.E	16	ALL	640.00	\$10.00	\$6,400.00	BTC OIL PROPERTIES, LLC
12	1, 2, 3, 4, 5, 6, 7, 10	10.N	28.E	29	ALL	640.00	\$1.50	\$960.00	BTC OIL PROPERTIES, LLC
13	1, 2, 3, 4, 5, 6, 10	10.N	28.E	31	LOTS 1, 2, 3, 4, E2W2, E2	635.52	\$1.50	\$953.28	BTC OIL PROPERTIES, LLC
14	1, 2, 3, 4, 5, 6, 9	11.N	27.E	16	ALL	640.00	\$1.50	\$960.00	BTC OIL PROPERTIES, LLC
15	1, 2, 3, 4, 5, 6, 10	11.N	27.E	36	ALL	640.00	\$1.50	\$960.00	BTC OIL PROPERTIES, LLC
16	1, 2, 3, 4, 5, 6, 10	11.N	28.E	36	LOTS 1, 2, 3, 4, N2, N2S2	649.12	\$6.00	\$3,894.72	BTC OIL PROPERTIES, LLC
<b>Petroleum</b>									
17	1, 2, 3, 4, 5, 6, 7, 10	12.N	27.E	2	LOTS 1, 2	64.95	\$1.54	\$100.00	BTC OIL PROPERTIES, LLC
18	1, 2, 3, 4, 5, 6, 7, 10	12.N	27.E	16	ALL	640.00	\$1.50	\$960.00	BTC OIL PROPERTIES, LLC
19	1, 2, 3, 4, 5, 6, 7, 9, 16	12.N	27.E	36	ALL	640.00	\$1.50	\$960.00	BTC OIL PROPERTIES, LLC
20	1, 2, 3, 4, 5, 6, 9	12.N	28.E	16	ALL	640.00	\$1.50	\$960.00	BTC OIL PROPERTIES, LLC
<b>Richland</b>									
21	1, 2, 3, 4, 5, 6, 12, 14	27.N	53.E	1	ANY AND ALL STATE INTEREST UNDER THE MISSOURI RIVERBED AND RELATED ACREAGE	78.00	\$220.00	\$17,160.00	SUNSHINE PACIFIC CORP.
22	1, 2, 3, 4, 5, 6, 12, 14	27.N	53.E	2	ANY AND ALL STATE INTEREST UNDER THE MISSOURI RIVERBED AND RELATED ACREAGE	78.00	\$210.00	\$16,380.00	KKREP, LLC
<b>Rosebud</b>									
23	1, 2, 3, 4, 5, 6, 7, 10	10.N	36.E	6	LOTS 1, 2, 3, 4, 5, SE4NW4, S2NE4	* 311.60	\$22.00	\$6,855.20	BTC OIL PROPERTIES, LLC
24	1, 2, 3, 4, 5, 6, 7, 10	10.N	36.E	9	ALL	640.00	\$22.00	\$14,080.00	BTC OIL PROPERTIES, LLC

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
<b>Rosebud</b>									
25	1, 2, 3, 4, 5, 6, 7, 10	10.N	36.E	16	ALL	640.00	\$22.00	\$14,080.00	BTC OIL PROPERTIES, LLC
26	1, 2, 3, 4, 5, 6, 7, 10	11.N	35.E	16	ALL	640.00	\$27.00	\$17,280.00	BTC OIL PROPERTIES, LLC
27	1, 2, 3, 4, 5, 6, 7, 10	11.N	36.E	16	ALL	640.00	\$22.00	\$14,080.00	BTC OIL PROPERTIES, LLC
28	1, 2, 3, 4, 5, 6, 10	11.N	36.E	36	ALL	* 640.00	\$22.00	\$14,080.00	BTC OIL PROPERTIES, LLC
29	1, 2, 3, 4, 5, 6, 7, 10	12.N	35.E	16	ALL	640.00	\$15.00	\$9,600.00	BTC OIL PROPERTIES, LLC
30	1, 2, 3, 4, 5, 6, 7, 10	12.N	35.E	36	ALL	640.00	\$13.00	\$8,320.00	BTC OIL PROPERTIES, LLC
31	1, 2, 3, 4, 5, 6, 7, 10	12.N	36.E	10	N2NW4, NE4, N2SE4	320.00	\$13.00	\$4,160.00	BTC OIL PROPERTIES, LLC
32	1, 2, 3, 4, 5, 6, 7, 10	12.N	36.E	16	ALL	640.00	\$13.00	\$8,320.00	BTC OIL PROPERTIES, LLC
33	1, 2, 3, 4, 5, 6, 7, 10	12.N	36.E	36	ALL	640.00	\$13.00	\$8,320.00	BTC OIL PROPERTIES, LLC
<b>Toole</b>									
34	1, 2, 3, 4, 5, 6, 8	33.N	1.E	6	LOT 2, SW4NE4	79.80	\$11.00	\$877.80	SWANSON, TOM E.
35	1, 2, 3, 4, 5, 6	33.N	1.E	16	ALL	640.00	\$1.50	\$960.00	SWANSON, TOM E.
36	1, 2, 3, 4, 5, 6	33.N	1.E	21	SE4NW4, SW4NE4	80.00	\$1.50	\$120.00	SWANSON, TOM E.
37	1, 2, 3, 4, 5, 6, 8	34.N	1.E	3	SW4	160.00	\$1.50	\$240.00	SWANSON, TOM E.
38	1, 2, 3, 4, 5, 6	34.N	1.E	10	NE4	* 160.00	\$1.50	\$240.00	SWANSON, TOM E.
39	1, 2, 3, 4, 5, 6	34.N	1.E	11	SW4	* 160.00	\$1.50	\$240.00	SWANSON, TOM E.
40	1, 2, 3, 4, 5, 6, 11	34.N	1.E	13	NW4	* 160.00	\$1.50	\$240.00	SWANSON, TOM E.
41	1, 2, 3, 4, 5, 6, 11	34.N	1.E	14	NE4	* 160.00	\$1.50	\$240.00	SWANSON, TOM E.
42	1, 2, 3, 4, 5, 6	34.N	1.E	30	W2	* 320.00	\$13.00	\$4,160.00	SWANSON, TOM E.
43	1, 2, 3, 4, 5, 6	34.N	1.E	36	ALL, BELOW THE BASE OF THE KOOTENAI FORMATION	* 640.00	\$1.50	\$960.00	SWANSON, TOM E.
44	1, 2, 3, 4, 5, 6	35.N	1.E	2	SW4	160.00	\$1.50	\$240.00	SWANSON, TOM E.
45	1, 2, 3, 4, 5, 6, 11	35.N	1.E	3	LOTS 1, 2, S2NE4, SE4	323.10	\$1.50	\$484.65	SWANSON, TOM E.
46	1, 2, 3, 4, 5, 6, 11	35.N	1.E	10	NE4	160.00	\$1.50	\$240.00	SWANSON, TOM E.
47	1, 2, 3, 4, 5, 6, 11	35.N	1.E	11	W2	320.00	\$1.50	\$480.00	SWANSON, TOM E.
48	1, 2, 3, 4, 5, 6, 11	35.N	1.E	14	E2	* 320.00	\$1.50	\$480.00	SWANSON, TOM E.
49	1, 2, 3, 4, 5, 6, 11	35.N	1.E	24	N2, SE4	480.00	\$1.50	\$720.00	SWANSON, TOM E.
50	1, 2, 3, 4, 5, 6	35.N	1.E	36	ALL	640.00	\$1.50	\$960.00	SWANSON, TOM E.
51	1, 2, 3, 4, 5, 6	32.N	1.W	10	SE4, BELOW THE BASE OF THE BLACKLEAF FORMATION	* 160.00	\$9.00	\$1,440.00	SWANSON, TOM E.
52	1, 2, 3, 4, 5, 6	32.N	1.W	11	NE4, S2, BELOW THE BASE OF THE BLACKLEAF FORMATION	* 480.00	\$9.00	\$4,320.00	SWANSON, TOM E.
53	1, 2, 3, 4, 5, 6	32.N	1.W	14	SW4, BELOW THE BASE OF THE BLACKLEAF FORMATION	* 160.00	\$9.00	\$1,440.00	SWANSON, TOM E.
54	1, 2, 3, 4, 5, 6	32.N	1.W	15	SE4, BELOW THE BASE OF THE BLACKLEAF FORMATION	* 160.00	\$9.00	\$1,440.00	SWANSON, TOM E.
55	1, 2, 3, 4, 5, 6	32.N	1.W	16	N2, N2S2, S2SE4, BELOW THE BASE OF THE KOOTENAI FORMATION	* 560.00	\$9.00	\$5,040.00	SWANSON, TOM E.
56	1, 2, 3, 4, 5, 6	32.N	1.W	16	S2SW4	* 80.00	\$9.00	\$720.00	SWANSON, TOM E.
57	1, 2, 3, 4, 5, 6	32.N	1.W	22	N2	* 320.00	\$9.00	\$2,880.00	SWANSON, TOM E.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
<b>Toole</b>									
58	1, 2, 3, 4, 5, 6	32.N	1.W	23	S2SE4, BELOW THE BASE OF THE KOOTENAI FORMATION	80.00	\$9.00	\$720.00	SWANSON, TOM E.
59	1, 2, 3, 4, 5, 6	32.N	1.W	24	S2S2, BELOW THE BASE OF THE KOOTENAI FORMATION	* 160.00	\$9.00	\$1,440.00	SWANSON, TOM E.
60	1, 2, 3, 4, 5, 6	32.N	1.W	24	N2	* 320.00	\$4.00	\$1,280.00	SWANSON, TOM E.
61	1, 2, 3, 4, 5, 6	32.N	1.W	25	N2, BELOW THE BASE OF THE BLACKLEAF FORMATION	* 320.00	\$2.50	\$800.00	SWANSON, TOM E.
62	1, 2, 3, 4, 5, 6	32.N	1.W	26	E2, BELOW THE BASE OF THE BLACKLEAF FORMATION	* 320.00	\$2.50	\$800.00	SWANSON, TOM E.
63	1, 2, 3, 4, 5, 6	32.N	1.W	27	S2S2, BELOW THE BASE OF THE BLACKLEAF FORMATION	* 160.00	\$2.50	\$400.00	SWANSON, TOM E.
64	1, 2, 3, 4, 5, 6	32.N	1.W	28	SE4	* 160.00	\$1.50	\$240.00	SWANSON, TOM E.
65	1, 2, 3, 4, 5, 6, 11, 13	32.N	1.W	36	ALL, BELOW THE BASE OF THE BLACKLEAF FORMATION	* 640.00	\$1.50	\$960.00	SWANSON, TOM E.
66	1, 2, 3, 4, 5, 6, 15	32.N	2.W	21	SW4NE4, N2SE4, SE4SE4, NE4SW4	* 200.00	\$1.50	\$300.00	SWANSON, TOM E.
67	1, 2, 3, 4, 5, 6, 8	32.N	2.W	36	ALL	640.00	\$1.50	\$960.00	SWANSON, TOM E.
68	1, 2, 3, 4, 5, 6	33.N	1.W	16	ALL, BELOW THE BASE OF THE RIERDON FORMATION	640.00	\$3.50	\$2,240.00	SWANSON, TOM E.
69	1, 2, 3, 4, 5, 6	33.N	1.W	23	S2, BELOW THE BASE OF THE SWIFT FORMATION	* 320.00	\$1.50	\$480.00	SWANSON, TOM E.
70	1, 2, 3, 4, 5, 6	33.N	1.W	26	E2, BELOW THE BASE OF THE SWIFT FORMATION	* 320.00	\$1.50	\$480.00	SWANSON, TOM E.
71	1, 2, 3, 4, 5, 6	33.N	1.W	36	ALL, BELOW THE BASE OF THE BLACKLEAF FORMATION	* 640.00	\$1.50	\$960.00	SWANSON, TOM E.
72	1, 2, 3, 4, 5, 6	33.N	2.W	13	SE4, ALL BELOW THE BASE OF THE SWIFT FORMATION	160.00	\$1.50	\$240.00	SWANSON, TOM E.
73	1, 2, 3, 4, 5, 6	33.N	2.W	15	E2, BELOW THE BASE OF THE SWIFT FORMATION	320.00	\$9.00	\$2,880.00	SWANSON, TOM E.
74	1, 2, 3, 4, 5, 6, 8, 11	33.N	2.W	16	ALL, BELOW THE BASE OF THE DUPEROW FORMATION	640.00	\$10.00	\$6,400.00	SWANSON, TOM E.
75	1, 2, 3, 4, 5, 6	33.N	2.W	36	ALL, BELOW THE BASE OF THE KOOTENAI FORMATION	640.00	\$9.00	\$5,760.00	SWANSON, TOM E.
76	1, 2, 3, 4, 5, 6	34.N	2.W	16	ALL, BELOW THE BASE OF THE RIERDON FORMATION	* 640.00	\$10.00	\$6,400.00	SWANSON, TOM E.
77	1, 2, 3, 4, 5, 6, 7	34.N	2.W	21	SE4NW4, NW4NE4, N2S2, SE4SE4, SW4SW4, BELOW THE BASE OF THE RIERDON FORMATION	320.00	\$9.00	\$2,880.00	SOG RESOURCES
78	1, 2, 3, 4, 5, 6, 7	34.N	2.W	28	NW4NW4, S2NW4, E2NE4, N2SE4, NE4SW4, BELOW THE BASE OF THE RIERDON FORMATION	320.00	\$9.00	\$2,880.00	SOG RESOURCES
79	1, 2, 3, 4, 5, 6	35.N	1.W	16	ALL, BELOW THE BASE OF THE BLACKLEAF FORMATION	640.00	\$9.00	\$5,760.00	SWANSON, TOM E.
80	1, 2, 3, 4, 5, 6, 11	35.N	1.W	30	LOTS 1, 2, 3, 4, SE4SW4, BELOW THE BASE OF THE MISSION CANYON FORMATION	186.44	\$10.00	\$1,864.40	SWANSON, TOM E.
81	1, 2, 3, 4, 5, 6	35.N	2.W	36	N2NW4, BELOW THE BASE OF THE MISSION CANYON FORMATION	80.00	\$9.00	\$720.00	SWANSON, TOM E.
<b>Wibaux</b>									
82	1, 2, 3, 4, 5, 6, 7, 9	11.N	58.E	16	ALL	640.00	\$21.00	\$13,440.00	PRIMARY FUELS, LLC

Tract	Stipulations	Twp Rng Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
83	1, 2, 3, 4, 5, 6, 7, 9	12.N 57.E	16 N2, SE4, N2SW4, SE4SW4	600.00	\$9.00	\$5,400.00	PRIMARY FUELS, LLC

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

## Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	33,473.82	83

## Oil and Gas Lease Sale Summary

Total Tracts	83
Total Acres	33,473.82
Total Bid Revenue	\$327,035.41
Average Bid Per Acre	\$9.77

**State of Montana**  
**Oil & Gas Lease Sale - December 3, 2019**  
**Stipulations**

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- 1 Lessee shall notify and obtain approval from the Department's Trust Land Management Division (TLMD) prior to constructing well pads, roads, power lines, and related facilities that may require surface disturbance on the tract. Lessee shall comply with any mitigation measures stipulated in TLMD's approval.
- 2 Prior to the drilling of any well on or into the lease premises, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.  
  
Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.
- 3 The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
- 4 The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises. The lessee's methods of control shall be reviewed and approved by the Department's Unit Office that has jurisdiction for that locale.
- 5 The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
- 6 If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
- 7 Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
- 8 The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.
- 9 This lease is located within designated sage grouse general habitat. Proposed activities are subject to, and shall comply with, all provisions, stipulations and mitigation requirements of the Montana Sage Grouse Habitat Conservation Strategy, as implemented by Governor's Executive Orders 10-2014, 12-2015, and amendments thereto. Contact the TLMD prior to preparing a project proposal.
- 10 This lease is located within designated sage grouse core habitat. Proposed activities are subject to, and shall comply with, all provisions, stipulations and mitigation requirements of the Montana Sage Grouse Habitat Conservation Strategy, as implemented by Governor's Executive Orders 10-2014, 12-2015, and amendments thereto. Contact the TLMD prior to preparing a project proposal.
- 11 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 12 This tract contains navigable riverbeds. No surface occupancy is allowed within the bed of the navigable river, abandoned channels, or on islands and accretions. In addition, upon completion of a successful well, where river title is disputed, the lessee will file an interpleader action under Rule 22, M.R.Civ.P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which the title is disputed. The lessee shall name all potential royalty claimants as defendants.
- 13 No surface occupancy of the cemetery site is permitted without written approval of TLMD.

- 14 If the lessee completes a successful oil and/or gas well, and if land title is disputed, the lessee shall fund professional land surveys as needed to determine the location and acreage encompassed by the spacing and/or pooling unit and the state lease acreage within that unit. Surveys shall be conducted by a licensed land surveyor acceptable to the Department, and shall be prepared pursuant to survey requirements provided by the Department.
- 15 No surface occupancy shall be allowed on this tract.
- 16 Wildlife species of concern have been identified on or near this tract. Identified species will be avoided, unless otherwise authorized by the TLMD. Additional mitigation measures may also be required.



# 1219-5

CABIN AND HOMESITE:  
SET MINIMUM BID FOR SALE



**Land Board Agenda Item  
December 16, 2019**

**1219-5 Cabin and Home Sites: Set Minimum Bid for Sale**

**Location:** Flathead County  
**Trust Benefits:** Montana Tech  
**Trust Revenue:** \$176,000

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) requests to set the minimum bid for the sale of a cabin site in Flathead County. This sale was nominated by the lessees in conjunction with the Cabin and Home Site Sale Program and brought to the Land Board for preliminary approval in March 2018.

<b>Sale Number</b>	<b># of Acres</b>	<b>Legal</b>	<b>Nominator</b>	<b>Trust</b>
952	1.255 ±	Lot 6, Rogers Lake, COS 20991, Sec. 30, T27N-R23W	Linda Garstang	Montana Tech

This sale 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 to the current lessee under their lease agreement.

**Economic Analysis**

Short term – The average rate of return for the sale parcel is 1.549%.

Long term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement lands through DNRC’s Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 2.62% on acquisitions with income generated from annual lease payments.

**Cultural/Paleontological Resources**

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

**Appraised Value**

The values for this sale parcel was set after a hearing on the originally-appraised value of the land which took place in October 2019. The hearing was requested by the sale proponents within the time frame allotted by the Cabin and Home Site Sale Program process.

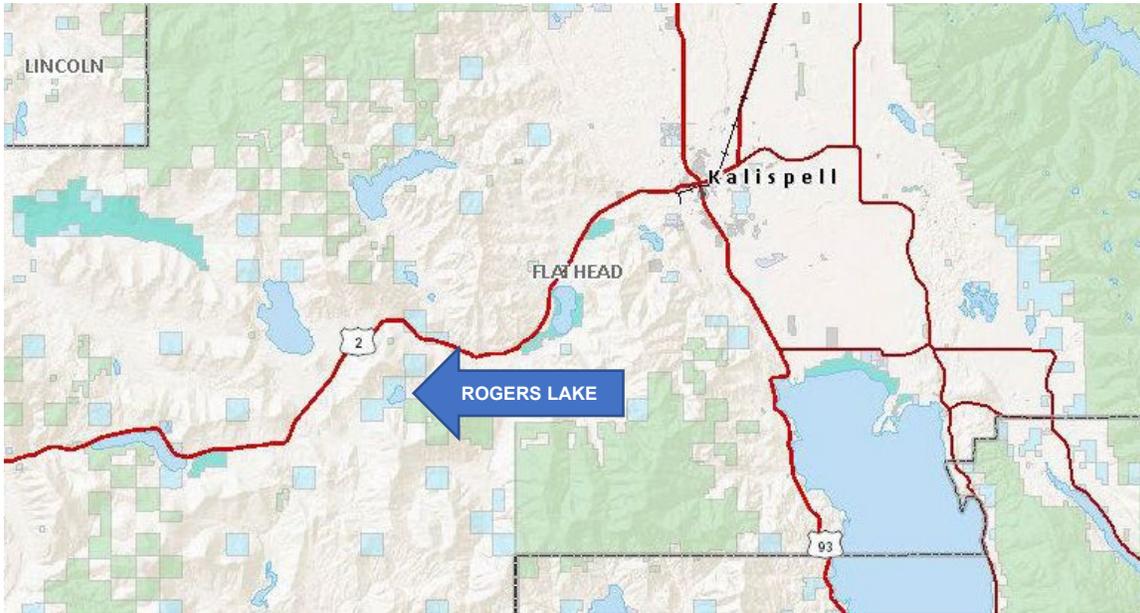
The hearing examiner recommended no change from the original appraised value of the land after additional consideration and an increase of \$8,800 in the appraised value of the improvements, which resulted in the following values:

<b>Sale #</b>	<b>Original Appraised Value of the Land</b>	<b>Value of the Land Determined by the Hearing</b>	<b>Appraised Value of Improvements</b>	<b>Value of the Improvements Determined by the Hearing</b>
952	\$176,000	\$176,000	\$126,000	\$134,800

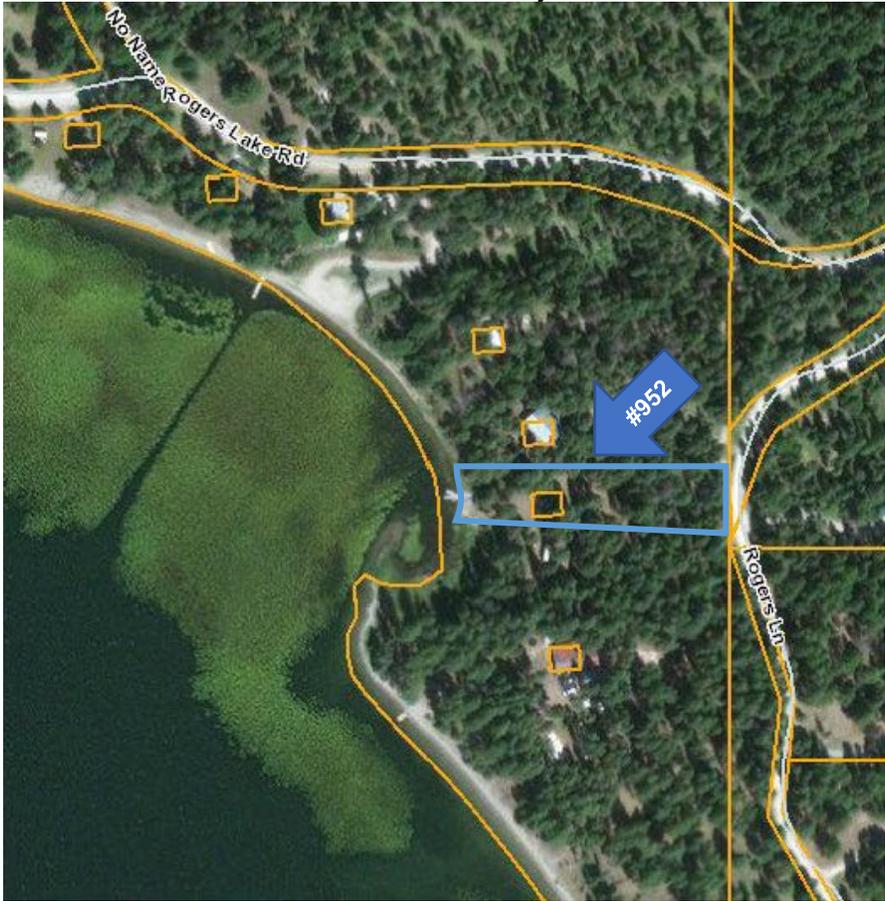
**DNRC Recommendation**

The director recommends that the Land Board set the minimum bid for this sale parcel at the value of the land determined by the valuation hearing and the maximum value of compensation for the improvements as shown above.

**FLATHEAD COUNTY SALE**



**Sale No. 952**  
Lot 6, Rogers Lake,  
T27N-R23W, Sec. 30,  
Flathead County





# 1219-6

## EASEMENTS:

- A. Standard Grant
- B. Lightening Peak RAA Amendment



**Land Board Agenda Item  
December 16, 2019**

<p><b><u>1219-6A Easements</u></b></p> <p><b>Location:</b> Lake, Lincoln, Madison, Toole, Wheatland</p> <p><b>Trust Benefits:</b> Capitol Buildings, Common Schools, MSU-2<sup>nd</sup> Grant, MSU-Eastern / UM-Western, Montana Tech, Pine Hills School Public Land Trust – Nav. Rivers,</p> <p><b>Trust Revenue:</b> Capitol Buildings = \$100 Common Schools = \$2,340 MSU – 2<sup>nd</sup> Grant = \$23,850 MSU-Eastern / UM-Western = \$15,390 Montana Tech = \$38,385 Pine Hills School = \$61,600 Public Land Trust = \$373</p>
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Madison County	Public Airport Expansion	Permanent	53-54
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Western Area Power Administration	Overhead Electric Lines	Permanent	57-58

## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Flathead Electric Cooperative  
2510 US Hwy 2 East  
Kalispell, MT 59901

Application No.: 18799  
R/W Purpose: an overhead and buried 7.2 kV / 12.5 kV electrical distribution line  
Lessee Agreement: N/A (Riverbed and unleased State Land)  
Acreage: 0.74  
Compensation: \$733.00  
Legal Description: 20-foot strip across the Kootenia River between Gov. Lots 6 & 7,  
Sec. 17 and Gov. Lot 3, Sec. 16, Twp. 30N, Rge. 29W,  
Lincoln County  
Trust Beneficiary: Public Land Trust - Nav. River and Common Schools

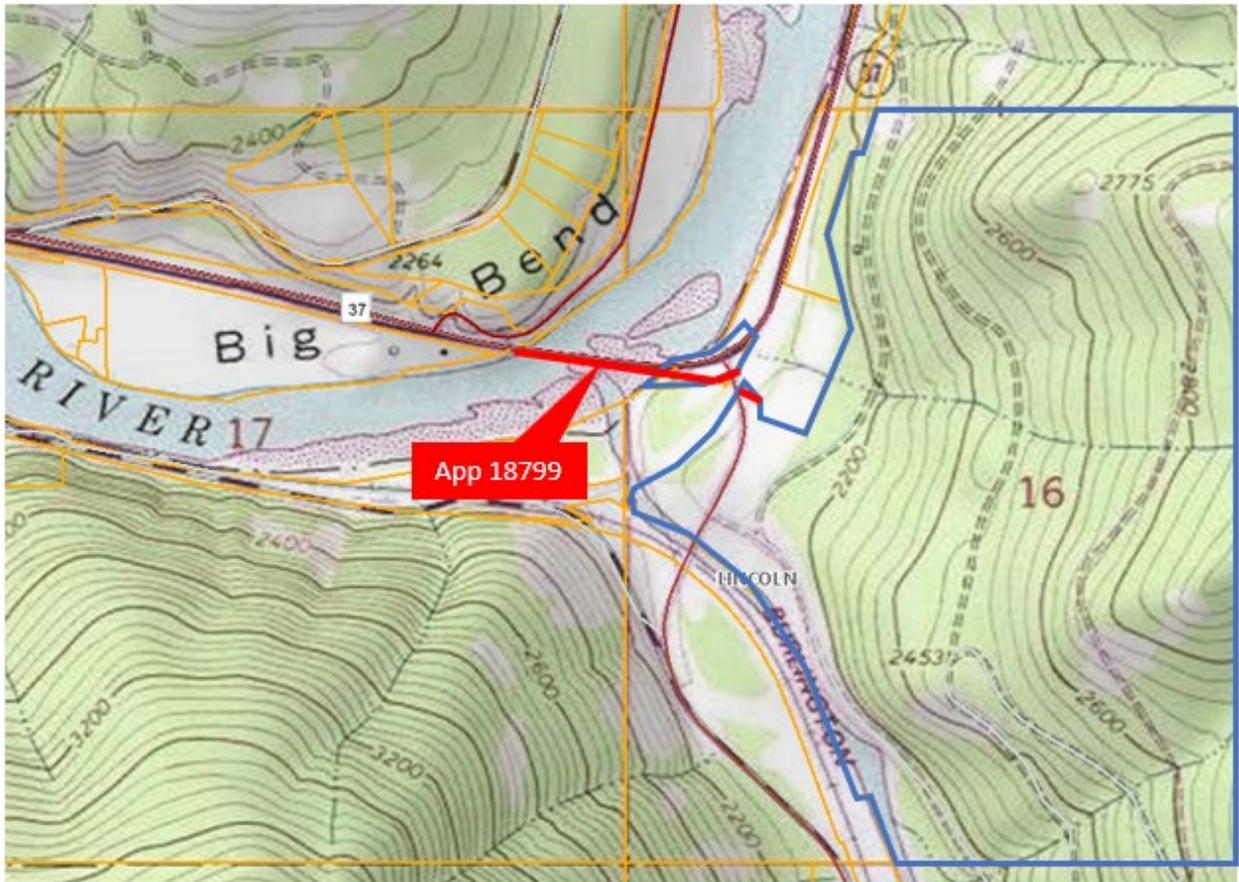
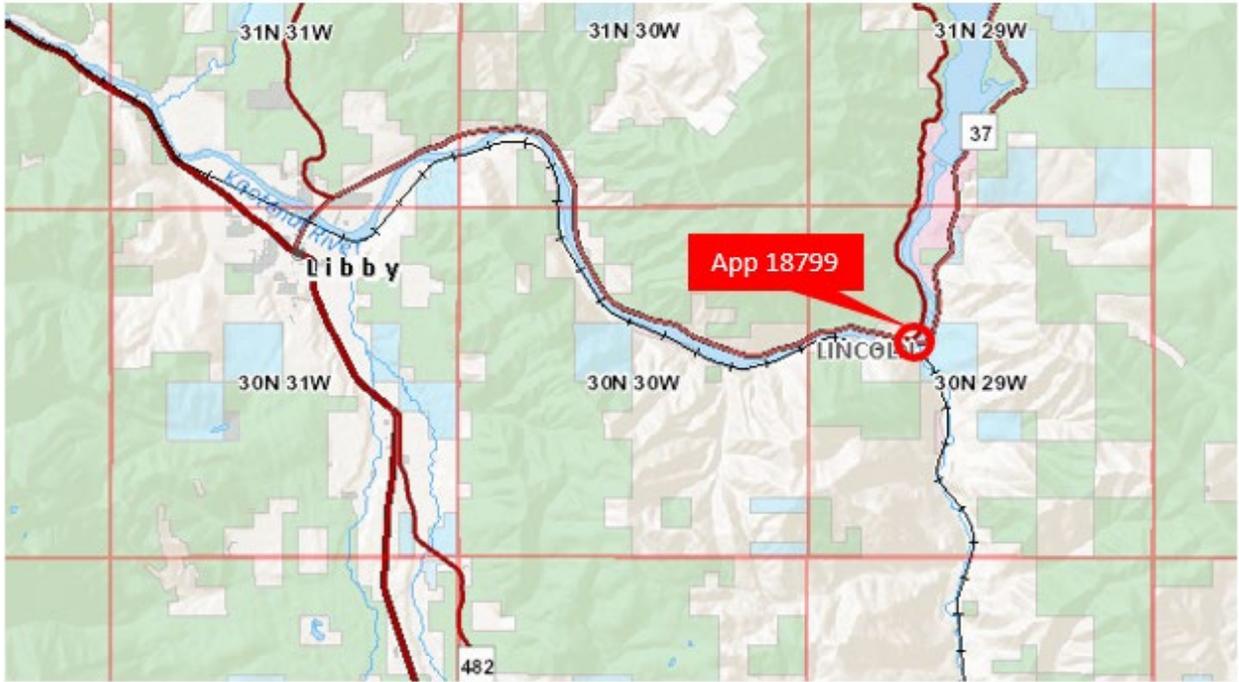
### Item Summary

Flathead Electric Cooperative relocated an existing powerline under a letter of authorization issued by the Department due to erosion of the river bank that caused imminent danger to the stability of the powerline. Flathead Electric received permission from the Department of Transportation to attach a new powerline to the highway bridge a short distance from the existing powerline structure. Pursuant to the Letter of Authorization Flathead Electric was required to apply for a new easement for the river crossing and subsequent relocation of the line on shore land which is also State Trust Land. This request is to finalize the placement of the powerline to ensure continued service in the rural Libby area.

### DNRC Recommendation

The director recommends approval of the easement request by Flathead Electric Coop.

R/W Application 18799



APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Lake County  
106 Fourth Ave. East  
Polson, MT 59860

Application No.: 18817  
R/W Purpose: a public county road known as Red Owl Road  
Lessee Agreement: N/A (Historic)  
Acreage: 10.77  
Compensation: \$48,465.00  
Legal Description: 60-foot strip through NW4SW4, S2SW4, Sec. 7, N2NE4, Sec. 18, Twp. 26N, Rge. 18W, and SE4NW4, SW4NE4 Sec. 12, Twp. 26N, Rge. 19W and, Lake County  
Trust Beneficiary: Montana Tech, MSU-Eastern/UM-Western, MSU-2nd Grant

Item Summary

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

DNRC Recommendation

The director recommends approval of the application of this historic county road easement request.

APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Lake County  
106 Fourth Ave. East  
Polson, MT 59860

Application No.: 18818  
R/W Purpose: a public county road known as Black Wolf Trail  
Lessee Agreement: N/A (Historic)  
Acreage: 6.48  
Compensation: \$29,160.00  
Legal Description: 60-foot strip through NE4NW4, Gov. Lot 2, SE4NW4, Sec. 7,  
Twp. 26N, Rge. 18W, and S2NE4, Sec. 12, Twp. 26N, Rge. 19W,  
Lake County  
Trust Beneficiary: Montana Tech, MSU-2nd Grant

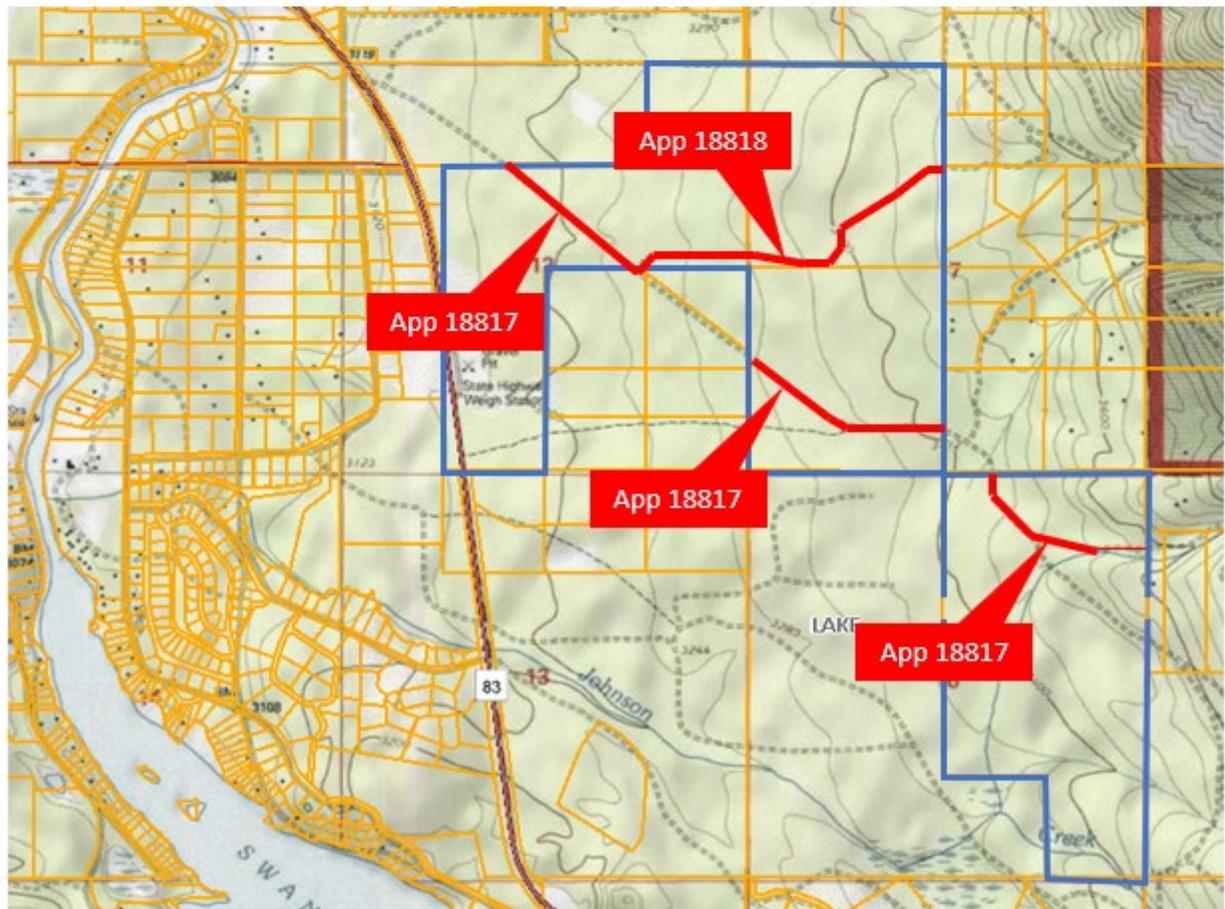
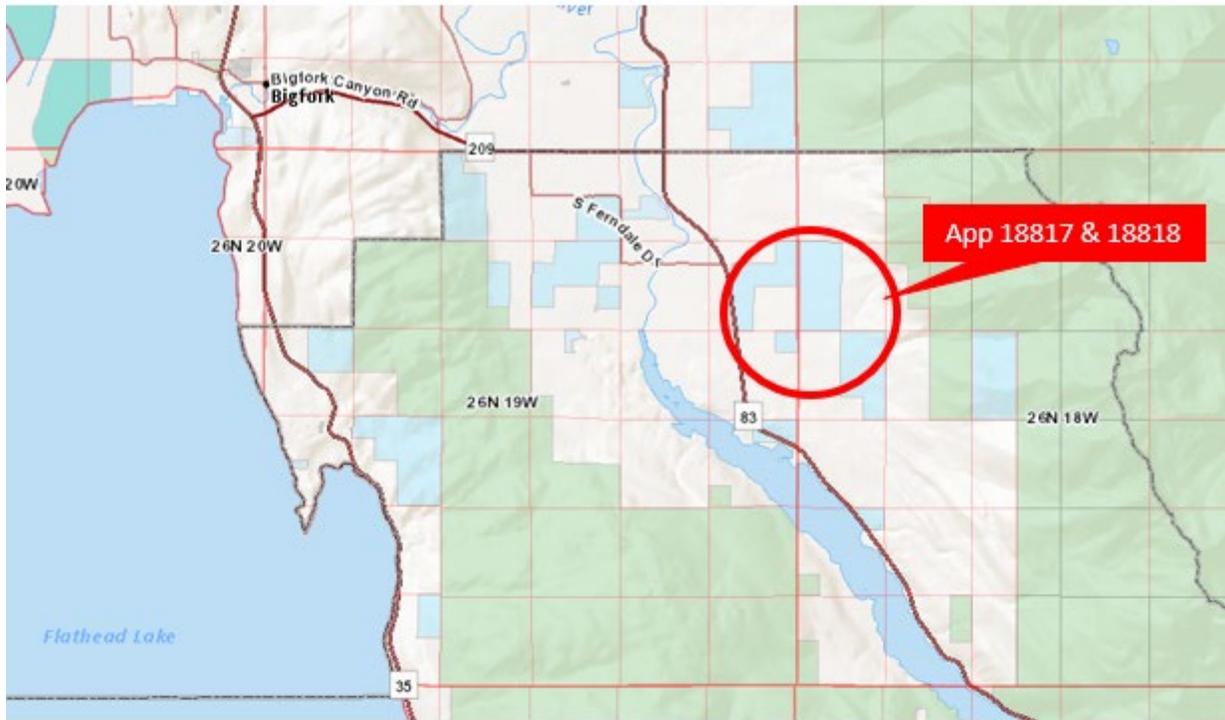
Item Summary

See page 48 for summary

DNRC Recommendation

See page 48 for recommendation.

R/W Application 18817 & 18818



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Swanz Ranch LLC  
127 Big Careless Creek Rd.  
Judith Gap, MT 59453

Application No.: 18820  
R/W Purpose: a private access road for the purpose of access to a single-family residence and associated outbuildings and to conduct normal farming and ranching operations

Lessee Agreement: ok  
Acreage: 0.92  
Compensation: \$1,195.00  
Legal Description: 30-foot strip through NW4NW4, NE4NW4, Sec. 36, Twp. 11N, Rge. 18E, Wheatland County  
Trust Beneficiary: Common Schools

### Item Summary

Swanz Ranch has made application for the use of an existing road on State land to connect their private ownership. The Swanz family plan to construct a residence on their property north of State land and do not qualify for the historic right of way program. The road in question is sometimes called Careless Canyon Road or Buck Road, however this road is not a county road. Department staff reviewed records of both Fergus and Wheatland Counties for action by the County Commissioners and no documentation has been found. The road is not claimed by either County. Careless Canyon Road intersects a public county road known as Big Careless Creek Road and runs north into the lands of Donald Lee before entering the Swanz property and, subsequently, State land. The Swanz family has obtained an easement from Mr. Lee. A reciprocal opportunity is not available as Mr. Lee is not willing to grant access to the State. Recreational use is limited; however, a portion of the Lewis and Clark National Forest is approximately 2 miles north of state land. The Forest Service does not claim Careless Canyon Road/Buck Road as a perfected form of legal access.

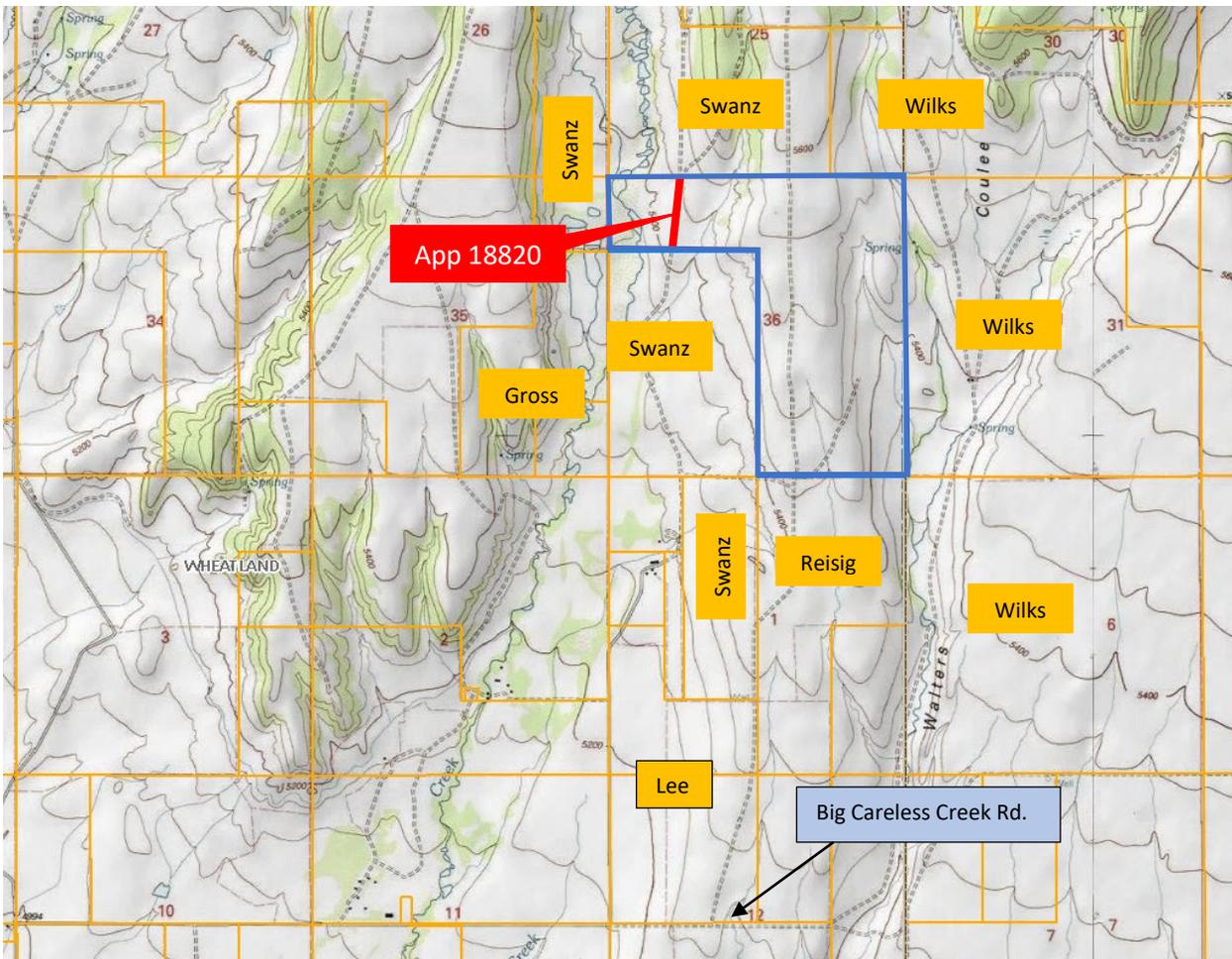
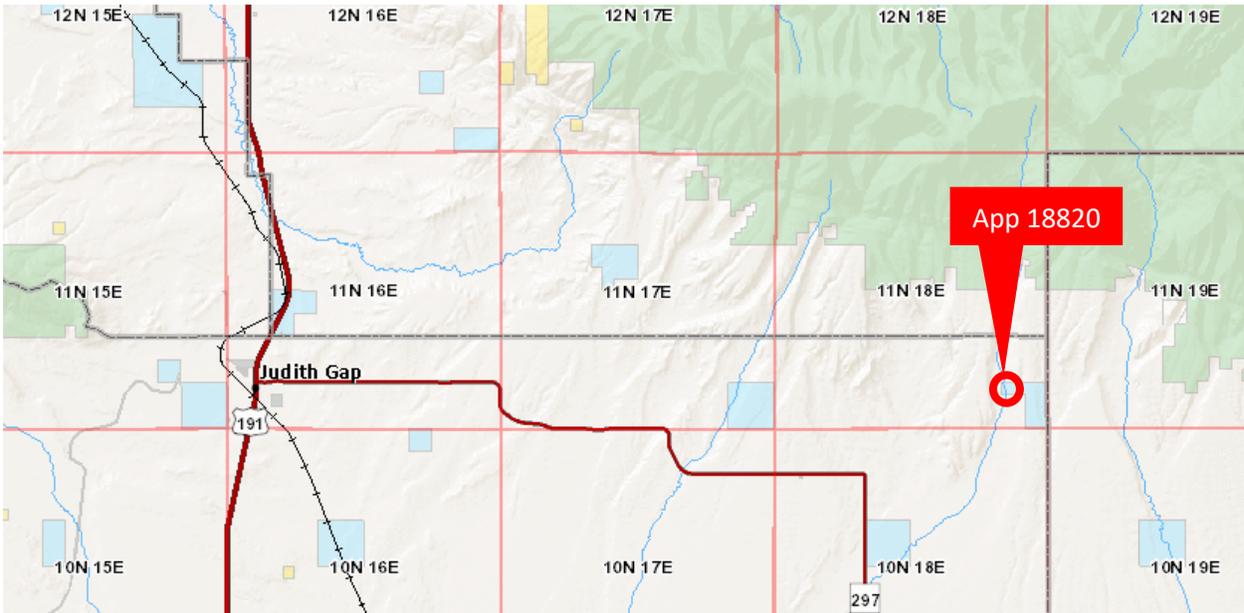
Swanz's private property to be accessed is described as:

- SW4, W2NW4, W2SE4, Sec. 25, Twp. 11N, Rge. 18E, Wheatland County
- E2E2, Sec. 26, Twp. 11N, Rge. 18E, Wheatland County
- E2SE4, SE4NE4, Sec. 23, Twp. 11N, Rge. 18E, Fergus County
- NW4, W2SW4, Sec. 24, Twp. 11N, Rge. 18E, Fergus County
- E2SW4, SW4SE4, Sec. 13, Twp. 11N, Rge. 18E, Fergus County

### DNRC Recommendation

The director recommends approval of this historic easement request.

R/W Application 18820



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Madison County  
PO Box 278  
Virginia, City, MT 59755

Application No.: 18821  
R/W Purpose: airport runway extension  
Lessee Agreement: ok  
Acreage: 17.82  
Compensation: \$61,600.00  
Legal Description: tract in the E2W2, Sec. 30, Twp. 6S, Rge. 1E, Madison County  
Trust Beneficiary: Pine Hills School

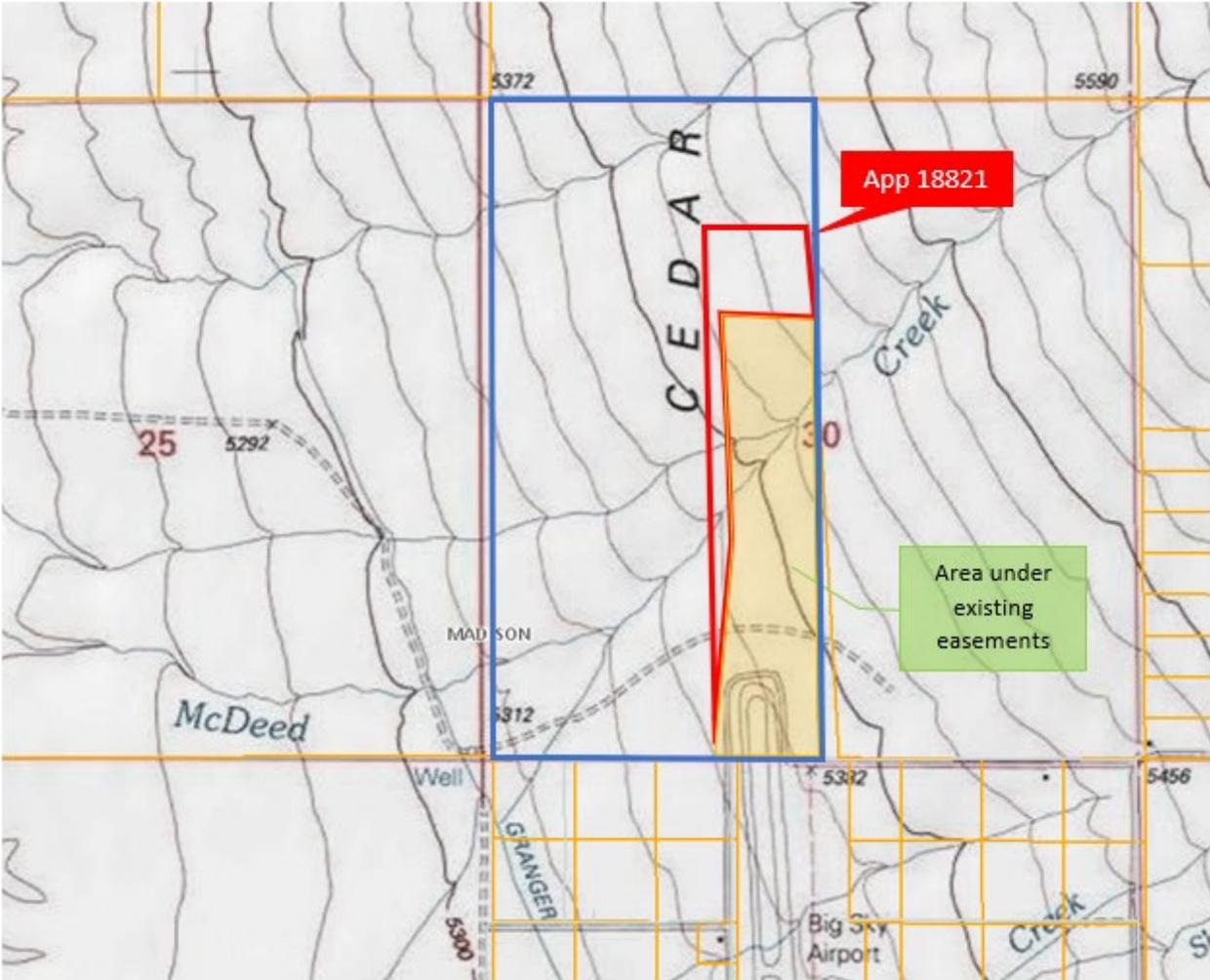
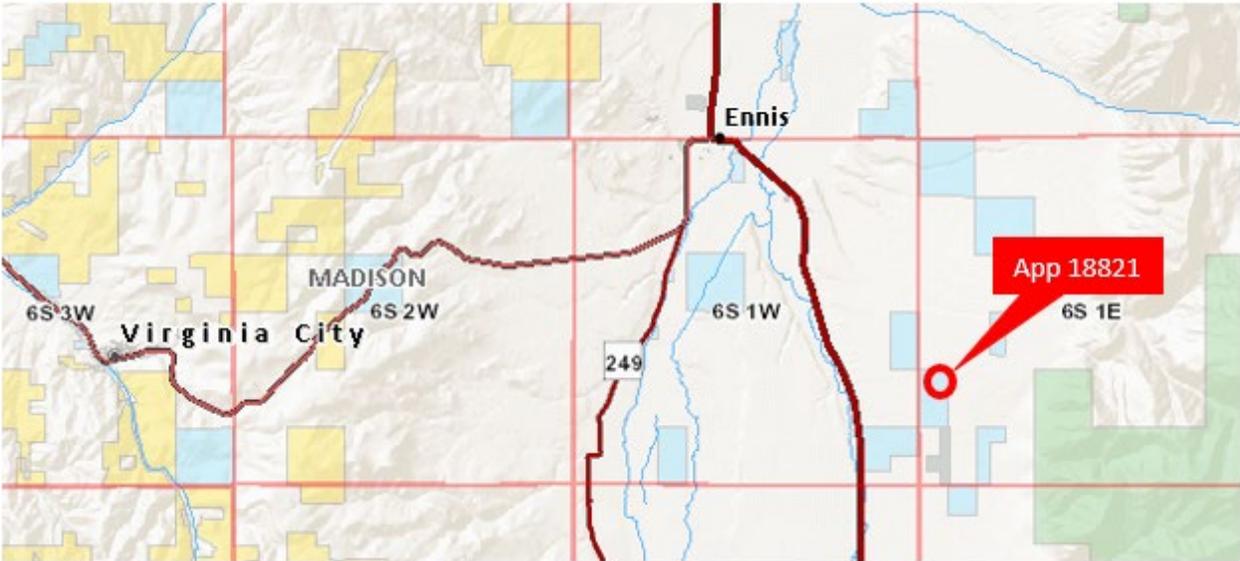
### Item Summary

Madison County is requesting an easement to extend and widen the airport runway for the Ennis-Big Sky Airport. In accordance with a recent Federal Aviation Administration (FAA) advisory circular associated with an airport master planning effort, identification of ultimate facility requirements and alternatives were identified based upon current and forecasted aircraft activity. The master plan identified that several impacts to the existing facilities needed to occur, including widening the existing runway to 100-foot width; widening of an "object free zone" to 800 feet; and extending the runway by an additional 1,000 feet. Lengthening the runway requires additional land on State land. The County has existing easements in place for the current runway and associated facilities. The removal of 17.82 acres from the active grazing lease will occur through a lease record change and the AUM rate modified accordingly.

### DNRC Recommendation

The director recommends approval of the easement request by Madison County.

R/W Application 18821



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: M & A Henke Grain Company  
PO Box 270  
Ethridge, MT 59435

Application No.: 18822  
R/W Purpose: a private access road for the purpose of conducting normal farming and ranching operations

Lessee Agreement: N/A (Historic)  
Acreage: 0.10  
Compensation: \$100.00  
Legal Description: 20-foot strip through SW4NE4, Sec. 17, Twp. 33N, Rge. 3W, Toole County  
Trust Beneficiary: Capitol Buildings

### Item Summary

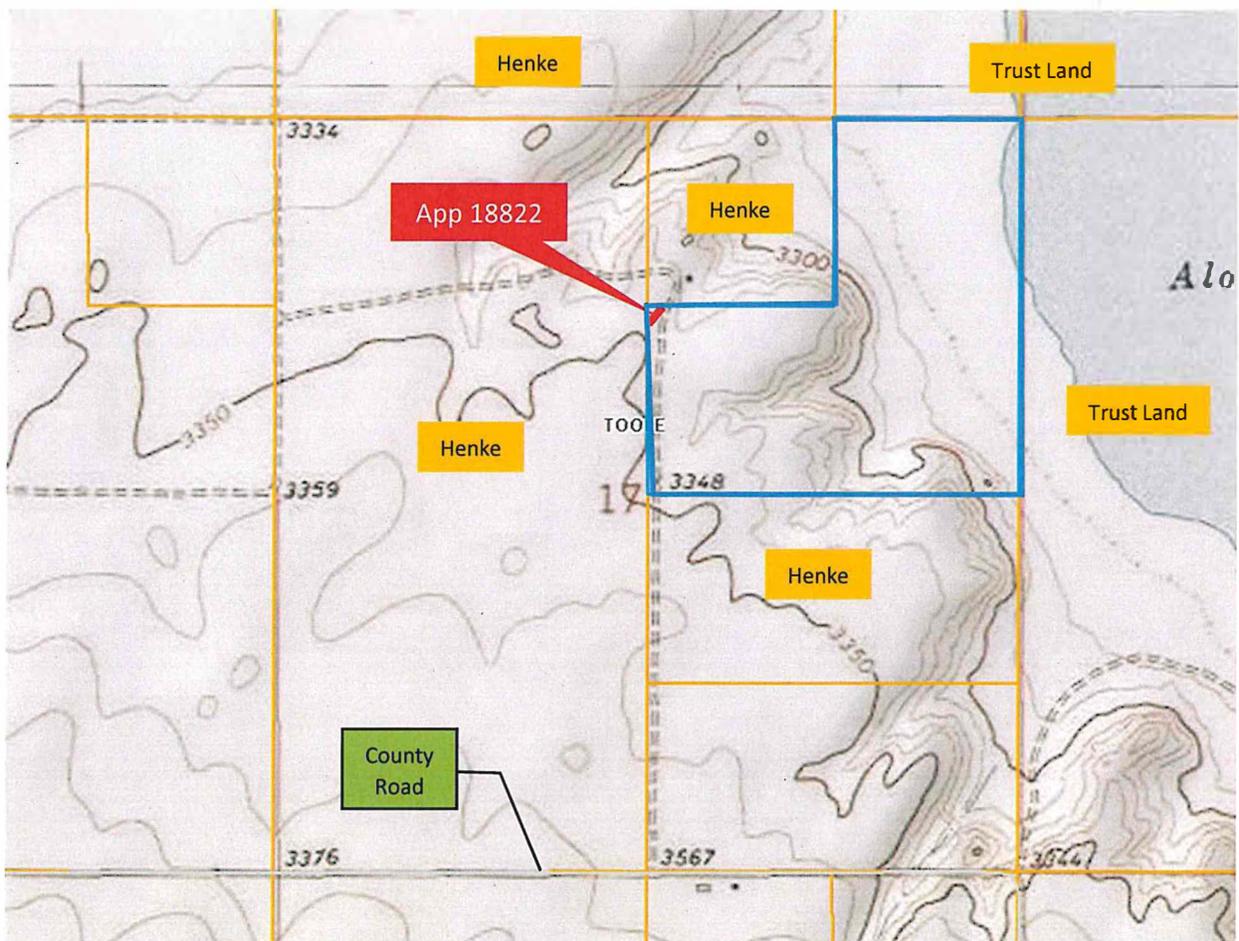
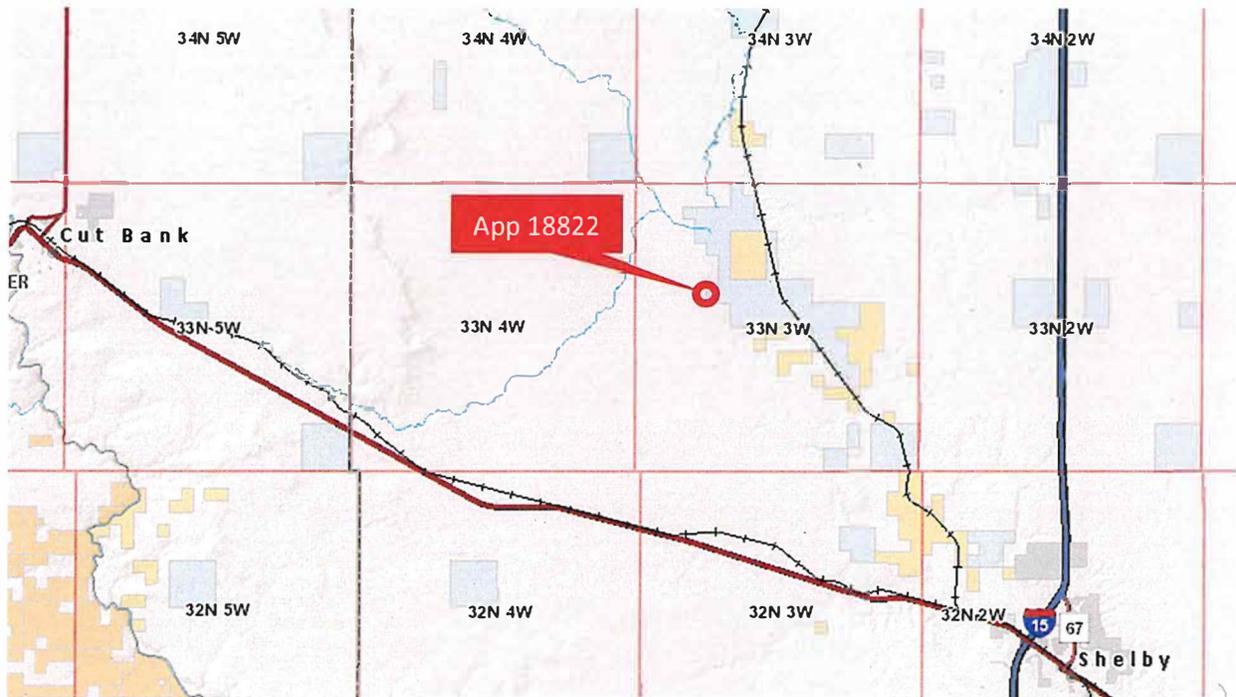
M & A Henke Grain Company has made application for the use of an existing road for access to a single-family residence, associated out buildings, and conducting normal farming and ranching operations. The road has been in place for years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The private property to be accessed is described as:

- NW4NE4, Sec. 17, Twp. 33N, Rge. 3W

### DNRC Recommendation

The director recommends approval of this historic easement request.

R/W Application 18822



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: Western Area Power Administration  
PO Box 145  
Fort Peck, MT 59223

Application No.: 18823  
R/W Purpose: an overhead 230kV electric transmission line  
Lessee Agreement: ok  
Acreage: 1.57  
Compensation: \$785  
Legal Description: tract of land through Gov. Lots 2 & 5, Sec. 36, Twp. 31N,  
Rge. 2W, Toole County  
Trust Beneficiary: Common Schools

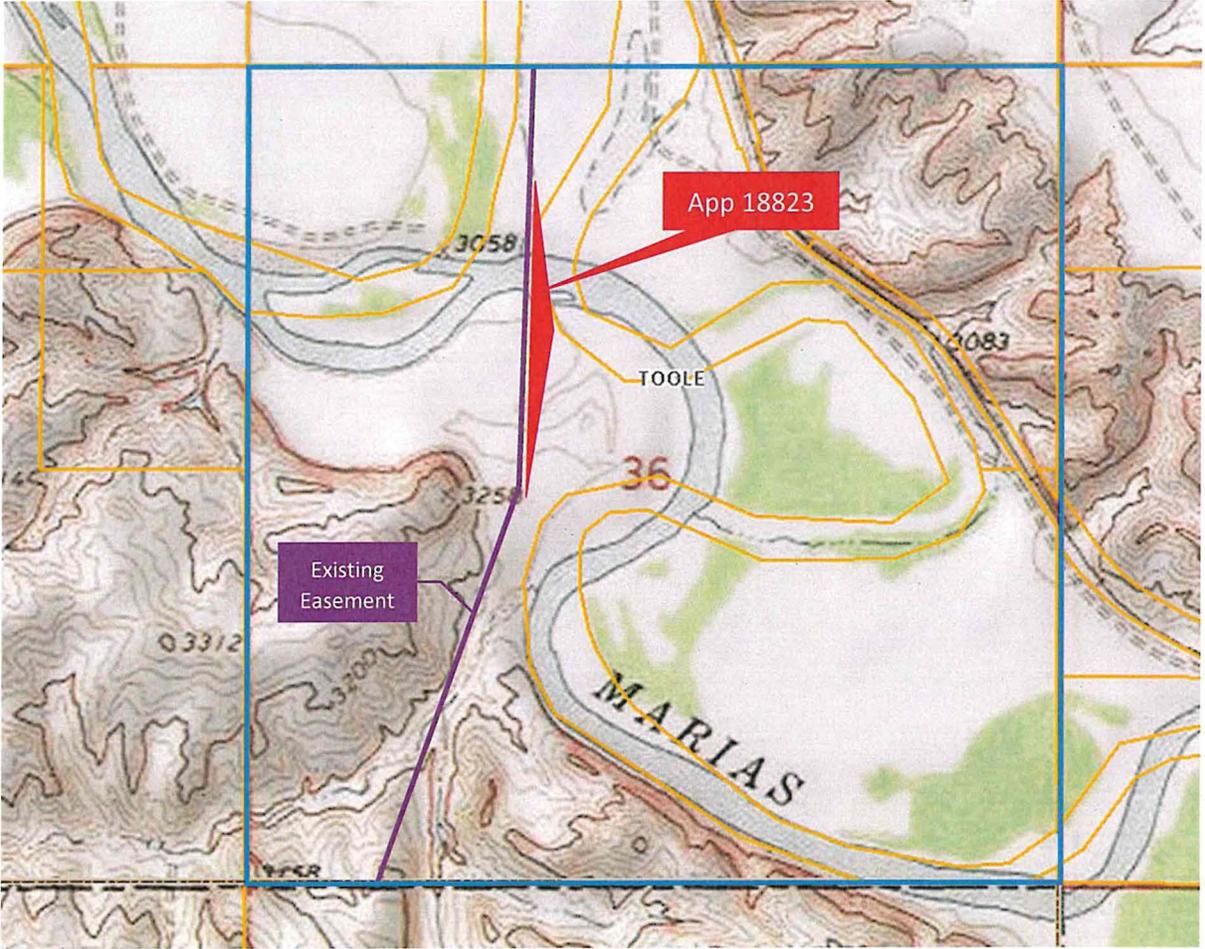
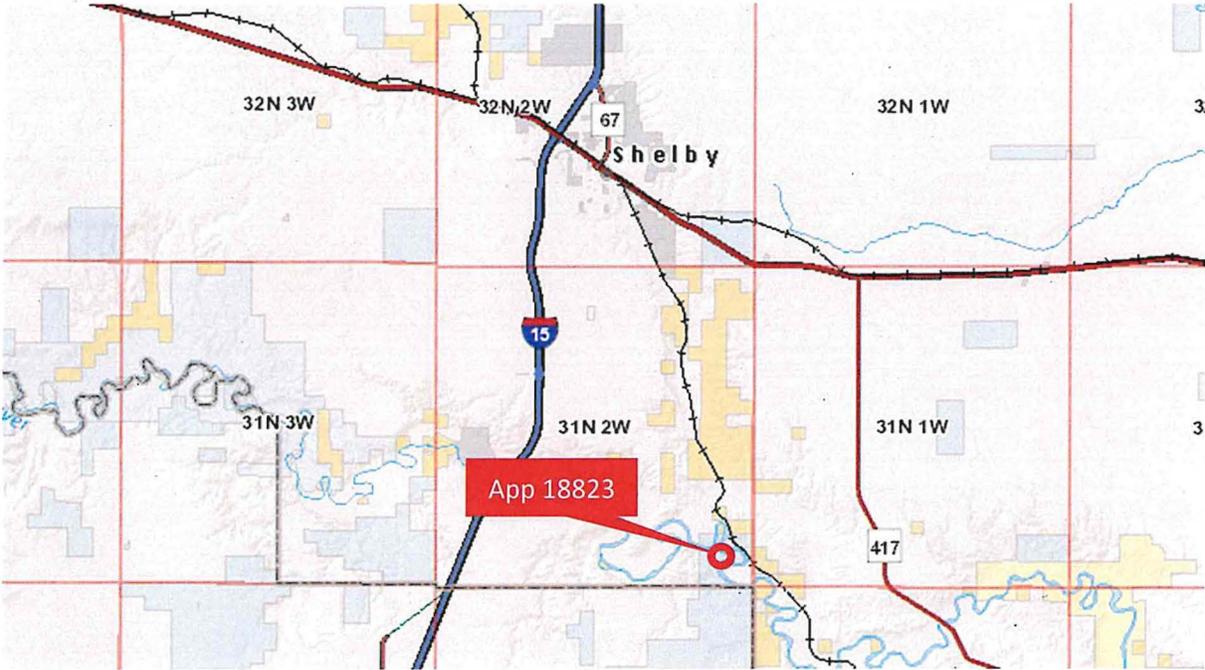
### Item Summary

Western Area Power Administration (WAPA) was authorized under a Land Use License to relocate a transmission pole outside of their existing easement footprint due to erosion along the Marias River this spring. Placement of the new pole and electric facilities necessitates the grant of an additional easement footprint to encompass enough area to protect the new pole and structures from future threat of erosion. All disturbed areas have been reclaimed.

### DNRC Recommendation

The director recommends approval of the easement for Western Area Power Administration.

R/W Application 18823



**AMENDMENT TO LIGHTENING PEAK RECIPROCAL ACCESS AGREEMENT  
DECEMBER 16, 2019  
Application Number 11458 (Amended)**

I. Applicant:

Weyerhaeuser Company  
220 Occidental Avenue South  
Seattle, WA 98104

II. Purpose of Amendment to Reciprocal Access Agreement:

This request is made to amend the Lightning Peak Reciprocal Access Agreement dated March 8, 2001 and executed with Plum Creek Timberlands LP. West Lightning Peak Road was initially identified as being constructed and wholly located on Weyerhaeuser property during the completion of the initial Reciprocal Access Agreement. Recently, a survey of Weyerhaeuser lands identified that a curve in the road, and associated cuts and fills, was actually located upon State land. The road is mutually shared and included in the original Agreement, however because the road was not believed to be on State land the associated cost for the burden on State was not calculated, nor was this segment included in the easement grant to Plum Creek Timberlands. This Amendment will rectify this issue.

III. Legal Description (R/W):

State Land Burdened – Sec. 36, Twp. 29N, Rge. 29W – 0.02 acres

IV. General Information:

Land Office:	Northwest Land Office
Unit Office:	Libby Unit
County:	Lincoln
Affected Trust:	Common Schools

V. Costs to be Borne by Each Party:

Weyerhaeuser will compensate the State in cash for the burdened land in Section 36 (\$100 minimum charge) after approval of this Agreement by the Board of Land Commissioners.

VI. Results of MEPA Analysis:

This is an existing road with original impacts considered in 2001. No further analysis is required.

VII. Benefits to State:

1. *Describe the rights regarding DNRC lands being accessed:*

- This road was previously believed to have been constructed and located entirely on Weyerhaeuser property. Pursuant to the March 8, 2001 Reciprocal Access

Agreement the State has rights to use West Lightning Peak Road. This Amendment is to recognize a portion of the road is located on State land.

2. *Describe the public access situation and the effects of this amendment to the Agreement:*

- As a result of this Amendment, there will be no change in the access rights in favor of the public. The public currently has access to the State parcel via Wolf Creek Road.

3. *Describe other benefits associated with completing the Agreement:*

- The Agreement reflects access requested by both parties, costs to be shared and reduced access acquisition costs. This Amendment would ensure the access is properly identified and continue the shared financial obligations for road maintenance on the included roads as constructed.
- Resolves an encroachment issue.

VIII. Recommendation/Action:

The director recommends approval of this amendment request for Lightning Peak Reciprocal Agreement.

# State Trust Land Vicinity Map

## Libby Unit

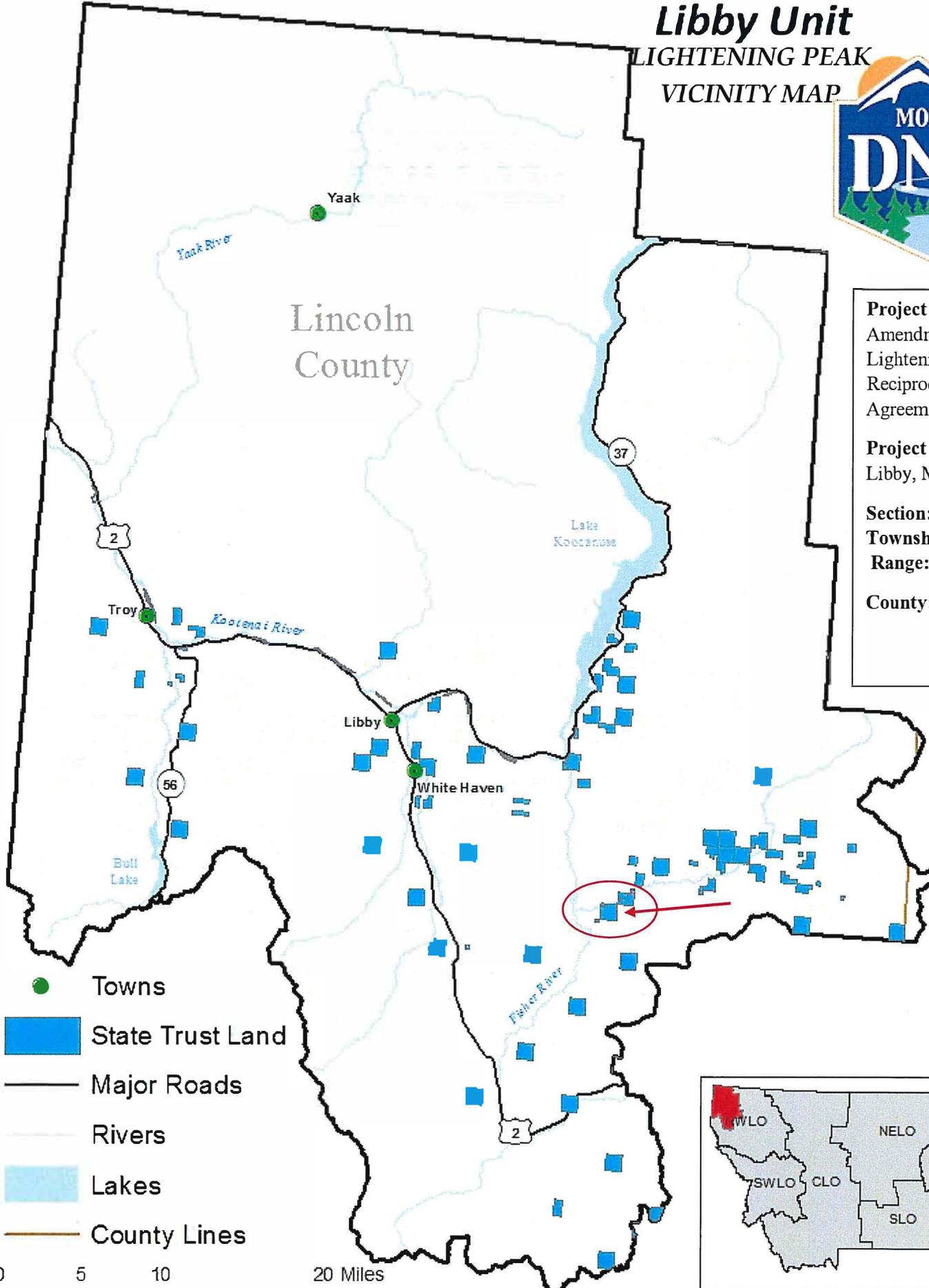
### LIGHTNING PEAK VICINITY MAP



**Project Name:**  
Amendment to  
Lightning Peak  
Reciprocal Access  
Agreement

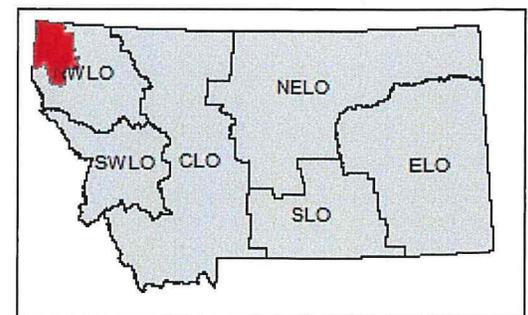
**Project Location:**  
Libby, Montana

**Section:** 36  
**Township:** T29N  
**Range:** R29W  
**County:** Lincoln

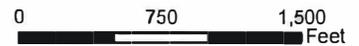
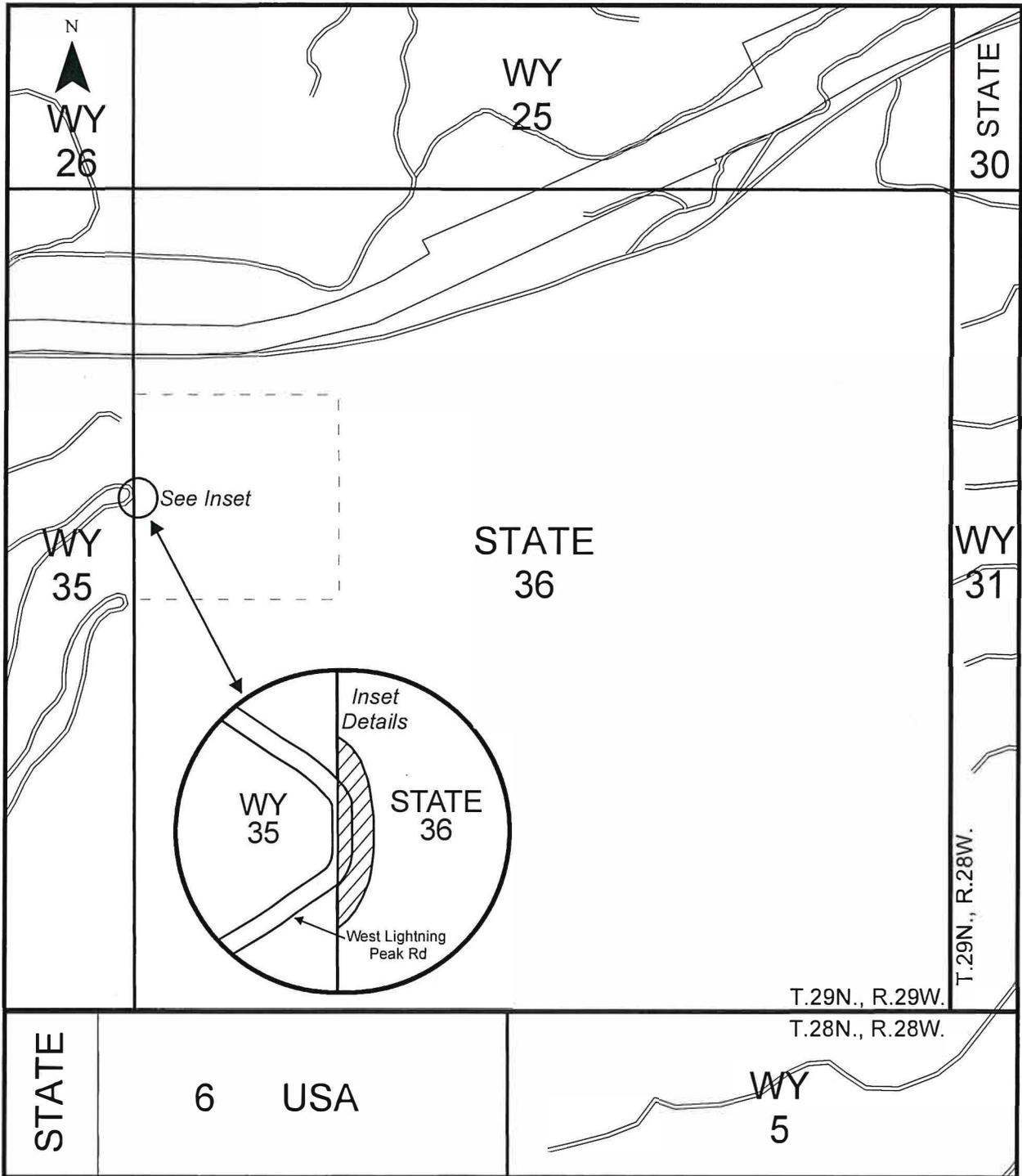


- Towns
- State Trust Land
- Major Roads
- Rivers
- Lakes
- County Lines

0 5 10 20 Miles



# Exhibit A



-  Grant of Easement to Weyerhaeuser
-  Existing Roads

Township 29 North, Range 29 West  
Lincoln County, MT

T29nR29w\_S36\_LightningPeak\_MT-08/20/2019  
prepared by GeoControl - www.geocontrolgis.com

# 1219-7

## INFORMATIONAL ITEM:

Cabin & Home Site Sale Program Update  
(by Neighborhood)



**Land Board Agenda Item  
December 16, 2019**

**1219-7 Informational Item: Cabin & Home Site Sale Program Update (by Neighborhood)**

**Location:** Lewis & Clark, Missoula, Flathead counties

**Trust Benefits:** N/A

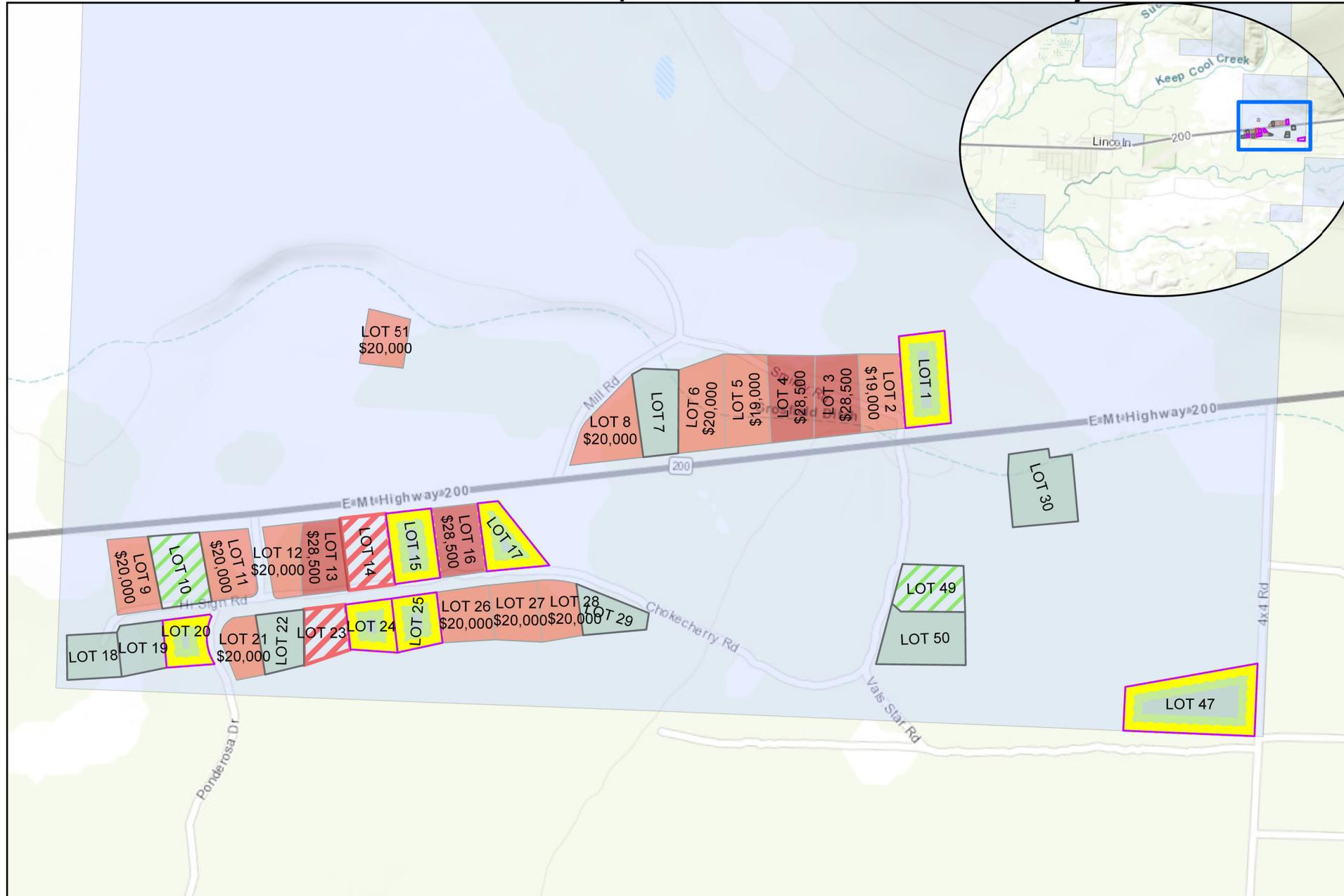
**Trust Revenue:** N/A

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) has processed more than 250 cabin/home sites across Montana since the Cabin/Home Site Sale Program began in 2014. DNRC will present an update to the Land Board on the impact of the program on select neighborhoods with multiple successful sales and consistent interest.

Neighborhoods covered will include Lincoln Flats in Lewis & Clark County; Morrell Flats, Placid Lake, Seeley Lake Outlet, and Seeley Lake Development in Missoula County; and McGregor Lake, Echo Lake, and Beaver Lake in Flathead County.

# Lincoln Flats, Lewis & Clark County

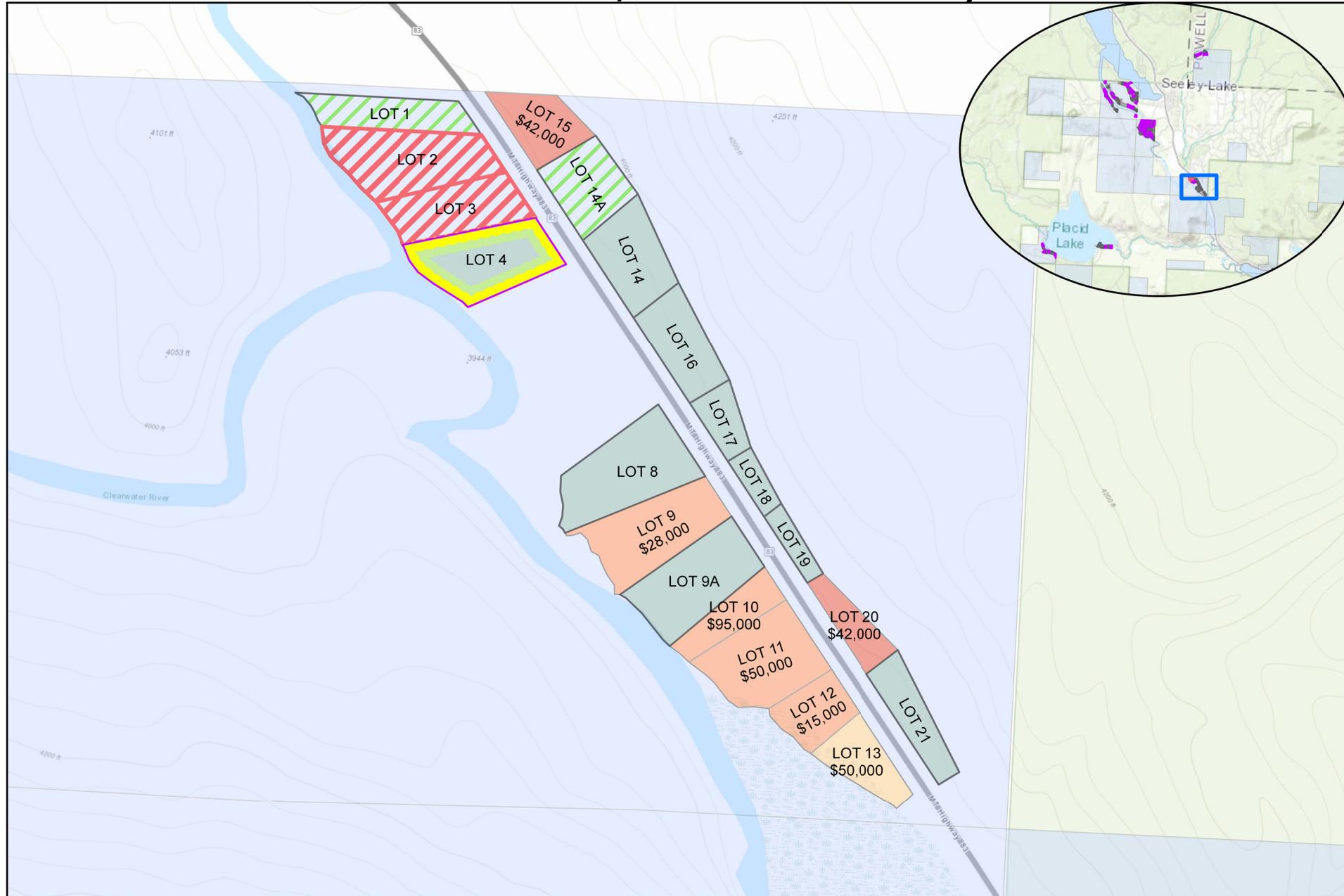


- DNRC Cabin Site Leases**
- Active Lease (Total: 14)
  - Active Lease, Pending Sale (Total: 2)
  - Terminated Lease, Pending Sale (Total: 2)
- SaleYear**
- 2017 (Total: 8)
  - 2018 (Total: 4)
  - 2019 (Total: 4)
  - Cabin Site Sale Requests 2020-21 (Total: 7)

- Of 34 sites, 14 remain unsold.
- Average Sale Price: \$23,400

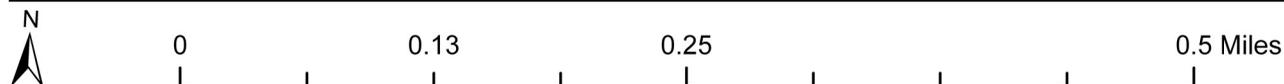


# Morrell Flats, Missoula County



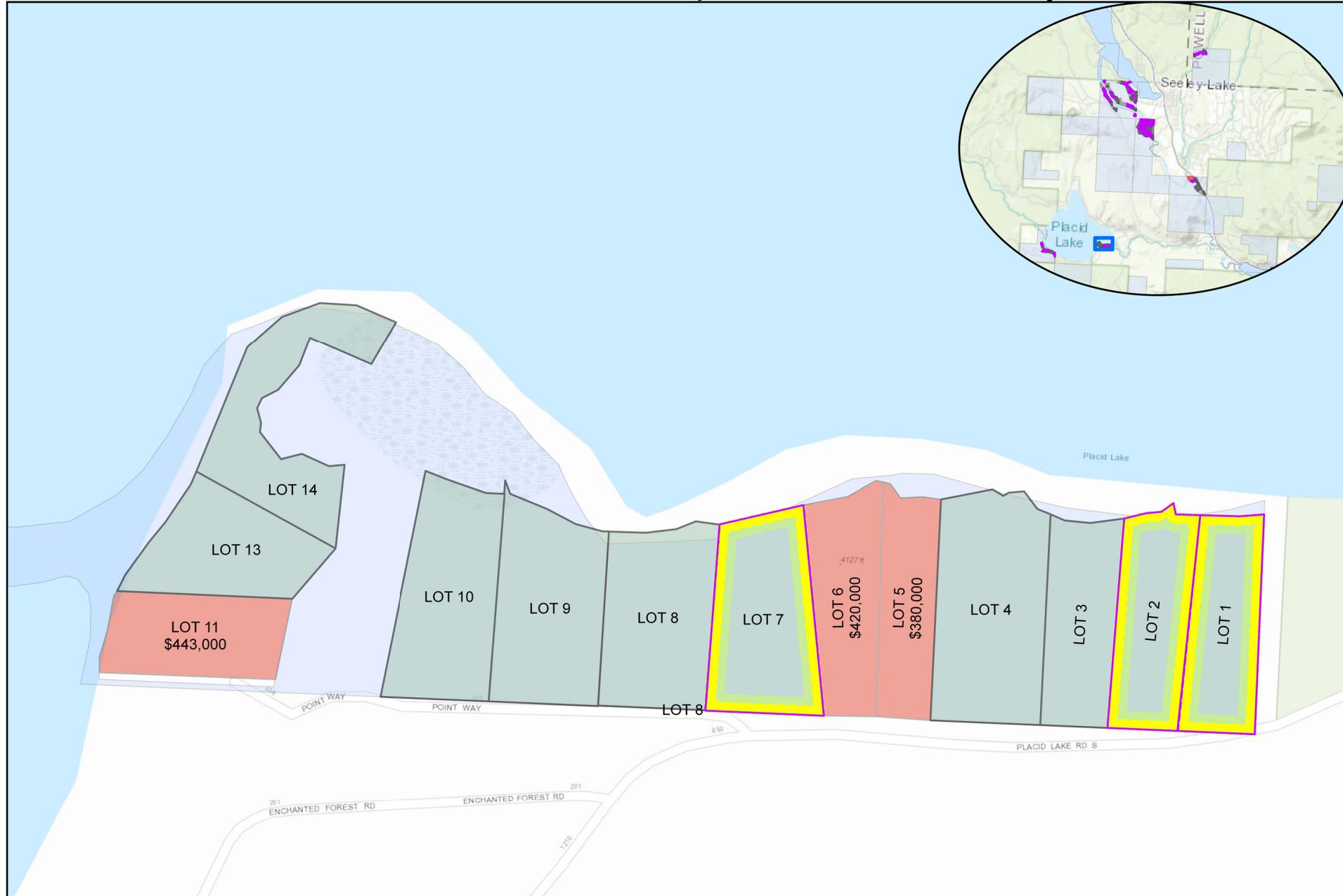
- DNRC Cabin Site Leases**
- Active Lease (Total: 9)
  - Active Lease, Pending Sale (Total: 2)
  - Terminated Lease, Pending Sale (Total: 2)
- SaleYear**
- 2014 (Total: 1)
  - 2016 (Total: 4)
  - 2018 (Total: 2)
  - CabinSite Sale Requests 2020-21 (Total: 1)

- Of 20 sites, 10 remain unsold (including sales in progress.)
- Just 1 current lessee indicated interest during our recent solicitation period.
- Interest in recent vacant sales offered, #918 and #936, has been high.



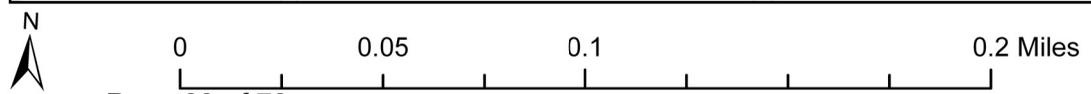
Trust Lands Cabin Site Sales  
Map Created by REMB staff  
October 2019

# Placid Lake East, Missoula County



- DNRC Cabin Site Leases
- Active Lease (Total: 10)
- SaleYear
- 2018 (Total: 3)
  - CabinSite Sale Requests 2020-21 (Total: 3)

- Of 13 sites, 10 remain unsold.
- Three current lessees indicated interest during our recent solicitation period.



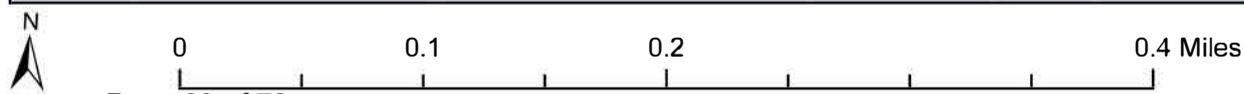
Trust Lands Cabin Site Sales  
Map Created by REMB staff  
October 2019

# Placid Lake West, Missoula County



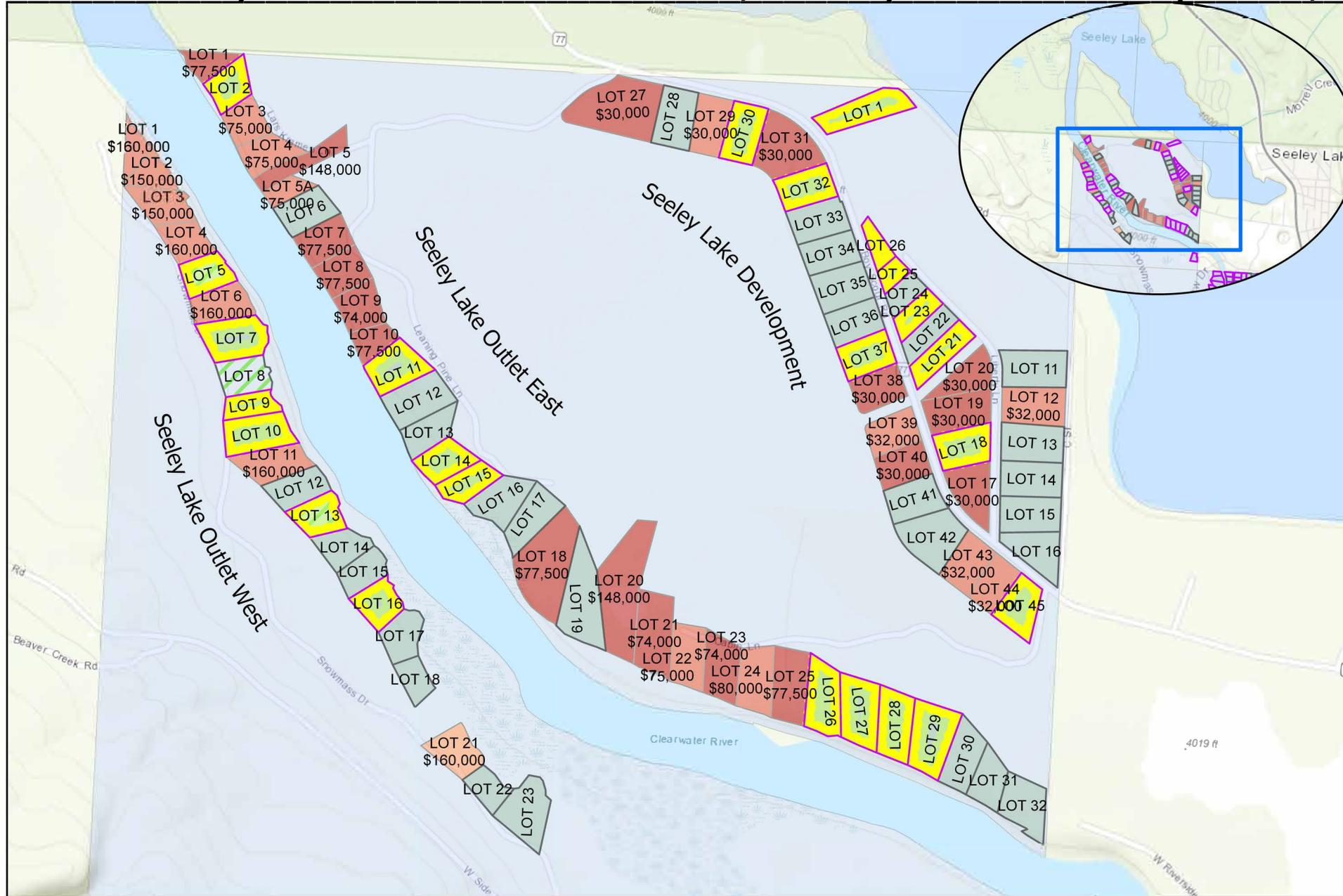
- DNRC Cabin Site Leases**
- Active Lease (Total: 6)
  - Active Lease, Pending Sale (Total: 8)
- Sale Year**
- 2018 (Total: 1)
  - CabinSite Sale Requests 2020-21 (Total: 6)

- Of 15 sites, 14 remain unsold, with 8 pending sales.
- Three lessees not currently in the sale program indicated interest during our recent solicitation period.



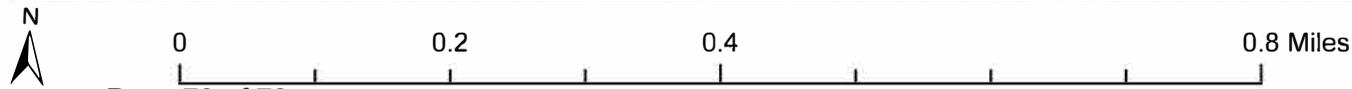
Trust Lands Cabin Site Sales  
Map Created by REMB staff  
October 2019

# Seeley Lake Outlet West/East, Seeley Lake Development, Missoula County

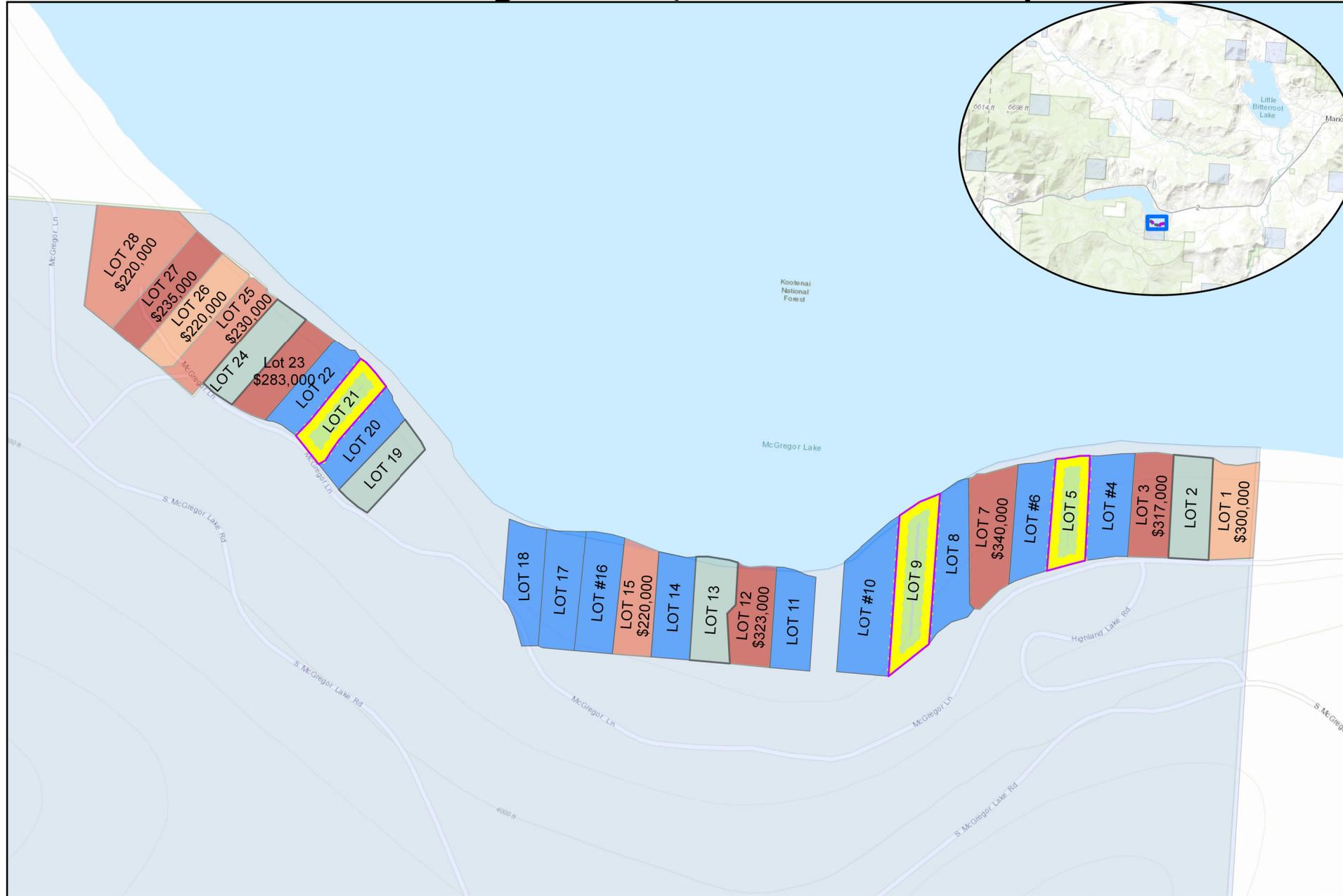


- DNRC Cabin Site Leases
- Active Lease (Total: 52)
  - Active Lease, Pending Sale (Total: 3)
- Sale Year
- 2016 (Total: 1)
  - 2017 (Total: 16)
  - 2019 (Total: 18)
  - CabinSite Sale Requests 2020-21 (Total: 24)

- Of 36 sites, 24 remain unsold in the Seeley Lake Development neighborhood.
- Interest in the Seeley Lake Development remains high, with 10 current lessees indicating interest during the recent solicitation period.
- Twelve lease sites remain unsold of the original 22 sites in the Seeley Lake Outlet West neighborhood. Four current lessees wish to be considered for the upcoming sale program.
- Of 34 original sites on Seeley Lake Outlet East, 21 remain unsold. Eight current lessees are interested in joining the 2020-2021 sale program.



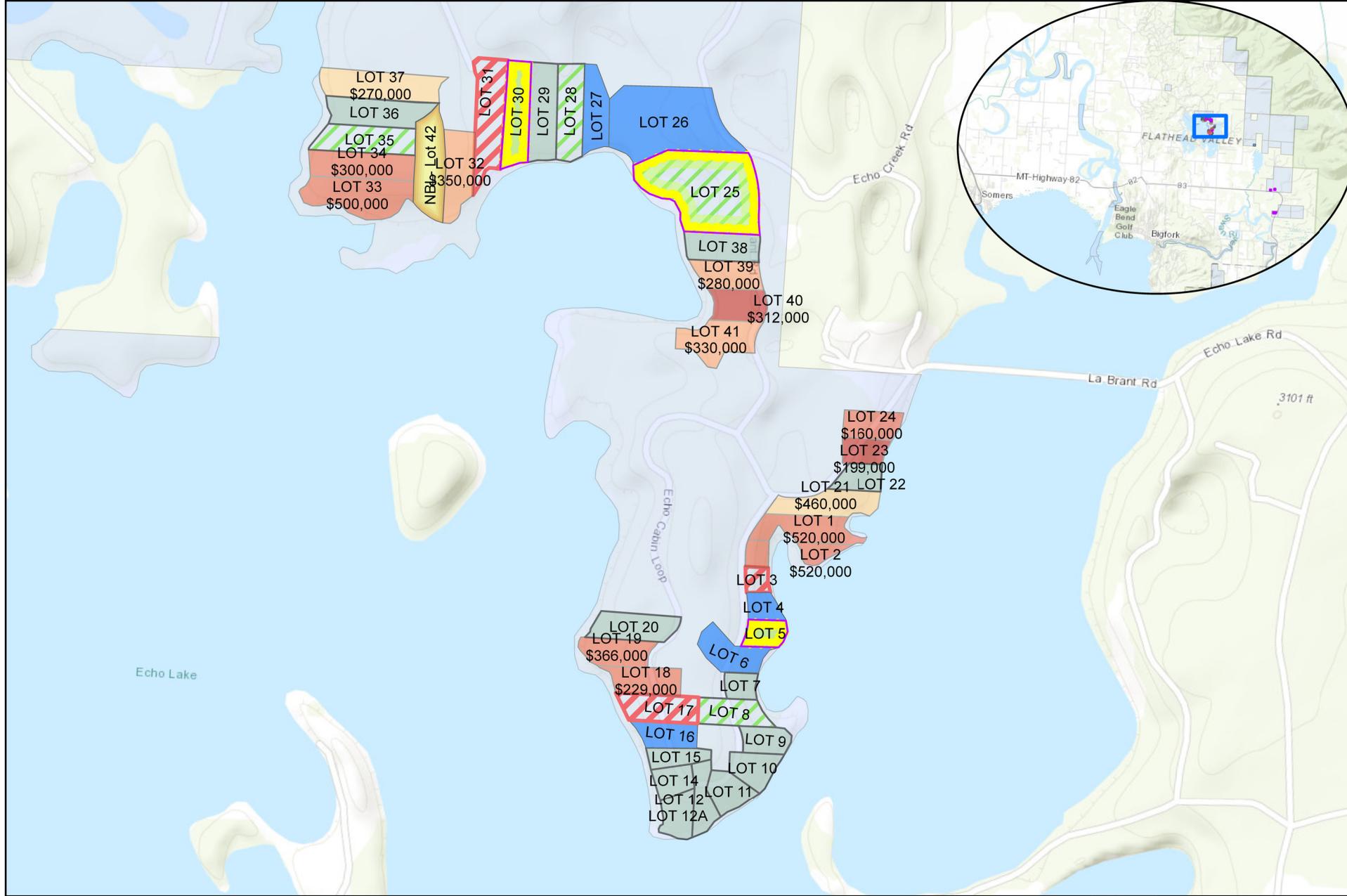
# McGregor Lake, Flathead County



- DNRC Cabin Site Leases**
- Active Lease (Total: 7)
  - Terminated Lease (Total: 11)
- Sale Year**
- 2016 (Total: 2)
  - 2017 (Total: 2)
  - 2018 (Total: 1)
  - 2019 (Total: 5)
  - CabinSite Sale Requests 2020-21 (Total: 3)

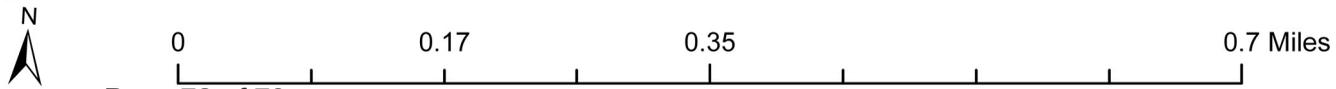
- Of 28 sites, 18 remain unsold.
- Three current lessees indicated interest during our recent solicitation period.

# Echo Lake, Flathead County



- DNRC Cabin Site Leases**
- Active Lease (Total: 15)
  - Active Lease, Pending Sale (Total: 4)
  - Vacant, Never Leased (Total: 1)
  - Terminated Lease (Total: 5)
  - Terminated Lease, Pending Sale (Total: 3)
- SaleYear**
- 2014 (Total: 1)
  - 2015 (Total: 1)
  - 2016 (Total: 3)
  - 2017 (Total: 2)
  - 2018 (Total: 5)
  - 2019 (Total: 2)
  - CabinSite Sale Requests 2020-21 (Total: 3)

- Of 42 sites, 28 remain unsold (including sales in progress.)
- Interest seems to be waning among lessees in this neighborhood, with just 2 current lessees interested in the upcoming sale program.



Trust Lands Cabin Site Sales  
Map Created by REMB staff  
October 2019

# Beaver Lake, Flathead County



**DNRC Cabin Site Leases**

- Active Lease (Total: 5)
- Active Lease, Pending Sale (Total: 7)
- Terminated Lease (Total: 2)

**SaleYear**

- 2015 (Total: 1)
- 2016 (Total: 2)
- CabinSite Sale Requests 2020-21 (Total: 9)

- Of 20 sites, 16 remain unsold (including sales in progress.)
- Four current lessees indicated their interest in the sale program during our recent solicitation period.
- With its proximity to Whitefish, MT, we received competitive bids for two leased sites prior to a recent auction. One site was withdrawn by the lessees prior to the auction, and the other sold to the lessees for \$45,000 over the minimum bid for the land.

