AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
February 22, 2022, at 9:00 a.m.
State Capitol, Room 303
Helena, MT

ACTION ITEMS

0222-1  Timber Sale: 36 Game  APPROVED 5-0
Benefits: Common Schools, Acquired Lands
Location: Missoula County

0222-2  Cabin and Home Sites: Set Minimum Bid for Sale  APPROVED 4-1
Benefits: Common Schools
Location: Gallatin County

0222-3  Easements  APPROVED 5-0
Benefits: Common Schools, Public Land Trust, Pine Hills School
Location: Carbon, Custer, Dawson, Prairie, Rosebud, Sweet Grass, Yellowstone Counties

PUBLIC COMMENT
0222-1

TIMBER SALE:

36 Game
# 0222-1 Timber Sale: 36 Game

**Location:** Missoula County  
Section 36 T13N R17W  
Section 31 T13N R16W  
Section 2 T12N R17W  

**Trust Beneficiaries:** Commons Schools and Acquired Lands  
**Trust Revenue:** $113,716 (estimated, minimum bid)

## Item Summary

**Location:** The 36 Game Timber Sale is located approximately 15 miles east of Missoula, Montana, in the Game Creek drainage of Missoula County.

**Size and Scope:** The sale includes 3 harvest units (480 acres) of tractor logging (250 acres) and cable (230 acres) logging.

**Volume:** The estimated sale volume is 15,772 tons (2.0 MMBF) of sawlogs.

**Estimated Return:** The minimum bid is $7.21 per ton, which would generate approximately $113,716 for the Trust Beneficiaries (Common Schools and Acquired Lands) and approximately $48,420 in Forest Improvement fees.

**Prescription:** The 36 Game Timber Sale would primarily utilize an individual tree selection (ITS) harvest prescription designed to reduce stand density, reduce insect and disease issues, improve stand vigor and promote historic stand conditions.

**Road Construction/Maintenance:** In conjunction with the 36 Game Timber Sale, The Department of Natural Resources and Conservation (DNRC) is proposing 18 miles of road maintenance and/or improvement, 1 mile of new permanent road construction and 3.2 miles of reconstruction on existing road.

**Access:** Access for the 36 Game Timber Sale is primarily though DNRC acquired property. Private ownership access is via county road with established permanent easements.

**Public Comments:** Public involvement was solicited in December 2014 under the Dirty Donavan Project EA using scoping notices by US Postal Service or electronic mail to 53 individuals, organizations, and agencies, which included 7 nearby landowners adjacent to Section 24 T12N R17W. No public comments relevant to the 36 Game Timber Sale were received.

**DNRC Recommendation**  
The director recommends the Land Board direct DNRC to sell the 36 Game Timber Sale.
Project Name: 36 Game Timber Sale
Project Location:
Section 36 T13N R17W
Section 31 T13N R16W
Section 2 T12N R17W
CABIN AND HOME SITES:
Set Minimum Bid for Sale
The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for one (1) home site nominated for sale in Gallatin County. The sale was nominated by the lessee in conjunction with the Cabin and Home Site Sale Program. In April 2020, the Board granted preliminary approval (Approved 5-0) for the site to be included as part of the 2020-2021 Cabin Site Sales Program.

The parcel is currently leased as a home site and produces an average income for residential leases statewide. The parcel will be sold with the access that is currently provided under the lease agreement and can be conveyed by DNRC.

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

Access/Recreational Use:
As part of the cabin site sale process, the State will convey any access that it has and can be conveyed to the purchaser of the cabin or home site property. Current cabin/home site access is limited to the lessee and does not provide access or recreational use to the general public. State lands classified as cabin or home sites are closed to general recreational use by the public in accordance with ARM 36.25.150(1)(a). Therefore, the State is not selling land under the cabin site sale program that the public is permitted to use for recreation. Rather, the funds generated by these sales will go towards purchasing new lands that will have dedicated public access and recreational opportunities.

Economic Analysis:
Short term – The average rate of return on this sale parcel is as shown in Figure 1. The parcel will continue to receive this return if it remains in state ownership. The income rate of return will likely grow smaller over the next 20 years, as average annual value appreciation is greater than the annual rent increase, as shown in Figure 2 below.
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 3.04% on acquisitions with income generated from annual lease payments. However, the rates of return on land acquired more recently have been higher, ranging from 3.46% on acquisitions purchased within the last five years to 3.41% for lands acquired within the last ten years. Figure 3 shows hypothetical lot values derived from the 3-year average net revenue of the current lease, at a sample range of income rates of return that could be anticipated when the sale proceeds are used for a land banking acquisition.
Appraised Values of Land and Improvements:
The appraisal was prepared by Montana General Certified Appraiser Keith O'Reilly, MAI, of Bridger Appraisals, Inc. in Bozeman.

<table>
<thead>
<tr>
<th>Sale No.</th>
<th>Appraised Land Value</th>
<th>Appraised Improvements Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1163</td>
<td>$475,000</td>
<td>$445,000</td>
</tr>
</tbody>
</table>

DNRC Recommendation
The director recommends that the Land Board set the minimum bid for this home site at the appraised land value and the maximum value of compensation for the improvements shown above.
0222-3

EASEMENTS:
0222-3  Easements

Location: Carbon, Custer, Dawson, Prairie, Rosebud, Sweet Grass, Yellowstone

Trust Benefits: Common Schools, Pine Hills School, Public Land Trust – Nav. River

Trust Revenue: Common Schools = $20,259  
Pine Hills School = $100  
Public Land Trust = $7,161

Item Table of Contents

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Right-of-Way Purpose</th>
<th>Term</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frank Eaton &amp; Sons</td>
<td>Private Access Road</td>
<td>Permanent</td>
<td>18-27</td>
</tr>
<tr>
<td>71 Ranch, LP</td>
<td>Private Access Road</td>
<td>Permanent</td>
<td>28-35</td>
</tr>
<tr>
<td>Cenex Pipeline, LLC</td>
<td>Buried Oil Pipeline</td>
<td>30-Year</td>
<td>36-37</td>
</tr>
<tr>
<td></td>
<td>Term</td>
<td>Term</td>
<td></td>
</tr>
<tr>
<td>Harding Land &amp; Cattle Company</td>
<td>Private Access Road</td>
<td>Permanent</td>
<td>38-39</td>
</tr>
<tr>
<td>Greg Haydal</td>
<td>Buried Electric Distribution Line</td>
<td>Permanent</td>
<td>40-41</td>
</tr>
<tr>
<td>Gregory F. Golden</td>
<td>Private Access Road</td>
<td>Permanent</td>
<td>42-44</td>
</tr>
<tr>
<td>EOB Ranch, LLC</td>
<td>Private Access Road</td>
<td>Permanent</td>
<td>45-46</td>
</tr>
<tr>
<td>Mike Hammond</td>
<td>Private Access Road</td>
<td>Permanent</td>
<td>47-48</td>
</tr>
</tbody>
</table>
Applicant: Frank Eaton and Sons
103 ETN Road
Lindsay, MT 59339

Application No.: 19167
R/W Purpose: a private access road to conduct normal farming and ranching operations
Lessee Agreement: N/A (Historic)
Acreage: 1.28
Compensation: $576.00
Legal Description: 15-foot strip through W2NW4, NW4SW4, Sec. 16, Twp. 13N, Rge. 50E, Prairie County
Trust Beneficiary: Common Schools

Item Summary

Frank Eaton and Sons have made application for the use of an existing road to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is legally accessible by a state secondary highway, therefore reciprocal access is unnecessary. The private property of applicant to be accessed is described as:

- ALL: Sec. 9, Twp. 13N, Rge. 50E, Prairie County
- ALL: Sec. 17, Twp. 13N, Rge. 50E, Prairie County

DNRC Recommendation

The director recommends approval of the application of the Frank Eaton and Sons.
## Item Summary

Frank Eaton and Sons have made application for the use of an existing road to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is legally accessible by Coal Creek Road on the South, therefore reciprocal access is unnecessary. The private property of applicant to be accessed is described as:

- N2S2: Sec. 30, Twp. 13N, Rge. 52E, Prairie County
- NW4SW4, W2W2NW4: Sec. 29, Twp. 13N, Rge. 52E, Prairie County

## DNRC Recommendation

The director recommends approval of the application of the Frank Eaton and Sons.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Frank Eaton and Sons
103 ETN Road
Lindsay, MT 59339

Application No.: 19169
R/W Purpose: a private access road to conduct normal farming and ranching operations
Lessee Agreement: N/A (Historic)
Acreage: 1.88
Compensation: $846.00
Legal Description: 15-foot strip through NE4NE4, W2NE4, NW4SE4, E2SE4, Sec. 16, Twp. 14N, Rge. 50E, Prairie County
Trust Beneficiary: Common Schools

Item Summary

Frank Eaton and Sons have made application for the use of an existing road to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is accessible for walk-in recreation as it borders lands managed by BLM that are accessible via a county road, therefore reciprocal access is unnecessary. The private property of applicant to be accessed is described as:

- N2, SW4: Sec. 15, Twp. 14N, Rge. 50E, Prairie County
- All: Sec. 21, Twp. 14N, Rge. 50E, Prairie County
- W2, SE4: Sec. 22, Twp. 14N, Rge. 50E, Prairie County
- NW4: Sec. 27, Twp. 14N, Rge. 50E, Prairie County

DNRC Recommendation

The director recommends approval of the application of the Frank Eaton and Sons.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Frank Eaton and Sons
103 ETN Road
Lindsay, MT 59339

Application No.: 19170
R/W Purpose: a private access road to conduct normal farming and ranching operations
Lessee Agreement: N/A (Historic)
Acreage: 0.93
Compensation: $419.00
Legal Description: 15-foot strip through N2SW4, SW4SW4, Sec. 16, Twp. 16N, Rge. 48E, Prairie County
Trust Beneficiary: Common Schools

Item Summary

Frank Eaton and Sons have made application for the use of an existing road to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is legally accessible by Cedar Creek Road, therefore reciprocal access is unnecessary. The private property of applicant to be accessed is described as:

- All: Sec. 17, Twp. 16N, Rge. 48E, Prairie County

DNRC Recommendation

The director recommends approval of the application of the Frank Eaton and Sons.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Frank Eaton and Sons
103 ETN Road
Lindsay, MT 59339

Application No.: 19171
R/W Purpose: a private access road to conduct normal farming and ranching operations
Lessee Agreement: N/A (Historic)
Acreage: 1.84
Compensation: $644.00
Legal Description: 15-foot strip through E2W2, Sec. 34, Twp. 17N, Rge. 51E, Dawson County
Trust Beneficiary: Common Schools

Item Summary

Frank Eaton and Sons have made application for the use of an existing road to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is not legally accessible, and Frank Eaton and Sons do not have the ability to reciprocate access to it. The private property of applicant to be accessed is described as:

- All: Sec. 27, Twp. 17N, Rge. 51E, Dawson County
- N2, N2S2: Sec. 28, Twp. 17N, Rge. 51E, Dawson County

DNRC Recommendation

The director recommends approval of the application of the Frank Eaton and Sons.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: 71 Ranch, LP
        40 71 Ranch Lane
        Martinsdale, MT 59053

Application No.: 19206
R/W Purpose: a private access road to conduct normal farming and ranching operations
Lessee Agreement: N/A (Historic)
Acreage: 3.46
Compensation: $1,557.00
Legal Description: 20-foot strip through SW4SW4, N2SW4, N2SE4, SE4NE4,
                  Sec. 36, Twp. 10N, Rge. 34E, Rosebud County
Trust Beneficiary: Common Schools

Item Summary

71 Ranch has made application for the use of an existing road to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is legally accessible by Ingomar Hysham Road, therefore reciprocal access is unnecessary. The private property of applicant to be accessed is described as:

- All: Sec. 1, Twp. 9N, Rge. 34E, Rosebud County
- All: 35, Twp. 10N, Rge. 34E, Rosebud County

DNRC Recommendation

The director recommends approval of the application of the 71 Ranch.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: 71 Ranch, LP
40 71 Ranch Lane
Martinsdale, MT 59053

Application No.: 19207
R/W Purpose: a private access road to conduct normal farming and ranching operations
Lessee Agreement: N/A (Historic)
Acreage: 2.06
Compensation: $927.00
Legal Description: 20-foot strip through NE4SW4, N2SE4, SE4NE4, Sec. 18, Twp. 11N, Rge. 34E, Rosebud County
Trust Beneficiary: Common Schools

Item Summary

71 Ranch has made application for the use of an existing road to conduct normal farming, ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is legally accessible by Sumatra Road North, therefore reciprocal access is not necessary. The private property of applicant to be accessed is described as:

- All: Sec. 17, Twp. 11N, Rge. 34E, Rosebud County
- All: Sec. 21, Twp. 11N, Rge. 34E, Rosebud County

DNRC Recommendation

The director recommends approval of the application of 71 Ranch.
### Item Summary

71 Ranch has made application for the use of an existing road to conduct normal farming, ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is not legally accessible, and applicant will not provide legal access to the State. The private property of applicant to be accessed is described as:

- All: Sec. 15, Twp. 11N, Rge. 34E, Rosebud County
- SW4, E2: Sec. 10, Twp. 11N, Rge. 34E, Rosebud County

### DNRC Recommendation

The director recommends approval of the application of 71 Ranch.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: 71 Ranch, LP
40 71 Ranch Lane
Martinsdale, MT 59053

Application No.: 19209
R/W Purpose: a private access road to conduct normal farming and ranching operations
Lessee Agreement: N/A (Historic)
Acreage: 4.44
Compensation: $1,998.00
Legal Description: 20-foot strip through E2NE4, N2S2, SW4SW4, Sec. 16, Twp. 10N, Rge. 34E, Rosebud County
Trust Beneficiary: Common Schools

Item Summary

71 Ranch has made application for the use of an existing road to access a single-family residence and associated outbuildings, and to conduct normal farming, ranching and timber management activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is not legally accessible, and applicant cannot provide legal access to the State, therefore a reciprocal opportunity isn’t available. The private property of applicant to be accessed is described as:

• All: Sec. 15, Twp. 10N, Rge. 34E, Rosebud County

DNRC Recommendation

The director recommends approval of the application of 71 Ranch.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Cenex Pipeline, LLC
803 Highway 212 South
Laurel, MT 59044

Application No.: 19212
R/W Purpose: a buried 10” refined fuels pipeline
Lessee Agreement: N/A (Navigable River)
Acreage: 0.90
Compensation: $7,161.00
Legal Description: 50-foot strip below the Yellowstone River between Gov. Lots 7 & 8, Sec. 7, Twp. 2S, Rge. 25E, Yellowstone County
Trust Beneficiary: Public Land Trust - Nav. River

Item Summary

Cenex Pipeline, LLC is requesting an easement under the bed of the Yellowstone River for the purpose of relocating an existing 10” pipeline. This relocation will take the pipeline outside of a densely populated area in the City of Billings and provide for expanded capacity to meet increased demand in a safe and efficient manner. The pipeline route to be relocated is a total of 35 miles between Laurel and Huntley. The pipeline will be directionally bored under the river to a depth of 40-feet below the river bed.

DNRC Recommendation

The director recommends approval of the easement request by Cenex Pipeline, LLC for a 30-year term.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Harding Land & Cattle Company, Inc.
PO Box 905
Terry, MT 59349

Application No.: 19213
R/W Purpose: a private access road to conduct normal farming and ranching operations
Lessee Agreement: N/A (Historic)
Acreage: 4.55
Compensation: $2,730.00
Legal Description: 30-foot strip through S2SE4, NW4SE4, NE4SW4, N2SW4,
Sec. 36, Twp. 8N,
Rge. 52E, Custer County
Trust Beneficiary: Common Schools

Item Summary

Harding Land & Cattle Company has made application for the use of an existing road to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is legally accessible by County Road 417, therefore reciprocal access is unnecessary. The private property of applicant to be accessed is described as:

- All: Sec. 35, Twp. 8N, Rge. 52E, Custer County
- All: Sec. 2, Twp. 7N, Rge. 52E, Custer County

DNRC Recommendation

The director recommends approval of the application of the Harding Land & Cattle Company.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Greg Haydal
343 Kircher Rd.
Miles City, MT 59301

Application No.: 19214
R/W Purpose: a buried electric distribution line
Lessee Agreement: ok
Acreage: 0.08
Compensation: $100.00
Legal Description: 20-foot strip through SE4SE4, Sec. 26, Twp. 8N, Rge. 47E, Custer County
Trust Beneficiary: Pine Hills School

Item Summary

Greg Haydal is proposing to install a new underground electric distribution line extension to a calving shed located on State land in Custer County. This new extension will run from an existing electrical line on the above tract and run a distance of approximately 170 feet to the proposed calving shed. This route is the most direct and will cause minimal impact to the State Trust land.

DNRC Recommendation

The director recommends approval of the application of Greg Haydal.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Gregory F. Golden
               PO Box 94
               Joliet, MT 59041

Application No.: 19215
R/W Purpose: a private access road to a single family residence and associated outbuildings and to conduct normal farming and ranching operations
Lessee Agreement: N/A (Historic)
Acreage: 1.79
Compensation: $2,148.00
Legal Description: 12-foot strip through E2NE4, S2NE4, W2SE4, Sec. 16, Twp. 3S, Rge. 22E, Carbon County
Trust Beneficiary: Common Schools

**Item Summary**

Gregory F. Golden has made application for the use of an existing road to a single family residence and associated outbuilding and to conduct normal farming and ranching. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is not legally accessible and there is no opportunity to reciprocate access due to other private landownerships that would need to be crossed to get to the nearest public road. The private property of applicant to be accessed is described as:

- SW4NW4, W2SW4: Sec. 15, Twp. 3S, Rge. 22E, Carbon County
- SE4NW4, E2SW4, SE4: Sec. 20, Twp. 3S, Rge. 22E, Carbon County
- N2NW4, SE4NW4, W2SE4, SW4: Sec. 21, Twp. 3S, Rge. 22E, Carbon County

**DNRC Recommendation**

The director recommends approval of the application of the Gregory F. Golden.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Gregory F. Golden
PO Box 94
Joliet, MT 59041

Application No.: 19216
R/W Purpose: a private access road to a single family residence and associated outbuilding and to conduct normal farming and ranching operations
Lessee Agreement: N/A (Historic)
Acreage: 1.14
Compensation: $1,368.00
Legal Description: 12-foot strip through SW4NE4, N2SW4, Sec. 36, Twp. 3S, Rge. 22E, Carbon County
Trust Beneficiary: Common Schools

Item Summary

Gregory F. Golden has made application for the use of an existing road to conduct normal farming and ranching activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is legally accessible by Cole Creek Road, therefore reciprocal access is unnecessary. The private property of applicant to be accessed is described as:

- E2NW4, N2SE4, NE4: Sec. 35, Twp. 3S, Rge. 22E, Carbon County

DNRC Recommendation

The director recommends approval of the application of the Gregory F. Golden.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: EOB Ranch, LLC
373 Lower Deer Creek Rd.
Big Timber, MT 59011

Application No.: 19217
R/W Purpose: a private access road to conduct normal farming and ranching operations
Lessee Agreement: N/A (Historic)
Acreage: 1.19
Compensation: $3,570.00
Legal Description: 12-foot strip through N2NW4 and N2NE4, Sec. 36, Twp. 1S, Rge. 15E, Sweet Grass County
Trust Beneficiary: Common Schools

Item Summary

EOB Ranch has made application for the use of an existing road to a single family residence and associated outbuilding and to conduct normal farming and ranching. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is not legally accessible and there is no opportunity to reciprocate access due to other private landownerships that would need to be crossed to get to the nearest public road. The private property of applicant to be accessed is described as:

- S2: Sec. 25, Twp. 1S, Rge. 15E, Sweet Grass County

DNRC Recommendation

The director recommends approval of the application of the EOB Ranch.
APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Mike Hammond  
852 Indian Creek Rd.  
Huntley, MT 59037

Application No.: 19218  
R/W Purpose: a private access road to conduct normal farming and ranching operations  
Lessee Agreement: N/A (Historic)  
Acreage: 1.82  
Compensation: $1,092.00  
Legal Description: 12-foot strip through N2NE4, SE4NE4, N2SE4, SW4SE4, SE4SW4, Sec. 16, Twp. 1S, Rge. 29E, Yellowstone County  
Trust Beneficiary: Common Schools

Item Summary

Mike Hammond has made application for the use of an existing road to conduct normal farming and ranching operations. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is not legally accessible and there is no opportunity to reciprocate access due to other private landownerships that would need to be crossed to get to the nearest public road. The private property of applicant to be accessed is described as:

- N2: Sec. 21, Twp. 1S, Rge. 29E, Yellowstone County

DNRC Recommendation

The director recommends approval of the application of the Mike Hammond.