CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	2019 Land Banking – Dillon Unit – CLO – Sec 12,13, 24, & 27 T8S – R8W
Proposed Implementation Date:	2019
Proponent:	These tracts were nominated by the lessee, William Kriegel owner of La Cense, LLC and brought forward now by DNRC.
Location:	**T8S R8W Section 12**, SW¼SE¼, 40 Acres **T8S R8W Section 13**, SE¼NW¼, NW¼NE¼, S½SE¼, & E½SW¼, 240 Acres **T8S R8W Section 24**, N½N½, 160 Acres **T8S R8W Section 27,** SE¼NE¼, 40 Acres **Total Acres: 480**
County:	Beaverhead County
Trust:	Common School (280 Ac), Pine Hills School (160 Ac), Capital Buildings (40 Ac)

I. TYPE AND PURPOSE OF ACTION

Offer for Sale at Public Auction approximately 480 acres of state land currently held in trust for the benefit of Common Schools (Sections 12 & 13, T8S R8W), Pine Hills School (Section 24, T8S R8W), and Public Buildings (Section 27, T8S R8W). Revenue from the sale would be deposited in a special account with monies from other sales around the State to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income, and proximity to existing state ownership which would then be held in trust for the benefit of the same beneficiary Trusts in relative proportion. The proposed sale is part of a program called Land Banking authorized by the 2003 Legislature. The purpose of the program is for the Department of Natural Resources and Conservation to diversify uses of land holdings of the various Trusts, improve the sustained rate of return to the Trusts, improve access to state trust land, and consolidate ownership. Funds generated from Land Banking Sales are used to purchase replacement lands for the each individual affected trust. Maps and aerial photos of the proposed Land Banking parcels, and a vicinity photo are attached to this EA under Appendix A. The list of people and organizations that were scoped for comments on this proposal is found in "Appendix B".

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

- In 2019 a letter was distributed to certain state surface lessees informing them of the Land Banking Program and requesting nominations be submitted by lessees to the Dillon Unit.
- Legal notices were published in the Dillon Tribune on May 29th and June 5th and in the Montana Standard in the May 26th and June 2nd, 2019 editions.
- Direct mailings were made to the lessee, adjacent land owners, County Commissioners, State Legislators (from the involved Districts), and a host of organizations and individuals who had expressed previous interest in this process. A full listing of contacts is attached as "Appendix B".
- The tracts were also posted on the DNRC web page at, http://dnrc/mt.gov//TLMSPublic/LandBanking/LBTest.aspx

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

No other governmental agencies have jurisdiction over this proposal.

3. ALTERNATIVES CONSIDERED:

Alternative A: (No Action) – Under this alternative, the State retains the existing land ownership pattern and would not sell the 280 acres of Common Schools Trust Land contained in Sections 12 & 13 T8S R8W, 160 acres of Pine Hills School located in Section 24, T8S R8W, and 40 acres of Public Buildings Trust Land located in Section 27, T8S R8W.

Alternative B: (the Proposed action) – Under this alternative, the Department would request and recommend approval by the Land Board to sell the proposed tracts. If approved by the Board, the sale would be at public auction, subject to the requirements found in Title 77, Chapter 2, and Part 3 of the Montana Codes Annotated. The income from the sale would be pooled with other land sale receipts from across the State to fund the purchase of other state land, easements, or improvements for the beneficiaries of the respective trusts. *(The State would then review available lands for sale which would generally have access and an increased potential for income. A separate public scoping and review would be conducted when a potentially suitable parcel was found. It is not possible for this analysis to make any direct parcel to parcel comparisons.)*

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

The affected tracts are surrounded by native rangeland contained in large pastures historically used for livestock grazing. It is unlikely these tracts would be converted to agricultural crop production in the future or sub divided for home or commercial value. The proposal does not involve any on the ground disturbance, so there are no soil effect differences between the alternatives. It is expected that this land will continue to be used for livestock grazing in the future. The State owns, and would retain ownership of, all mineral rights associated with these tracts.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

Dennis Meyer, DNRC Water Rights Specialist, was consulted regarding water rights held on the proposed tracts. He reported four recorded water rights located on two of these tracts. The four water rights are all located in Sections 12 (1) and 13 (3), T8S R8W. All four water rights are for stock water purposes. Other water quality and/or quality issue will not be impacted by the proposed action.

Legal	Water right no.	Purpose	Source	Priority date
SESWSE Sec 12 T8S R8W	41B 24987-00	Stock Water	Spring, unnamed tributary of Beaverhead River	4/15/1944
SESWSE, Sec 13 T8S R8W	41B 25002-00	Stock Water	Spring unnamed tributary of Blacktail Deer Creek.	4/15/1944
NENWNE, Sec 13 T8S R8W	41B 25003-00	Stock Water	Spring, unnamed tributary of Beaverhead River	4/15/1944
SESWSE, Sec 13 T8S R8W	41B 25004-00	Stock Water	Spring, unnamed tributary of Beaverhead River	4/15/1944

6. AIR QUALITY:

What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

The proposal does not include any on-the-ground activities, or changes to activities. No effects to air quality would occur.

7. VEGETATION COVER, QUANTITY AND QUALITY:

What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

These tracts are native rangeland situated approximately 5 – 6 air miles Southeast of Dillon, Montana. Species composition is dominated by grasses which include bluebunch wheat grass, crested wheat grass, thread leaf sedge, needle and thread grass, and/or Idaho fescue, and mountain big sagebrush in draws. Sub-dominate species include various forbs and shrubs.

Vegetation may be affected by numerous land management activities including livestock grazing, development, wildlife management or other agricultural use. It is unknown what land use activities may be associated with a change in ownership; however, the vegetation on these tracts is typical of land throughout the vicinity and there are no known rare, unique cover types or vegetation on the tracts. It is expected that this land will be used for grazing livestock in the future. The nominating lessee has indicated that if they purchased these tracts, the land use would remain as grazing land. The proposal does not include any on-the-ground activities, or changes to activities and therefore we do not expect direct or cumulative effects would occur to vegetation as a result of the proposal.

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

Dean Waltee, Montana DFWP Wildlife Biologist for the area, was solicited for comments. Dean had no issue with the proposed land banking sale of these small isolated tracts.

The area is not considered critical wildlife habitat. However, these tracts provide habitat for a variety of animal species (deer, elk and other smaller mammals), predators (mountain lion, coyote, fox, & badger), other non-game mammals, raptors and various songbirds. The proposal does not include any land use change which would yield changes to the wildlife habitat. The proposed action will not impact wildlife forage, cover, or traveling corridors. Nor will this action change the juxtaposition of wildlife forage, water, or hiding and thermal cover.

The nominating lessee's have indicated that if they purchased these tracts, the land use would remain as grazing land. There are no unique or critical wildlife habitats associated with the state tracts and we do not expect direct or cumulative wildlife impacts would occur as a result of implementing the proposal. The proposed action will not have long-term negative effects on existing wildlife species and/or wildlife habitat because of its relatively small scale.

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:

Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

No specific on-site observations of Threatened or Endangered species have been recorded and no important habitat has been identified on the state lands. A review of Natural Heritage data through NRIS was conducted and Bald Eagles and Wyoming ground squirrels may use these tracts of ground.

The proposed land banking sale tracts are in general sage grouse habitat. No changes to current land use (grazing) would occur if the tracts are sold to the lessee. No impacts to sage grouse would occur as a result of the sale.

The proposal does not include any activities which would alter any habitat, so no effects are expected in either alternative.

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10. HISTORICAL AND ARCHAEOLOGICAL SITES:
Identify and determine effects to historical, archaeological or paleontological resources.

A class III level inventory and subsequent evaluation of cultural and paleontological resources will be carried out if preliminary approval of the parcel nomination by the Board of Land Commissioners is received. Based on the results of the Class III inventory/evaluation the DNRC will, in consultation with the Montana State Historic Preservation Officer, assess direct and cumulative impacts.

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11. AESTHETICS:
Determine if the project is located on a prominent topographic feature or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

These tracts are located in a foothill rangeland area and do not provide any unique scenic qualities that's not provided by adjacent private land. The proposal does not include any on-the-ground activities, so there would be no change to the aesthetics in either alternative.

Of the four nominated parcels, three are isolated small acreage parcels while one (Section 27) is a small acreage parcel that has Beaverhead County Road access from Buster Brown Rd in the Southwest corner of the tract. The tract does not sit on a prominent site but does receive recreational use in the Fall by deer, elk, and antelope hunters.

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12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:
Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

There are approximately 334,478 acres of Trust land in Beaverhead County. This proposal includes 480 acres, a small percentage of the state land within the County.

These are the only tracts of state land currently under consideration for sale through the Land Banking Program in Beaverhead County. There are additional tracts of state land currently under consideration for sale through the Land Banking Program on a statewide basis. Each of these tracts is at a different stage in their review process and are being examined under separate analysis. The authorizing legislation has placed a cap on the total land banking sales of 250,000 acres statewide. Since inception, two tracts in Beaverhead County have been sold totaling 960 acres. These tracts were sold in June of 2009.

The potential transfer of ownership would not have any impact or demands on environmental resources of land, water, air or energy.

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13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:
List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

Grazing Lease Range evaluations have been conducted on this tract and are in the Department files.

The scoping process didn't identify any other studies, plans, or project on these tracts.

There are 4 tracts containing 480 acres in Beaverhead County proposed for sale under the Land Banking Program and being evaluated under this EA.

IV. IMPACTS ON THE HUMAN POPULATION

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

No impacts to human health and safety would occur as a result of the proposal.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

Identify how the project would add to or alter these activities.

The tracts included in this proposal are all leased by La Cense, LLC. Sale of the land to La Cense, LLC would add to their ranching operations. Below is a table that indicates the State rated livestock stocking rate of the tracts being considered for sale.

Legal	Sale Number	Acres	Lease #	State rated carrying capacity
Sec 12, T8S R8W	**1059**	**40**	**6520**	**8 AUM's**
Sec 13, T8S R8W	**1057**	**240**	**2884**	**45 AUM's**
Sec 24, T8S R8W	**1056**	**160**	**505**	**39 AUM's**
Sec 27, T8S R8W	**1058**	**40**	**6511**	**8 AUM's**

This proposal does not include any specific changes to the agricultural activities. The nominating lessee indicated that grazing would continue unchanged if they purchased these lands.

No direct or cumulative impacts are anticipated as a result of the proposal.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:

Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

The proposal would have no affect on quantity and distribution of employment.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:

Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

State School Trust Lands are currently exempt from property tax. If State Trust Lands represent 6% or greater of the total acres within a county, a payment in lieu of taxes (PLT) is made to the counties to mitigate for the State Trust Land tax exempt status. Trust Lands in Beaverhead County account for approximately 9.4% of the total surface ownership of the County. If the parcels in this proposal are sold Beaverhead County would receive the standard annual private property tax rate for grazing lands.

18. DEMAND FOR GOVERNMENT SERVICES:
Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

Being remote grazing lands, no traffic changes would be anticipated. These parcels of state ground are currently protected under the County Coop protection program. The proposed sale would add land to the county fire protection area of 480 acres if all lands are sold.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:
List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

These tracts are surrounded by private land. There are no zoning or other agency management plans affecting these lands.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:
Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

Montana FWP biologist Dean Waltee had no comment regarding the sale of small acreage parcels. The small acreages are indistinguishable from the adjacent private lands and consequently provide little to no recreational opportunity due to a lack of public access to a majority 440 of the 480 acres.

Sale proposal 1058, Sec 27, T8S R8W, however, does have legal access from a Beaverhead County road, Buster Brown Road. The 40 acres are accessible to the public for hunting and recreation with a state lands recreational use permit or conservation permit. If this parcel was sold to La Cense LLC, public access to this parcel would no longer be available. The location however has a private access road running through it and the hunting value on 40 acres surrounded by private land is very minimal.

If the lands are sold, access for recreational purposes would only be conducted with permission of the new landowner.

The Dillon Unit received two scoping comments on this Land Banking proposal. One was from Robert Desjardins. Mr. Desjardins is against the idea of selling public lands but is interested in being a potential bidder and has requested personal notification via phone or mail if the tracts are put up for auction. Mr. Desjardins does not have access to the internet.

The second comment was received from Kevin Ferron via email, he also is opposed to selling public land but understands the purpose of consolidation of Trust ownership and is in favor of finding a local land purchase as replacement if these tracts are sold.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:
Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing

The proposal does not include any changes to housing or developments. The nominating lessee has indicated that the lands would continue as grazing lands if they purchase them at auction. No effects are anticipated.

22. SOCIAL STRUCTURES AND MORES:
Identify potential disruption of native or traditional lifestyles or communities.

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposal.

23. CULTURAL UNIQUENESS AND DIVERSITY:
How would the action affect any unique quality of the area?

The State Trust lands in this proposal are currently managed for grazing. The State lands are generally indistinguishable from the adjacent private lands, with no unique quality.

The potential sale of the state land would not directly or cumulatively impact cultural uniqueness or diversity. It is unknown what management activities would take place on the land if ownership was transferred. The tracts were nominated by the lessee with the intent of purchasing and continuing use as grazing land.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:
Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

Legal	Sale Number	Acres	2019 Lease Income	Income per acre
Sec 12	1059	40	$104.80	$2.62
Sec 13	1057	240	$589.50	$2.46
Sec 24	1056	160	$510.90	$3.19
Sec 27	1058	40	$104.80	$2.62
Total		**480**	**$1310.00**	**$2.73**

According to the 2018 DNRC Annual Report, the statewide stocking rate for grazing land on 4.1 million acres averages 0.24 AUMs per acre for a total of approximately 966,000 AUMs. 2018 statewide grazing land gross revenue was $11.43 million (based on the 2018 grazing rental rate of $11.03 per AUM) on 4.1 million grazing acres for an average income of $2.79 per acre. In comparing these lands and income, the 2019 rental rate is $13.10 per AUM averaging approximately $3.09 per acre statewide (using 966,000 AUM's from 2018 statewide AUM numbers as the best available basis numbers and an estimated $12,654,600 total grazing income divided by 4.1 million acres).

The four parcels nominated for sale average 0.21 AUM's per acre and $2.73/acre income from grazing. This is below the average statewide stocking rate and income for grazing land. Total grazing revenue on the four parcels is $1,310.00 in 2019. Three of the four parcels are isolated and land locked and have limited potential for competitive bidding. Section 27 has access but due to the small acreage and limited grazing (8 head for 30 days) value, there has been no interest in bidding on the tract.
An appraisal of the property value has not been completed to date. Under DNRC rules, an appraisal would be conducted if preliminary approval to proceed is granted by the Board of Land Commissioners. The Department is conducting more detailed evaluations at this time in order to make a determination on whether to offer the tracts for sale. The revenue generated from the sale of these parcels would be combined with other revenue in the Land Banking Account to purchase replacement property for the benefit of the Trust. It is anticipated the replacement property would have legal access and be adjacent to other Trust lands which would provide greater management opportunities and income. If replacement property was not purchased prior to the expiration of the statute, the revenue would be deposited into the permanent trust for investment purposes.

EA Checklist Prepared By:	**Name:** Chuck Maddox	**Date:** August 7, 2019
	Title: Dillon Unit Land Use Specialist	

V. FINDING

25. ALTERNATIVE SELECTED:

Alternative B: (the Proposed action) – Under this alternative, the Department would request and recommend approval by the Land Board to sell the proposed tracts. If approved by the Board, the sale would be at public auction, subject to the requirements found in Title 77, Chapter 2, and Part 3 of the Montana Codes Annotated. The income from the sale would be pooled with other land sale receipts from across the State to fund the purchase of other state land, easements, or improvements for the beneficiaries of the respective trusts. *(The State would then review available lands for sale which would generally have access and an increased potential for income. A separate public scoping and review would be conducted when a potentially suitable parcel was found. It is not possible for this analysis to make any direct parcel to parcel comparisons.)*

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26. SIGNIFICANCE OF POTENTIAL IMPACTS:

Revenue from the sale of these tracks would be deposited in a special account with monies from other sales around the State to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income, and proximity to existing state ownership which would then be held in trust for the benefit of the same beneficiary Trusts in relative proportion.

The lands being sold are small scattered parcels making them difficult to manage.

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27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

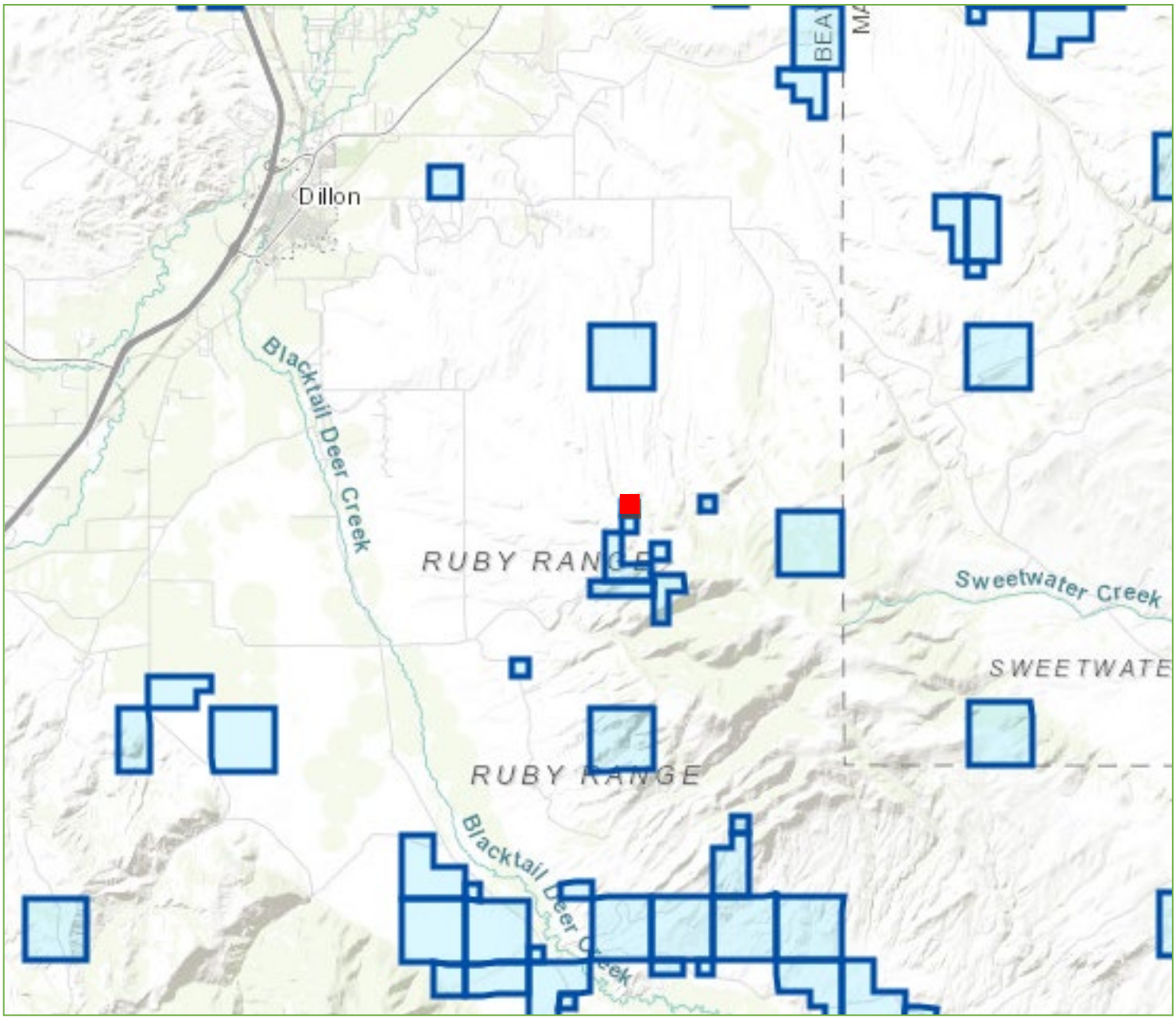
☐ EIS ☐ More Detailed EA ☒ No Further Analysis

EA Checklist Approved By:	**Name:** Timothy Egan **Title:** Dillon Unit Manager	
Signature: /S/ Timothy Egan		**Date**: August 7, 2019

APPENDIX A

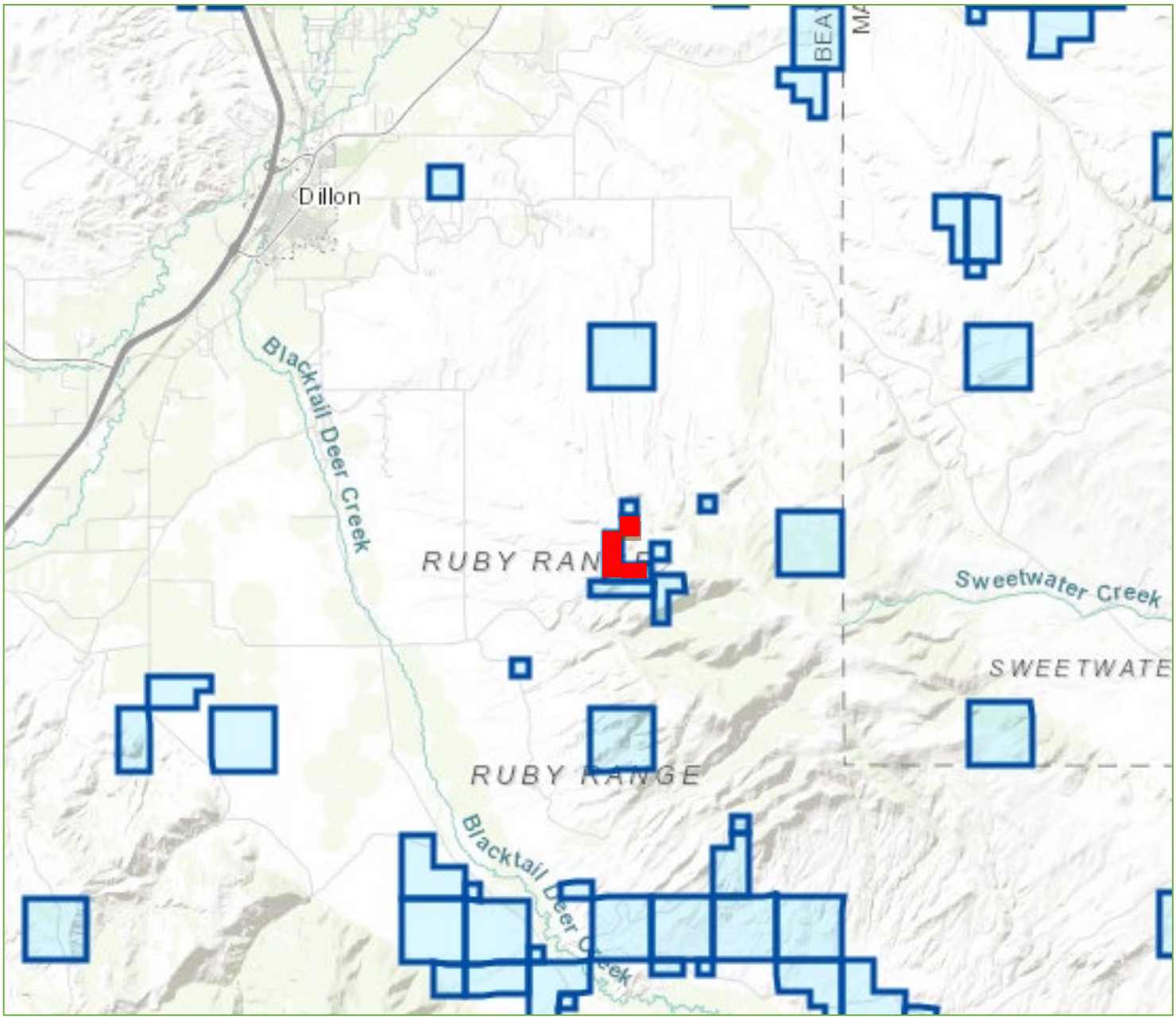
LAND BANKING VICINITY MAP

SW¼SE¼ Section 12 Township 8 South Range 8 West



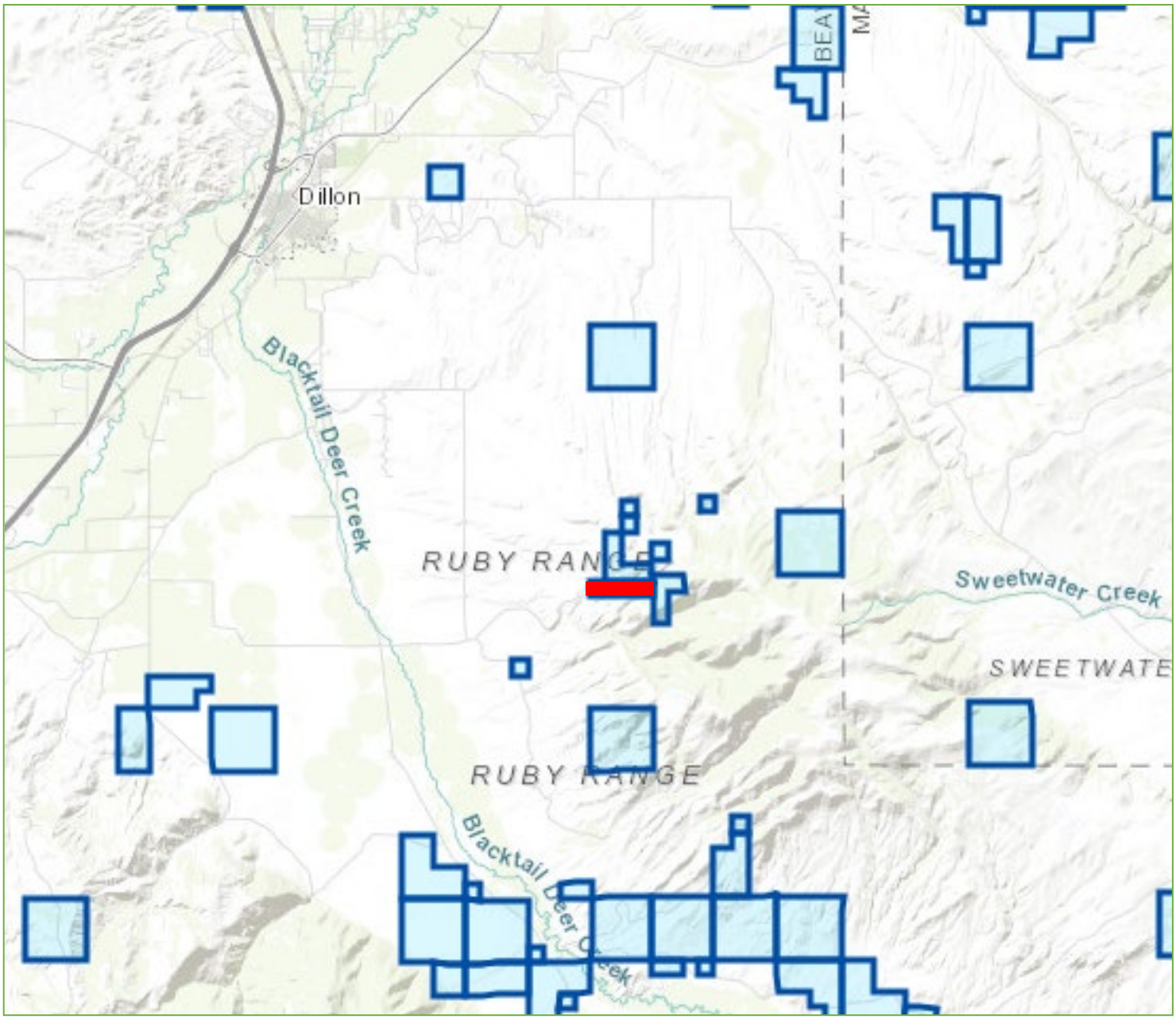
LAND BANKING VICINITY MAP
Dillon Unit

SE¼NW¼, NW¼NE¼, S½SE¼, E½SW¼, Section 13 Township 8 South Range 8 West



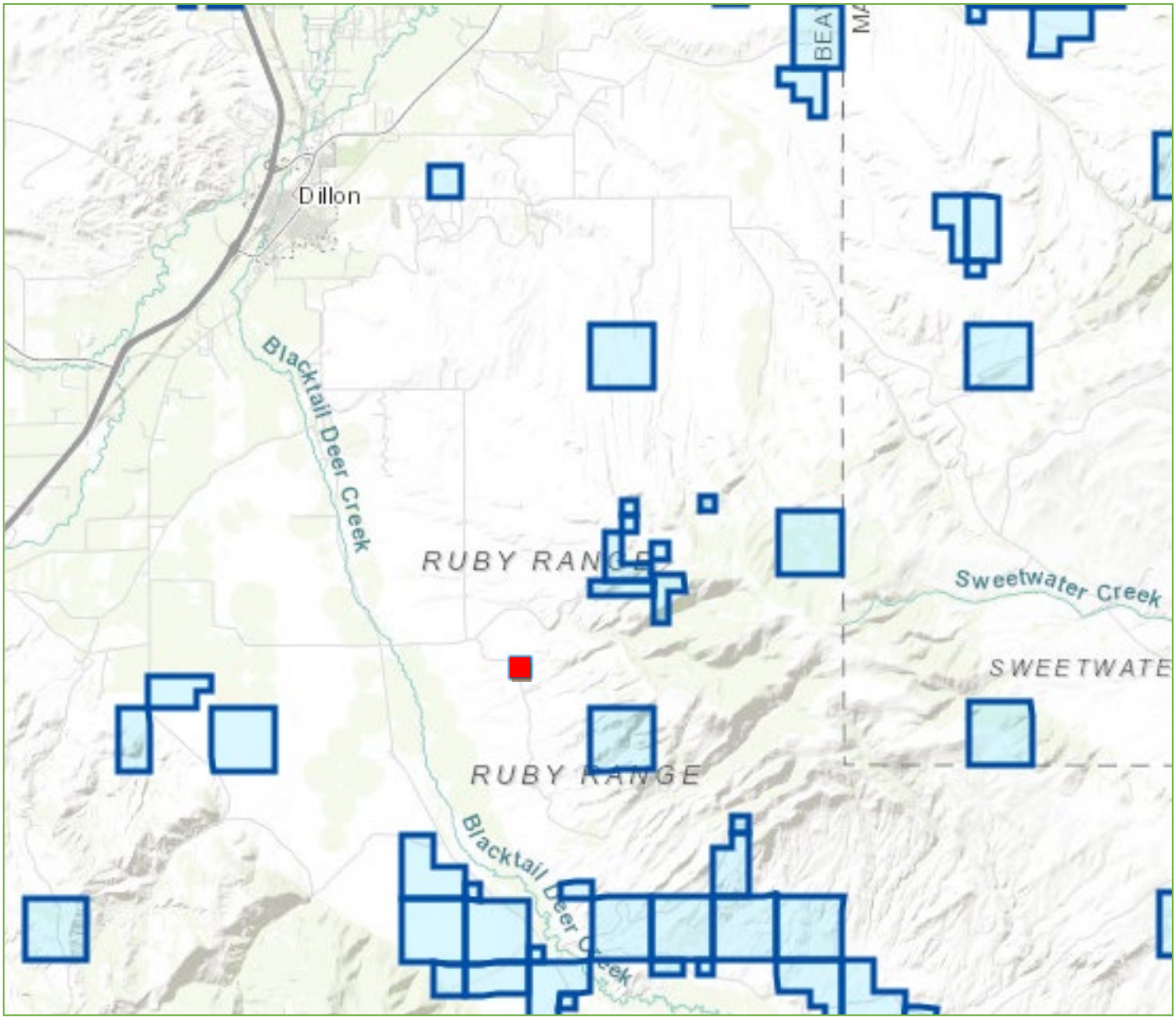
LAND BANKING VICINITY MAP
Dillon Unit

N½N½, Section 24 Township 8 South Range 8 West



LAND BANKING VICINITY MAP
Dillon Unit

SE¼NE¼ Section 27 Township 8 South Range 8 West



APPENDIX B

Land Banking Scoping List
2019 Dillon Unit

Person	Organization	Address
Tom Rice	Beaverhead County Commissioner	2 South Pacific St, Dillon, MT 59725
Michael J McGinley	Beaverhead County Commissioner	same
John Jackson	Beaverhead County Commissioner	same
Jeff Welborn	Senate (R) Dist 36	245 Clarks Lookout Road, Dillon, MT 59725
Tom Welch	House Representative (R) Dist 72	
Benson Ranch	Neighboring Landowner	PO Box 408 Dillon MT
Kevin Chappell	DNRC Ag./Grz. Mngt.	email
Trevor Taylor	DNRC Mineral Mngt.	email
Mike Atwood	DNRC Real Estate Mngt.	email
Kelly Motichka	DNRC Land Banking Supervisor	email
Dennis Meyer	DNRC Hydrologist	email
Patrick Rennie	DNRC Archaeologist	email
Dean Waltee	FWP – Wildlife Biologist	
Elsie Arntzen	Superintendent of Public Education	Box 202501, Helena, MT 59620-2501
Anne Hedges	Montana Environmental Information Center	P.O. Box 1184, Helena, MT 59624
Dave Chadwick	Montana Wildlife Federation	P.O. Box 1175, Helena, MT 59624
Bob Vogel	Montana School Boards Association	1 South Montana Ave., Helena, MT 59601
Julia Altemus	Montana Wood Products	P.O. Box 1967, Missoula, MT 59806
Harold Blattie	Montana Association of Counties	2715 Skyway Dr., Helena, MT 59601
Janet Ellis	Montana Audubon Society	P.O. Box 595, Helena, MT 59624
Kellie Peterson	MSU Bozeman	P.O. Box 172440, Bozeman, MT 59717
Jake Cummins	Montana Farm Bureau Federation	502 – 19th, Suite 4, Bozeman, MT 59715
Lucy France	University of Montana	32 Campus Drive, Missoula, MT 59812

Kyle Hardin	Matador Cattle Co	9500 Blacktail Rd, Dillon, MT 59725
Dillon Tribune (weekly)	Legal Notice – May 29 & June 5 Editions	
Butte Standard (daily)	Legal Notice - May 26 & June 2, 2019 Editions	
	Skyline Sportsmen's Assoc. Inc.	PO Box 173, Butte, MT 59701
Reginald D. Michael	Pine Hills School	P O Box 201301, Helena, MT 59620-1301
Glen Marx, Executive Director	Montana Association of Land Trust	P O Box 675, Whitehall, MT 59759
Dan & Mary Hill	Neighboring Landowners	3125 Buster Brown Rd Dillon MT
Judy Brown	Neighboring Landowner	PO Box 124 Dillon MT
Bob Des Jardins	Sportsman	Dillon, MT 59725
Beaverhead Recreation Working Group	Recreation Group	E mail to 97 members
Jason Johnson	Local Sportsman	Dillon, Mt 59725
Matt Osborn	Local Sportsman	Dillon, MT59725
Al Lewis	Local Sportsman	Dillon, MT 59725