

**State of Montana
Oil & Gas Lease Sale - September 8, 2021
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, September 8, 2021.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Sheridan									
1	2, 3, 4, 5, 6, 8, 10, 11	37.N	58.E	16	LOTS 1, 2, 3, N2, SW4	* 558.16	\$1.50	\$837.24	SAMPSEN, RICHARD E
Toole									
2	1, 2, 3, 4, 5, 6, 7	37.N	1.E	16	ALL	640.00	\$3.00	\$1,920.00	LONEWOLF ENERGY, INC.
Yellowstone									
3	1, 2, 3, 4, 5, 6, 9	2.N	23.E	16	ALL	640.00	\$1.50	\$960.00	BEYOND HORIZON, LLC
4	1, 2, 3, 4, 5, 6, 9	2.N	23.E	36	ALL	640.00	\$1.50	\$960.00	BEYOND HORIZON, LLC

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

Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	2,478.16	4

Oil and Gas Lease Sale Summary

Total Tracts	4
Total Acres	2,478.16
Total Bid Revenue	\$4,677.24
Average Bid Per Acre	\$1.89

State of Montana
Oil & Gas Lease Sale - September 8, 2021
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 includes areas that may be environmentally sensitive. Therefore, if the lessee intends to conduct any activities on the lease premises, the lessee shall submit to TLMD one copy of an Operating Plan or Amendment to an existing Operating Plan, describing in detail the proposed activities. No activities shall occur on the tract until the Operating Plan or Amendments have been approved in writing by the Director of the Department. TLMD shall review the Operating Plan or Amendment and notify the lessee if the Plan or Amendment is approved or disapproved.

After an opportunity for an informal hearing with the lessee, surface activity may be denied or restricted on all or portions of any tract if the Director determines in writing that the proposed surface activity will be detrimental to trust resources and therefore not in the best interests of the trust.

- 11 A portion of this tract contains U.S. Fish and Wildlife Service (FWS) surface ownership, that is part of the Base Camp Waterfowl Production Area. Coordination with the U.S. FWS regarding the Department's MEPA review and proposed well location is required prior to approval of an oil or gas well or related activities on U.S. FWS surface.

State of Montana
Oil & Gas Lease Sale - September 8, 2021
Applicant List

Tract	Twp	Rng	Sec	Description	Acres	Applicant
Sheridan						
1	37.N	58.E	16	LOTS 1, 2, 3, N2, SW4	558.16	SAMPSEN, RICHARD E
Toole						
2	37.N	1.E	16	ALL	640.00	LONEWOLF ENERGY, INC.
Yellowstone						
3	2.N	23.E	16	ALL	640.00	BEYOND HORIZON, LLC
4	2.N	23.E	36	ALL	640.00	BEYOND HORIZON, LLC

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

P.O. Box 201601

Helena, Montana 59620-1601

The following is a list of oil and gas leases, which expired or terminated in June 2021.

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Blaine					
	33 N	17 E	27	S2	320.00
	34 N	21 E	16	W2, N2NE4, SE4NE4, SW4SE4	480.00
Daniels					
	34 N	44 E	2	Lots 2, 3, 4, S2N2, S2	600.72
	34 N	44 E	3	Lots 1, 2, 3, 4, S2N2, S2	640.96
	34 N	44 E	10	N2, SE4	480.00
	34 N	45 E	36	ALL	640.00
	34 N	46 E	1	LOTS 1, 2, S2NE4, SE4	320.38
	34 N	47 E	5	LOTS 1, 2, 3, 4, S2N2, SE4, N2SW4	562.28
	34 N	47 E	6	LOTS 1-7 INC., SE4NW4, S2NE4, E2SE4	487.96
	34 N	47 E	7	LOTS 1, 2, 3, 4, SE4, E2SW4	407.84
	34 N	47 E	8	N2NE4, SW4NE4, SW4	280.00
	34 N	47 E	11	NW4, SE4, N2SW4	400.00
	34 N	47 E	12	S2SE4, SW4	240.00
	34 N	47 E	13	N2NW4, SW4NW4, E2	440.00
	34 N	47 E	14	S2NW4, SW4NE4, NW4SE4, N2SW4	240.00
	34 N	47 E	24	NW4	160.00
	34 N	47 E	25	W2	320.00
	34 N	47 E	26	N2, N2SW4	400.00
	35 N	44 E	1	Lots 1, 2, 3, 4, S2N2, S2	639.72
	35 N	44 E	3	Lots 1, 2, 3, 4, S2N2, S2	639.40
	35 N	44 E	8	NE4, S2	480.00
	35 N	44 E	9	All	640.00
	35 N	44 E	10	All	640.00
	35 N	45 E	23	NE4, N2SE4, SW4SE4	280.00
	35 N	45 E	24	N2, SE4, N2SW4	560.00
	35 N	46 E	4	LOTS 1, 2, S2NE4, SE4, S2SW4	399.90
	35 N	46 E	5	LOTS 1, 2, 4, SW4NW4, SW4	319.76
	35 N	46 E	8	ALL	640.00
	35 N	46 E	9	ALL	640.00
	35 N	46 E	31	LOTS 1, 2, 3, 4, E2W2	310.76
	35 N	46 E	36	E2	320.00
	35 N	47 E	31	SE4	160.00
	35 N	47 E	32	SW4	160.00
	35 N	47 E	33	W2	320.00

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Daniels (cont.)					
	36 N	44 E	27	W2SE4, SW4	240.00
	36 N	47 E	1	LOTS 1, 2, 3, SE4NW4, S2NE4, N2SE4, SE4SE4	348.27
	36 N	47 E	2	LOT 4, S2NW4, NW4SE4, S2SE4, SW4	398.23
	36 N	47 E	3	LOTS 1, 3, 4, SW4NW4, SE4NE4, E2SE4, NW4SW4	315.86
	36 N	47 E	10	N2, N2S2	480.00
	36 N	47 E	11	W2, W2NE4, NW4SE4	440.00
	36 N	47 E	12	E2NE4, SE4	240.00
	36 N	47 E	13	SW4NW4, E2NE4, N2S2, SE4SE4	320.00
	36 N	47 E	14	N2SW4_SW4SW4	120.00
	36 N	47 E	23	NW4NW4, S2NW4, N2SW4	200.00
	36 N	47 E	24	SW4NW4, SW4	200.00
	36 N	47 E	25	N2NW4, S2SW4	160.00
	37 N	47 E	30	S2SE4	80.00
	37 N	47 E	31	LOTS 1, 2, 3, 4, E2NW4	239.44
	37 N	47 E	32	NE4NW4, N2NE4, SE4NE4, NE4SE4, S2S2	360.00
	37 N	47 E	33	W2W2	160.00
	37 N	47 E	34	SE4NW4, NE4, S2	520.00
	37 N	48 E	36	N2NE4, SW4	240.00
Richland					
	26 N	59 E	5	MISSOURI RIVERBED AND RELATED ACREAGE, BELOW THE BASE OF THE RED RIVER FORMATION	186.00
Sheridan					
	31 N	58 E	16	W2	320.00
Teton					
	25 N	1 E	2	Lots 1, 2, 3, 4, S2N2	321.28
Valley					
	34 N	43 E	21	N2	320.00
	34 N	43 E	23	S2	320.00
	35 N	43 E	9	E2NW4, SE4	240.00
	35 N	43 E	17	E2, E2SW4	400.00
	35 N	43 E	20	N2N2, SE4NE4	200.00
	35 N	43 E	28	SE4SW4	40.00

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Trust Land Management Division



GREG GIANFORTE, GOVERNOR

1539 ELEVENTH AVENUE

DIRECTOR'S OFFICE: (406) 444-2074
FAX (406) 444-2684

PO BOX 201601
HELENA, MONTANA 59620-1601

TO ALL INTERESTED PARTIES:

RE: December 7, 2021 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the Montana Department of Natural Resources and Conservation has recently updated Administrative Rule of Montana 36.25.205 to allow for online oil and gas lease sales. As a result, the Minerals Management Bureau anticipates holding our first online Oil and Gas Lease Sale during the period of **December 1st – 7th, 2021**, through the online auction service, EnergyNet (EnergyNet.com). Please contact EnergyNet for help on setting up an account to bid on state tracts or the Department of Natural Resources and Conservation for additional sale information. In the event details for the December Oil and Gas Lease Sale change, an updated notice will be sent to you.

The deadline filing date for submitting applications on tracts to be nominated for the sale in September is 5:00pm on September 21, 2021. Applications must be received in this office by that date. If you have any questions, please contact me at THossfeld@mt.gov or (406) 444-4576.

Theresa Hossfeld, Leasing Specialist
Mineral Leasing Section
Minerals Management Bureau