

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
Monday, March 18, 2019 at 9:00 am
Supreme Court Chambers, Mazurek Justice Building
Helena, MT

ACTION ITEMS

0319-1 FWP: Garrity Mountain WMA Addition/Fee Acquisition

Benefits: N/A

Location: Deer Lodge County

APPROVED 5-0

0319-2 Timber Sales

A. Bear Square

Benefits: Common Schools and Acquired Lands-Public Schools Trusts

Location: Missoula County

B. Carney Creek 80

Benefits: State Normal School

Location: Lake County

C. Rattler Gulch

Benefits: Common Schools

Location: Powell and Granite Counties

D. Upper McKillop #2

Benefits: Common Schools

Location: Lincoln County

APPROVED 5-0

0319-3 Oil and Gas Lease Sale (March 5, 2019)

Benefits: Common Schools and Public Land Trust – Navigable Rivers

Location: Big Horn, Dawson, Fallon, Musselshell, Petroleum, Richland, Rosebud and Toole Counties

APPROVED 5-0

0319-4 Cabin and Home Sites: Final Approval for Sale

A. Sanders County

Benefits: Capitol Buildings

Location: Sanders County

B. Flathead County

Benefits: Common Schools

Location: Flathead County

APPROVED 5-0

C. Missoula County

Benefits: MSU 2nd

Location: Missoula County

ITEM 0319-4C REMOVED FROM AGENDA

0319-5 Easements

Benefits: Common Schools, MSU Morrill, MSU-Eastern/UM-Western, Public Land Trust – Nav. Rivers and Veterans Home

Location: Blaine, Cascade, Fallon, Flathead, Hill, Lake, Lewis & Clark, Phillips, Ravalli, Roosevelt, Rosebud, Teton and Valley Counties

APPROVED 5-0

0319-6 INFORMATIONAL ITEM: Update on DNRC's efforts to help improve management on federal lands

PUBLIC COMMENT

0319-1

FWP: Garrity Mountain WMA:
Addition/Fee Acquisition

**Land Board Agenda Item
March 18, 2019**

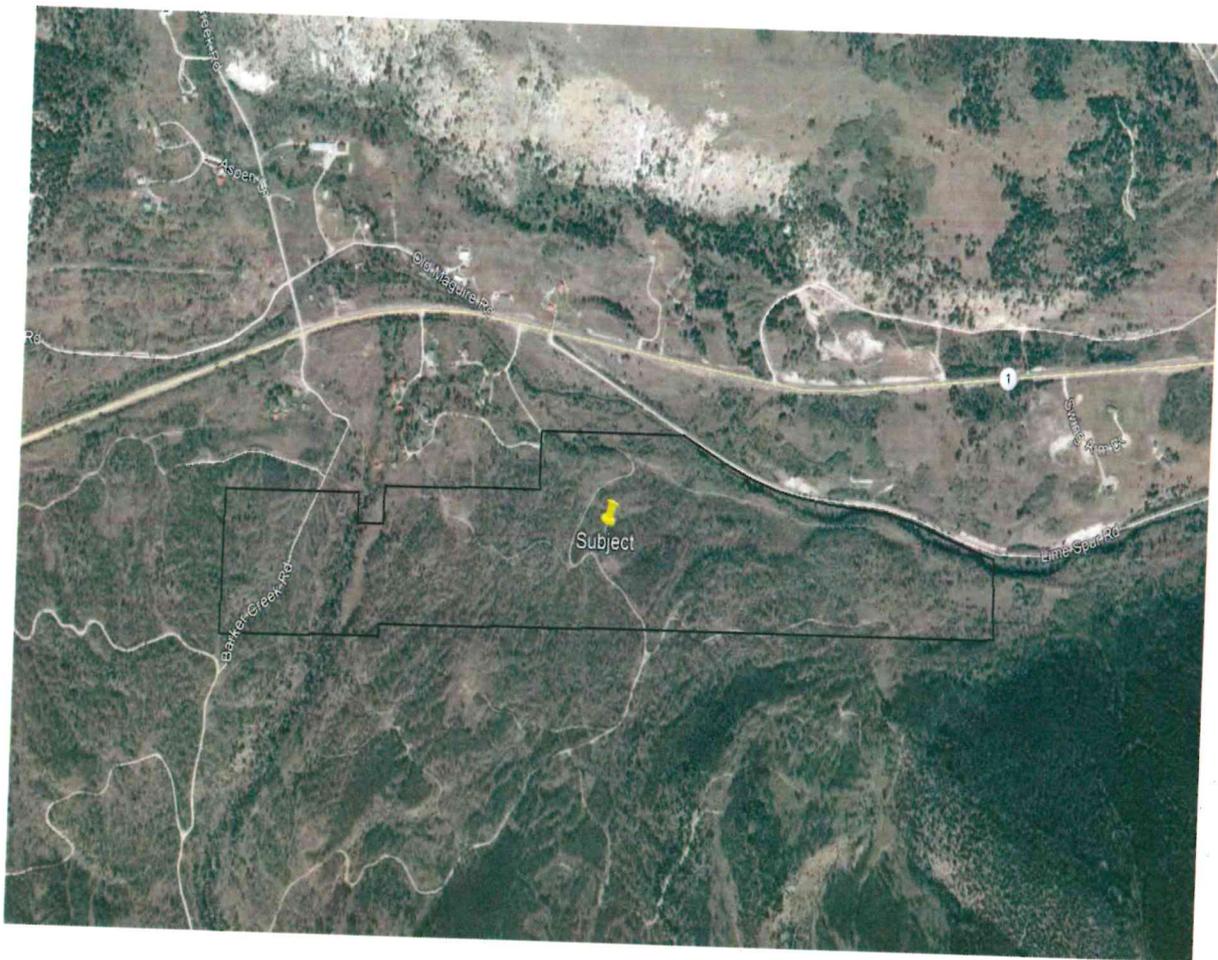
0319-1 FWP: Garry Mountain WMA Addition/Fee Acquisition**Location: Deer Lodge County, Montana****Trust Benefits: n/a****Trust Revenue: n/a****Item Summary**

Fish, Wildlife and Parks (FWP) proposed to purchase an approximately 154-acre parcel from YT Timber for inclusion in the Garry Mountain Wildlife Management Area (GMWMA), west of Anaconda in Deer Lodge County (see map). The \$416,296 funding for the purchase of the land would come from three sources: \$100,000 from the Montana Fish and Wildlife Conservation Trust (MFWCT), \$50,000 from Habitat Montana, and \$266,296 from the Montana Natural Resource Damage Program (NRPD). The new parcel would be managed as part of GMWMA, and the primary management purposes of GMWMA would continue to be wildlife habitat enhancement and public recreation, including hunting and fishing along Warm Springs Creek. The purchase of the property would protect a migration corridor for bighorn sheep and valuable wildlife habitat, increase public access and recreational opportunities, and prevent possible future subdivision or development of the property, which would directly impact habitat values on the WMA.

Public Involvement Process & Results: A draft environmental assessment was made available for public comment for 30 days from December 2018 into January 2019. The EA was posted on FWP's website and comments could be made directly on the EA's webpage or submitted via mail or email. Legal notices were published twice each in five local, regional, and statewide newspapers. FWP sent 28 printed copies of the EA and 46 emails of the EA's availability to adjacent landowners and interested individuals, groups, and agencies. A statewide news release was distributed Dec. 21, 2018. FWP held a public hearing in Anaconda (Jan. 3, 2019), and eight people attended, six of whom commented. In summary, all 21 commenters supported the proposal, and no comments were received in opposition. FWP published a decision notice on January 25, 2019 that supported proceeding with this acquisition. FWP Commission approval was received Feb. 13, 2019.

FWP Recommendation

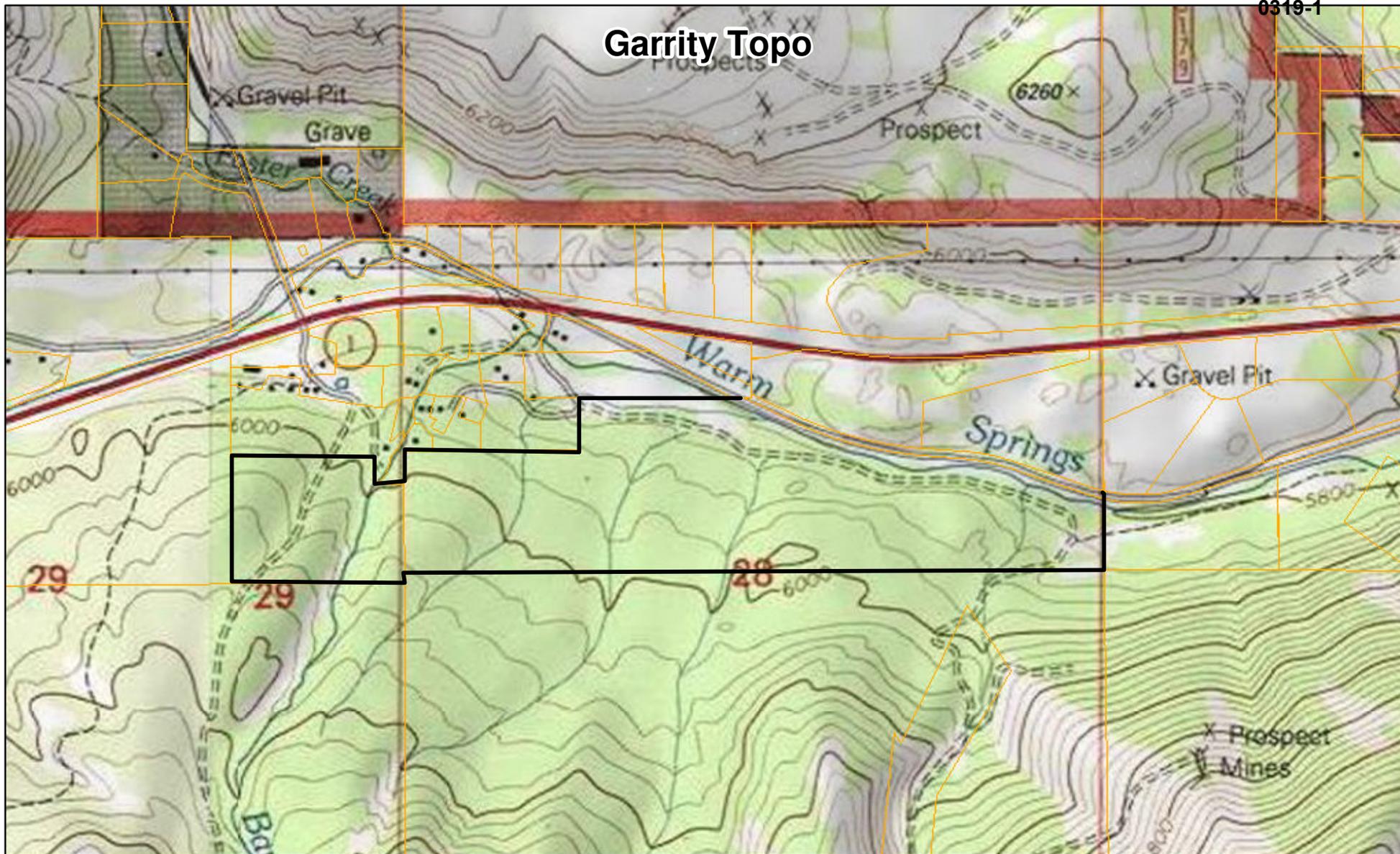
FWP recommends the members of the Land Board approve FWP's acquisition of the 154-acre addition to the Garry Mountain WMA.



VALUATION

Income Approach	n/a
Cost Approach	n/a
Sales Comparison Approach	\$406,000
Fee Simple	\$406,000

Garrity Topo

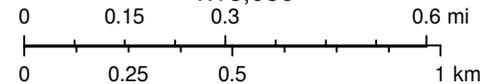


Cadastral Parcels

 Cadastral Parcels

Printed from fwp.mt.gov
September 13, 2018

1:18,056



This map was generated from the Montana Fish, Wildlife & Parks (FWP) internal FWP Mapper online mapping system. Data layers on this map may depict sensitive species level information. This map is not intended for distribution or use beyond work associated with FWP.

0319-2

TIMBER SALES:

- A. Bear Square Timber Sale
- B. Carney Creek 80 Timber Sale
- C. Rattler Gulch Timber Sale
- D. Upper McKillop Timber Sale

Land Board Agenda Item
March 18, 2019

0319-2A Timber Sale: Bear Square

Location: Missoula County
Sections 13 & 24, T13N, R17W
Section 19 T13N R16W

Trust Beneficiaries: Common Schools & Acquired Lands-Public Schools

Trust Revenue: \$40,319 (estimated, minimum bid)

Item Summary

Location: The Bear Square Timber Sale is located approximately 11 air miles east of Bonner, Montana in the Bear Creek drainage in Missoula county.

Size and Scope: The sale includes four harvest units (149 acres) proposed for logging by ground-based tractor methods.

Volume: The estimated harvest volume is 5,493 tons (683 MBF) of sawlogs.

Estimated Return: The minimum bid is \$7.34 per ton which would generate approximately \$40,319 for Common Schools and Acquired Lands-Public Schools Trusts and \$7,086 in Forest Improvement fees.

Prescription: This sale is primarily designed to reduce overstocked conditions within the existing stands and to remove ladder fuels from existing Old Growth. The Action Alternative also includes an element of sanitation harvest designed to address insect and disease issues, as well as remove trees with poor growth characteristics (forks, crook, sweep). Post harvest stands would contain vigorous trees, free of insects and disease. Western larch and ponderosa pine are favored to leave.

Road Construction/Maintenance: The Department of Natural Resources and Conservation (DNRC) is proposing 1.0 miles of new permanent road construction, 1.0 miles of road reconstruction and 8.8 miles of road maintenance.

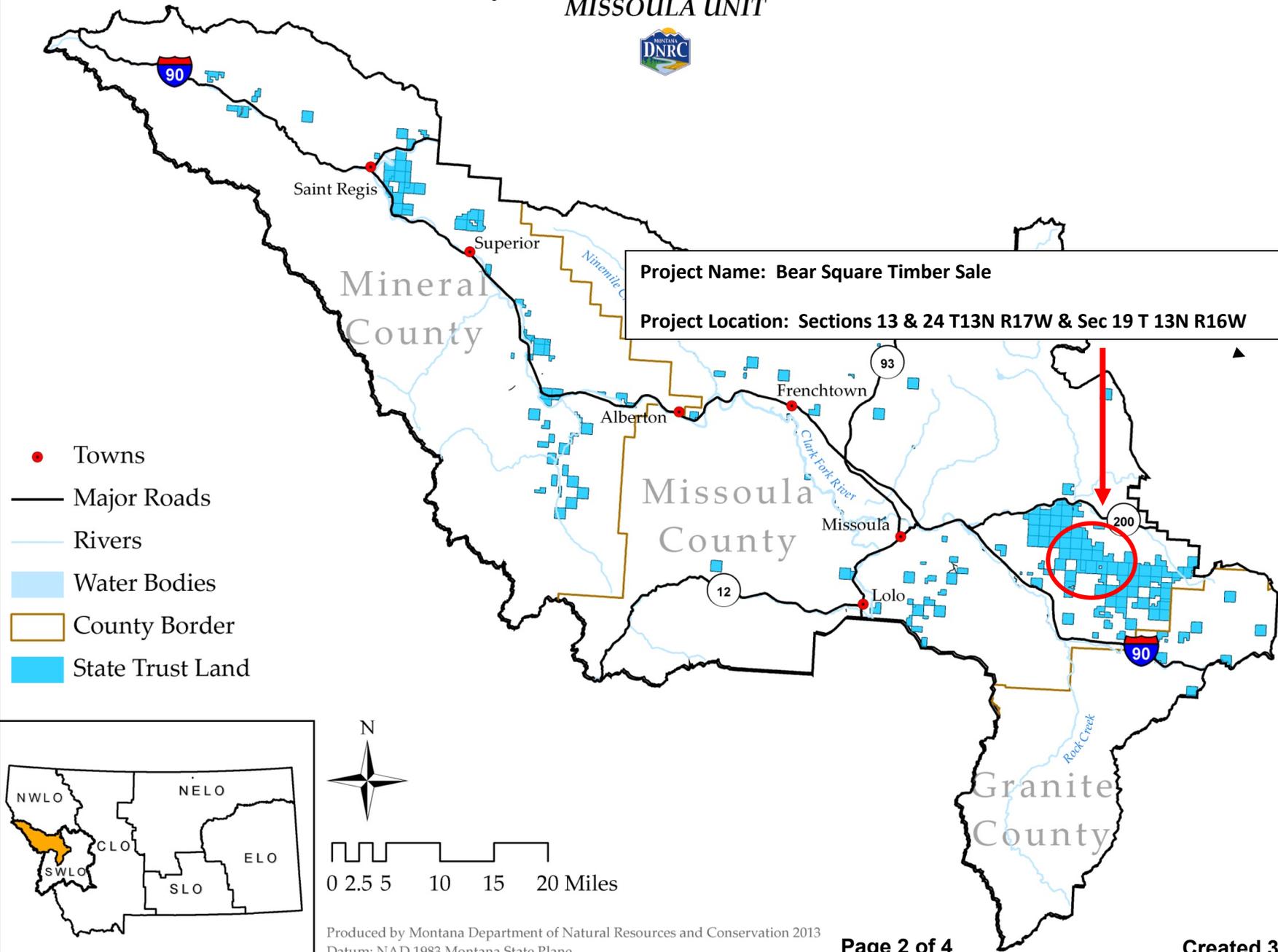
Access: DNRC does have legal access to this section. Access to the project area is through existing roads on lands acquired through the 2010 Potomac Acquisition.

Public Comment: 24 copies of the Scoping Notice were mailed to adjacent landowners, Montana's 7 Indian tribes, lessees and other parties that had indicated an interest in DNRC timber management projects. The only comment received was from The Confederated Salish and Kootenai Tribes which informed DNRC that a search of their database did not indicate the presence of any cultural sites within the project area.

DNRC Recommendation

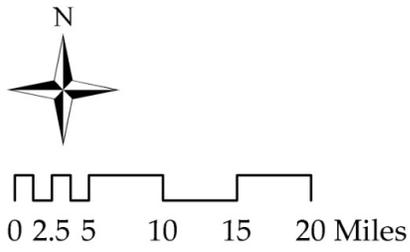
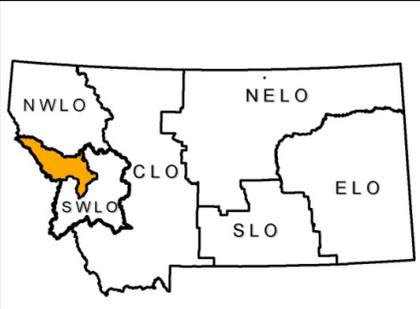
The director recommends the Land Board direct DNRC to sell the Bear Square Access Timber Sale.

BEAR SQUARE TIMBER SALE VICINITY MAP MISSOULA UNIT



Project Name: Bear Square Timber Sale
Project Location: Sections 13 & 24 T13N R17W & Sec 19 T 13N R16W

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



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

**Land Board Agenda Item
March 18, 2019**

0319-2B Timber Sale: Carney Creek 80

Location: Lake County; Section 9 T26N, R19W

Trust Beneficiaries: State Normal School

Trust Revenue: \$47,569 (estimated, minimum bid)

Item Summary

Location: The Carney Creek 80 Contract Harvest timber sale is located approximately 2 air miles southeast of Bigfork, Montana in Lake county.

Size and Scope: The sale includes one harvest unit (65 acres) proposed for logging by ground-based tractor methods.

Volume: The estimated harvest volume is 1,915 tons (420 MBF) of sawlogs.

Estimated Return: The minimum bid is \$24.84 per ton which would generate approximately \$47,569 for State Normal School Trust and \$5,093 in Forest Improvement fees.

Prescription: The Carney Creek 80 timber sale would utilize old growth maintenance treatments with large openings designed to encourage pockets of western white pine regeneration.

Road Construction/Maintenance: Approximately .5 miles temporary road construction is proposed.

Access: Access to this section of state land was gained though a temporary road use permit from the United States Forest Service (USFS) Swan Lake Ranger District.

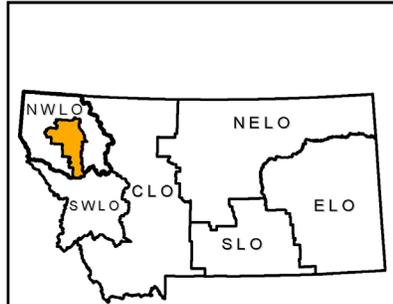
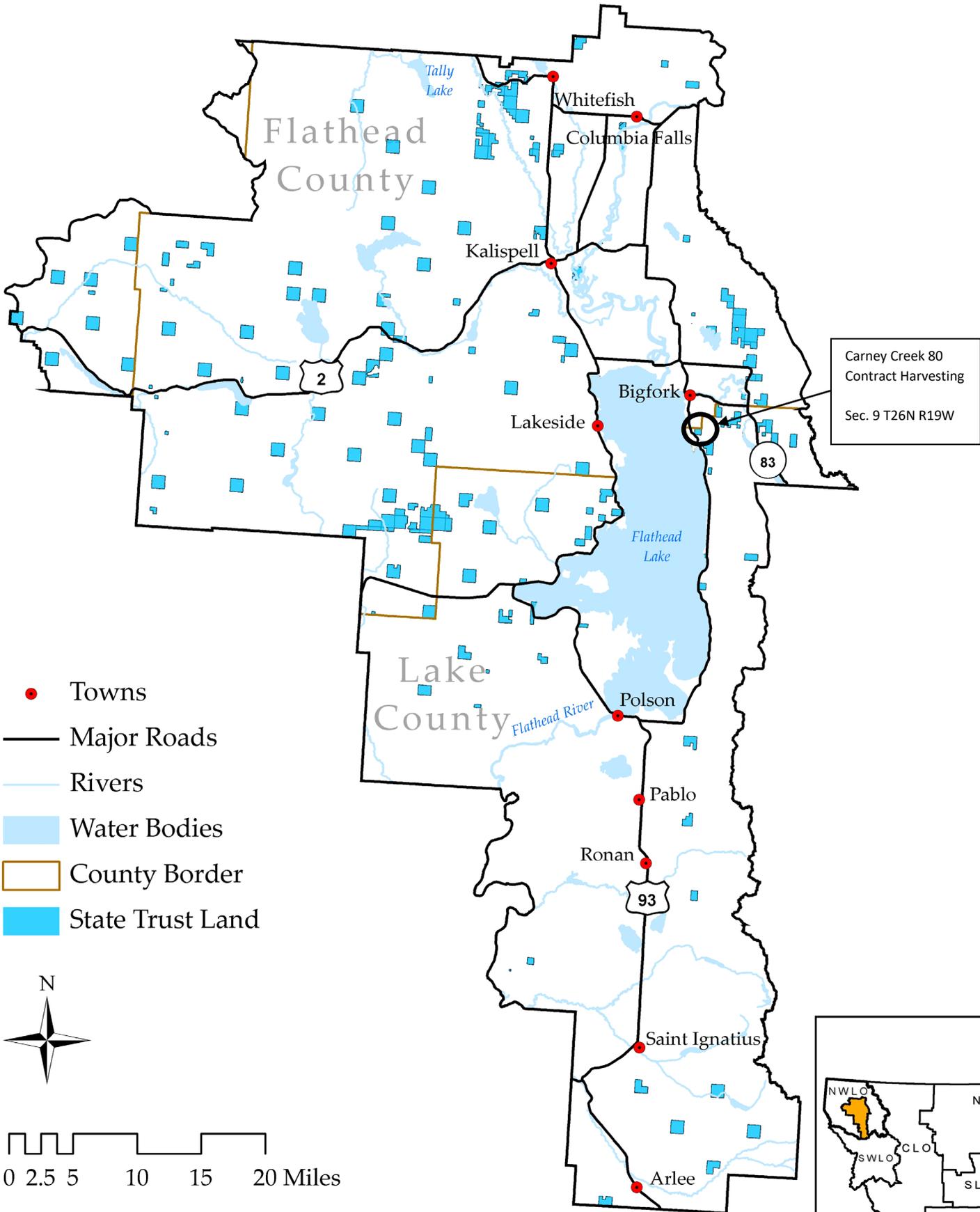
Public Comments: Neighbors expressed concerns over historic clearcutting in the area. A public meeting was held, and all concerns have been mitigated. Internal issues and concerns from the Department of Natural Resources and Conservation (DNRC) specialist were incorporated into project planning and design and will be implemented in the timber sale contract.

DNRC Recommendation

The director recommends the Land Board direct DNRC to sell the Carney Creek 80 Timber Sale.

Carney Creek 80 VICINITY MAP KALISPELL UNIT

0319-2B



**Land Board Agenda Item
March 18, 2019**

0319-2C Timber Sale: Rattler Gulch Timber Sale

**Location: Powell and Granite Counties
Section 36; T12N; R13W**

Trust Beneficiaries: Common Schools

Trust Revenue: \$440,637 (estimated, minimum bid)

Item Summary

Location: The Rattler Gulch Timber Sale is located approximately 8 miles northwest of Drummond, MT in Granite county.

Size and Scope: The sale has three units (529 acres) proposed for logging by ground-based tractor methods.

Volume: Estimated volume is 23,070 tons (3.201 MMBF) of sawlogs.

Estimated Return: The minimum bid is \$19.10 per ton which would generate approximately \$440,637 for the Common Schools Trust and \$33,221 in Forest Improvement fees

Prescription: Prescriptions include a combination of shelterwood and individual tree selection. Leave-tree selection favored healthy Douglas-fir of all sizes. Tree spacing is random based on tree quality to develop an irregular pattern. The best trees were left; this may be individual trees or small clumps. Some trees from all diameter classes were removed.

Road Construction/Maintenance: Approximately .75 miles of new temporary road will be constructed within the timber sale area. Approximately 1.8 miles of existing road will be re-constructed. Road maintenance will be performed on 7.6 miles.

Access: Access to the sale is from the Rattler Gulch road which is a county road for approximately 5 miles. From the end of the county road, a BLM public road into the State section would be utilized.

Public Comment: Comment was received from the Montana Department of Fish, Wildlife, and Parks (DFWP) regarding conservation easements held immediately adjacent to the project area. Primary concerns were ensuring restricted access to those lands. Internal and external issues and concerns were incorporated into project planning and design.

DNRC Recommendation

The director recommends the Land Board direct the Department of Natural Resources and Conservation (DNRC) to sell the Rattler Gulch Timber Sale.

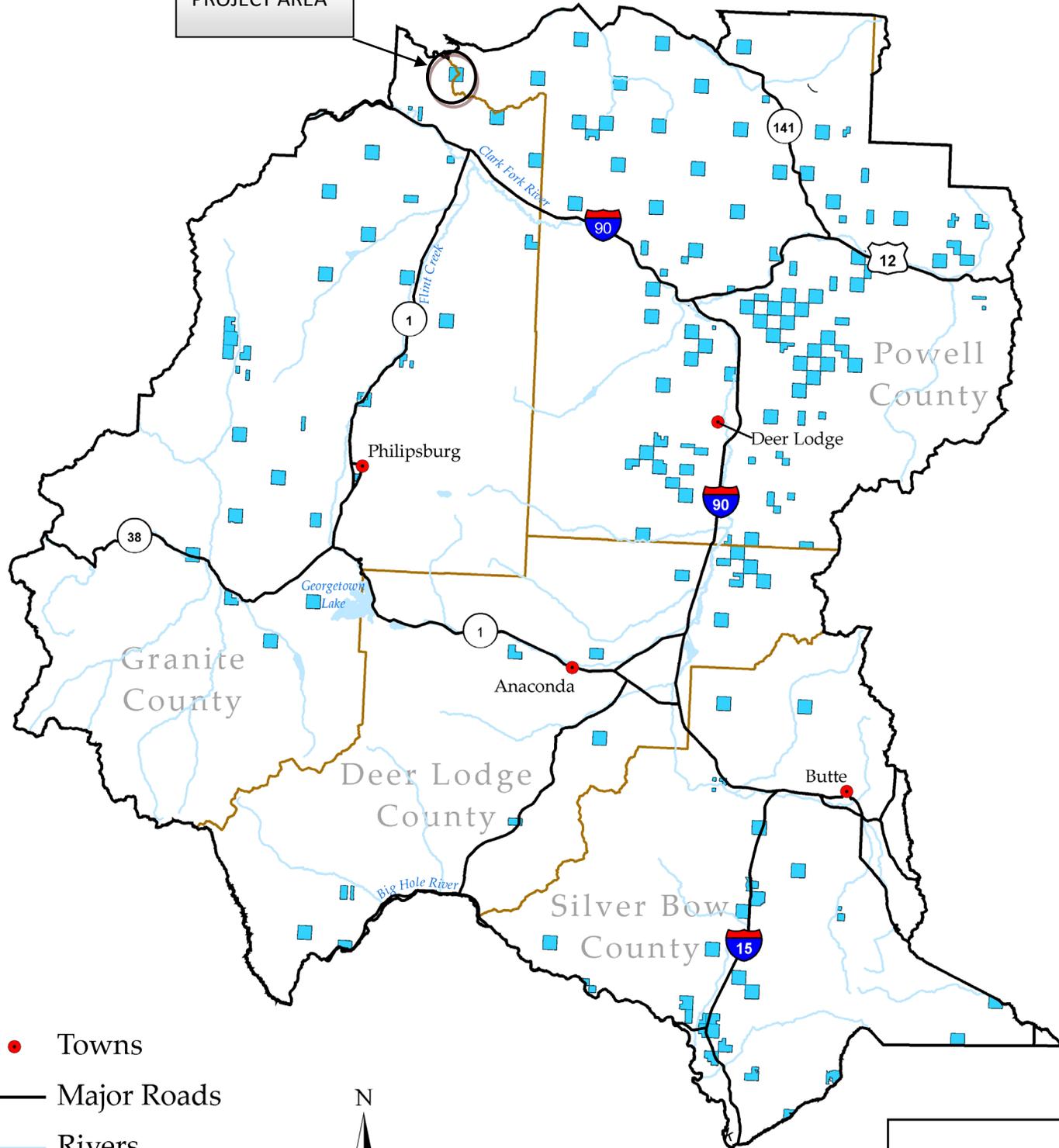
RATTLER GULCH VICINITY MAP

ANACONDA UNIT

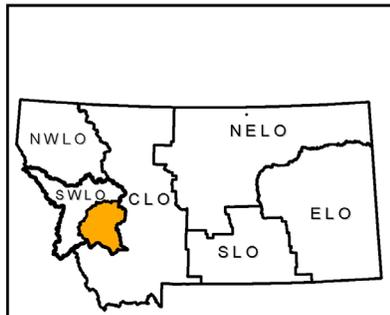
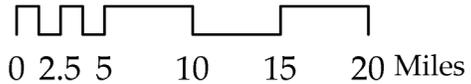
0319-2C



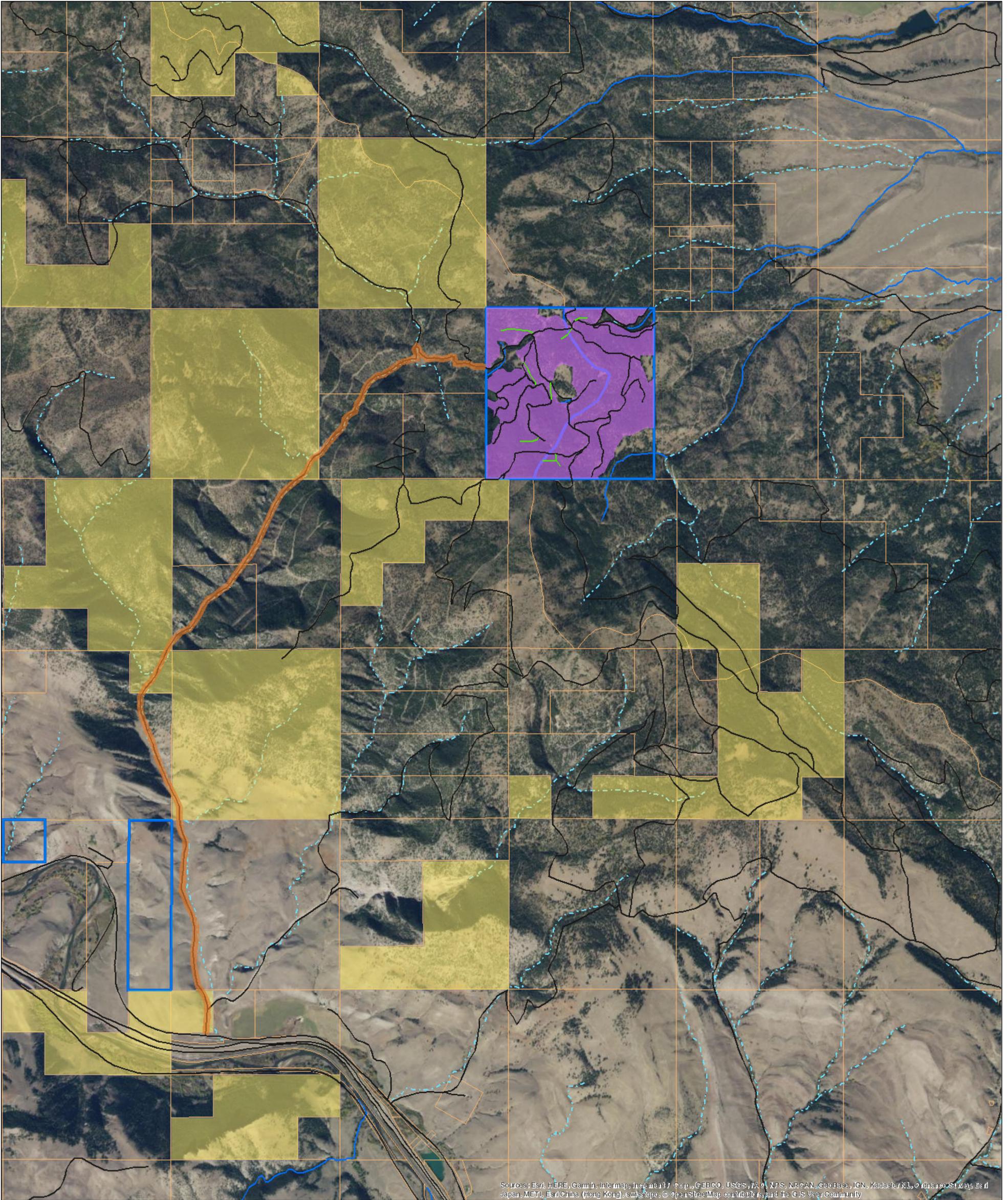
PROJECT AREA



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



Rattler Gulch Timber Sale Haul Route Map



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), Swisstopo, © OpenStreetMap contributors, and the GIS User Community



- | | | |
|---------------------|------------------------|------------|
| 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 |



**Land Board Agenda Item
March 18, 2019**

0319-2D Timber Sale: Upper McKillop #2

**Location: Lincoln County
Section 16, T27N R28W**

Trust Benefits: Common Schools

Trust Revenue: \$136,031 (estimated, minimum bid)

Item Summary

Location: The Upper McKillop #2 Timber Sale is located approximately 25 miles southeast of Libby, MT in Lincoln county.

Size and Scope: The sale includes two harvest units (211 acres) proposed for logging by both tractor (171 acres) and skyline (40 acres) logging methods.

Volume: The estimated harvest volume is 7,290 tons (1.096 *MMBF*) of sawlogs.

Estimated Return: The minimum bid is \$18.66 per ton, which would generate approximately \$136,031 for the Common Schools Trust and approximately \$13,341 in Forest Improvement fees.

Prescription: This sale has a harvest prescription of seed tree removal for the tractor logging unit and shelterwood treatment for the skyline unit.

Road Construction/Maintenance: The Department of Natural Resources and Conservation (DNRC) is proposing 0.1 miles of new permanent road construction and 2.2 miles of road maintenance.

Access: Access is obtained through the Fisher/McKillop/Wolf Cost Share with the United States Forest Service and a temporary road use permit from Weyerhaeuser Co.

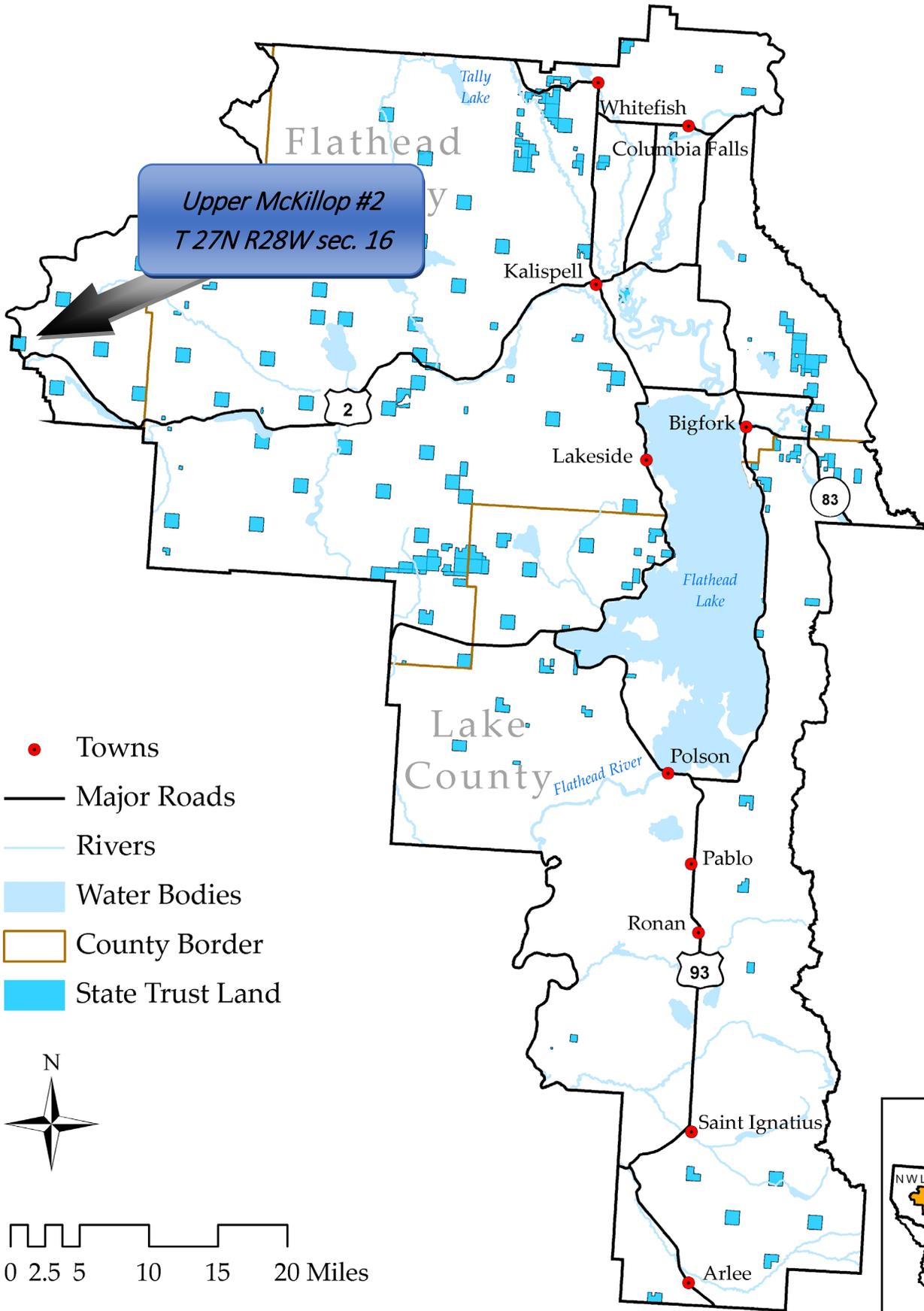
Public Comments: No comments were received during the 30-day public scoping process. Internal issues and concerns from DNRC specialist were incorporated into project planning and design and will be implemented in the timber sale contract.

DNRC Recommendation

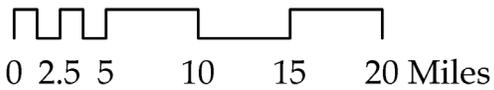
The director recommends the Land Board direct DNRC to sell the Upper McKillop #2 Timber Sale.

UPPER MCKILLOP #2 VICINITY MAP KALISPELL UNIT

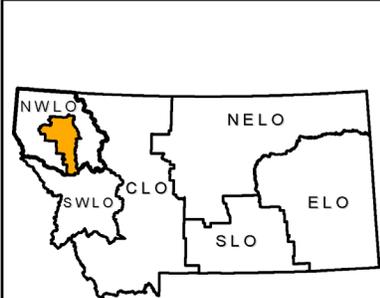
0319-2D



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



JR 12/2018



0319-3

OIL AND GAS LEASE SALE:

March 5, 2019

**Land Board Agenda Item
March 18, 2019**

0319-3 Oil and Gas Lease Sale (March 5, 2019)

Location: Big Horn, Dawson, Fallon, Musselshell, Petroleum, Richland, Rosebud, Toole Counties

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

Trust Revenue: \$495,041.68

Item Summary

The Department of Natural Resources and Conservation (DNRC) held an oil and gas lease sale on March 5, 2019, in the Montana Room at the Montana DNRC building. A total of seventy-six tracts were offered for lease. Seventy-six tracts were leased for a total of \$495,041.68. The seventy-six tracts that were sold covered a total of 29,250.00 acres. The average bid per acre was \$16.92.

The high competitive bid for the March 5, 2019 sale was \$130.00 per acre for Tract 58 in Richland County and the largest total bid was \$55,040.00 for Tract 64 in Rosebud County.

DNRC Recommendation

The director requests Land Board approval to issue the leases from the March 5, 2019 oil and gas lease sale.

State of Montana
Oil & Gas Lease Sale - March 5, 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, March 5, 2019.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Big Horn									
1	1, 2, 3, 4, 5, 6, 14, 15	1.N	33.E	10	Big Horn Riverbed and related acreage	6.00	\$16.67	\$100.00	BRISCOE PETROLEUM, LLC
2	1, 2, 3, 4, 5, 6, 14, 15	1.N	33.E	14	Big Horn Riverbed and related acreage	27.00	\$3.70	\$100.00	BRISCOE PETROLEUM, LLC
3	1, 2, 3, 4, 5, 6, 14, 15	1.N	33.E	15	Big Horn Riverbed and related acreage	111.00	\$1.50	\$166.50	BRISCOE PETROLEUM, LLC
Dawson									
4	1, 2, 3, 4, 5, 6, 14, 15	14.N	55.E	18	Yellowstone Riverbed and related acreage	4.00	\$26.00	\$104.00	MONKOTA PETROLEUM CORPORATION
5	1, 2, 3, 4, 5, 6, 14, 15	14.N	55.E	19	Yellowstone Riverbed and related acreage	135.00	\$1.50	\$202.50	PRIMARY FUELS, LLC
6	1, 2, 3, 4, 5, 6, 14, 15	14.N	55.E	20	Yellowstone Riverbed and related acreage	17.00	\$5.88	\$100.00	PRIMARY FUELS, LLC
7	1, 2, 3, 4, 5, 6, 14, 15	15.N	55.E	10	Yellowstone Riverbed and related acreage	27.00	\$3.70	\$100.00	PRIMARY FUELS, LLC
8	1, 2, 3, 4, 5, 6	17.N	54.E	36	All	640.00	\$18.00	\$11,520.00	DEWALD, MIKE
Fallon									
9	1, 2, 3, 4, 5, 6	3.N	61.E	16	N2NW4, NE4, NE4SE4, W2SW4	360.00	\$1.50	\$540.00	KKREP, LLC
10	1, 2, 3, 4, 5, 6	3.N	61.E	35	W2NE4, SE4NW4	120.00	\$1.50	\$180.00	KKREP, LLC
11	1, 2, 3, 4, 5, 6, 12, 13	4.N	60.E	16	All	640.00	\$1.50	\$960.00	KKREP, LLC
12	1, 2, 3, 4, 5, 6	4.N	60.E	28	N2	320.00	\$1.50	\$480.00	KKREP, LLC
13	1, 2, 3, 4, 5, 6	4.N	60.E	34	N2	320.00	\$1.50	\$480.00	KKREP, LLC
14	1, 2, 3, 4, 5, 6	4.N	60.E	35	S2	320.00	\$1.50	\$480.00	KKREP, LLC
15	1, 2, 3, 4, 5, 6	4.N	60.E	36	All	640.00	\$1.50	\$960.00	KKREP, LLC
16	1, 2, 3, 4, 5, 6, 9, 12	4.N	61.E	16	All	640.00	\$1.50	\$960.00	KKREP, LLC
17	1, 2, 3, 4, 5, 6, 9	4.N	61.E	22	W2	320.00	\$1.50	\$480.00	KKREP, LLC
18	1, 2, 3, 4, 5, 6, 7, 9	4.N	61.E	36	All	640.00	\$1.50	\$960.00	KKREP, LLC
19	1, 2, 3, 4, 5, 6, 8, 12	5.N	59.E	24	E2	320.00	\$1.50	\$480.00	KKREP, LLC
20	1, 2, 3, 4, 5, 6, 12	5.N	59.E	36	All	640.00	\$1.50	\$960.00	KKREP, LLC
21	1, 2, 3, 4, 5, 6, 7, 9, 12	5.N	60.E	16	All	640.00	\$2.00	\$1,280.00	G-SUN LLC
Musselshell									
22	1, 2, 3, 4, 5, 6, 7, 9	9.N	31.E	4	N2	* 320.00	\$1.50	\$480.00	MONTANA MINERAL SERVICES, LLC
23	1, 2, 3, 4, 5, 6, 10	10.N	28.E	36	All	640.00	\$1.75	\$1,120.00	BTC OIL PROPERTIES, LLC
24	1, 2, 3, 4, 5, 6, 10	10.N	29.E	2	SE4	160.00	\$1.75	\$280.00	BTC OIL PROPERTIES, LLC
25	1, 2, 3, 4, 5, 6, 10, 12	10.N	29.E	10	S2	320.00	\$1.75	\$560.00	BTC OIL PROPERTIES, LLC
26	1, 2, 3, 4, 5, 6, 10, 12	10.N	29.E	11	All	640.00	\$4.75	\$3,040.00	BTC OIL PROPERTIES, LLC
27	1, 2, 3, 4, 5, 6, 7, 10, 12	10.N	29.E	12	S2NW4, NE4, SW4	400.00	\$6.00	\$2,400.00	BTC OIL PROPERTIES, LLC
28	1, 2, 3, 4, 5, 6, 7, 10	10.N	29.E	16	All	640.00	\$1.75	\$1,120.00	BTC OIL PROPERTIES, LLC
29	1, 2, 3, 4, 5, 6, 7, 10	10.N	29.E	36	All	640.00	\$1.75	\$1,120.00	BTC OIL PROPERTIES, LLC
30	1, 2, 3, 4, 5, 6, 7, 10	10.N	30.E	6	Lots 1, 2, S2NE4, SE4	320.43	\$1.75	\$560.75	BTC OIL PROPERTIES, LLC

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Musselshell									
31	1, 2, 3, 4, 5, 6, 7, 10	10.N	30.E	8	W2	320.00	\$1.75	\$560.00	BTC OIL PROPERTIES, LLC
32	1, 2, 3, 4, 5, 6, 10	10.N	30.E	16	All	640.00	\$6.00	\$3,840.00	BTC OIL PROPERTIES, LLC
33	1, 2, 3, 4, 5, 6, 10	10.N	30.E	18	Lot 1, NE4NW4, W2E2, NE4NE4	294.63	\$1.75	\$515.60	BTC OIL PROPERTIES, LLC
34	1, 2, 3, 4, 5, 6, 7, 10, 11, 16	10.N	30.E	36	All, less patented RR R/W	* 621.80	\$1.75	\$1,088.15	BTC OIL PROPERTIES, LLC
35	1, 2, 3, 4, 5, 6, 7, 10	11.N	29.E	16	All	640.00	\$1.75	\$1,120.00	BTC OIL PROPERTIES, LLC
36	1, 2, 3, 4, 5, 6, 10, 12	11.N	29.E	24	E2NW4, SW4NE4, W2SE4	200.00	\$1.75	\$350.00	BTC OIL PROPERTIES, LLC
37	1, 2, 3, 4, 5, 6, 7, 10, 12	11.N	29.E	25	Lots 1, 2, 3, 4, W2E2, W2	690.68	\$12.00	\$8,288.16	BTC OIL PROPERTIES, LLC
38	1, 2, 3, 4, 5, 6, 10	11.N	29.E	36	Lots 1-7, NW4, W2NE4, NW4SE4, N2SW4	658.56	\$16.00	\$10,536.96	BTC OIL PROPERTIES, LLC
39	1, 2, 3, 4, 5, 6, 7, 9	11.N	30.E	16	All	640.00	\$1.75	\$1,120.00	BTC OIL PROPERTIES, LLC
40	1, 2, 3, 4, 5, 6, 7, 10	11.N	30.E	22	E2	320.00	\$1.75	\$560.00	BTC OIL PROPERTIES, LLC
41	1, 2, 3, 4, 5, 6, 7, 10	11.N	30.E	26	W2	320.00	\$1.75	\$560.00	BTC OIL PROPERTIES, LLC
Petroleum									
42	1, 2, 3, 4, 5, 6, 7, 10	12.N	28.E	36	All	640.00	\$1.75	\$1,120.00	BTC OIL PROPERTIES, LLC
43	1, 2, 3, 4, 5, 6, 7, 10	12.N	29.E	16	All	640.00	\$1.75	\$1,120.00	BTC OIL PROPERTIES, LLC
44	1, 2, 3, 4, 5, 6, 7, 10	12.N	29.E	32	NW4	160.00	\$1.75	\$280.00	BTC OIL PROPERTIES, LLC
45	1, 2, 3, 4, 5, 6, 7, 10	12.N	29.E	36	Lots 1, 2, 3, 4, W2, W2E2	572.07	\$1.75	\$1,001.12	BTC OIL PROPERTIES, LLC
46	1, 2, 3, 4, 5, 6, 7, 10	12.N	30.E	16	All	* 640.00	\$1.75	\$1,120.00	BTC OIL PROPERTIES, LLC
47	1, 2, 3, 4, 5, 6, 7, 10	12.N	30.E	36	All	640.00	\$1.75	\$1,120.00	BTC OIL PROPERTIES, LLC
Richland									
48	1, 2, 3, 4, 5, 6, 14, 15	27.N	54.E	1	Any and all State interest under the Missouri Riverbed and related acreage	15.00	\$66.00	\$990.00	LAO LAND SERVICES, LLC
49	1, 2, 3, 4, 5, 6, 14, 15	27.N	54.E	2	Any and all State interest under the Missouri Riverbed and related acreage	65.00	\$82.00	\$5,330.00	LAO LAND SERVICES, LLC
50	1, 2, 3, 4, 5, 6, 14, 15	27.N	54.E	3	Any and all State interest under the Missouri Riverbed and related acreage	36.00	\$110.00	\$3,960.00	MONKOTA PETROLEUM CORPORATION
51	1, 2, 3, 4, 5, 6, 14, 15	27.N	54.E	4	Any and all State interest under the Missouri Riverbed and related acreage	52.00	\$75.00	\$3,900.00	LAO LAND SERVICES, LLC
52	1, 2, 3, 4, 5, 6, 14, 15	27.N	54.E	5	Any and all State interest under the Missouri Riverbed and related acreage	45.00	\$76.00	\$3,420.00	LAO LAND SERVICES, LLC
53	1, 2, 3, 4, 5, 6, 14, 15	27.N	54.E	6	Any and all State interest under the Missouri Riverbed and related acreage	63.00	\$110.00	\$6,930.00	LAO LAND SERVICES, LLC
54	1, 2, 3, 4, 5, 6, 14, 15	27.N	54.E	9	Any and all State interest under the Missouri Riverbed and related acreage	21.00	\$108.00	\$2,268.00	MONKOTA PETROLEUM CORPORATION
55	1, 2, 3, 4, 5, 6, 14, 15	27.N	54.E	10	Any and all State interest under the Missouri Riverbed and related acreage	40.00	\$75.00	\$3,000.00	LAO LAND SERVICES, LLC
56	1, 2, 3, 4, 5, 6, 14, 15	27.N	54.E	11	Any and all State interest under the Missouri Riverbed and related acreage	7.00	\$108.00	\$756.00	MONKOTA PETROLEUM CORPORATION

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Richland									
57	1, 2, 3, 4, 5, 6, 14, 15	27.N	54.E	12	Any and all State interest under the Missouri Riverbed and related acreage	71.00	\$62.00	\$4,402.00	LAO LAND SERVICES, LLC
58	1, 2, 3, 4, 5, 6, 17	27.N	54.E	25	S2SE4	80.00	\$130.00	\$10,400.00	LAO LAND SERVICES, LLC
59	1, 2, 3, 4, 5, 6, 17	27.N	54.E	36	All	640.00	\$65.00	\$41,600.00	LAO LAND SERVICES, LLC
60	1, 2, 3, 4, 5, 6, 14, 15	27.N	55.E	3	Missouri Riverbed and related acreage	39.00	\$4.00	\$156.00	MONKOTA PETROLEUM CORPORATION
61	1, 2, 3, 4, 5, 6, 14, 15	27.N	55.E	7	Any and all State interest under the Missouri Riverbed and related acreage	45.00	\$3.00	\$135.00	MONKOTA PETROLEUM CORPORATION
Rosebud									
62	1, 2, 3, 4, 5, 6, 7, 9	9.N	31.E	12	N2, NE4SW4, N2SE4	* 440.00	\$12.00	\$5,280.00	HOOVER & STACY, INC.
63	1, 2, 3, 4, 5, 6, 9, 11	10.N	31.E	2	Lots 3, 4, S2NW4	159.60	\$96.00	\$15,321.60	SUNSHINE PACIFIC CORP.
64	1, 2, 3, 4, 5, 6, 7, 10, 11, 12	10.N	31.E	16	All	640.00	\$86.00	\$55,040.00	HOOVER & STACY, INC.
65	1, 2, 3, 4, 5, 6, 9	10.N	31.E	36	All	640.00	\$25.00	\$16,000.00	SUNSHINE PACIFIC CORP.
66	1, 2, 3, 4, 5, 6, 7, 10	10.N	35.E	16	All	640.00	\$80.00	\$51,200.00	SUNSHINE PACIFIC CORP.
67	1, 2, 3, 4, 5, 6, 7, 10	11.N	35.E	36	All	* 640.00	\$27.00	\$17,280.00	SUNSHINE PACIFIC CORP.
68	1, 2, 3, 4, 5, 6, 7, 10, 12	12.N	31.E	16	All	640.00	\$79.00	\$50,560.00	HOOVER & STACY, INC.
69	1, 2, 3, 4, 5, 6, 10, 11	12.N	31.E	21	All	640.00	\$84.00	\$53,760.00	SUNSHINE PACIFIC CORP.
70	1, 2, 3, 4, 5, 6, 10	12.N	31.E	36	All	640.00	\$85.00	\$54,400.00	HOOVER & STACY, INC.
71	1, 2, 3, 4, 5, 6, 10	13.N	31.E	36	All	640.00	\$21.00	\$13,440.00	SUNSHINE PACIFIC CORP.
Toole									
72	1, 2, 3, 4, 5, 6, 7	34.N	3.W	16	All, less patented RR R/W, below the base of the Swift formation	626.23	\$1.50	\$939.34	FARLEIGH OIL PROPERTIES
73	1, 2, 3, 4, 5, 6	34.N	3.W	36	All, below the base of the Rierdon formation	* 640.00	\$1.50	\$960.00	FARLEIGH OIL PROPERTIES
74	1, 2, 3, 4, 5, 6	34.N	4.W	16	All	* 640.00	\$1.50	\$960.00	FARLEIGH OIL PROPERTIES
75	1, 2, 3, 4, 5, 6	34.N	4.W	28	NW4	* 160.00	\$21.00	\$3,360.00	FARLEIGH OIL PROPERTIES
76	1, 2, 3, 4, 5, 6	34.N	4.W	36	All	640.00	\$4.25	\$2,720.00	FARLEIGH OIL PROPERTIES

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

Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	29,250.00	76

Oil and Gas Lease Sale Summary

Total Tracts	76
Total Acres	29,250.00
Total Bid Revenue	\$495,041.68
Average Bid Per Acre	\$16.92

State of Montana
Oil & Gas Lease Sale - March 5, 2019
Stipulations

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

Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.
- 3 The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
- 4 The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises. The lessee's methods of control shall be reviewed and approved by the Department's Unit Office that has jurisdiction for that locale.
- 5 The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
- 6 If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
- 7 Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
- 8 The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.
- 9 This lease is located within designated sage grouse general habitat. Proposed activities are subject to, and shall comply with, all provisions, stipulations and mitigation requirements of the Montana Sage Grouse Habitat Conservation Strategy, as implemented by Governor's Executive Orders 10-2014, 12-2015, and amendments thereto. Contact the TLMD prior to preparing a project proposal.
- 10 This lease is located within designated sage grouse core habitat. Proposed activities are subject to, and shall comply with, all provisions, stipulations and mitigation requirements of the Montana Sage Grouse Habitat Conservation Strategy, as implemented by Governor's Executive Orders 10-2014, 12-2015, and amendments thereto. Contact the TLMD prior to preparing a project proposal.
- 11 Unless otherwise approved by the Department in writing, wells and related surface infrastructure, including new road construction, are prohibited within 1/2 mile of the centerline of a navigable river, lake or reservoir, and within 1/4 mile of direct perennial tributary streams of navigable waterways, on or adjacent to the tract. No surface occupancy is allowed within the bed of a river, stream, lake or reservoir, islands and accretions or abandoned channels.
- 12 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.

- 13 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.
- 14 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.
- 15 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.
- 16 Due to existing surface uses (such as center pivots, wheel lines, etc.) development on this tract may be restricted.
- 17 If whooping cranes are observed on-site, construction and/or maintenance activities shall be suspended until birds leave the area.

0319-4

CABIN SITE SALES:

Final approval for Sale

- A. Sanders #889
- B. Flathead #928
- C. Missoula #937 (This item removed from the agenda)

**Land Board Agenda Item
March 18, 2019**

**0319-4 Cabin and Home Sites: Final Approval for Sale
A. Sanders County**

Location: Sanders County
Trust Benefits: Capitol Buildings
Trust Revenue: \$38,000

Item Summary

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

Sale Number	# of Acres	Legal	Nominator	Trust
889	1.39 ±	Lot 8, Mudd Creek, COS 3534, Sec. 12, T22N-R27W Sanders County	Lynn Hansen & Connie Weber	Capitol Buildings

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 agreements.

Economic Analysis

Short term – The average rate of return for the sale parcel is as follows:

Sale #	Rate of Return
889	2.764%

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.

Background

This sale was granted preliminary approval in May 2017 to proceed through the Cabin and Home Site Sale Program. In October 2017, the Land Board set the minimum bid for the land and the maximum value of compensation for the improvements at the values below. The site was delayed by survey complications.

Sale #	Minimum Bid for the Lane	Appraised Value of Improvements
889	\$38,000	\$93,000

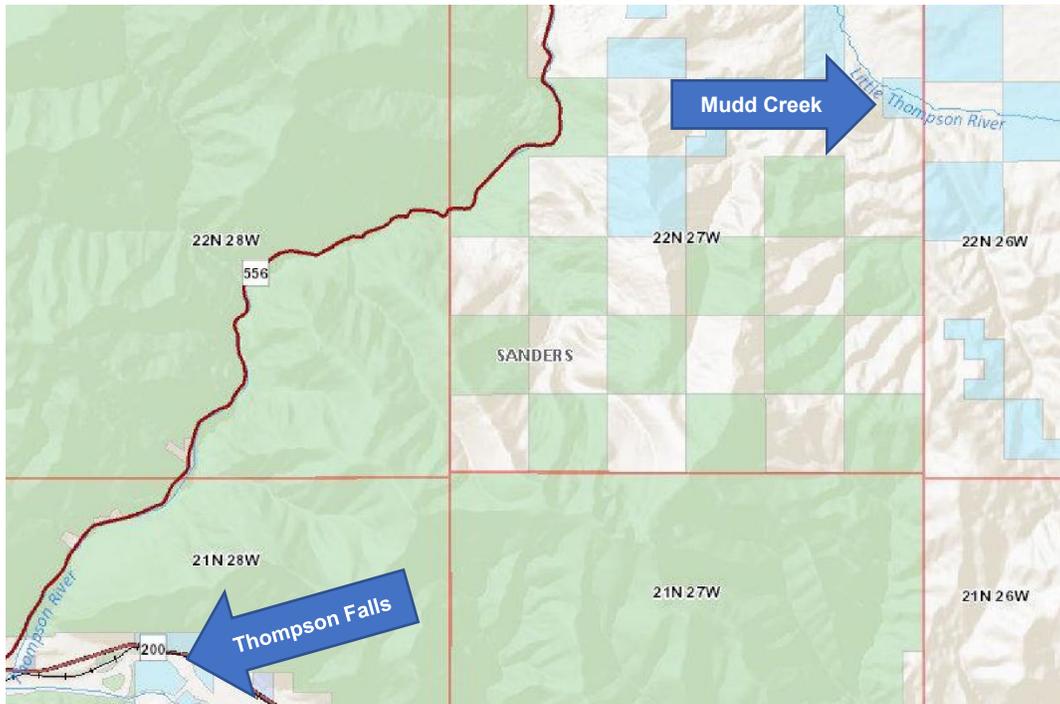
Sale Price

The sale sold at public auction on March 6, 2019. There was one bidder for the sale, and bidders for the sale were the current lessees. The parcel sold for the minimum bid amount listed above.

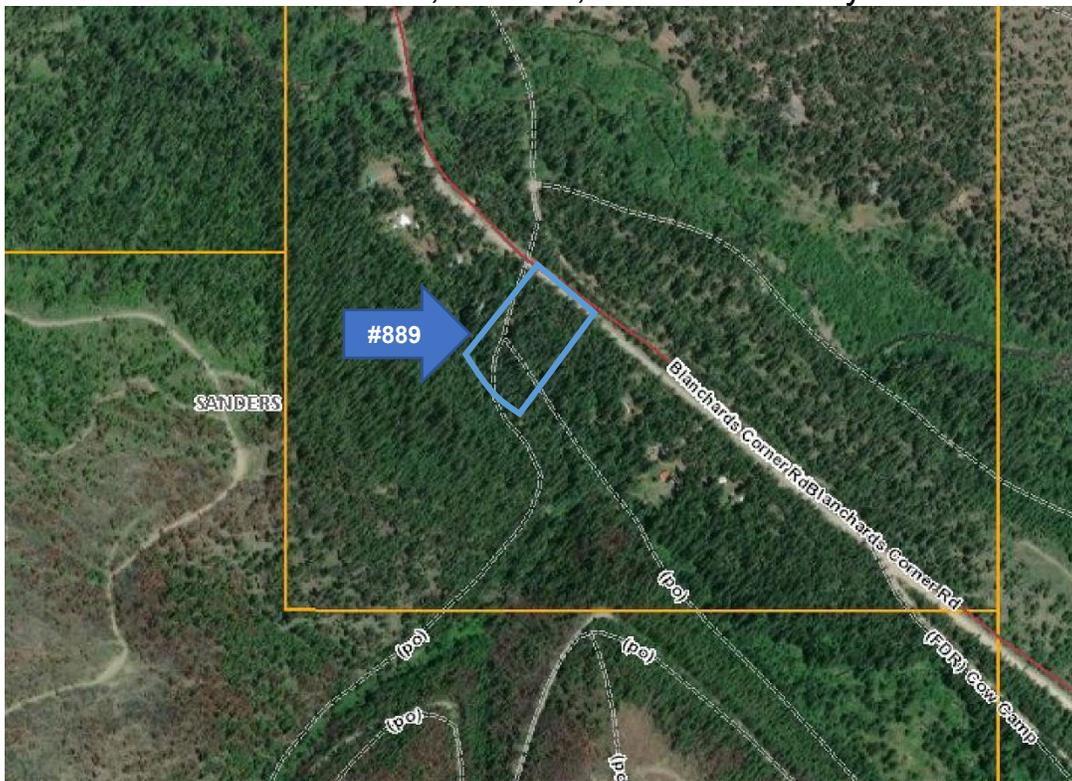
DNRC Recommendation

The director recommends the Land Board grant final approval for the sale of this cabin site at the value shown above. The sale will close within 30 days of final approval by the Land Board.

SANDERS COUNTY SALE



Mudd Creek Sale #889 T22N-R27W, Sec. 12, Sanders County



**Land Board Agenda Item
March 18, 2019**

**0319-4 Cabin and Home Sites: Final Approval for Sale
B. Flathead County**

Location: Flathead County
Trust Benefits: Common Schools
Trust Revenue: \$518,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval for sale of two cabin sites nominated for sale in Flathead County. Sale #925 was nominated by the lessee and Sale #928 was nominated by DNRC in conjunction with the Cabin and Home Site Sale Program.

Sale Number	# of Acres	Legal	Nominator	Trust
925	1.470±	Lot 27, McGregor Lake, COS 19909, Sec. 16, T26N-R25W Flathead County	James Slaton	Common Schools
928	1.277±	Lot 23, McGregor Lake, COS 19909, Sec. 16, T26N-R25W Flathead County	DNRC	Common Schools

Sale #925 is currently leased as a cabin site and produces an average income for residential leases statewide. Sale #928 is currently vacant and produces less than average income for residential leases statewide.

The parcels will be sold with the access currently provided under their lease agreements.

Economic Analysis

Short term – The average rates of return for the sale parcels are as follows:

Sale #	Rate of Return
925	3.065%
928	0.000%

Long term – The funds from the sale of these parcels 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 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

These sales were granted preliminary approval in March 2018 to proceed through the Cabin and Home Site Sale Program. In December 2018, the Land Board set the minimum bid for the land and the maximum value of compensation for the improvements for Sale #925 as shown below. The Land Board set the values for Sale #928 as shown below in September 2018.

Sale #	Minimum Bid for the Lane	Appraised Value of Improvements
925	\$235,000	\$165,000
928	\$283,000*	<i>* Minimum Bid includes the Appraised Value of State-Owned Improvements.</i>

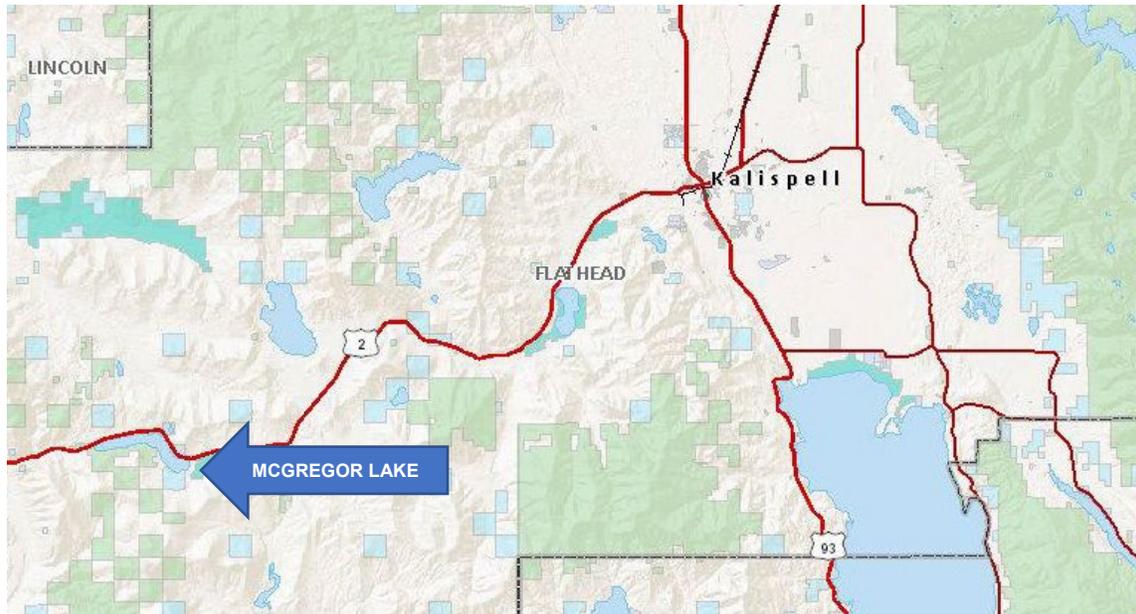
Sale Price

These sales sold at public auction on March 7, 2019. There was one bidder for each sale. The bidder for Sale #925 was the current lessee. The parcels sold for the minimum bid amounts listed above.

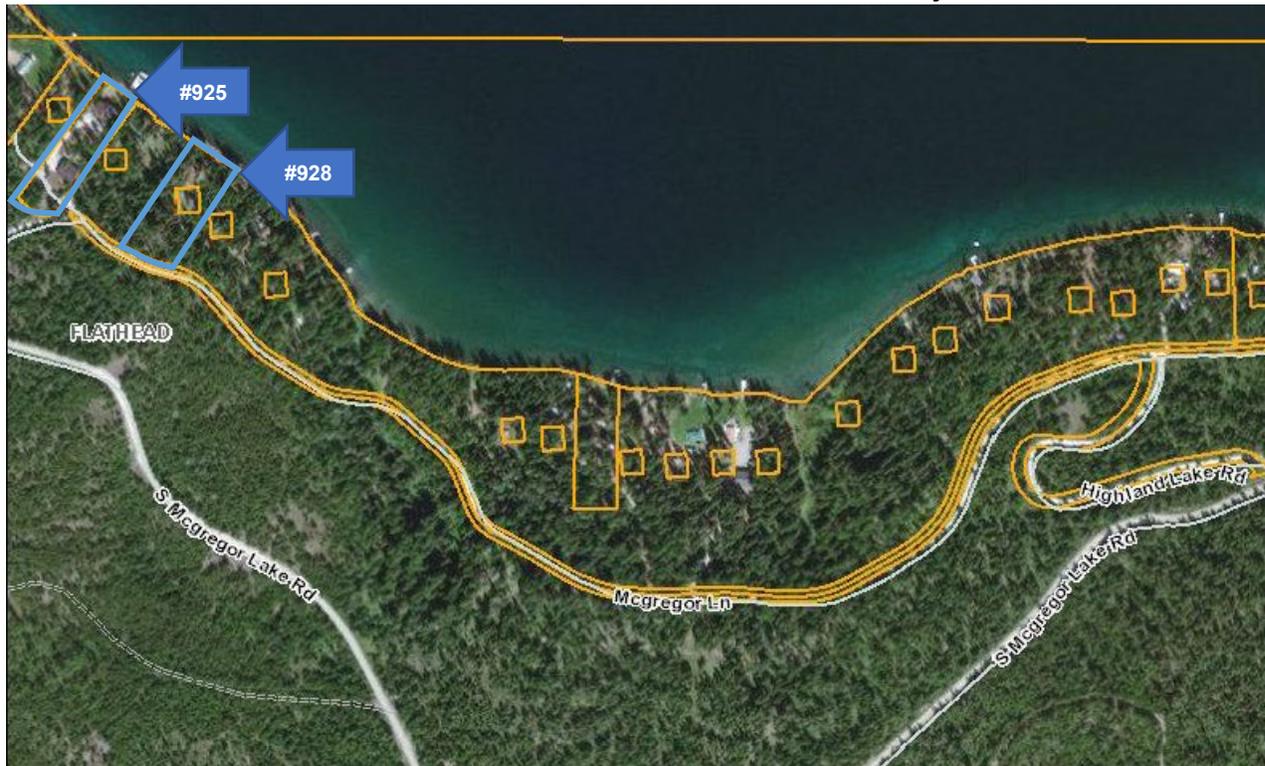
DNRC Recommendation

The director recommends the Land Board grant final approval for the sale of these cabin sites at the values shown above. The sales will close within 30 days of final approval by the Land Board.

FLATHEAD COUNTY SALE



McGregor Lake Sales T26N-R25W, Sec. 16, Flathead County



0319-5

EASEMENTS:

Land Board Agenda Item March 18, 2019

0319-5 Easements

Location: Blaine, Cascade, Fallon, Flathead, Hill, Lake, Lewis & Clark, Phillips, Ravalli, Roosevelt, Rosebud, Teton, Valley

Trust Benefits: Common Schools, MSU Morrill, MSU-Eastern / UM-Western, Public Land Trust – Nav. Rivers, Veterans Home

**Trust Revenue: Common Schools = \$ 72,910
MSU Morrill = \$ 174
MSU-Eastern / UM-Western = \$336
Public Land Trust = \$300
Veterans Home = \$154,227**

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NorthWestern Energy	Historic Overhead Electric Lines & Buried Pipelines	Permanent	3-44
Bonneville Power Admin.	Overhead Electric Transmission	Permanent	45-46
OneOK Rockies Midstream LLC	Buried Natural Gas Pipeline	30-year	47-48
3-Rivers Telephone Cooperative	Buried Fiber Optic Cable	Permanent	49-53
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Greg & Susan Egbert	Historic Private Access	Permanent	56-57
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Doug Boutilier	Private Access Easement	Permanent	69-70

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Golder Ranch Inc
5224 Carefree Pl.
Fort Collins, CO 80525

Application No.: 18134
R/W Purpose: a private access road
Lessee Agreement: N/A (Historic)
Acreage: 4.53
Compensation: \$2,265.00
Legal Description: 30-foot strip through NW4SW4, S2NW4, SW4NE4, NW4SE4,
E2SE4, Sec. 16, Twp. 1S, Rge. 41E, Rosebud County
Trust Beneficiary: Common Schools

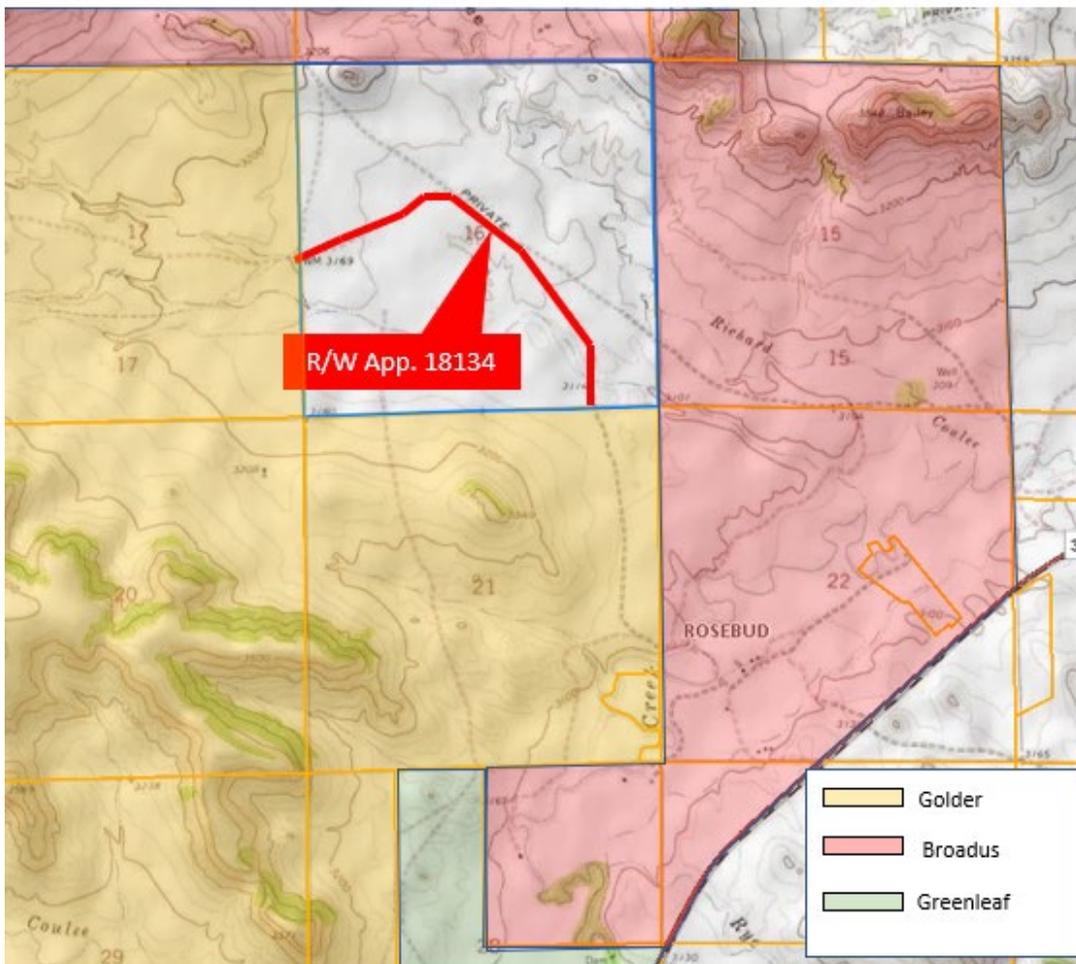
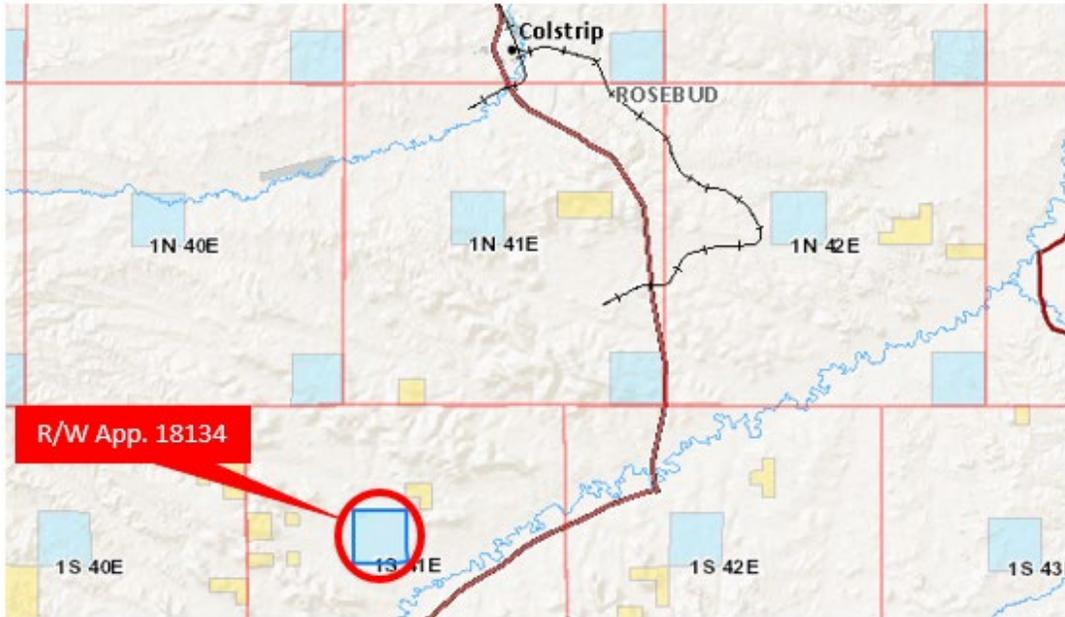
Golder Ranch Inc. has made application for the use of an existing road for conducting normal farming and ranching operations. The road has been in place for years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The private property to be accessed is described as:

- Sec. 17, Twp. 1S, Rge. 41E
- Sec. 21, Twp. 1S, Rge. 41E

DNRC Recommendation

The director recommends approval of this historic easement request

R/W Application 18134



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
 11 E. Park
 Butte, MT 59701

Application No.: 18137
 R/W Purpose: an overhead 12.47 kV electric distribution line
 Lessee Agreement: N/A (Historic)
 Acreage: 0.75
 Compensation: \$5,818.00
 Legal Description: 30-foot strip through the E2SW4, Sec. 36, Twp. 28N, Rge. 41E, Valley County
 Trust Beneficiary: Common Schools

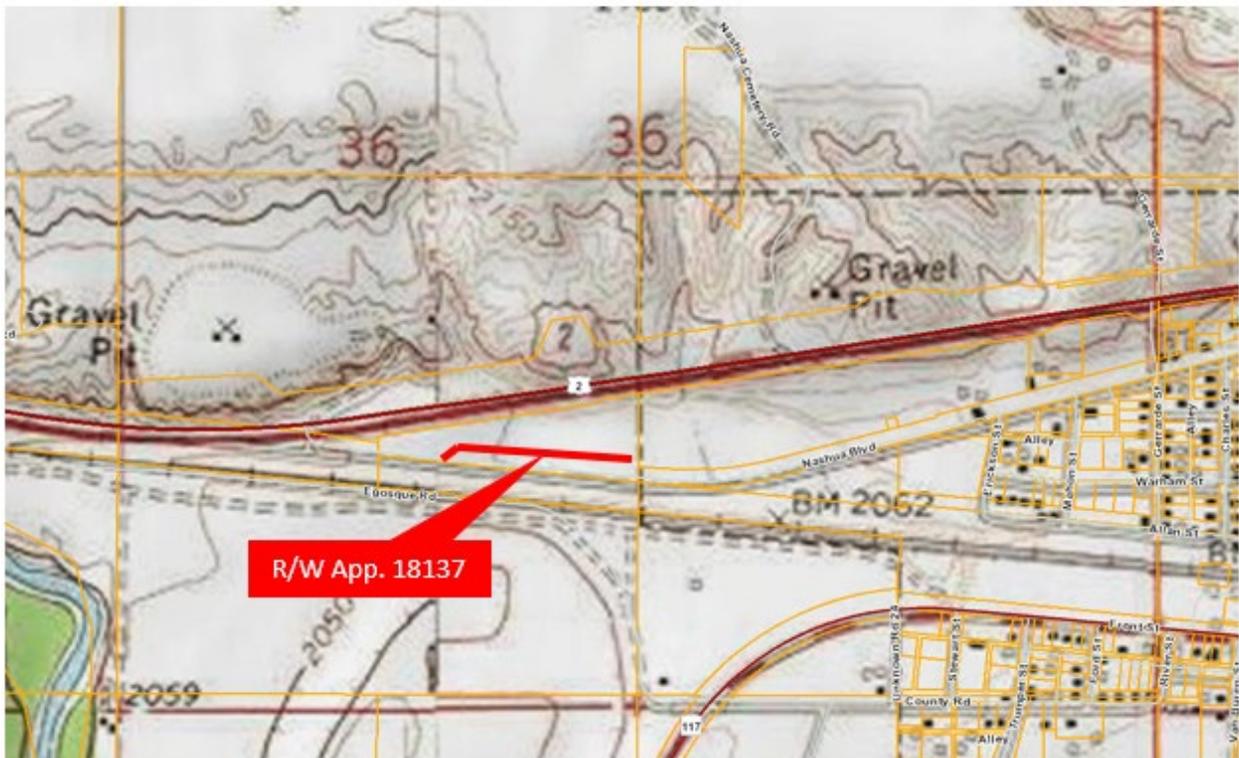
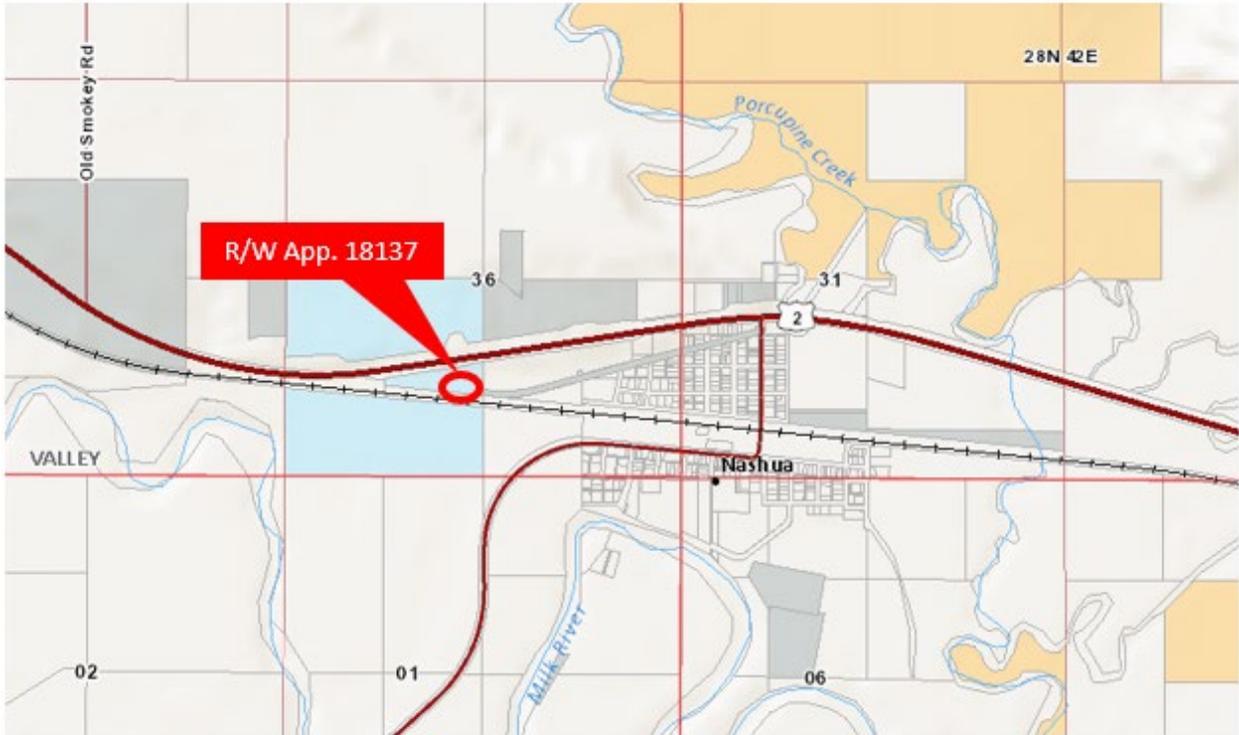
Item Summary

Northwestern Energy has made application for multiple 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 as historic rights of ways.

DNRC Recommendation

The director recommends approval of these historic rights of way for Northwestern Energy.

R/W Application 18137



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18263
R/W Purpose: an overhead 4.16 kV electric distribution line
Lessee Agreement: N/A (Historic)
Acreage: 1.20
Compensation: \$360.00
Legal Description: 30-foot strip through the N2SE4, Sec. 15, Twp. 33N, Rge. 19E,
Blaine County
Trust Beneficiary: Common Schools

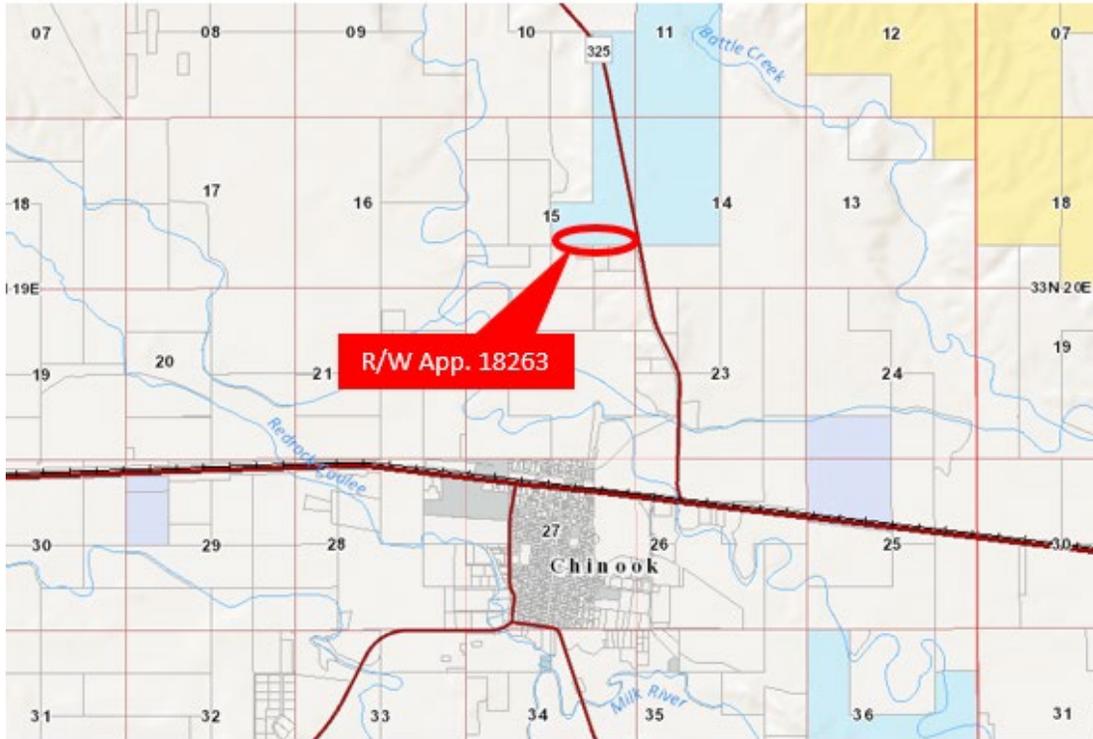
Item Summary

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DNRC Recommendation

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R/W Application 18263



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18264
R/W Purpose: a buried 6" natural gas pipeline
Lessee Agreement: N/A (Historic)
Acreage: 2.47
Compensation: \$1,482.00
Legal Description: 20-foot strip through the N2N2 Sec. 16,
Twp. 32N, Rge. 17E, Hill County
Trust Beneficiary: Common Schools

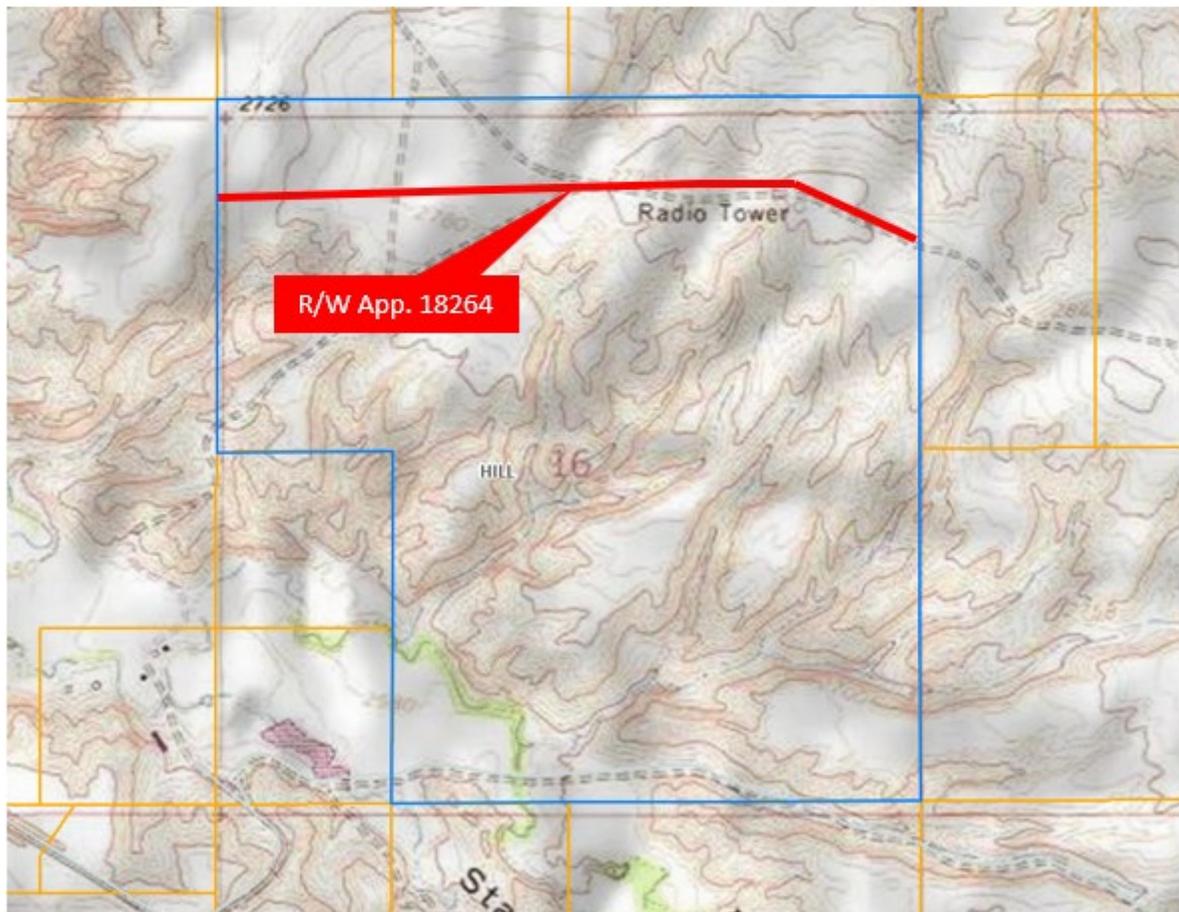
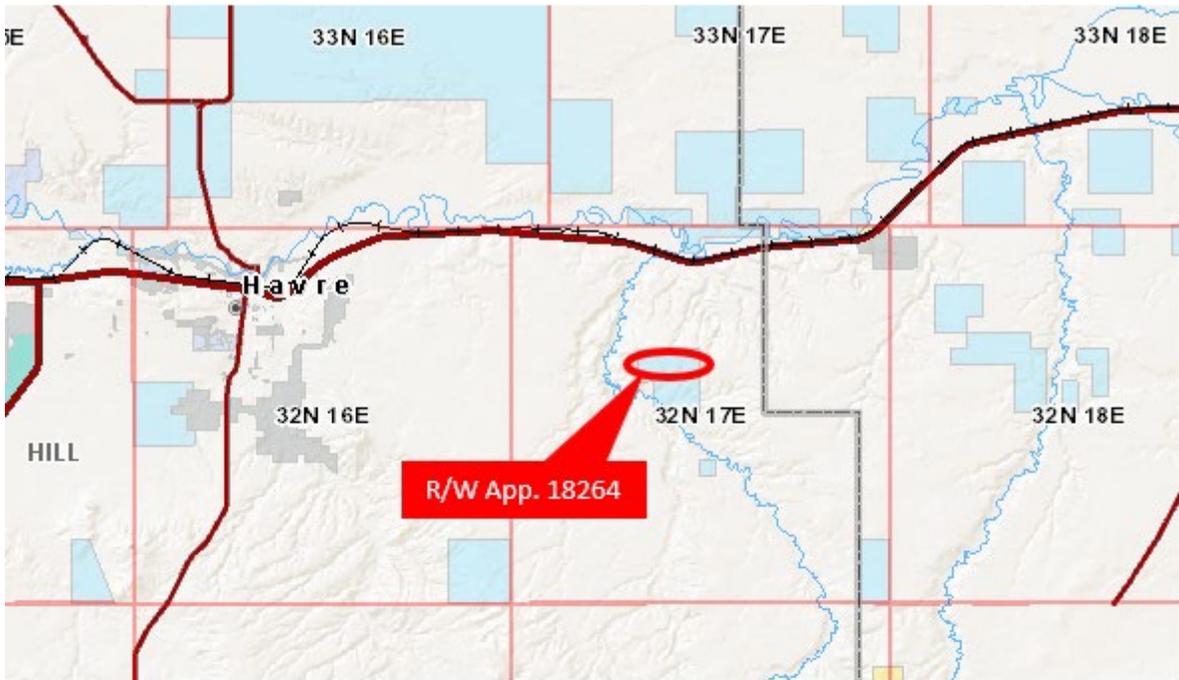
Item Summary

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DNRC Recommendation

See page 3 for Recommendation

R/W Application 18264



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18265
R/W Purpose: a buried 16" natural gas pipeline
Lessee Agreement: N/A (Historic)
Acreage: 4.98
Compensation: \$1,494.00
Legal Description: 50-foot strip through the NE4NW4, S2NW4, NW4SW4, Sec. 16,
Twp. 35N, Rge. 20E, Blaine County
Trust Beneficiary: Common Schools

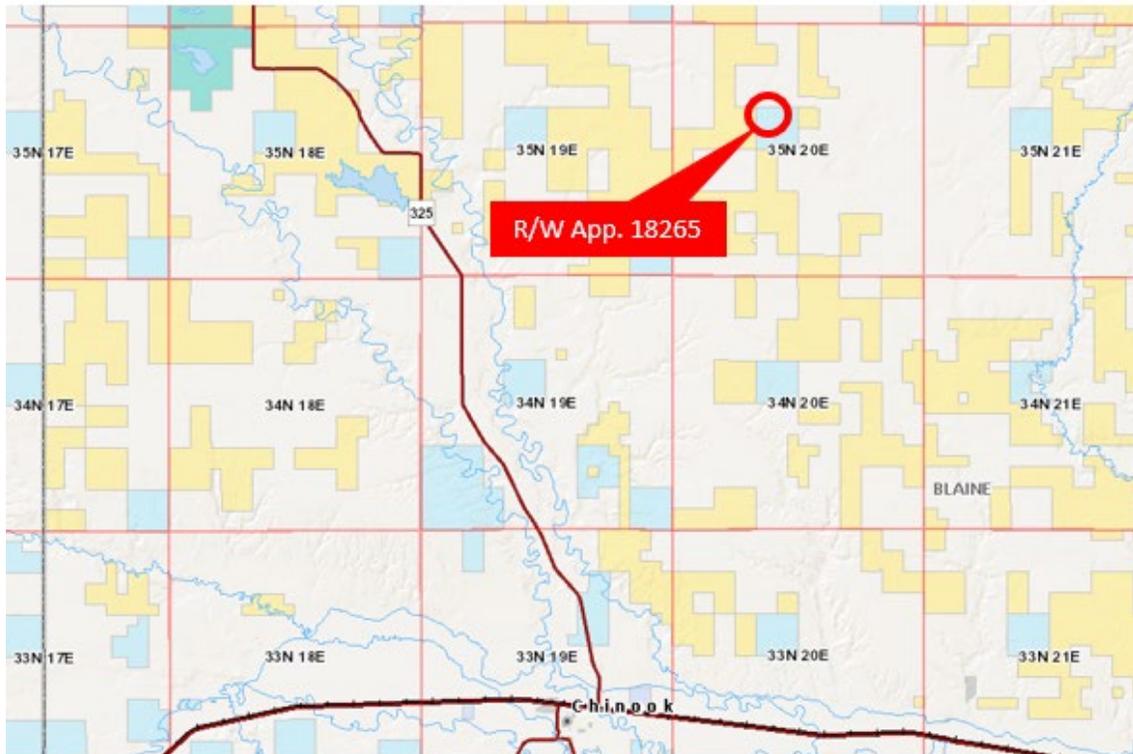
Item Summary

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DNRC Recommendation

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R/W Application 18265



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18266
R/W Purpose: a buried 16" natural gas pipeline
Lessee Agreement: N/A (Historic)
Acreage: 1.48
Compensation: \$962.00
Legal Description: 50-foot strip through the NE4SE4, Sec. 11, Twp. 32N, Rge. 18E,
Blaine County
Trust Beneficiary: Common Schools

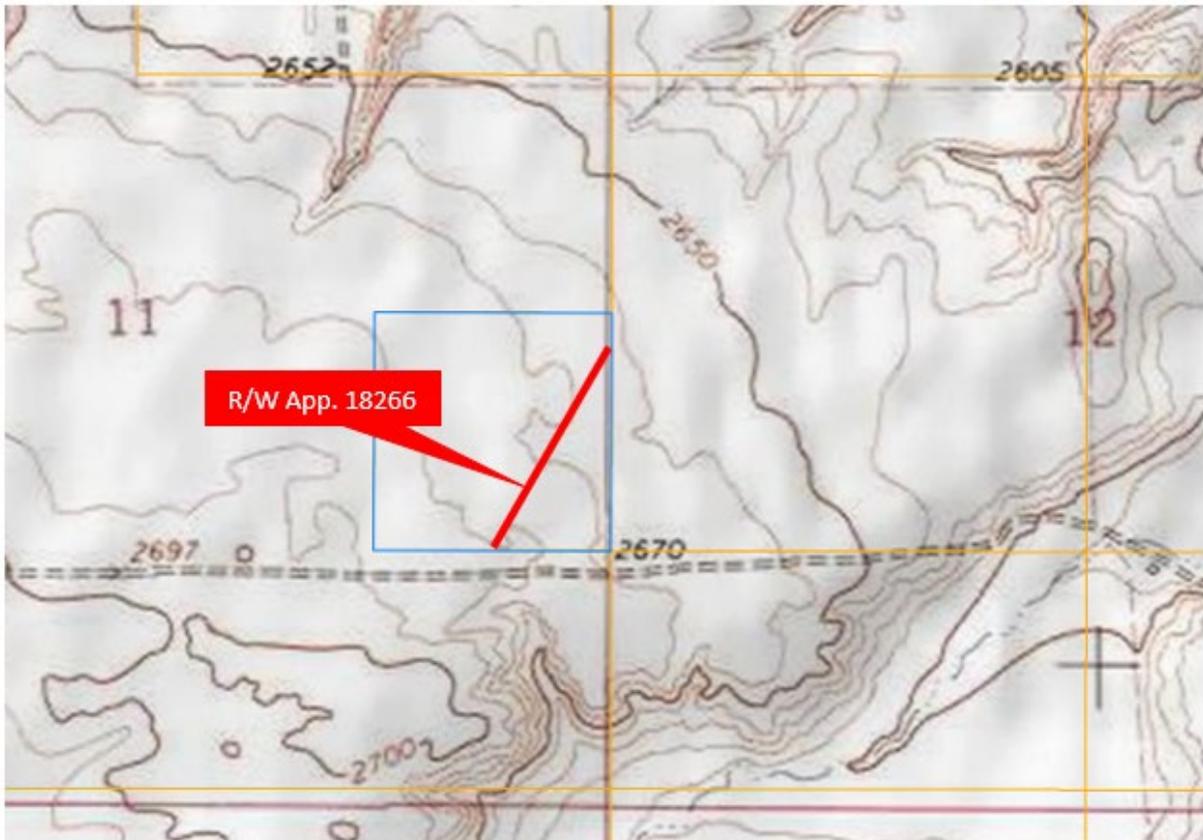
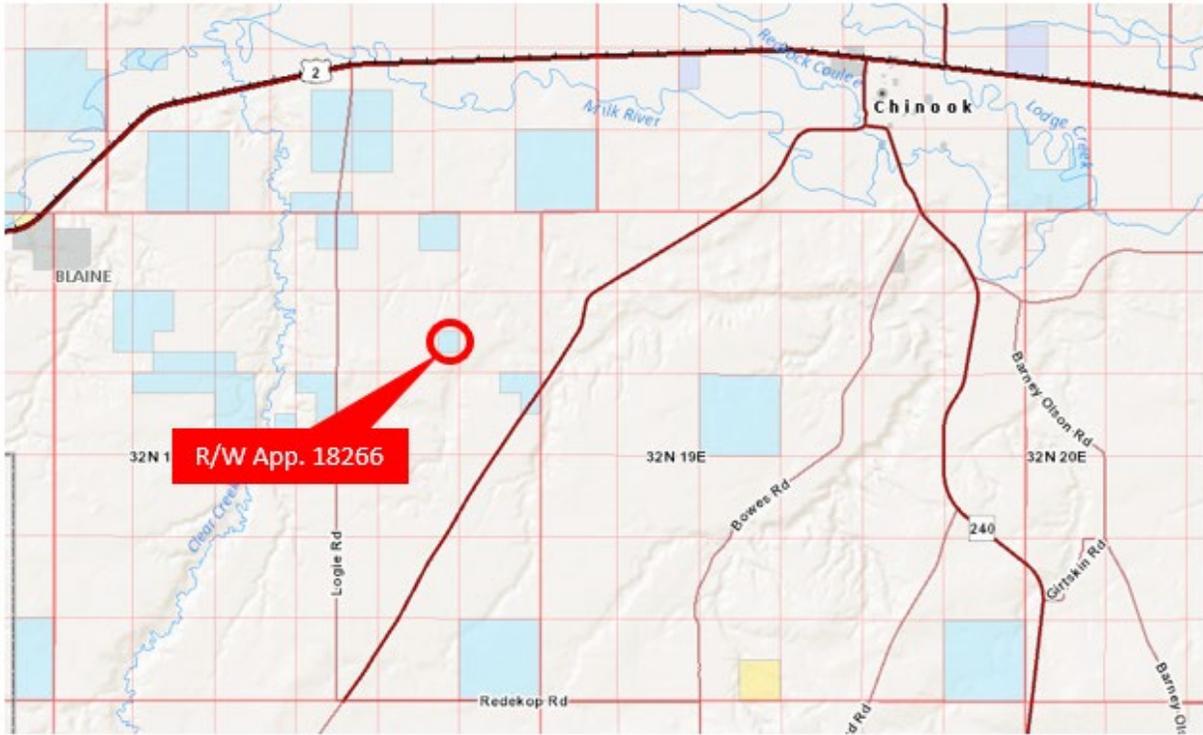
Item Summary

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DNRC Recommendation

See page 3 for Recommendation

R/W Application 18266



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18267
R/W Purpose: buried 1" & 2" natural gas pipelines
Lessee Agreement: N/A (Historic)
Acreage: 2.37
Compensation: \$1,587.00
Legal Description: 20-foot strips through the W2NW4, N2SW4, Sec. 36, Twp. 33N,
Rge. 19E, Blaine County
Trust Beneficiary: Common Schools

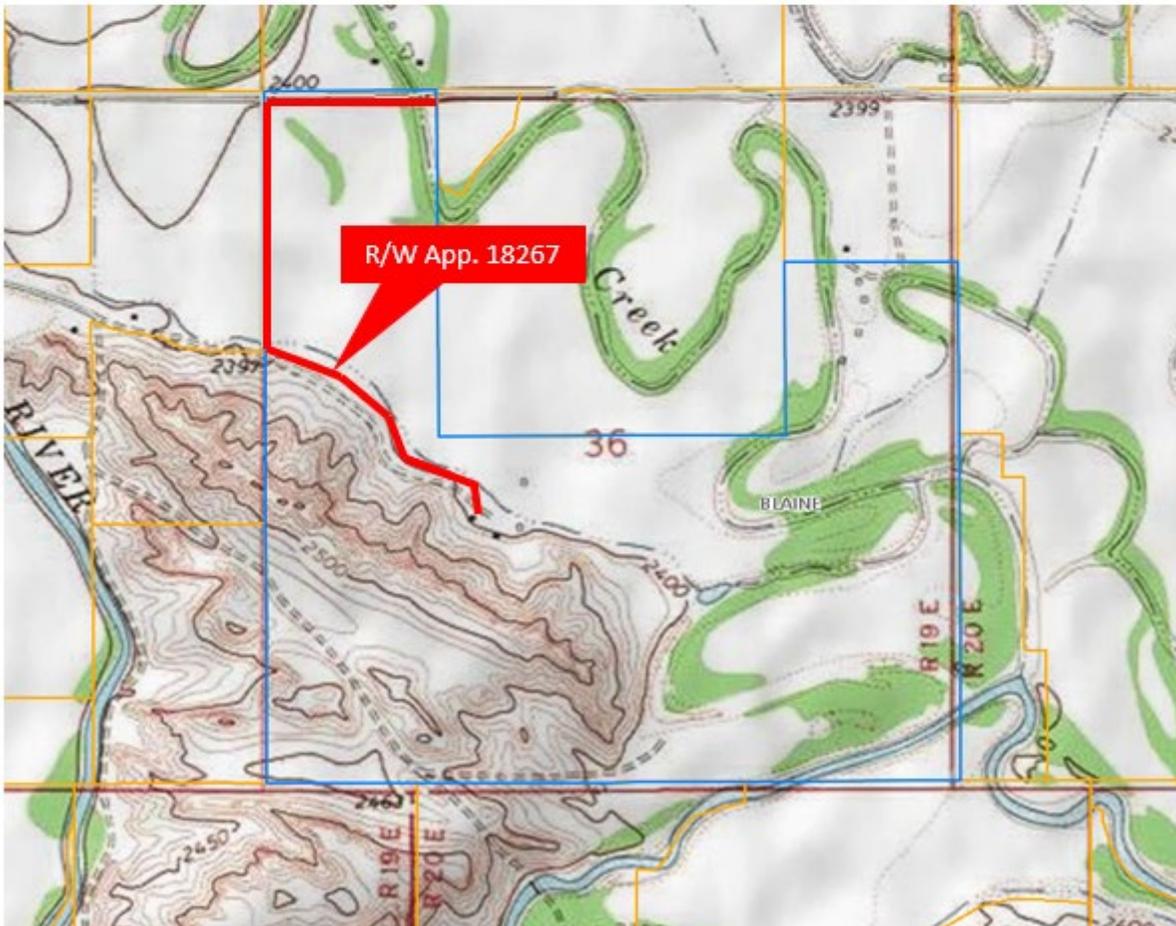
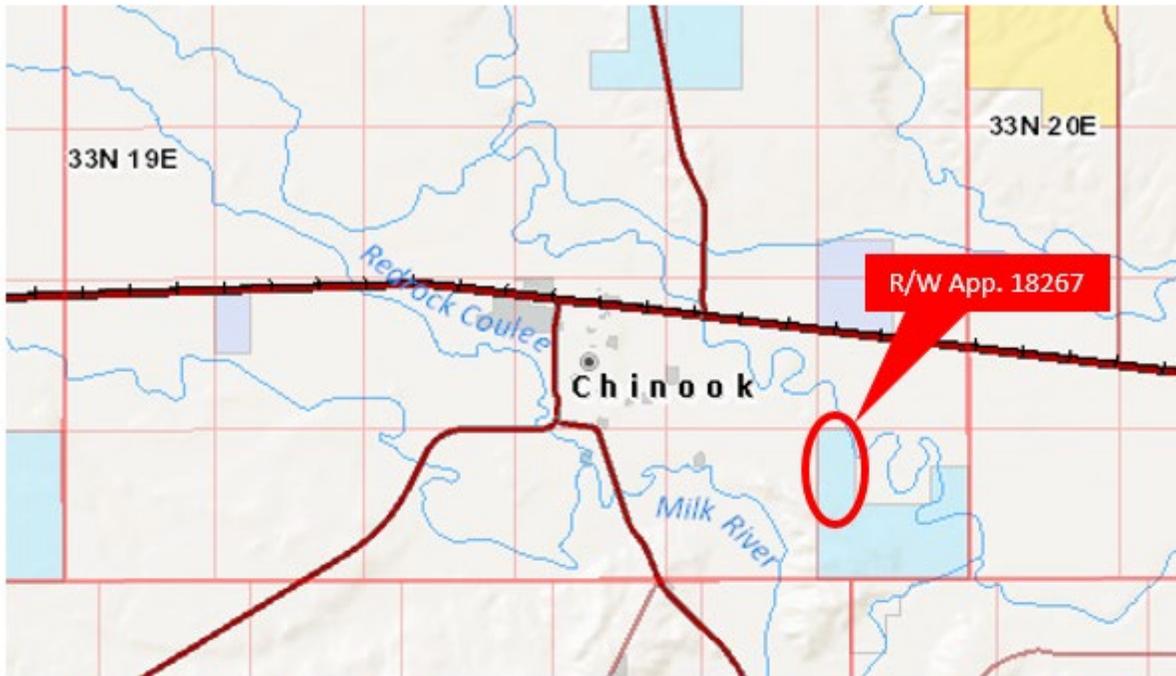
Item Summary

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R/W Application 18267



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18268
R/W Purpose: an overhead 69 kV transmission line with a 4.16 kV electric
distribution line underbuilt

Lessee Agreement: N/A (Historic)
Acreage: 2.41
Compensation: \$1,647.00
Legal Description: 40-foot strip through the N2NW4, Sec. 11, Twp. 32N, Rge. 11E,
Hill County
Trust Beneficiary: Common Schools

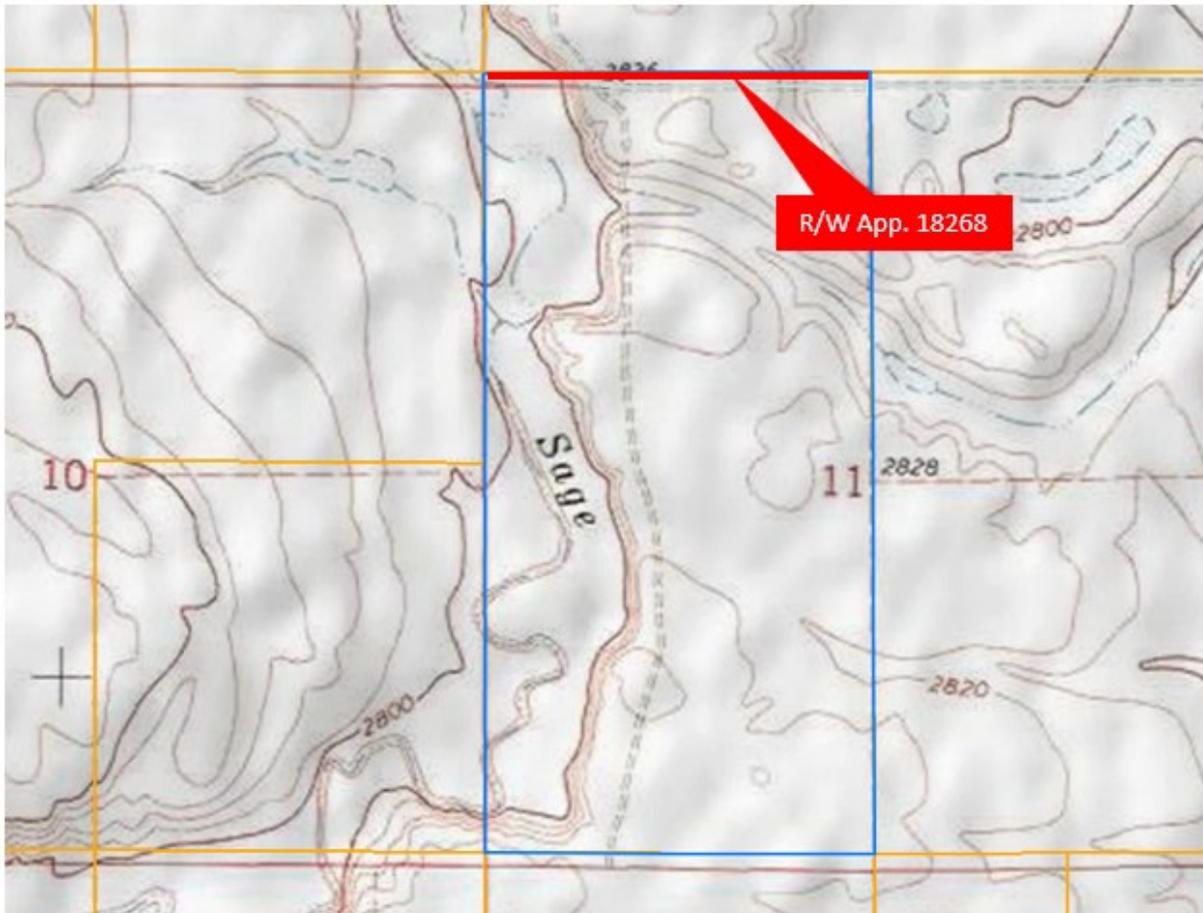
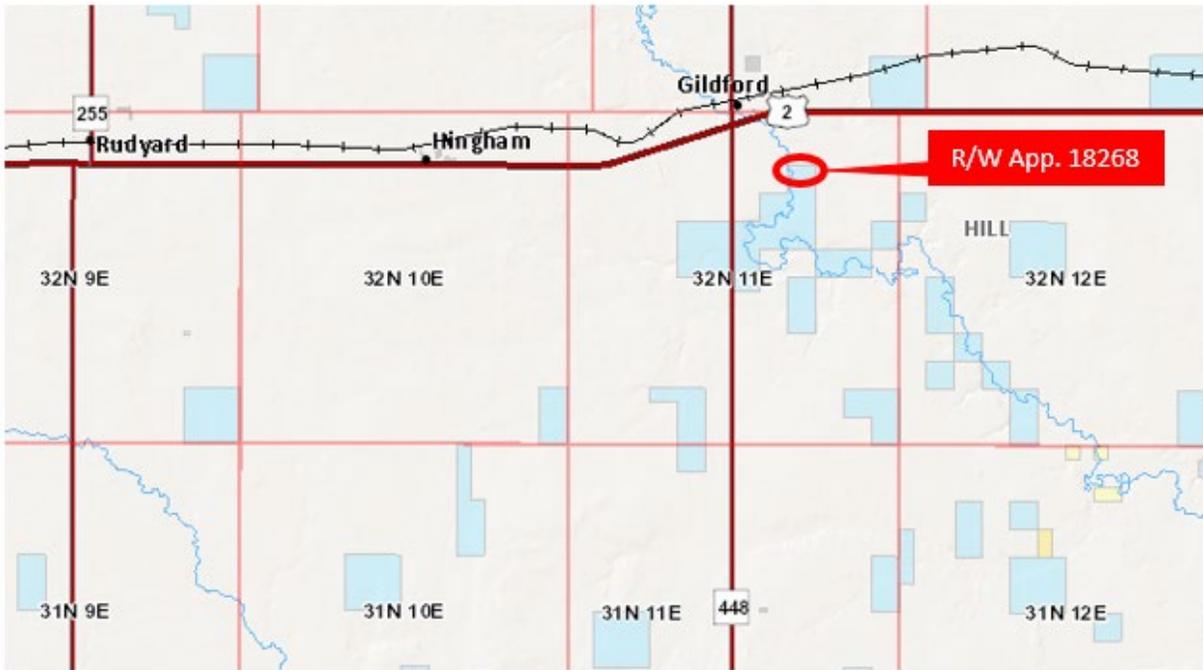
Item Summary

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DNRC Recommendation

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R/W Application 18268



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18269
R/W Purpose: an overhead 69 kV transmission line with a 12.47 kV electric
distribution line underbuilt

Lessee Agreement: N/A (Historic)
Acreage: 1.26
Compensation: \$378.00
Legal Description: 40-foot strip through the NW4NW4, Sec. 32, Twp. 32N, Rge. 15E,
Hill County
Trust Beneficiary: Common Schools

Item Summary

See page 3 for Summary

DNRC Recommendation

See page 3 for Recommendation

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18270
R/W Purpose: an overhead 161 kV transmission line
Lessee Agreement: N/A (Historic)
Acreage: 6.20
Compensation: \$1,860.00
Legal Description: 80-foot strip through the N2SE4, SW4SE4, Sec. 31, Twp. 32N,
Rge. 15E, Hill County
Trust Beneficiary: Common Schools

Item Summary

See page 3 for Summary

DNRC Recommendation

See page 3 for Recommendation

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18271
R/W Purpose: an overhead 12.47 kV electric distribution line
Lessee Agreement: N/A (Historic)
Acreage: 0.05
Compensation: \$100.00
Legal Description: 30-foot strip through the NW4SW4, Sec. 18, Twp. 32N, Rge. 16E,
Hill County
Trust Beneficiary: Common Schools

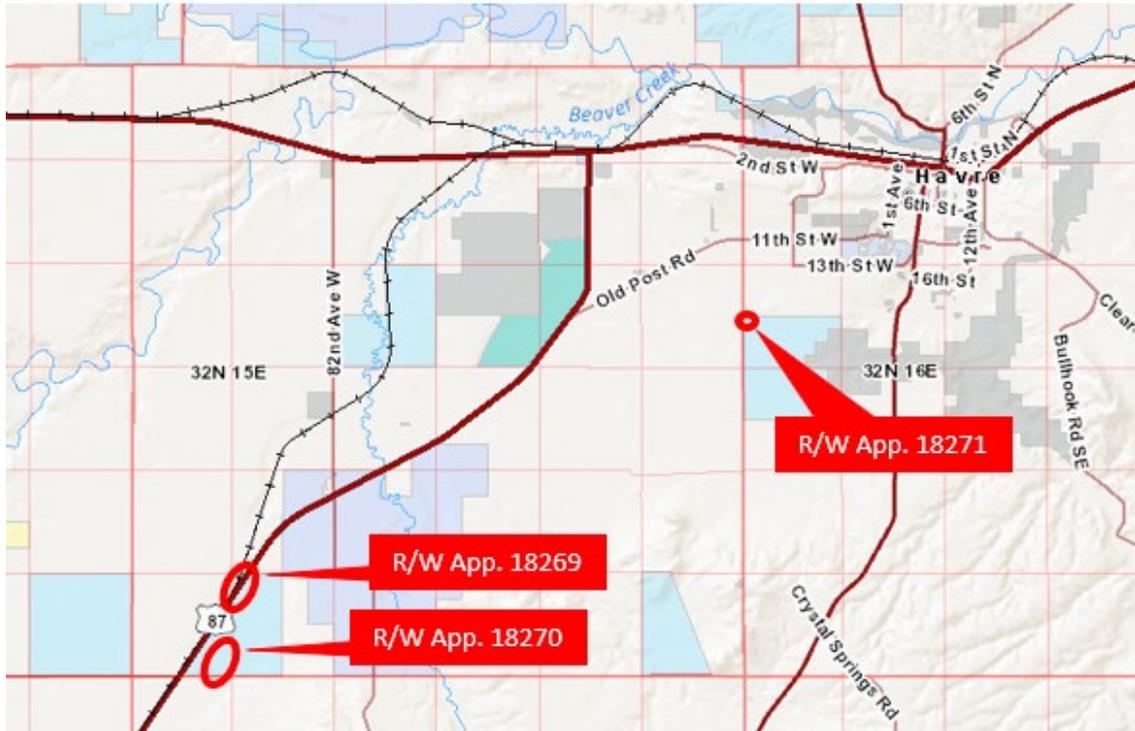
Item Summary

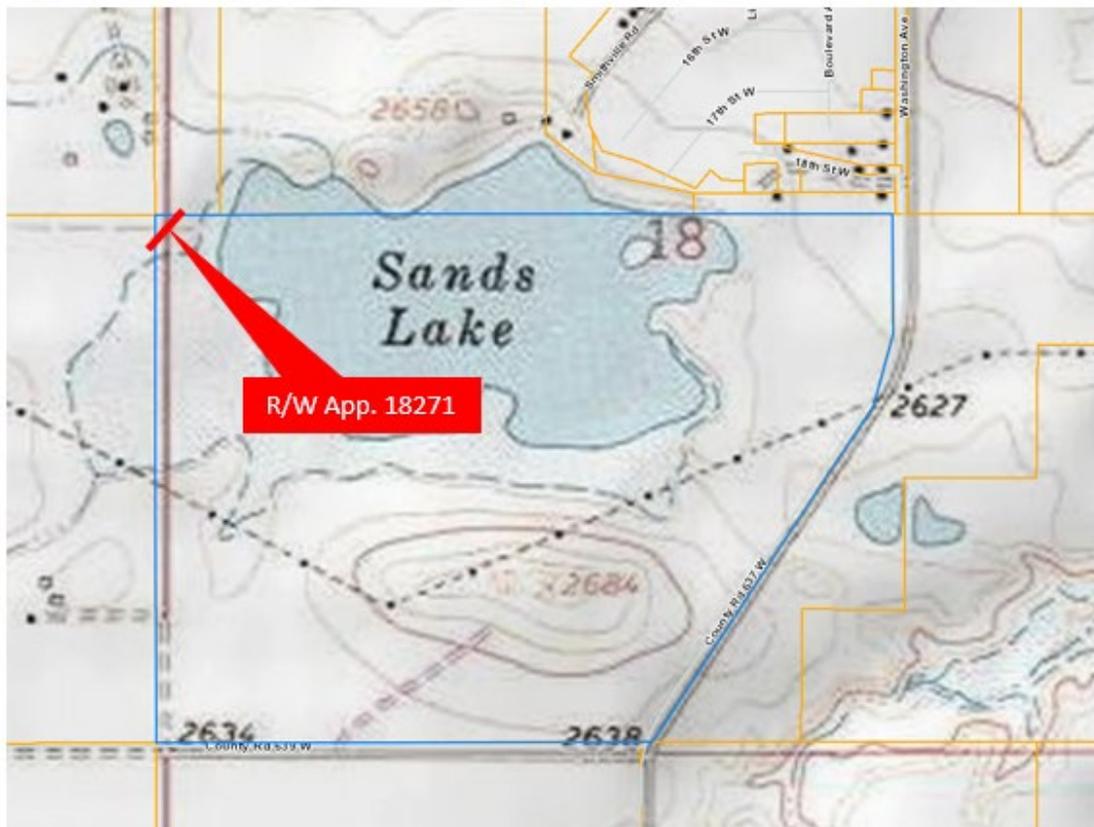
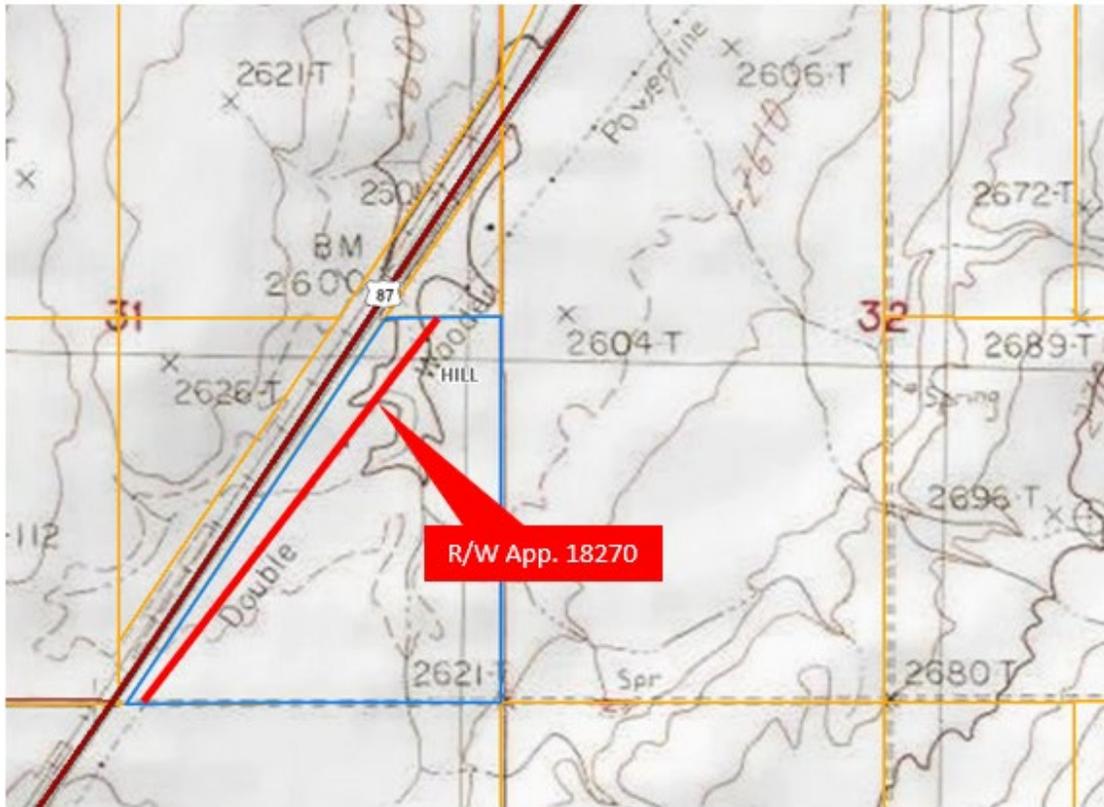
See page 3 for Summary

DNRC Recommendation

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R/W Application 18269, 18270, & 18271





APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18272
R/W Purpose: an overhead 7.2 kV electric distribution line
Lessee Agreement: N/A (Historic)
Acreage: 1.26
Compensation: \$756.00
Legal Description: 30-foot strip through the N2NE4, Sec. 16, Twp. 32N, Rge. 17E,
Hill County
Trust Beneficiary: Common Schools

Item Summary

See page 3 for Summary

DNRC Recommendation

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18273
R/W Purpose: an overhead 12.47 kV electric distribution line
Lessee Agreement: N/A (Historic)
Acreage: 0.56
Compensation: \$336.00
Legal Description: 30-foot strip through the NW4NW4, Sec. 1, Twp. 32N, Rge. 15E,
Hill County
Trust Beneficiary: MSU-Eastern / UM-Western

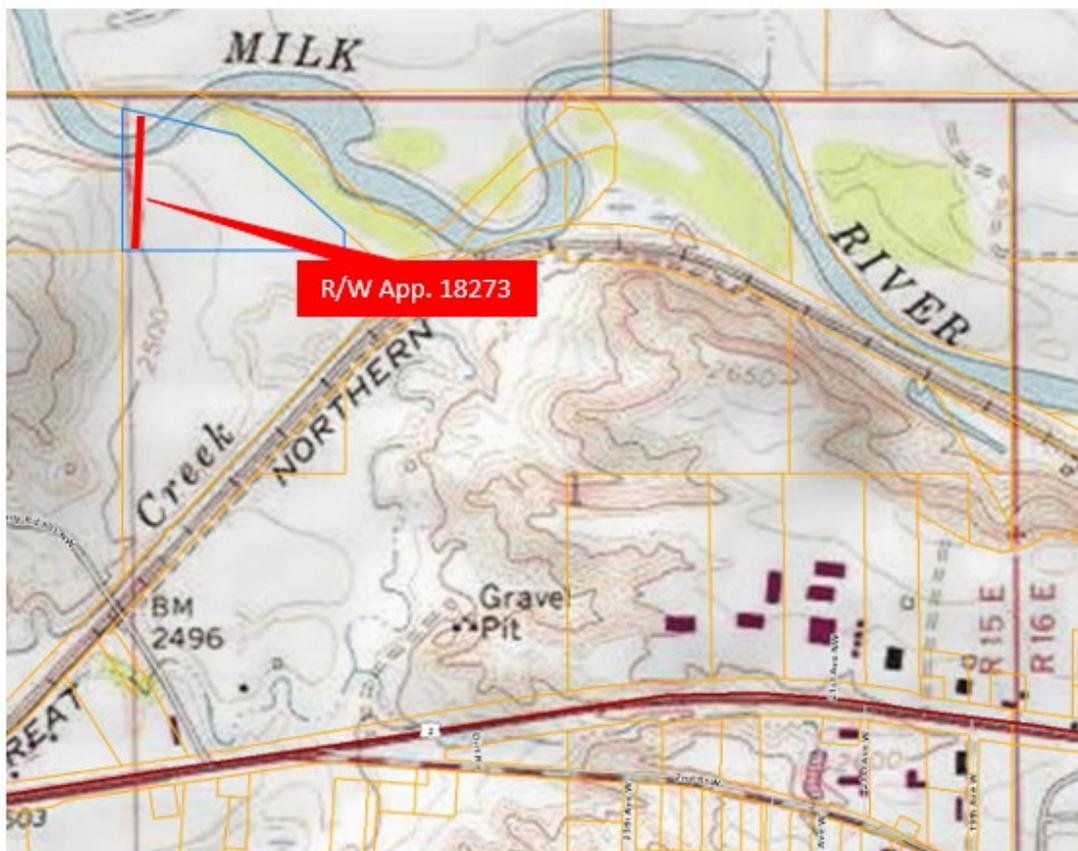
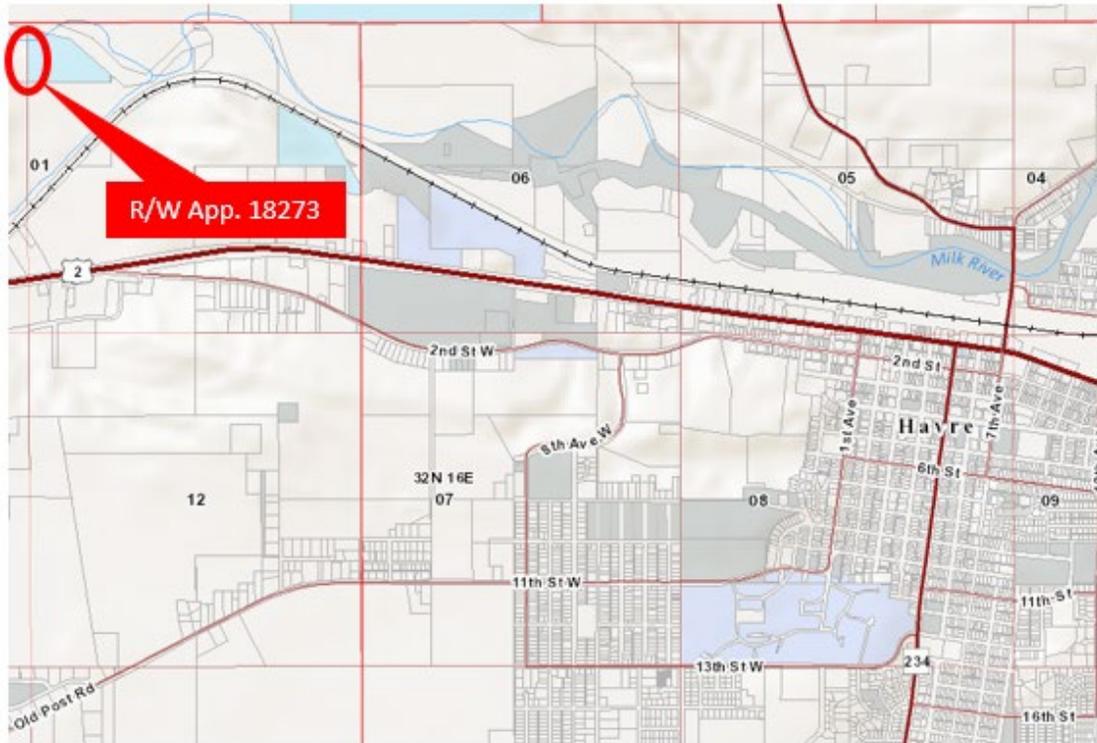
Item Summary

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DNRC Recommendation

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R/W Application 18273



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18274
R/W Purpose: an overhead 12.47 kV electric distribution line
Lessee Agreement: N/A (Historic)
Acreage: 0.94
Compensation: \$282.00
Legal Description: 30-foot strip through the SE4NE4, Sec. 16, Twp. 32N, Rge. 23E,
Blaine County
Trust Beneficiary: Common Schools

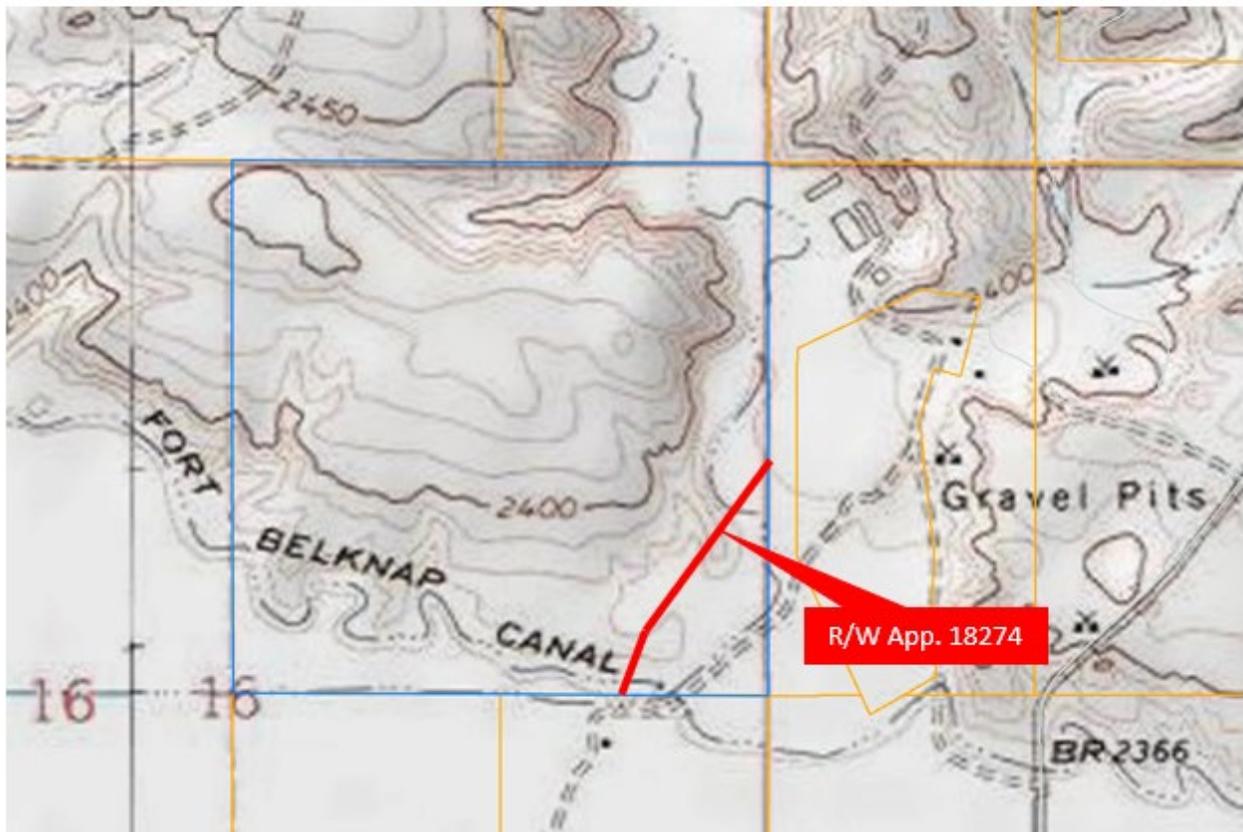
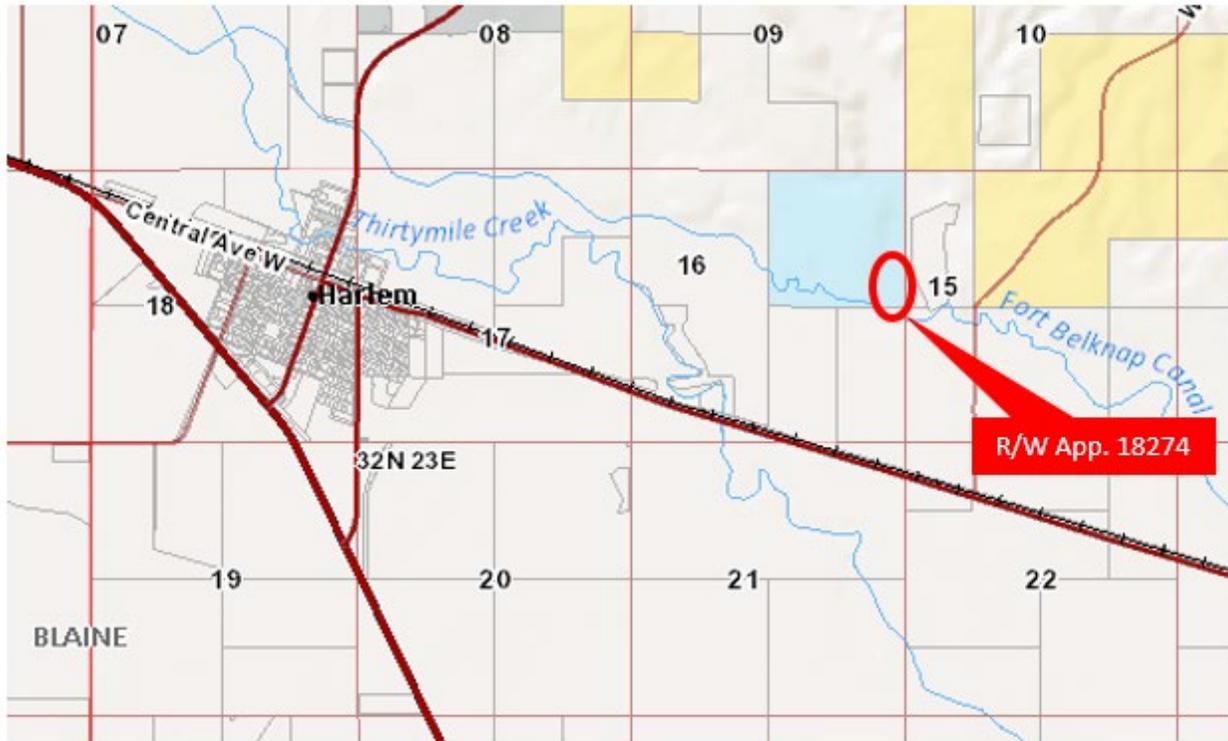
Item Summary

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DNRC Recommendation

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R/W Application 18274



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18275
R/W Purpose: an overhead 4.16 kV electric distribution line
Lessee Agreement: N/A (Historic)
Acreage: 0.06
Compensation: \$100.00
Legal Description: 30-foot strip through the NW4NW4, Sec. 11, Twp. 32N, Rge. 11E,
Hill County
Trust Beneficiary: Common Schools

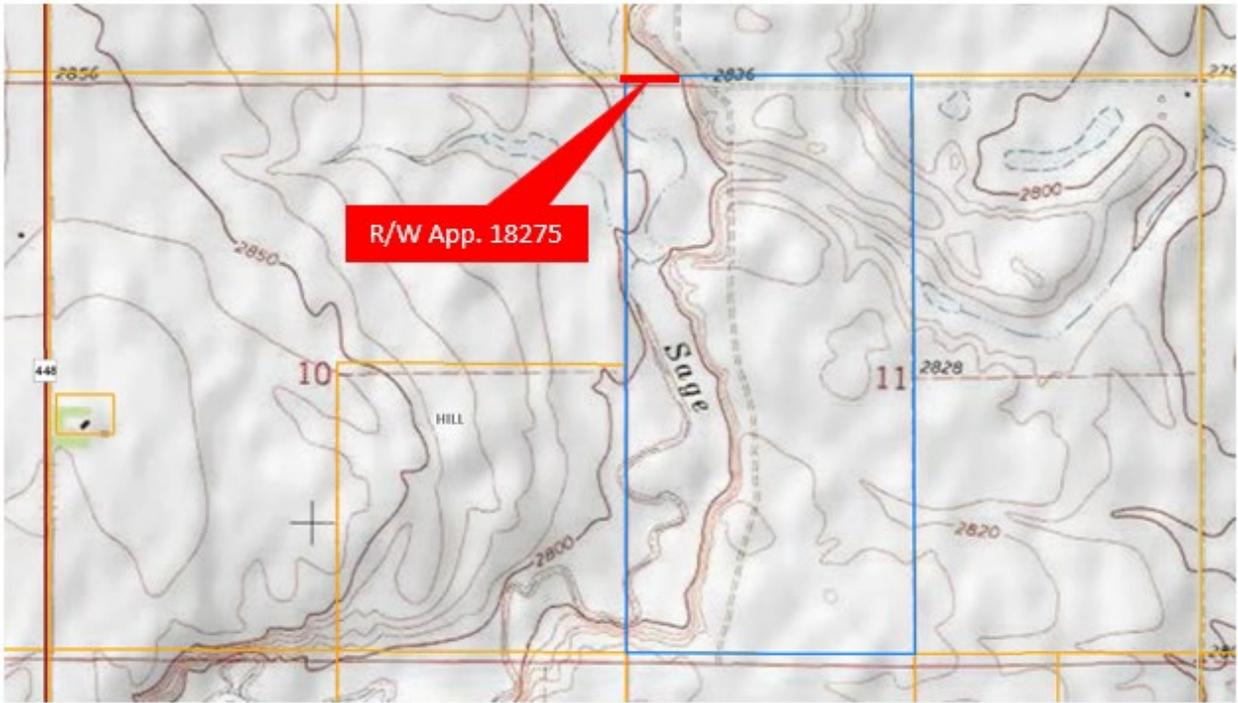
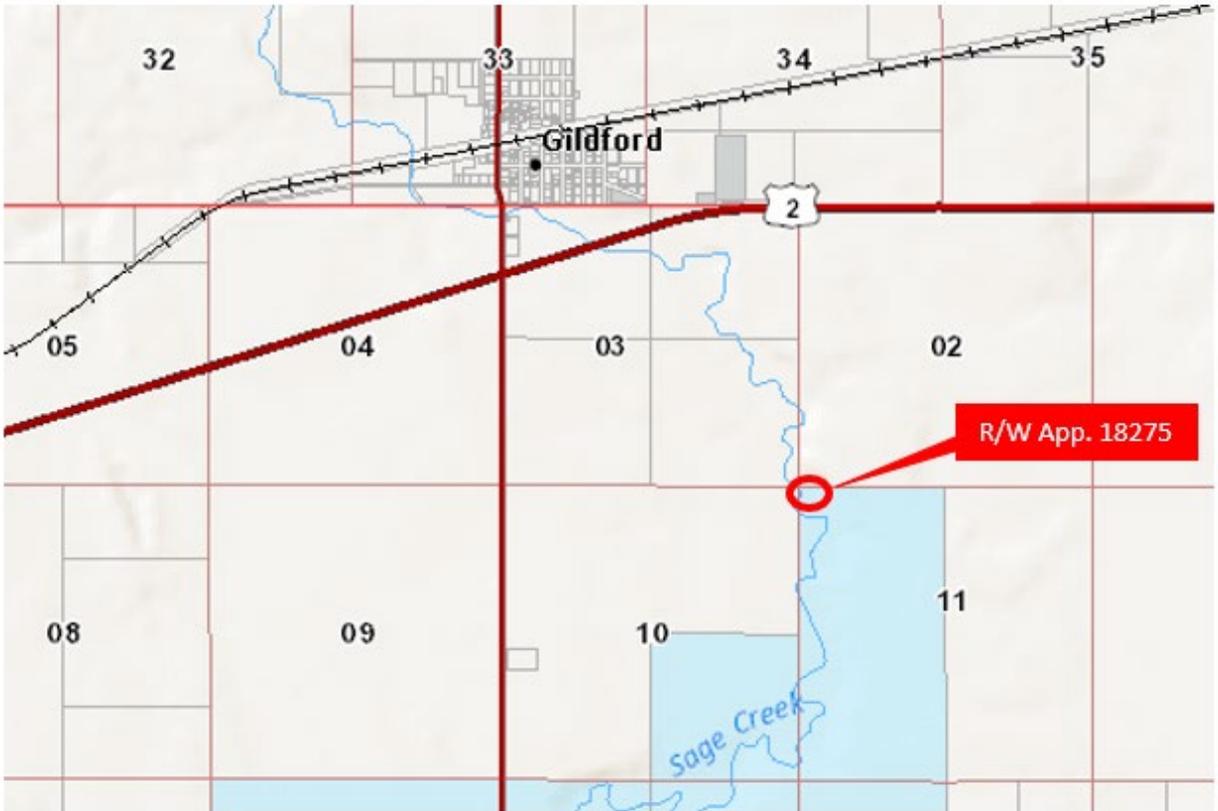
Item Summary

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DNRC Recommendation

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R/W Application 18275



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18276
R/W Purpose: an overhead 4.16 kV electric distribution line
Lessee Agreement: N/A (Historic)
Acreage: 6.31
Compensation: \$1,893.00
Legal Description: two 30-foot strips through the NW4NW4 & SW4NW4, SE4NE4,
N2S2, Sec. 36, Twp. 33N, Rge. 19E, Blaine County
Trust Beneficiary: Common Schools

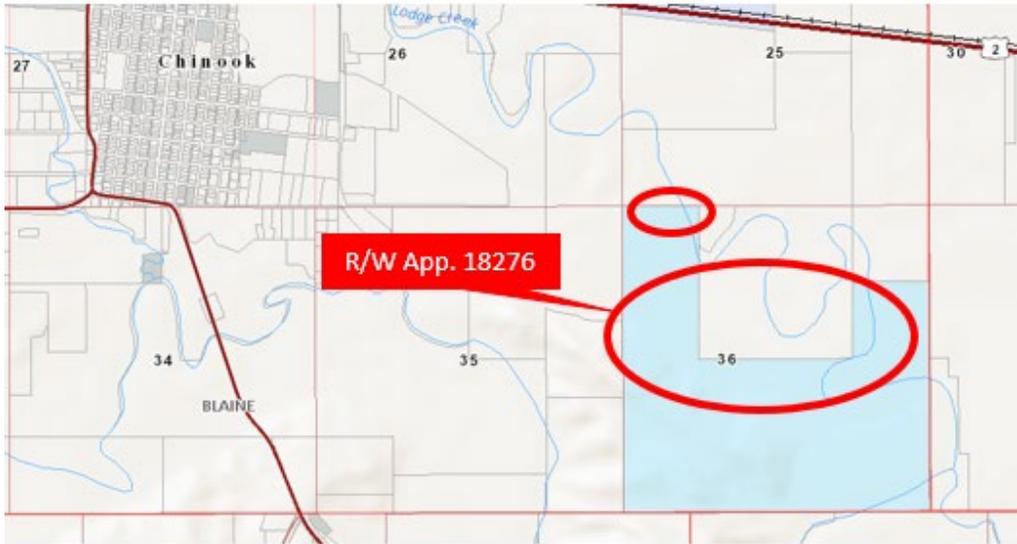
Item Summary

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DNRC Recommendation

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R/W Application 18276



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18277
R/W Purpose: an overhead 12.47kV electric distribution line
Lessee Agreement: N/A (Historic)
Acreage: 0.35
Compensation: \$300.00
Legal Description: 30-foot strip through the NE4SE4, Sec. 36, Twp. 31N, Rge. 35E,
Valley County
Trust Beneficiary: Common Schools

Item Summary

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DNRC Recommendation

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18278
R/W Purpose: an overhead 12.47 kV electric distribution line
Lessee Agreement: N/A (Historic)
Acreage: 0.58
Compensation: \$174.00
Legal Description: 30-foot strip through the NE4NE4, Sec. 35, Twp. 32N, Rge. 32E,
Phillips County
Trust Beneficiary: MSU Morrill

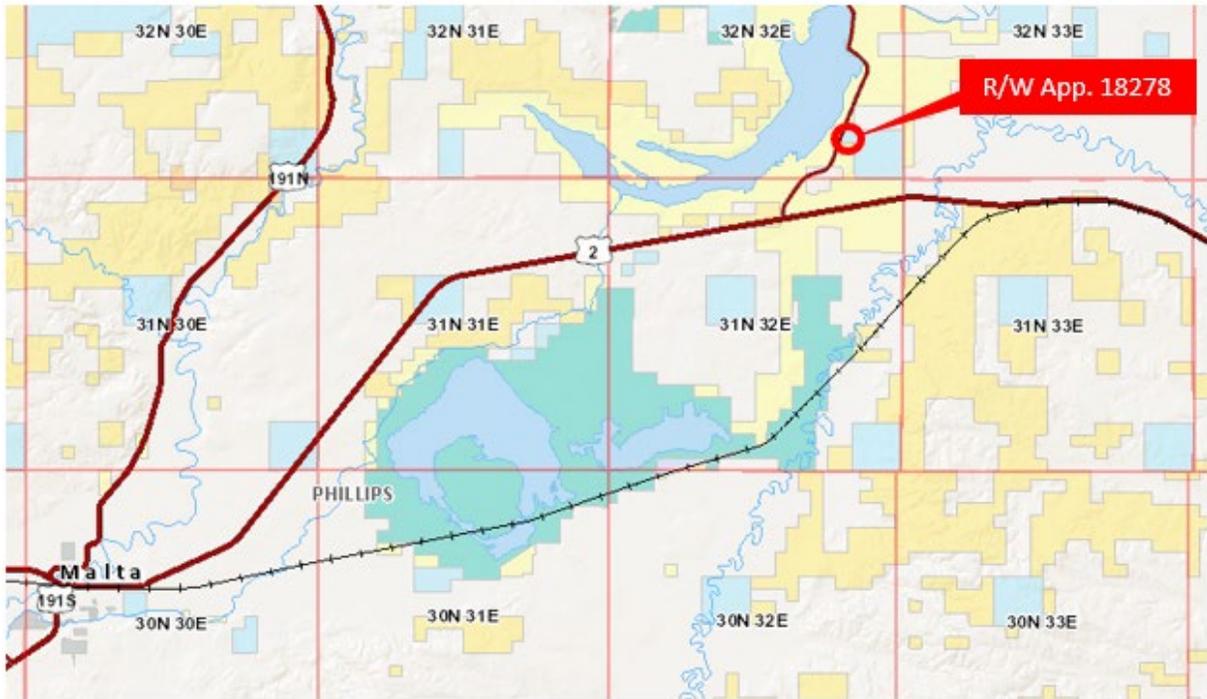
Item Summary

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DNRC Recommendation

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R/W Application 18278



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18279
R/W Purpose: an overhead 12.47 kV electric distribution line
Lessee Agreement: N/A (Historic)
Acreage: 3.52
Compensation: \$1,056.00
Legal Description: 30-foot strip through the N2NW4, NW4NE4, S2NE4, NE4SE4,
Sec. 36, Twp. 32N, Rge. 32E, Phillips County
Trust Beneficiary: Common Schools

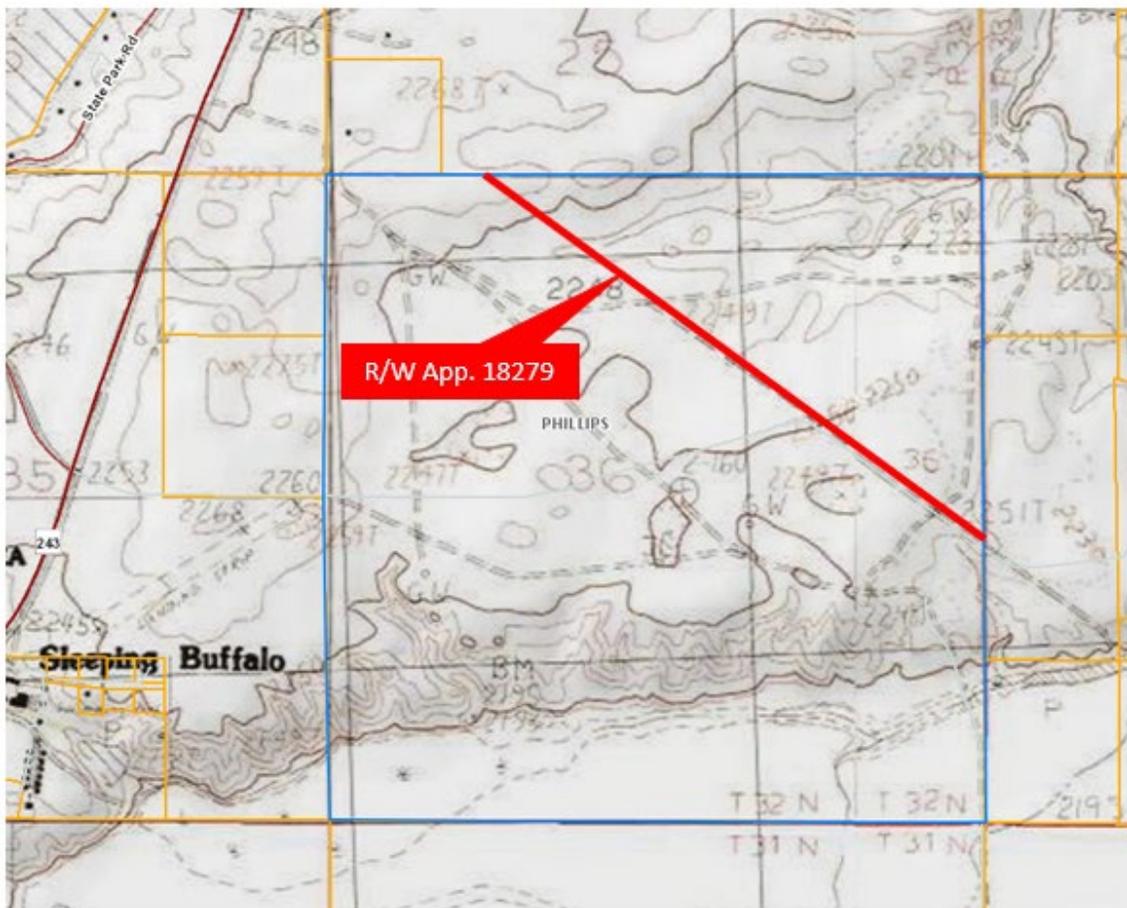
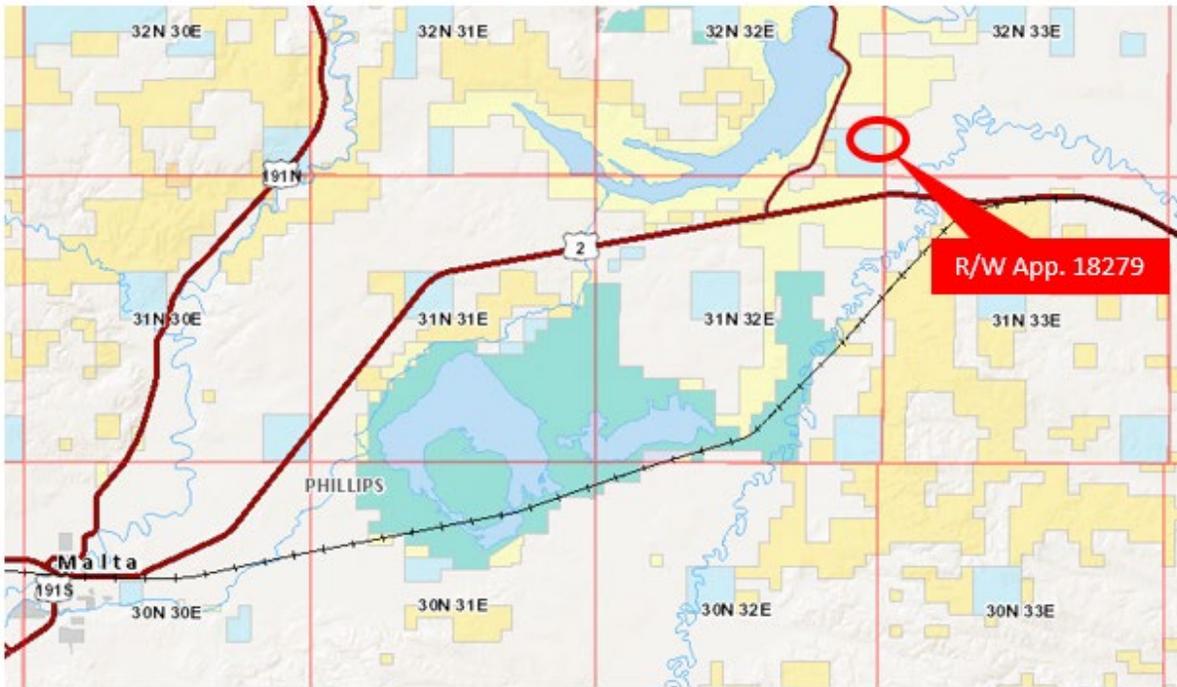
Item Summary

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DNRC Recommendation

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R/W Application 18279



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18280
R/W Purpose: an overhead 69 kV transmission line
Lessee Agreement: N/A (Historic)
Acreage: 0.26
Compensation: \$156.00
Legal Description: 40-foot strip through the SW4SW4, Sec. 29, Twp. 31N, Rge. 40E,
Valley County
Trust Beneficiary: Common Schools

Item Summary

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DNRC Recommendation

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18281
R/W Purpose: an overhead 69 kV transmission line
Lessee Agreement: N/A (Historic)
Acreage: 2.40
Compensation: \$1,440.00
Legal Description: 40-foot strip through the S2SE4, Sec. 30, Twp. 31N, Rge. 40E,
Valley County
Trust Beneficiary: Common Schools

Item Summary

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DNRC Recommendation

See page 3 for Recommendation

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18282
R/W Purpose: two overhead 69 kV transmission lines with 12.47 kV electric
distribution line underbuilds

Lessee Agreement: N/A (Historic)
Acreage: 2.22
Compensation: \$1,332.00
Legal Description: 40-foot strips through the S2SW4 & SW4SW4, Sec. 29,
Twp. 31N, Rge. 40E,
Valley County

Trust Beneficiary: Common Schools

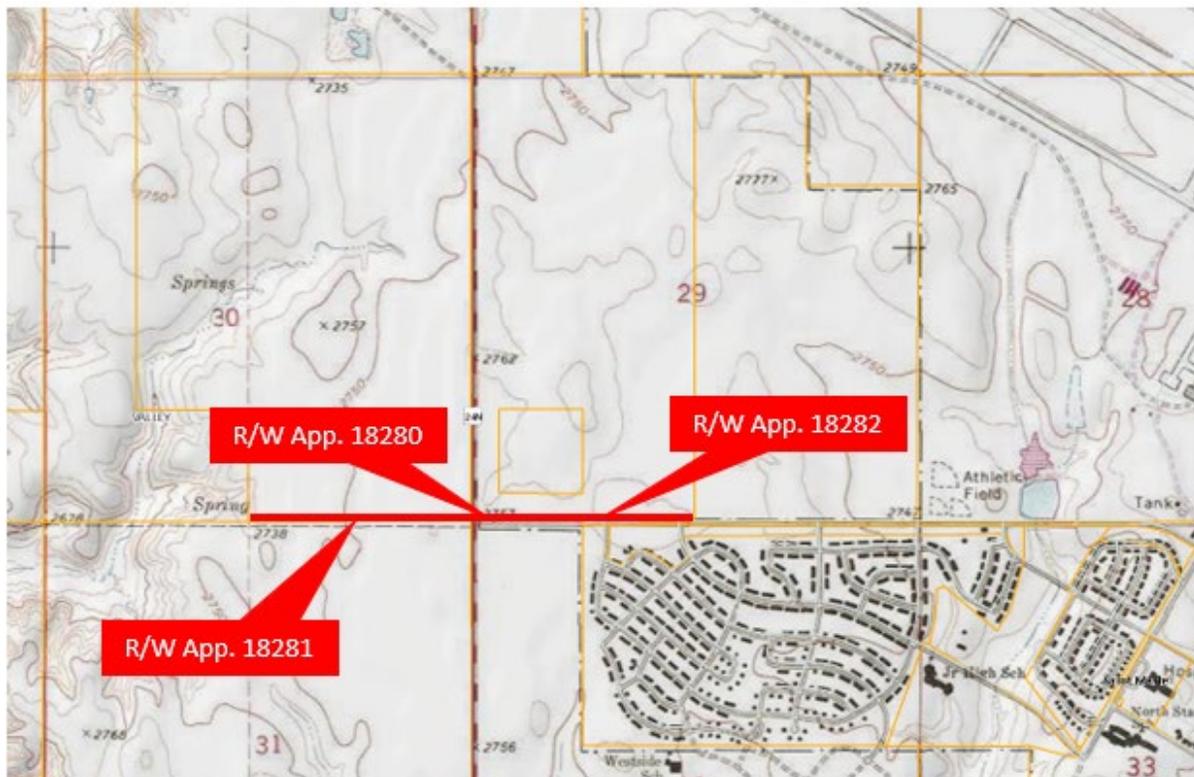
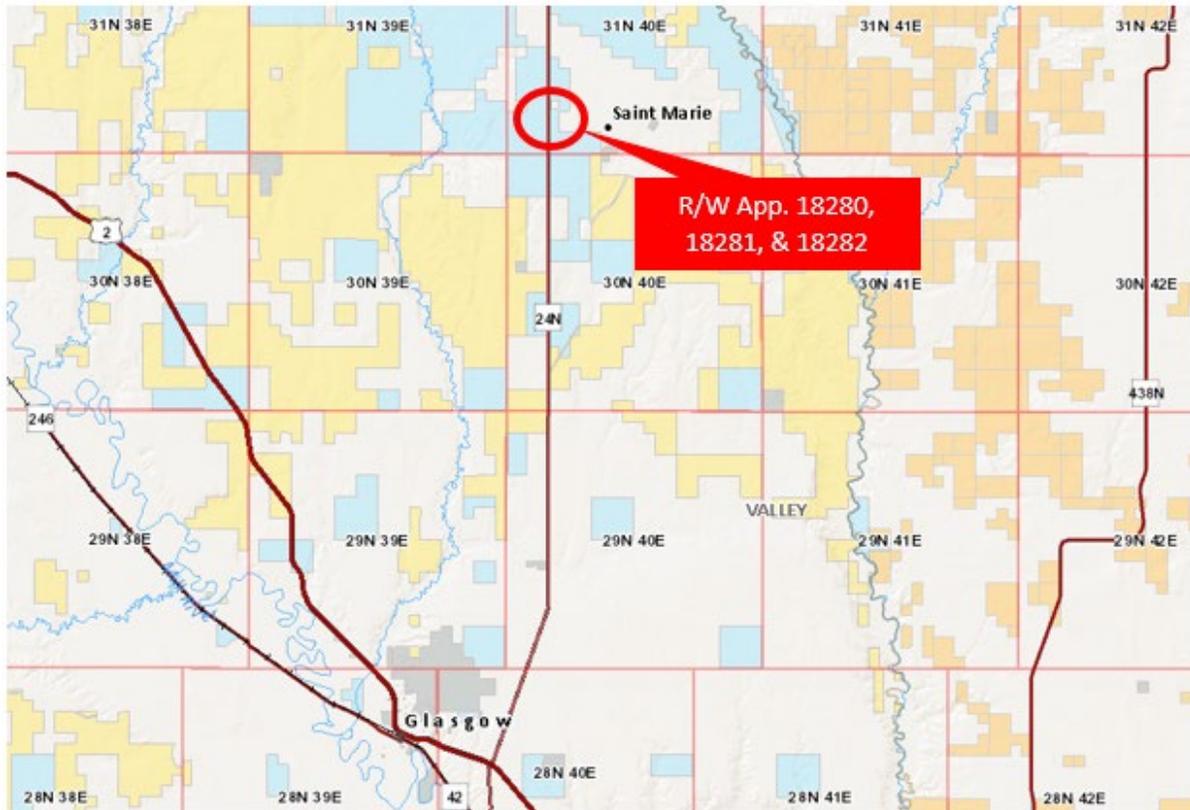
Item Summary

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DNRC Recommendation

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R/W Application 18280, 18281, & 18282



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18284
R/W Purpose: an overhead 69 kV transmission line with a 12.47 kV electric
distribution line underbuilt

Lessee Agreement: N/A (Historic)
Acreage: 2.39
Compensation: \$717.00
Legal Description: 40-foot strip through the N2SE4, Sec. 36, Twp. 31N, Rge. 35E,
Valley County
Trust Beneficiary: Common Schools

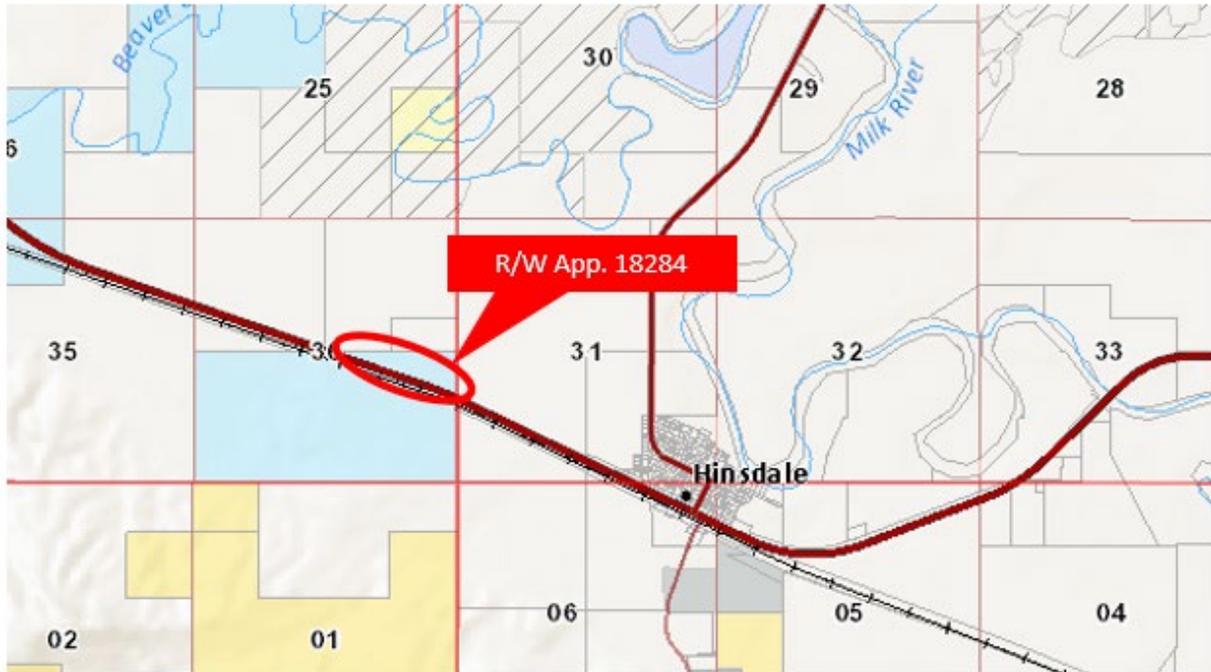
Item Summary

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DNRC Recommendation

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R/W Application 18284



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park
Butte, MT 59701

Application No.: 18285
R/W Purpose: an overhead 69 kV transmission line
Lessee Agreement: N/A (Historic)
Acreage: 2.37
Compensation: \$711.00
Legal Description: 40-foot strip through the N2NW4, Sec. 35, Twp. 31N, Rge. 35E,
Valley County
Trust Beneficiary: Common Schools

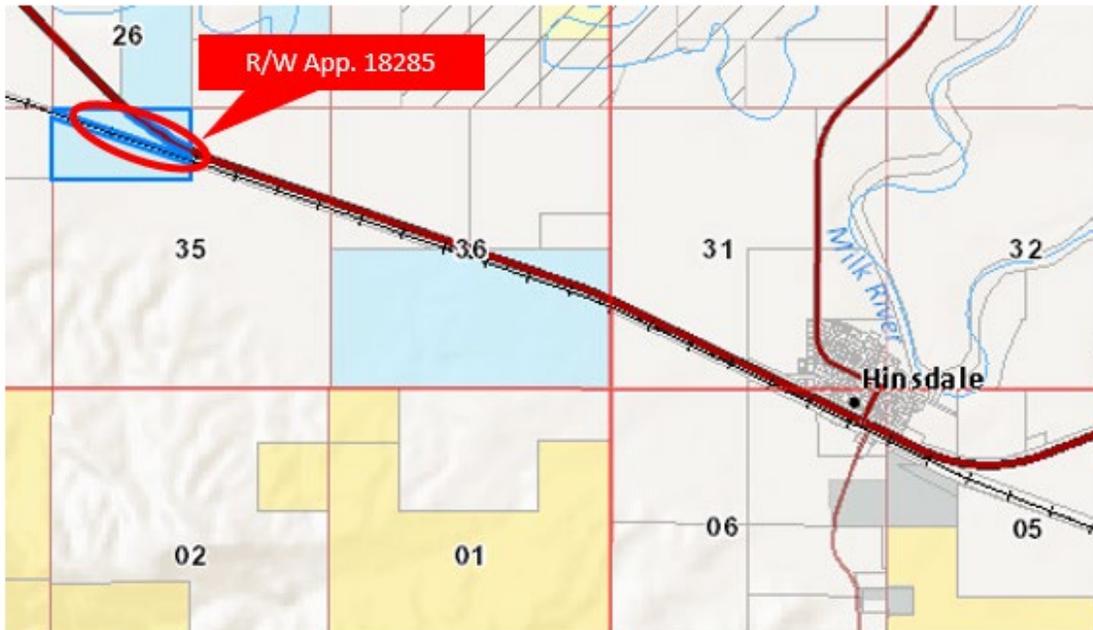
Item Summary

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DNRC Recommendation

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R/W Application 18285



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Bonneville Power Admin PO Box 3621 Portland, OR 97208
Application No.:	18658
R/W Purpose:	an overhead 115 kV transmission line & an overhead 230kV transmission line
Lessee Agreement:	N/A (Historic)
Acreage:	13.1
Compensation:	\$154,227.00
Legal Description:	a 112.5-foot strip and a 125-foot strip through N2SW4, NW4SE4, Sec. 18, Twp. 30N, Rge. 20W, Flathead County
Trust Beneficiary:	Veterans Home

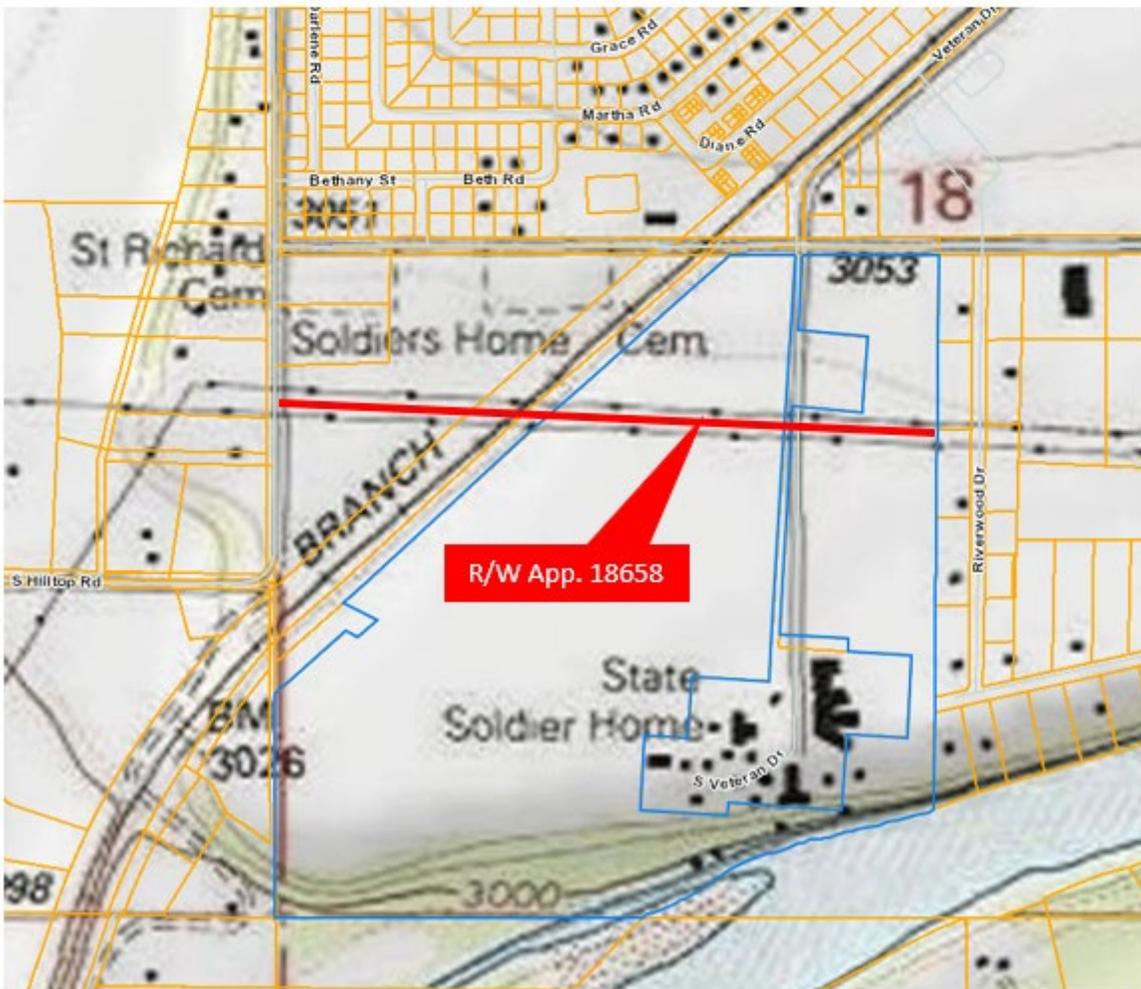
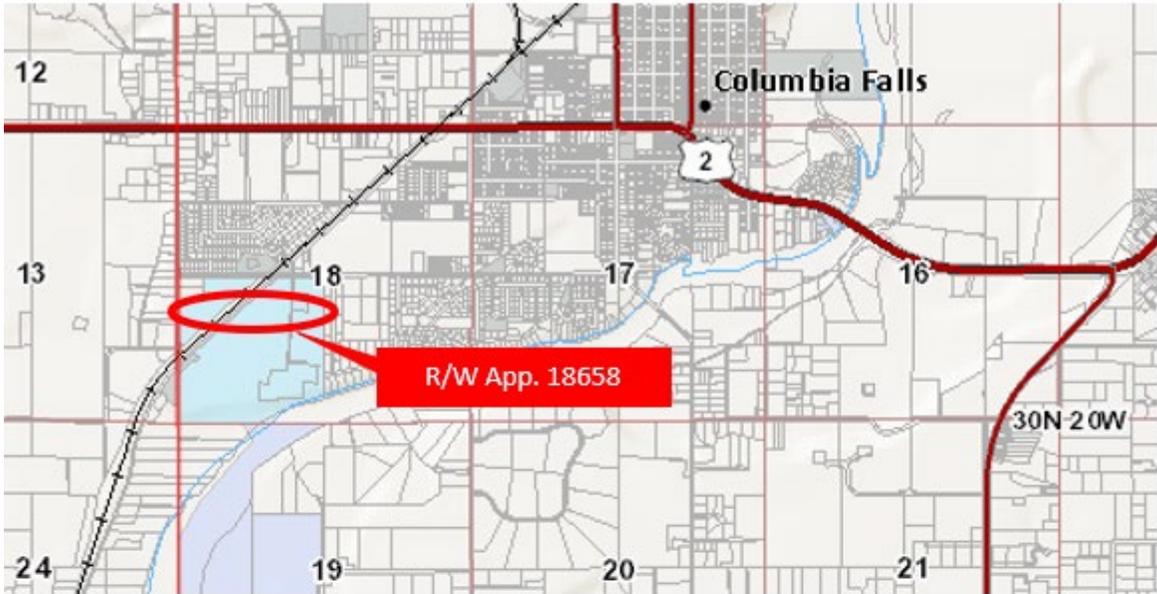
Item Summary

Bonneville Power Administration (BPA) is making application under §77-1-130, MCA for the purpose of recognizing historic transmission lines that were installed on State Land without proper authorization. Under a 1947 statute these lines were constructed upon notice being given to the Department of State Lands and Investments but without approval by the Land Board. Sometime later it was determined that the statute was unconstitutional, and it was repealed, however by that time State Land was encumbered with a network of major transmission facilities. For the past 20+ years the Department has been working with BPA to legalize these transmission lines across State Trust land. Recent meetings have led to commitments to follow through with the legal process of obtaining Land Board approval and obtaining legal easements and payments to the trust beneficiaries. This application is the first of more to come over the next couple years.

DNRC Recommendation

The director recommends approval of this historic application request from BPA.

R/W Application 18658



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: OneOk Rockies Midstream, LLC
 896 25th Street SE
 Sidney, MT 59270

Application No.: 18676
 R/W Purpose: a buried 4" natural gas pipeline
 Lessee Agreement: ok
 Acreage: 1.24
 Compensation: \$16,354.00
 Legal Description: 20-foot strip through NW4NW4, S2NW4, Sec. 16,
 Twp. 29N, Rge. 59E, Roosevelt County
 Trust Beneficiary: Common Schools

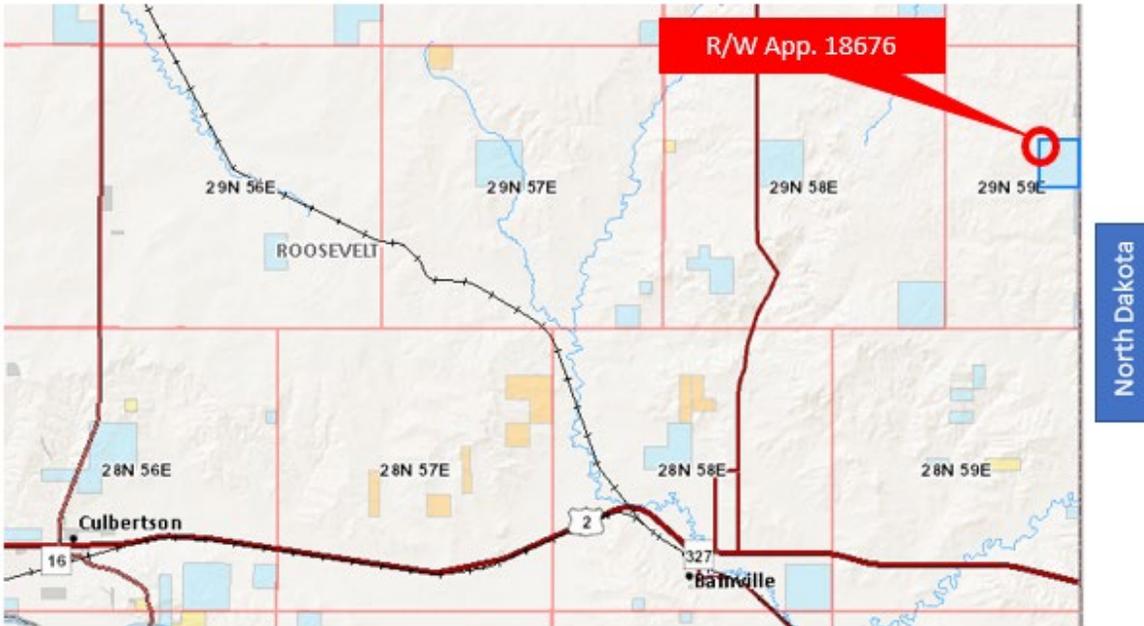
Item Summary

OneOk Rockies Midstream, LLC has made application for a 4" natural gas pipeline. The pipeline was previously authorized and installed under a Land Use License issued in 2008. This application is to convert the License to a 30-year term easement. OneOk Rockies Midstream, LLC has offered compensation in the amount of \$100/rod which is consistent with other installations in the area.

DNRC Recommendation

The director recommends approval of a 30-year term easement to OneOk Rockies Midstream LLC

R/W Application 18676



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	3 Rivers Telephone Coop. Inc. P O Box 429 Fairfield MT 59436
Application No.:	18677
R/W Purpose:	a buried fiber optic communications cable
Lessee Agreement:	N/A (Navigable River)
Acreage:	0.03
Compensation:	\$100.00
Legal Description:	10-foot strip across the Teton River in the NW4SE4, Sec. 31, Twp. 24N, Rge. 4W, Teton County
Trust Beneficiary:	Public Land Trust - Nav. River

Item Summary

3 Rivers Telephone Cooperative is proposing to upgrade existing infrastructure in the Choteau service exchange area. The existing facilities are aging copper cables that have reached their useful life limit which prevents 3 Rivers from fulfilling new service requests, including digital services. The upgraded fiber optic cables will provide high speed data and broadband services to the rural Choteau area. Overall, the project comprises approximately 27 miles of new fiber optic cable in Teton County and 3 crossings of the Teton River, the bed of which is claimed by the State.

DNRC Recommendation

The director recommends approval of the 3 Rivers Telephone fiber optic project

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: 3 Rivers Telephone Coop. Inc.
P O Box 429
Fairfield MT 59436

Application No.: 18678
R/W Purpose: a buried fiber optic communications cable
Lessee Agreement: N/A (Navigable River)
Acreage: 0.02
Compensation: \$100.00
Legal Description: 10-foot strip across the Teton River in the NE4NW4, Sec. 23,
Twp. 24N, Rge. 5W, Teton County
Trust Beneficiary: Public Land Trust - Nav. River

Item Summary

See page 49 for summary.

DNRC Recommendation

See page 49 for recommendation

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: 3 Rivers Telephone Coop. Inc.
P O Box 429
Fairfield MT 59436

Application No.: 18679
R/W Purpose: a buried fiber optic communications cable
Lessee Agreement: N/A (Navigable River)
Acreage: 0.01
Compensation: \$100.00
Legal Description: 10-foot strip across the Teton River in the SW4NE4, Sec. 26,
Twp. 24N Rge. 5W, Teton County
Trust Beneficiary: Public Land Trust - Nav. River

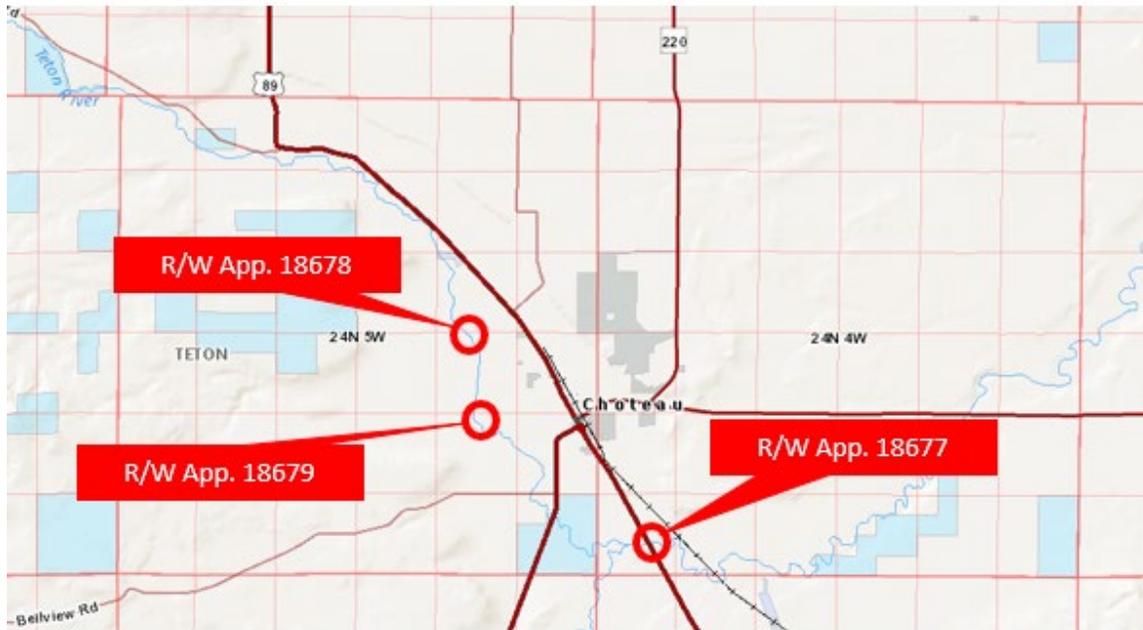
Item Summary

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DNRC Recommendation

See page 49 for recommendation

R/W Application 18677, 18679, & 18678





APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Montana Department of Transportation
 PO Box 201001
 Helena, MT 59620-1001

Application No.: 18680
 R/W Purpose: highway construction and maintenance, including occupancy by
 public utilities as defined in §69-4-101 MCA

Lessee Agreement: ok
 Acreage: 0.49
 Compensation: \$500.00
 Legal Description: a tract of land in NW4SW4, Sec. 15, Twp. 32N, Rge. 11E,
 Hill County
 Trust Beneficiary: Common Schools

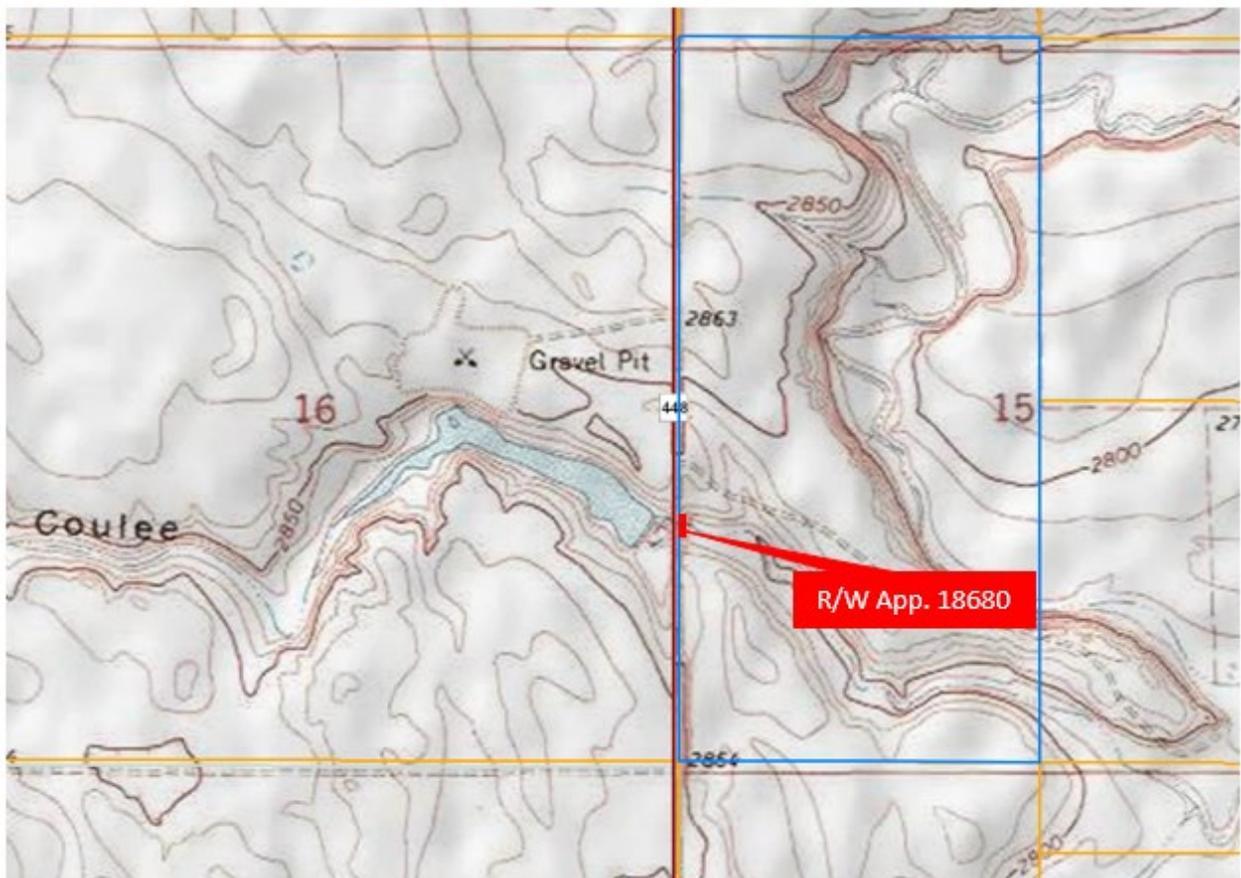
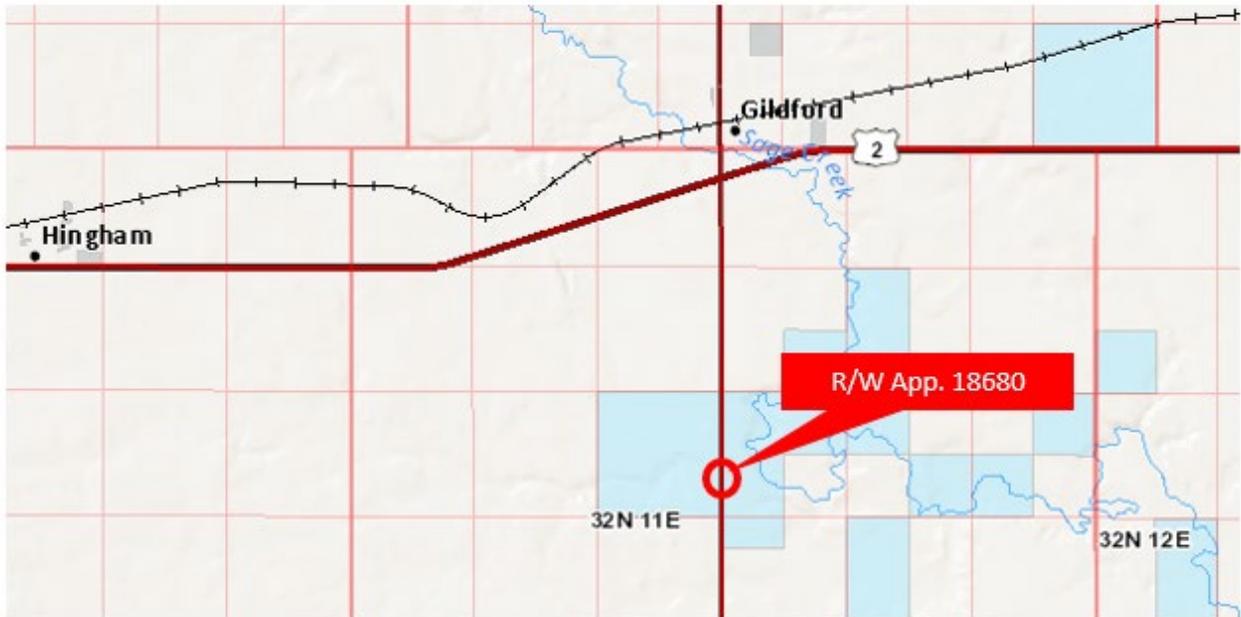
Item Summary

The MDT is proposing to replace an eroded old culvert with a new culvert, cut off walls, outlet protection and riprap. Flooding has occurred, causing failure to the existing culvert. This coulee is located on Montana Secondary 448, approximately 2.5 mile south of Gildford, in Hill County.

DNRC Recommendation

The director recommends approval of the proposed easement to MDT

R/W Application 18680



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Greg & Susan Egbert
3955 Floweree Dr.
Helena, MT 59602

Application No.: 18681
R/W Purpose: a private access road for the purpose of conducting normal farming
and ranching operations

Lessee Agreement: N/A (Historic)
Acreage: 1.2
Compensation: \$720.00
Legal Description: 20-foot strip through the SW4NE4, NE4SE4, Sec. 30, Twp. 19N, Rge. 3W, Cascade County
Trust Beneficiary: Common Schools

Item Summary

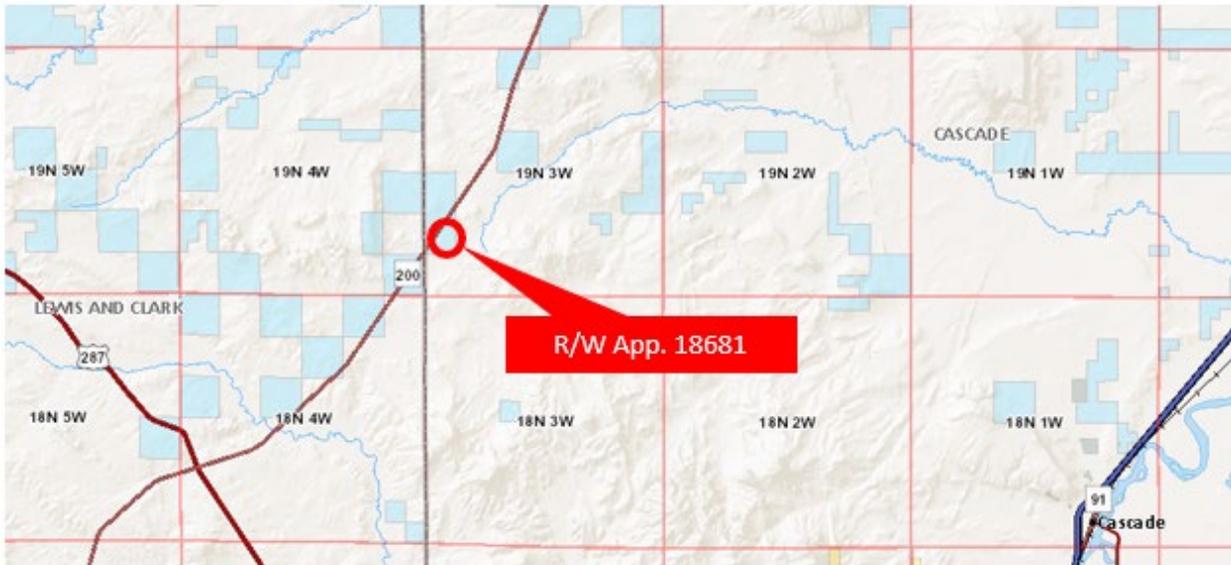
Greg and Susan Egbert have made application for the use of an existing road for conducting normal farming and ranching operations. The road has been in place for years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The private property to be accessed is described as:

- Sec. 27, Twp. 19N, Rge. 3W – W2SW4
- Sec. 28, Twp. 19N, Rge. 3W – All
- Sec. 29, Twp. 19N, Rge. 3W – All

DNRC Recommendation

The director recommends approval of this historic easement request

R/W Application 18681



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Wilson Hodgskiss Family Trust
 PO Box 206
 Choteau, MT 59422

Application No.: 18682
 R/W Purpose: a private access road for the purpose of conducting normal farming and ranching operations

Lessee Agreement: N/A (Historic)
 Acreage: 2.04
 Compensation: \$1,224.00
 Legal Description: 15-foot strip through the E2 Sec. 36, Twp. 23N, Rge. 6W, Teton County
 Trust Beneficiary: Common Schools

Item Summary

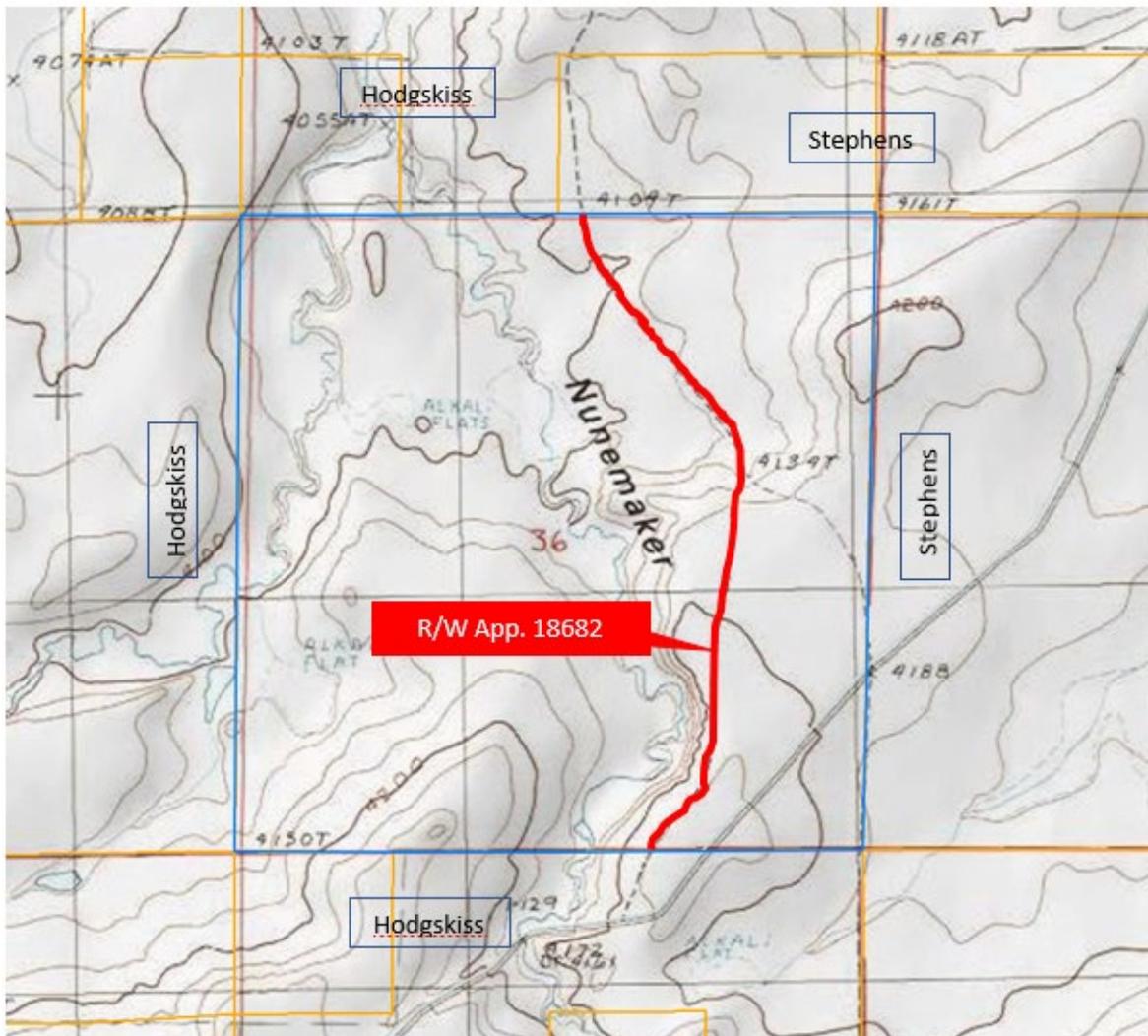
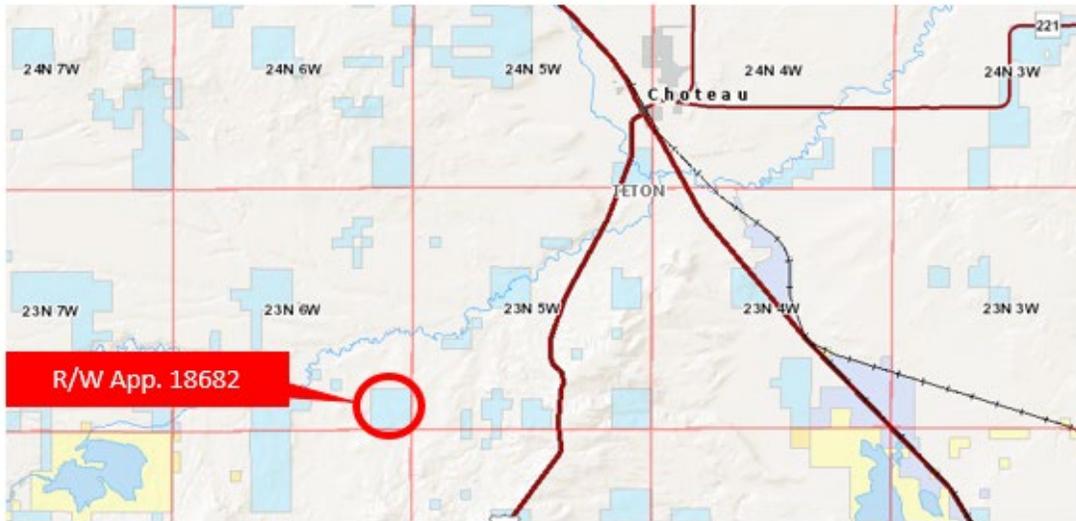
Wilson Hodgskiss Family Trust has made application for the use of an existing road for conducting normal farming and ranching operations. The road has been in place for years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The private property to be accessed is described as:

- Sec. 26, Twp. 23N, Rge. 6W – E2E2
- Sec. 25, Twp. 23N, Rge. 6W – N2, SW4, N2SE4
- Sec. 24, Twp. 23N, Rge. 6W – E2SW4SW4, E2SW4, SE4

DNRC Recommendation

The director recommends approval of this historic easement request

R/W Application 18682



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Miller Colony, Inc
5130 HWY 89
Choteau, MT 59422

Application No.: 18683
R/W Purpose: a private access road for the purpose of conducting normal farming
and ranching operations

Lessee Agreement: N/A (Historic)
Acreage: 0.34
Compensation: \$221.00
Legal Description: a 30-foot strip through the SW4SW4, Sec. 27, Twp. 26N, Rge. 6W, Teton County
Trust Beneficiary: Common Schools

Item Summary

Miller Colony Inc. have made application for the use of an existing road for 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:

- Sec. 28, Twp. 26N, Rge. 6W – N2, SW4, NW4SE4
- Sec. 29, Twp. 26N, Rge. 6W – E2, S2SW4

DNRC Recommendation

The director recommends approval of this historic easement request

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Miller Colony, Inc
5130 HWY 89
Choteau, MT 59422

Application No.: 18684
R/W Purpose: a private access road for the purpose of conducting normal farming
and ranching operations

Lessee Agreement: N/A (Historic)
Acreage: 1.15
Compensation: \$748.00
Legal Description: a 30-foot strip through the SE4SE4, Sec. 28, Twp. 26N, Rge. 6W, Teton County
Trust Beneficiary: Common Schools

Item Summary

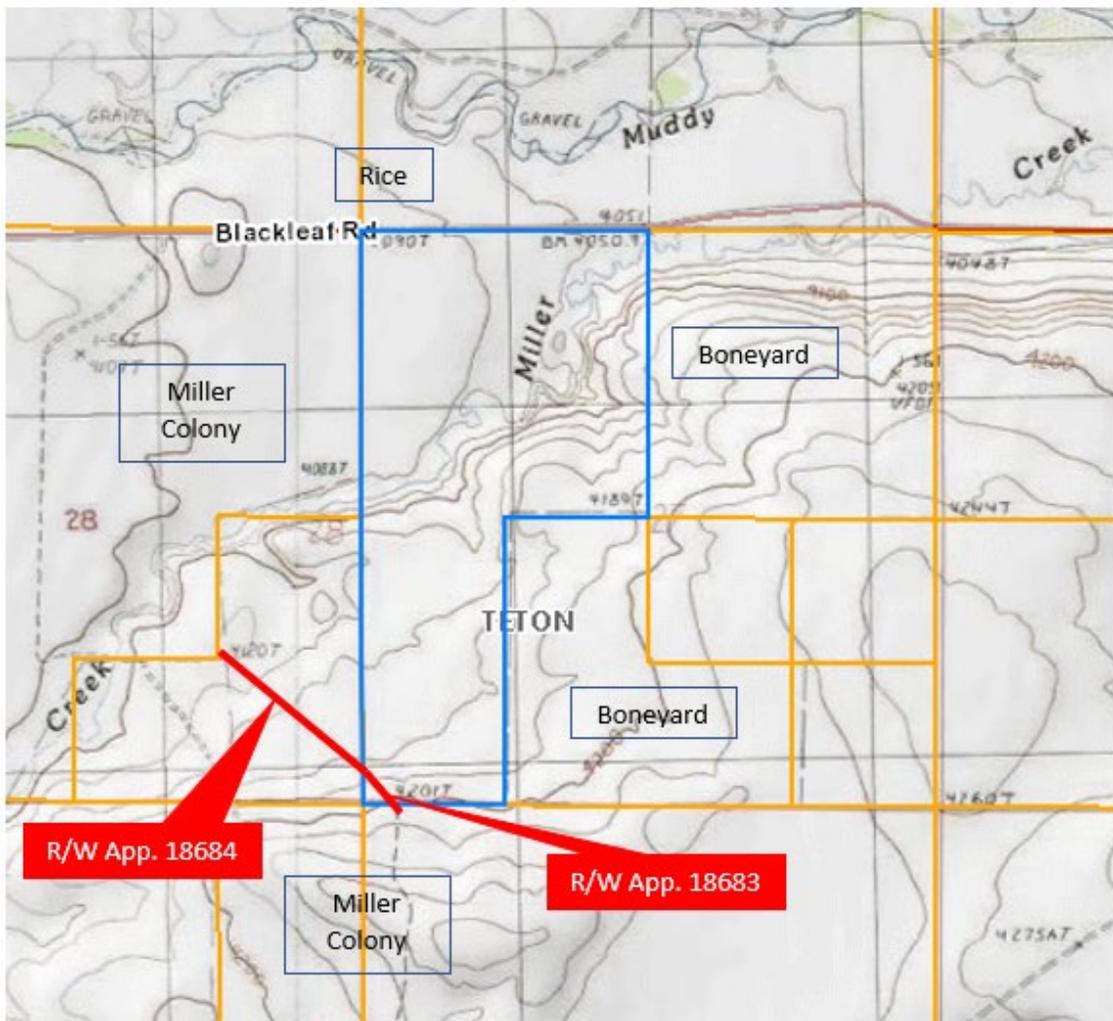
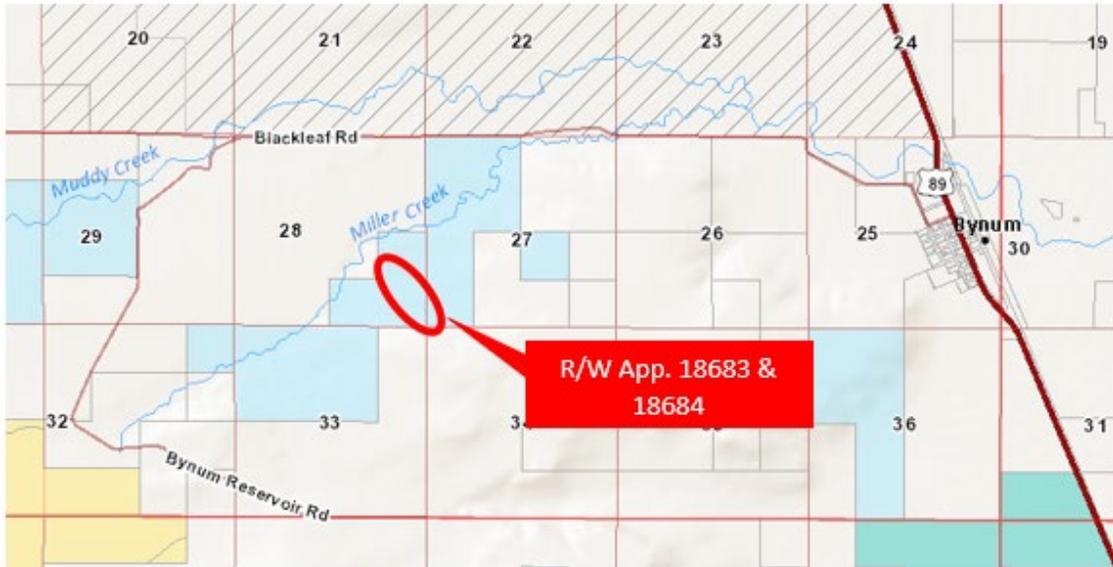
Miller Colony Inc. have made application for the use of an existing road for conducting normal farming and ranching operations. The road has been in place for years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The private property to be accessed is described as:

- Sec. 28, Twp. 26N, Rge. 6W – N2, SW4, NW4SE4
- Sec. 29, Twp. 26N, Rge. 6W – E2, S2SW4

DNRC Recommendation

The director recommends approval of this historic easement request

R/W Application 18683



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Frederick and Lorna McCormick 21950 Old Mill Rd. Swan Lake, MT 59901
Application No.:	18685
R/W Purpose:	a private access road for the purpose of access to one single family residence and associated outbuildings
Lessee Agreement:	N/A (Historic)
Acreage:	0.3
Compensation:	\$1,260.00
Legal Description:	A 40-foot strip through the NW4NW4, Sec. 32, Twp. 23N, Rge. 17W, Lake County
Trust Beneficiary:	Common Schools

Item Summary

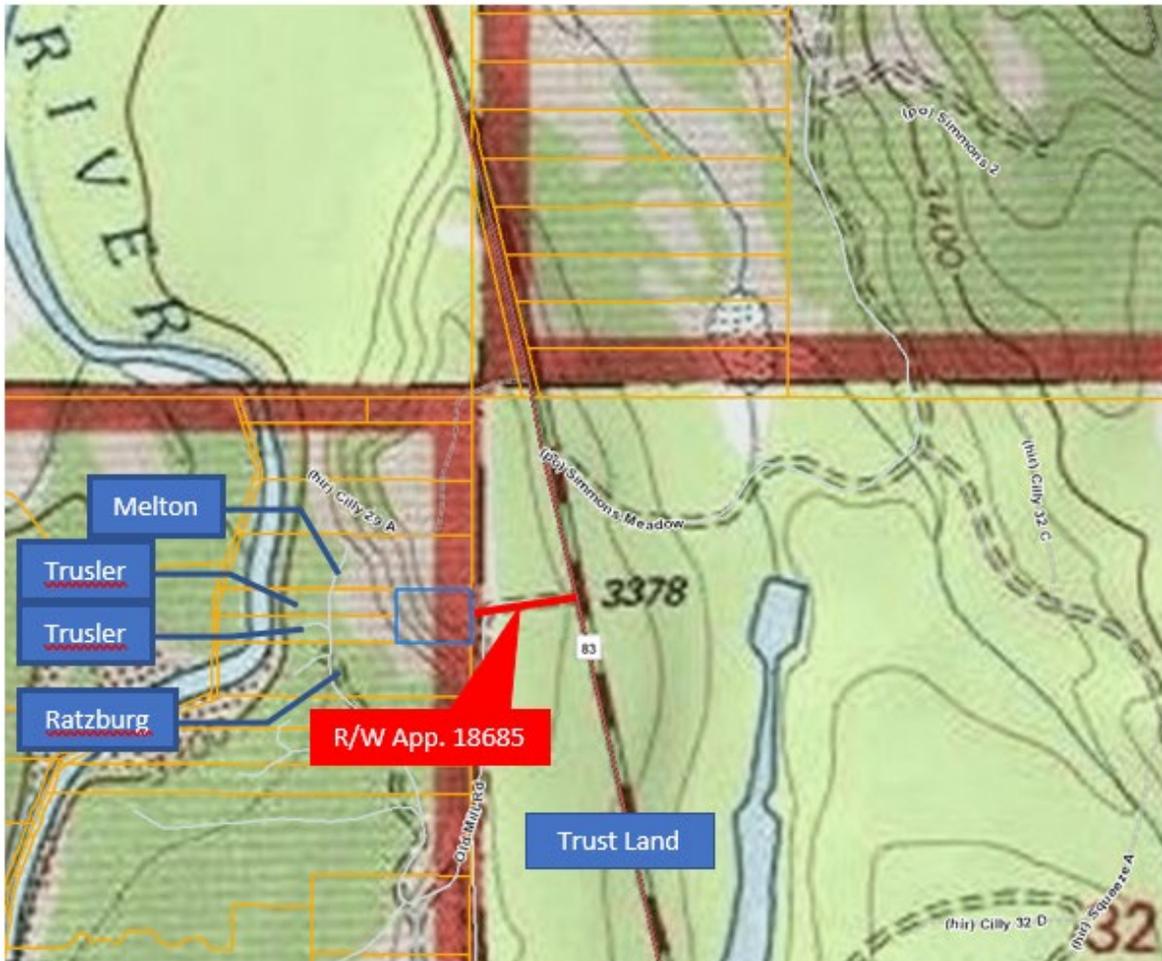
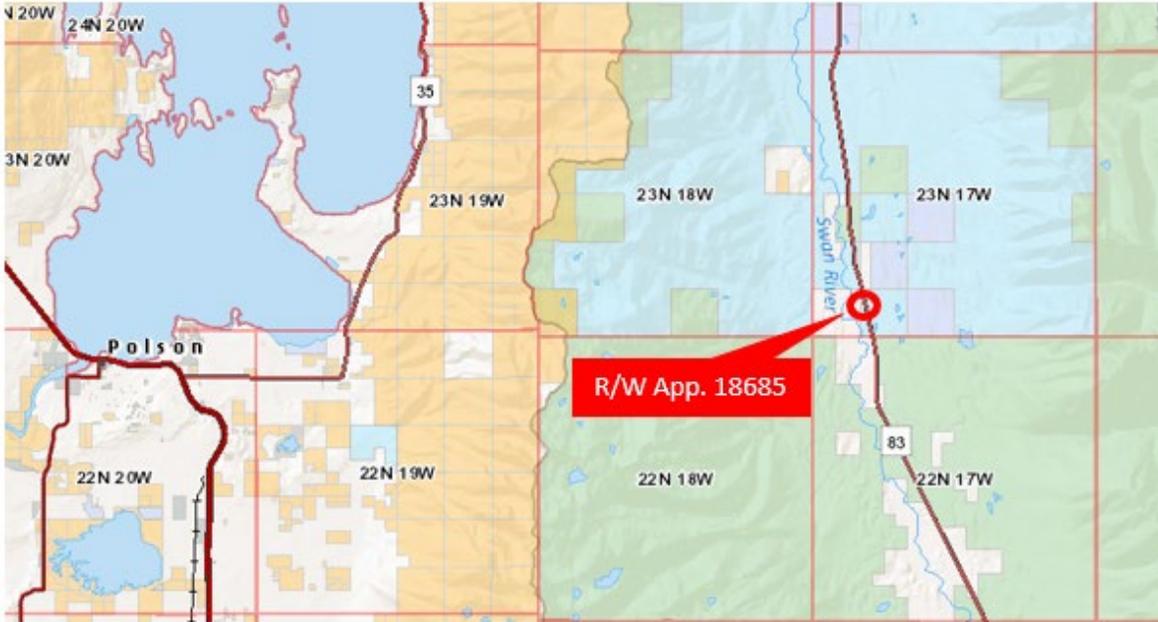
Frederick and Lorna McCormick have made application for the use of an existing road for conducting normal farming and ranching operations. The road has been in place for years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The private property to be accessed is described as:

- Sec. 31, Twp. 23N, Rge. 17W – Certificate of Survey 3710 in the NE4NE4

DNRC Recommendation

The director recommends approval of this historic easement request

R/W Application 18685



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Ravalli County Electric Cooperative PO Box 190 Corvallis, MT 59828
Application No.:	18686
R/W Purpose:	a buried electrical distribution line
Lessee Agreement:	N/A (Unleased)
Acreage:	1.09
Compensation:	\$1,090.00
Legal Description:	10-foot strip through E2NE4, N2N2, Sec. 16, Twp. 6N, Rge. 21W, Ravalli County
Trust Beneficiary:	Common Schools

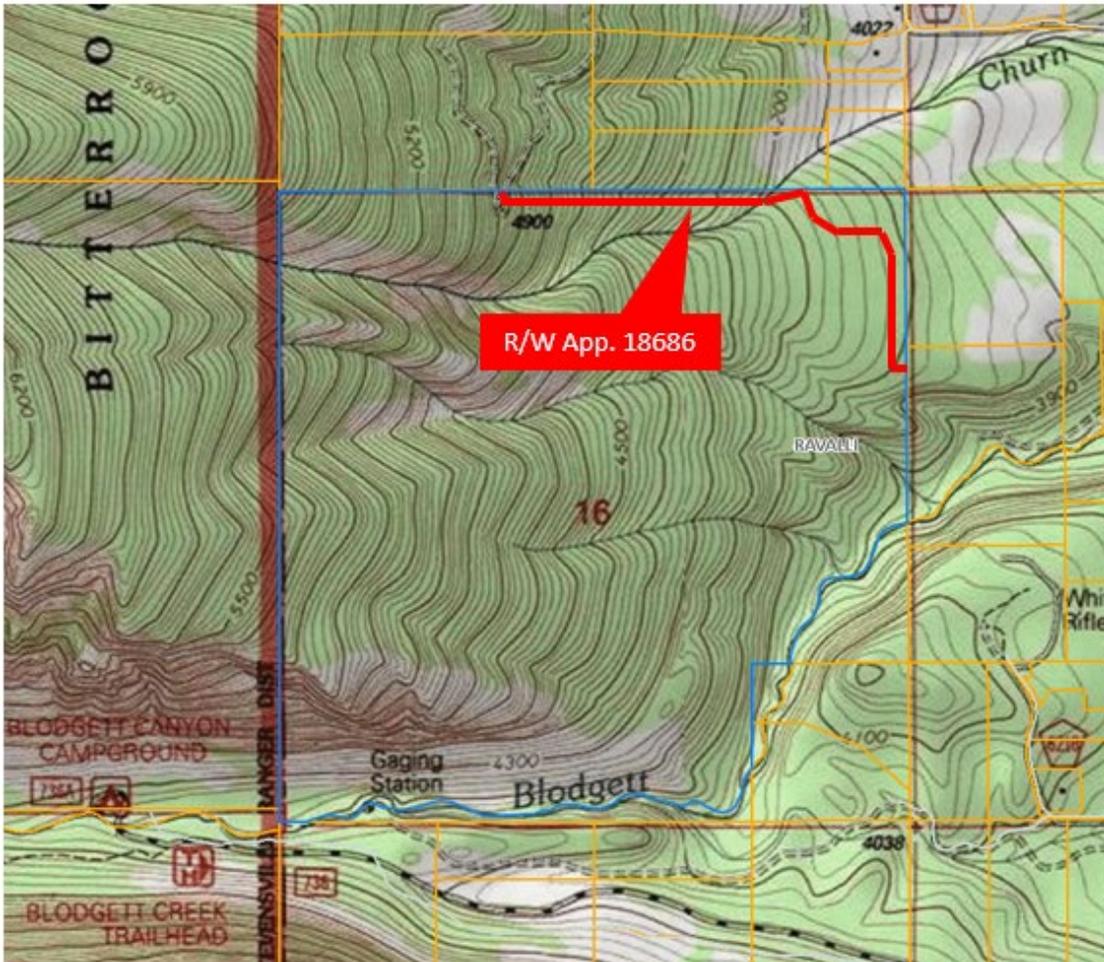
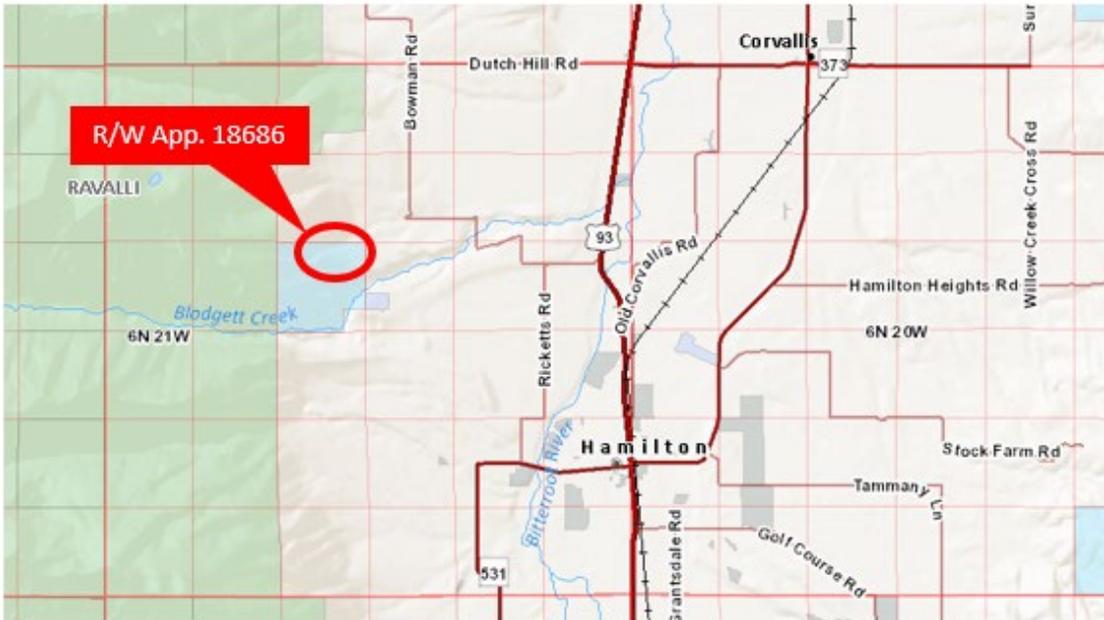
Item Summary

Ravalli Electric Coop (REC) has requested an easement across Trust Land property for service to a new communications site located on private property. This communication site provides a critical network link to Ravalli Electric's operations. Multiple routes were considered for this project, however the route chosen is the most direct and least impactful as it follows existing logging roads. Other routes were analyzed, however due to terrain and subsurface conditions installation would be almost impossible.

DNRC Recommendation

The director recommends approval of this electric distribution line.

R/W Application 18686



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Denbury Green Pipeline - Montana, LLC
 5320 Legacy Drive
 Plano, TX 75024

Application No.: 18687
 R/W Purpose: a buried 12" CO² pipeline
 Lessee Agreement: ok
 Acreage: 6.15
 Compensation: \$15,222.00
 Legal Description: 50-foot strip through N2S2, Sec. 36, Twp. 7N, Rge. 60E,
 Fallon County
 Trust Beneficiary: Common Schools

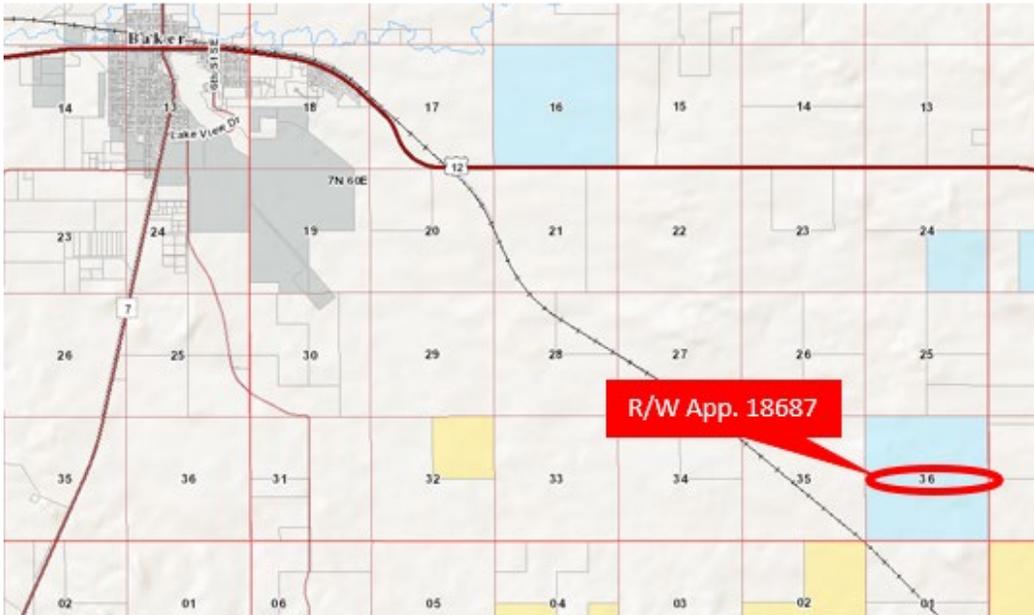
Item Summary

Denbury is requesting an easement to construct a lateral distribution line to the recent Land Board approved 20" CO² pipeline. This lateral line is a 12" pipeline that is a total of 17 miles long, crossing only one State section. This lateral line will begin in Fallon County and end at the Denbury Cedar Hills Unit in Bowman County, North Dakota. This proposed lateral line has also been through the permitting processes of BLM and through the Sage Grouse program and is covered by the mitigations previously agreed to for the 20" pipeline. Minimal impacts are expected from the installation of this lateral line across this section of State Land. A 30-year term easement is recommended.

DNRC Recommendation

The director recommends approval of this 12" CO² lateral pipeline for a term of 30-years.

R/W Application 18687



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Doug Boutilier
4965 US HWY 12 West
Helena, MT 59601

Application No.: 18688
R/W Purpose: a private access road for the purpose of access to one single family residence and associated outbuildings

Lessee Agreement: ok
Acreage: 2.06
Compensation: \$8,875.00
Legal Description: 30-foot strip through SW4NW4, NW4SW4, Sec. 27, Twp. 10N, Rge. 4W, Lewis and Clark County
Trust Beneficiary: Common Schools

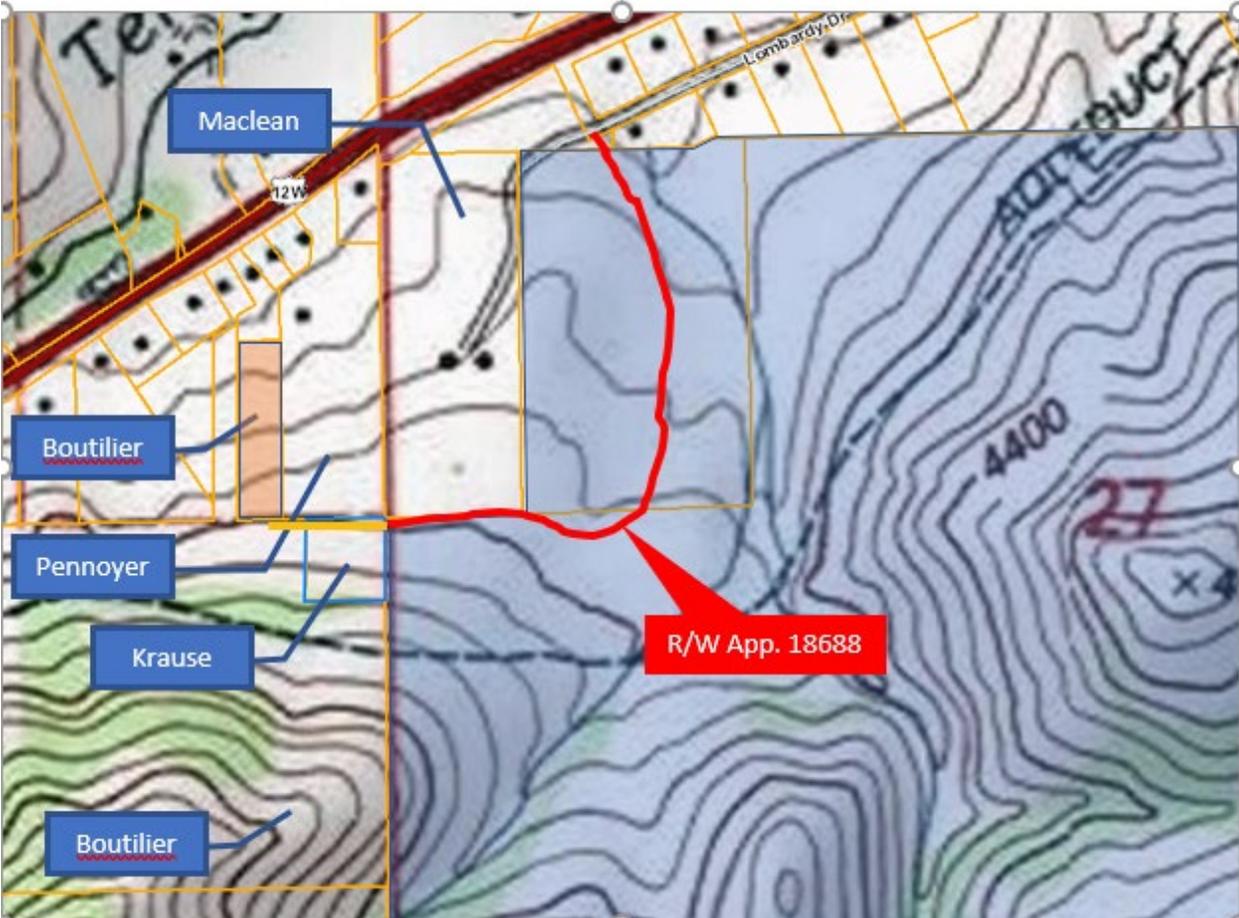
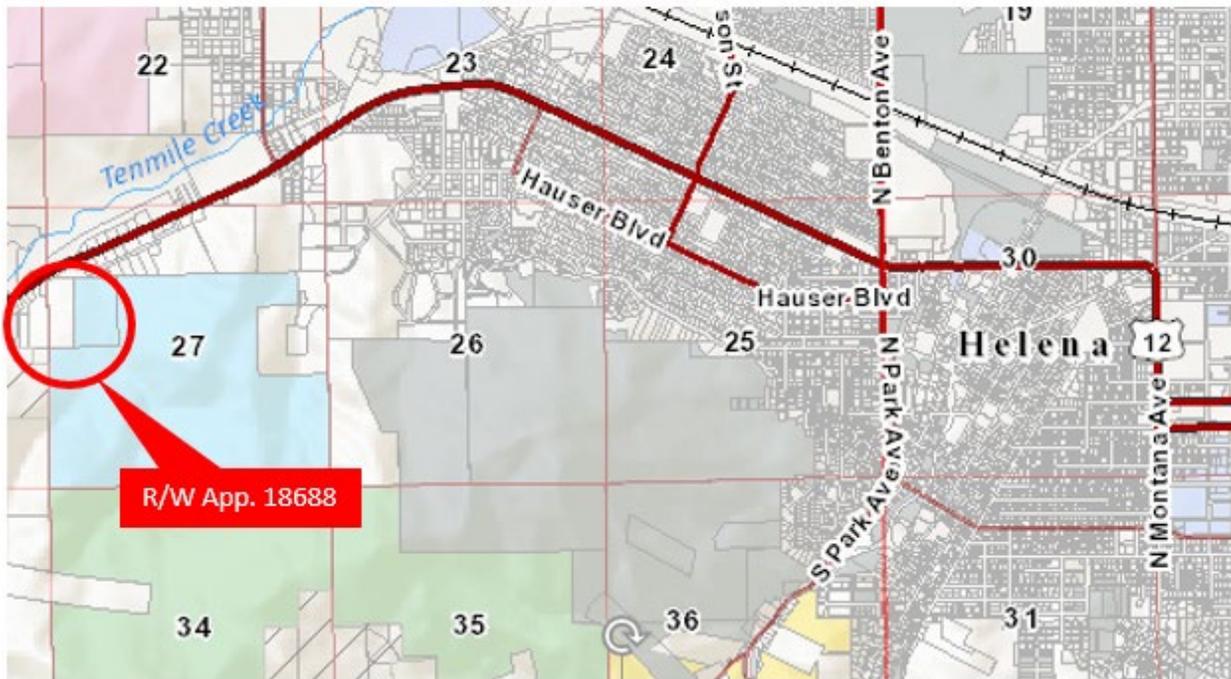
Item Summary

Doug Boutilier has requested an easement to utilize an existing road on State Land to access a 2.5 acre parcel he owns, described as Tract B of COS 3107661, in Sec. 28, Twp. 10N, Rge. 4W. Mr. Boutilier owns adjacent property to this 2.5-acre parcel, however it is not physically possible to locate a road from his existing ownership to this property. This property is just west of the city limits of Helena and access to the State Land is through Lombardy Drive, a county road. The access road currently provides access to a separate 2-acre parcel of land adjoining State Land and Mr. Boutilier's larger parcel and access across this parcel is necessary in order for Mr. Boutilier to enjoy legal access to the 2.5 acre parcel. The private landowners have agreed to provide an easement to Mr. Boutilier so long as the Land Board approves his request across State Land. The Department solicited public comment for the proposal and received only one comment, from a landowner along Lombardy Drive. That comment generally discussed conditions of Lombardy Drive (not on State Land) and impacts from additional use. Lombardy Drive is a public road and the public currently drives it to reach a small parking area on State Land for recreation purposes. The Department has analyzed the request and determined that additional use by Mr. Boutilier will cause minimal impacts to the State land. Because an existing easement holder also uses the road on State each party will have responsibilities for maintenance attributed to their respective use. It will also be stipulated that use of the road is subject to general recreational use rules on State land.

DNRC Recommendation

The director recommends approval of the private access road easement to Mr. Boutilier

R/W Application 18688



0319-6

INFORMATIONAL ITEM:
Update on DNRC's efforts to help improve
management on federal lands