

**AGENDA**  
**REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS**  
**April 19, 2021, at 9:00 a.m.**  
**Mazurek Justice Building, Supreme Court Chambers**  
**Helena, MT**

**ACTION ITEMS**

- 0421-1    Timber Sales    **APPROVED 5-0****  
    **A. Bottom Wood**  
    *Benefits: Common Schools*  
    *Location: Lake County*  
    **B. Pearson Patches**  
    *Benefits: Common Schools*  
    *Location: Powell County*  
    **C. Tongue Tyed Contract Harvest**  
    *Benefits: Common Schools*  
    *Location: Granite County*
- 0421-2    Cabin and Home Site Sales: Set Minimum Bid for Sale    **APPROVED 5-0****  
    **Flathead County**  
    *Benefits: Montana Tech*  
    *Location: Flathead County*
- 0421-3    Land Banking Parcels: Set Minimum Bid for Sale    **APPROVED 5-0****  
    **Beaverhead County**  
    *Benefits: Common Schools*  
    *Location: Beaverhead County*
- 0421-4    Land Banking Parcels: Final Approval for Sale    **APPROVED 5-0****  
    **A. Rosebud County**  
    *Benefits: Common Schools*  
    *Location: Rosebud County*  
    **B. Fergus County**  
    *Benefits: Common Schools*  
    *Location: Fergus County*
- 0421-5    Easements: Standard Grant    **APPROVED 5-0****  
    *Benefits: Common Schools, Capital Buildings*  
    *Location: Beaverhead, Carter, Golden Valley, Madison, McCone, Pondera, Richland, and Toole Counties*
- 0421-6    Reciprocal Access Agreements:    **APPROVED 5-0****  
    **A. Cook Creek (Rodney Green and Cook Creek LLC)**  
    *Benefits: Common Schools*  
    *Location: Rosebud County*  
    **B. Alkali Creek (Dr. Morledge Family LLC and Morledge Alkali Creek LLC)**  
    *Benefits: Common Schools*  
    *Location: Yellowstone County*
- 0421-7    Minerals Management Rule Making: Rules Governing the Issuance of Oil and Gas Leases on State Lands    **APPROVED 5-0****

**PUBLIC COMMENT**



# 0421-1

TIMBER SALES:

A. Bottom Wood

B. Pearson Patches

C. Tongue Tyed Contract Harvest





**Land Board Agenda Item  
April 19, 2021**

**0421-1A Timber Sale: Bottom Wood****Location: Lake County****Section: 23, 24, 25, and 26, T24N, R18W****Trust Beneficiaries: Common Schools****Trust Revenue: \$200,891 (estimated, minimum bid)****Item Summary**

**Location:** The Bottom Wood timber sale is located approximately 8 air miles southwest of Swan Lake, Montana.

**Size and Scope:** The sale includes 6 harvest units (*181 acres*) of tractor logging.

**Volume:** The estimated harvest volume is 6,847 tons (1.308 *MMBF*) of saw logs

**Estimated Return:** The minimum bid is \$ 29.34 per ton, which would generate approximately \$200,891 for the Common Schools Trust and approximately \$31,702 in Forest Improvement fees.

**Prescription:** This sale will be harvested using seed tree (1 unit), commercial thin (4 units), and old growth maintenance (1 unit) prescriptions. These treatments will promote the growth of natural regeneration by providing an on-site seed source through retention of seed trees, reduce stand density to allow for improved growth of leave trees, and increase the resiliency of the old growth portions of the sale.

**Road Construction/Maintenance:** The Department of Natural Resource and Conservation (DNRC) is proposing 10.5 miles of road maintenance.

**Access:** Access is obtained through the Fatty Creek and Whitetail road systems.

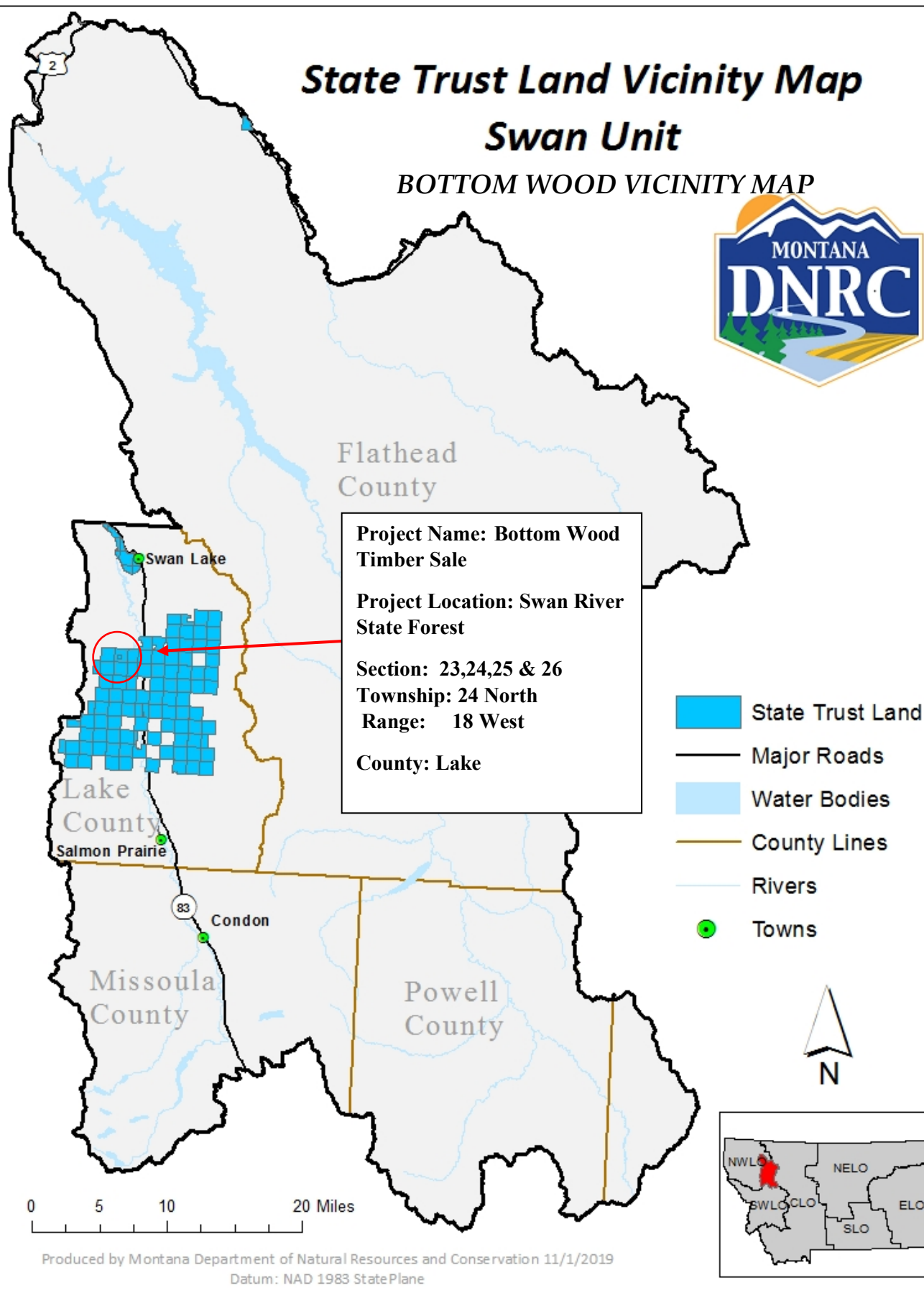
**Public Comments:** Three comments were received in response to the Wood Lion Draft Environmental Impact Statement, which covers this timber sale. One comment from The Friends of the Wild Swan and one comment from a nearby landowner both with concerns regarding old growth, wildlife and harvesting impact. The third comment was from Montana Fish Wildlife and Parks suggesting DNRC choose a specific alternative in the Draft Environmental Impact Statement. All comments were recorded and responded to in the Final Environmental Impact Statement.

**DNRC Recommendation**

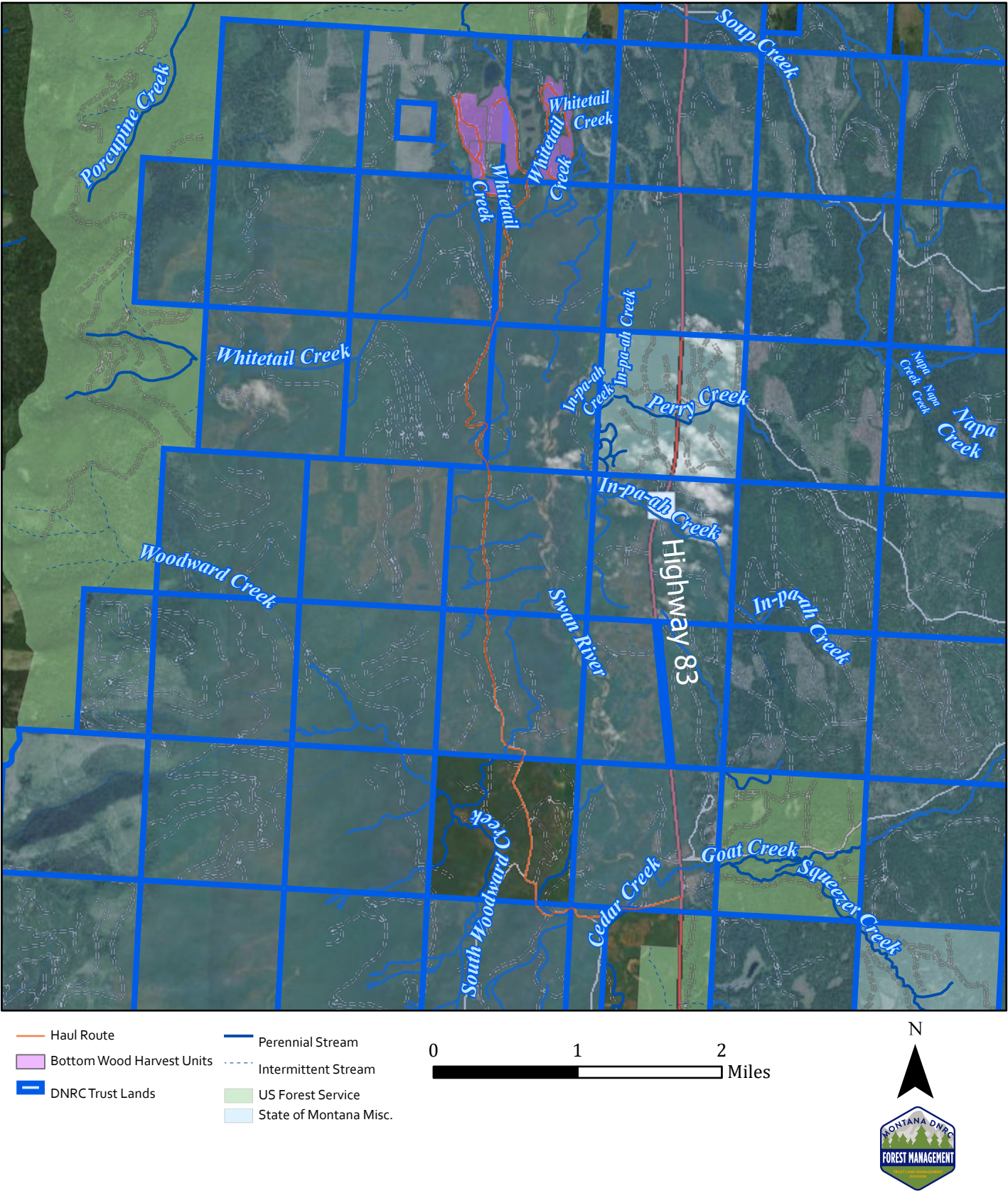
The director recommends the Land Board direct DNRC to sell the Bottom Wood Timber Sale.

# State Trust Land Vicinity Map Swan Unit

## BOTTOM WOOD VICINITY MAP

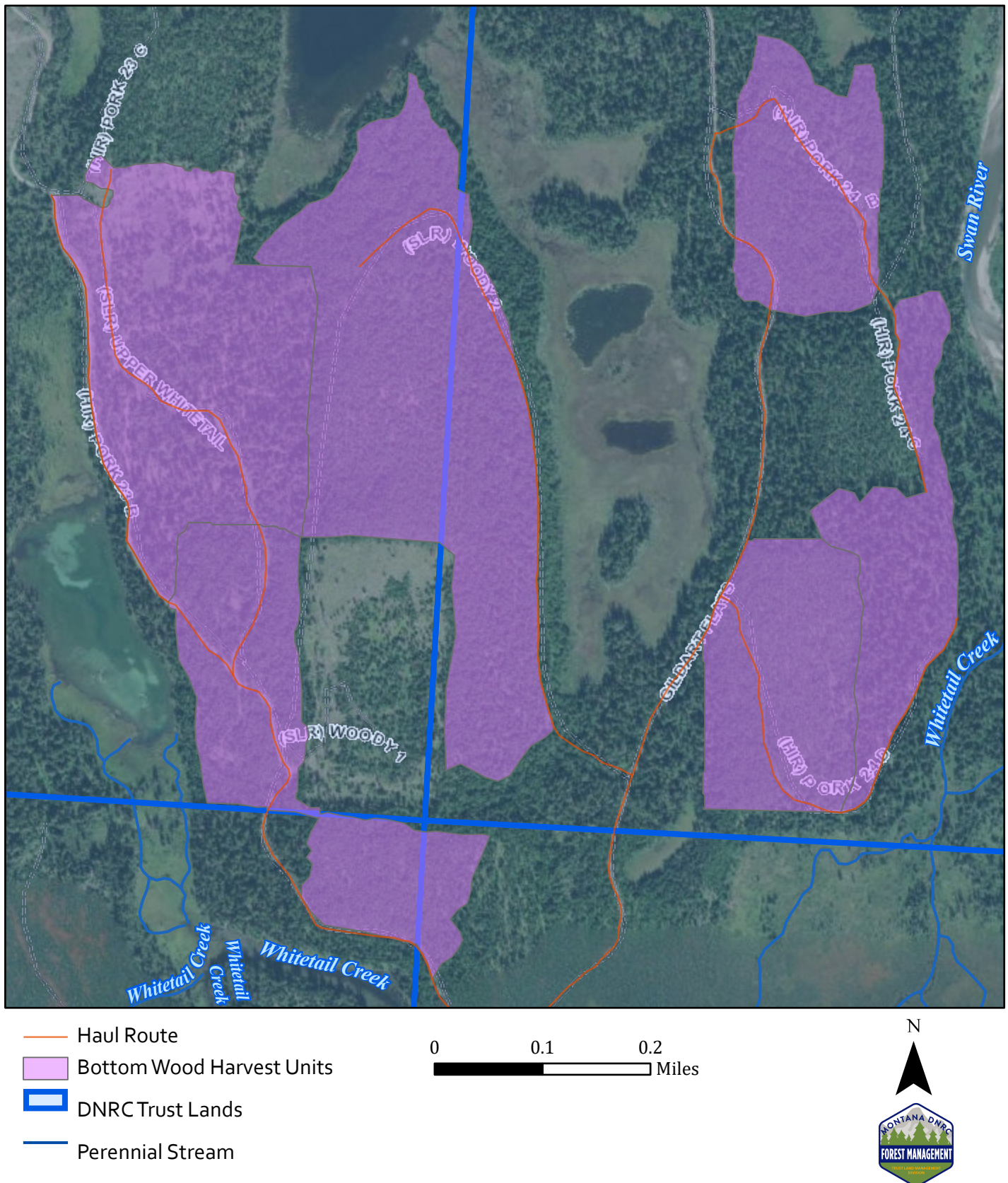


# Bottom Wood Haul Route





## Bottom Wood Harvest Units



**Land Board Agenda Item  
April 19, 2021**

**0421-1B Timber Sale: Pearson Patches**

**Location: Powell County  
Sections 3, 4, 9-13 & 15 T14N R13W  
Section 7 T14N R12W**

**Trust Beneficiaries: Common Schools**

**Trust Revenue: \$266,693 (estimated, minimum bid)**

**Item Summary**

**Location:** The Pearson Patches Timber Sale is located approximately 4 miles southwest of Ovando, MT.

**Size and Scope:** The sale includes 12 harvest units (*781 acres*) of tractor logging.

**Volume:** The estimated harvest volume is 17,052 tons (*1.928 MMBF*) of sawlogs.

**Estimated Return:** The minimum bid is \$15.64 per ton, which would generate approximately \$266,693 for the Common Schools Trust and approximately \$46,722 in Forest Improvement fees.

**Prescription:** This sale has a combination of Commercial Thin, Individual Tree Selection and Seed Tree harvest prescriptions designed to reduce insect and disease issues, promote forest health and progression towards the Desired Future Condition.

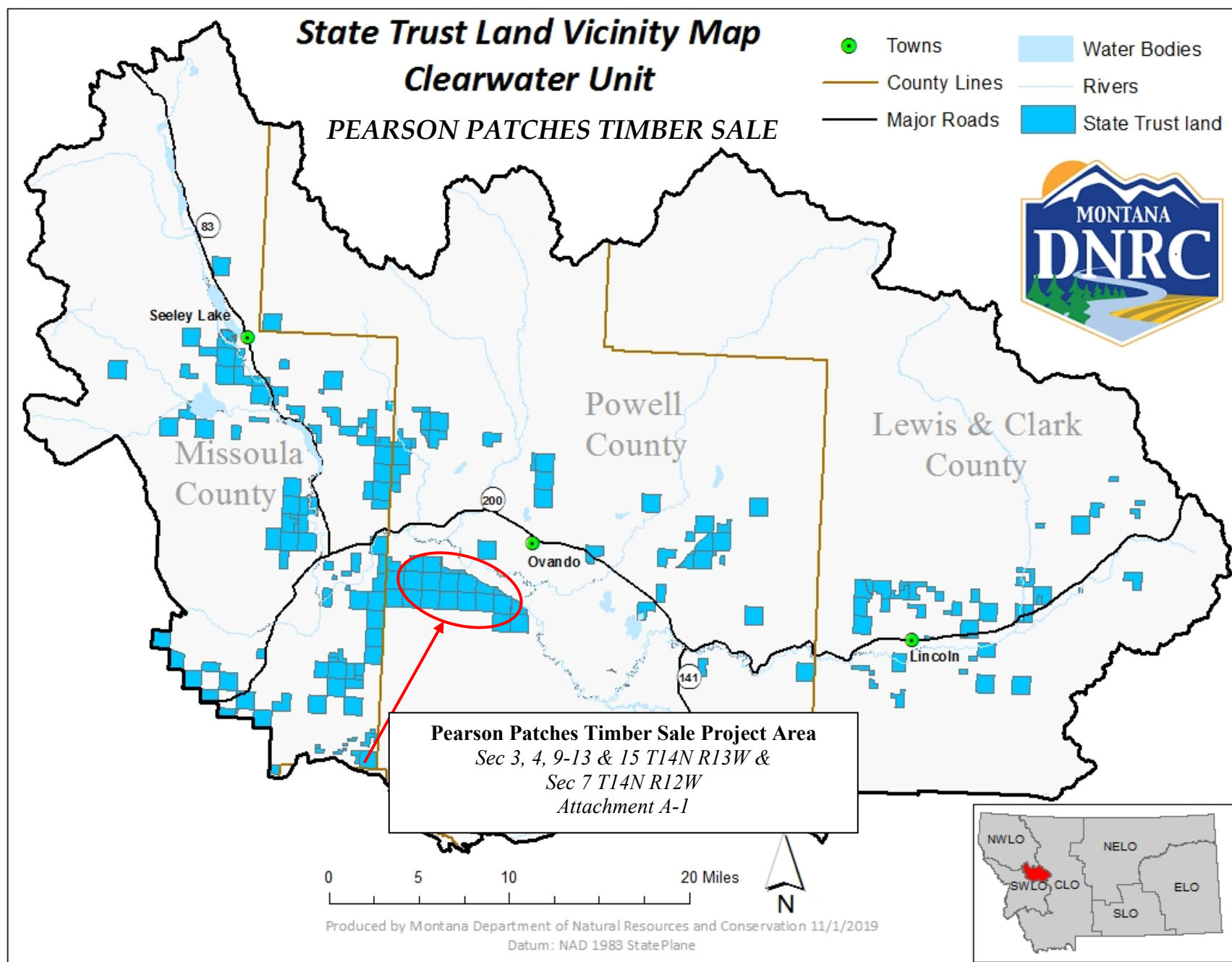
**Road Construction/Maintenance:** The Department of Natural Resources and Conservation (DNRC) is proposing 1.7 miles of new permanent road construction, 0.1 mile of road reconstruction, and 18.1 miles of road maintenance.

**Access:** Access is obtained through Powell County and DNRC roads.

**Public Comments:** Four public comments were received. Weyerhaeuser commented in support of the project. Montana Department of Fish, Wildlife & Parks (DFWP) was in support of the project with a reminder pertaining to implementation of and adherence to the North Chamberlain Conservation Easement. The Confederated Salish and Kootenai Tribes and the Northern Cheyenne Tribe had no concerns regarding the project area.

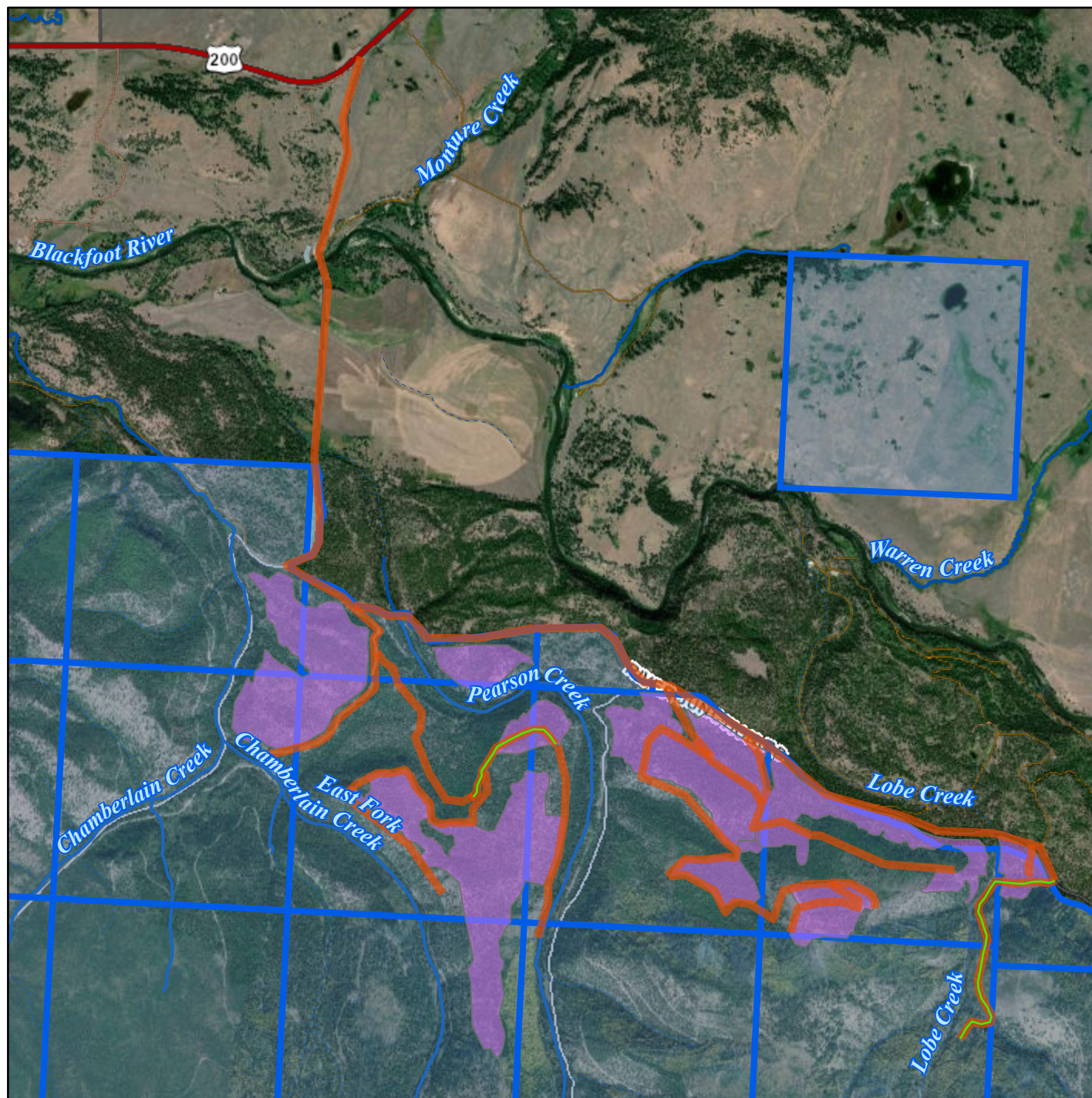
**DNRC Recommendation**

The director recommends the Land Board direct DNRC to sell the Pearson Patches Timber Sale.





# Pearson Patches Haul Route and Harvest Units



- Haul Route
- New Road
- Pearson Patches Harvest Units
- DNRC Trust Lands
- Perennial Stream
- Intermittent Stream

0 0.7 1.4  
Miles







**Land Board Agenda Item  
April 19, 2021**

**0421-1C Timber Sale: Tongue Tyed Contract Harvest**

**Location:** Granite County  
Section 36 T11N, R15W

**Trust Beneficiaries:** Common Schools

**Trust Revenue:** \$316,344 (estimated, minimum bid)

**Item Summary**

**Location:** The Tongue Tyed contract harvest timber sale is located in the Tyler Creek drainage approximately 34 miles east of Missoula, Montana.

**Size and Scope:** The sale includes 2 tractor units totaling 503 acres.

**Volume:** The estimated harvest volume is 18,830 tons of sawlogs/peelers (2.821 MMBF) and an additional 1,980 tons of "other" (pulp, firewood, post and rail, etc).

**Estimated Return:** The minimum bid is \$16.80 per ton, which would generate approximately \$316,344 for the Trust Beneficiaries (*Common Schools*) and approximately \$68,353 in Forest Improvement fees.

**Prescription:** This timber sale has an individual tree selection prescription. Western larch and ponderosa pine will be left unless there is insect or disease activity. All merchantable lodgepole pine will be removed. All other species will be spaced 30-50 feet apart. The best merchantable tree regardless of size will be left. Trees targeted for removal are those showing the following characteristics: Forked tops, flat tops, faded crowns, crook, excessive sweep, insect and disease activity. Sub-merchantable trees exhibiting the same characteristics will also be required for removal. This would leave a healthy merchantable and sub-merchantable post-harvest stand.

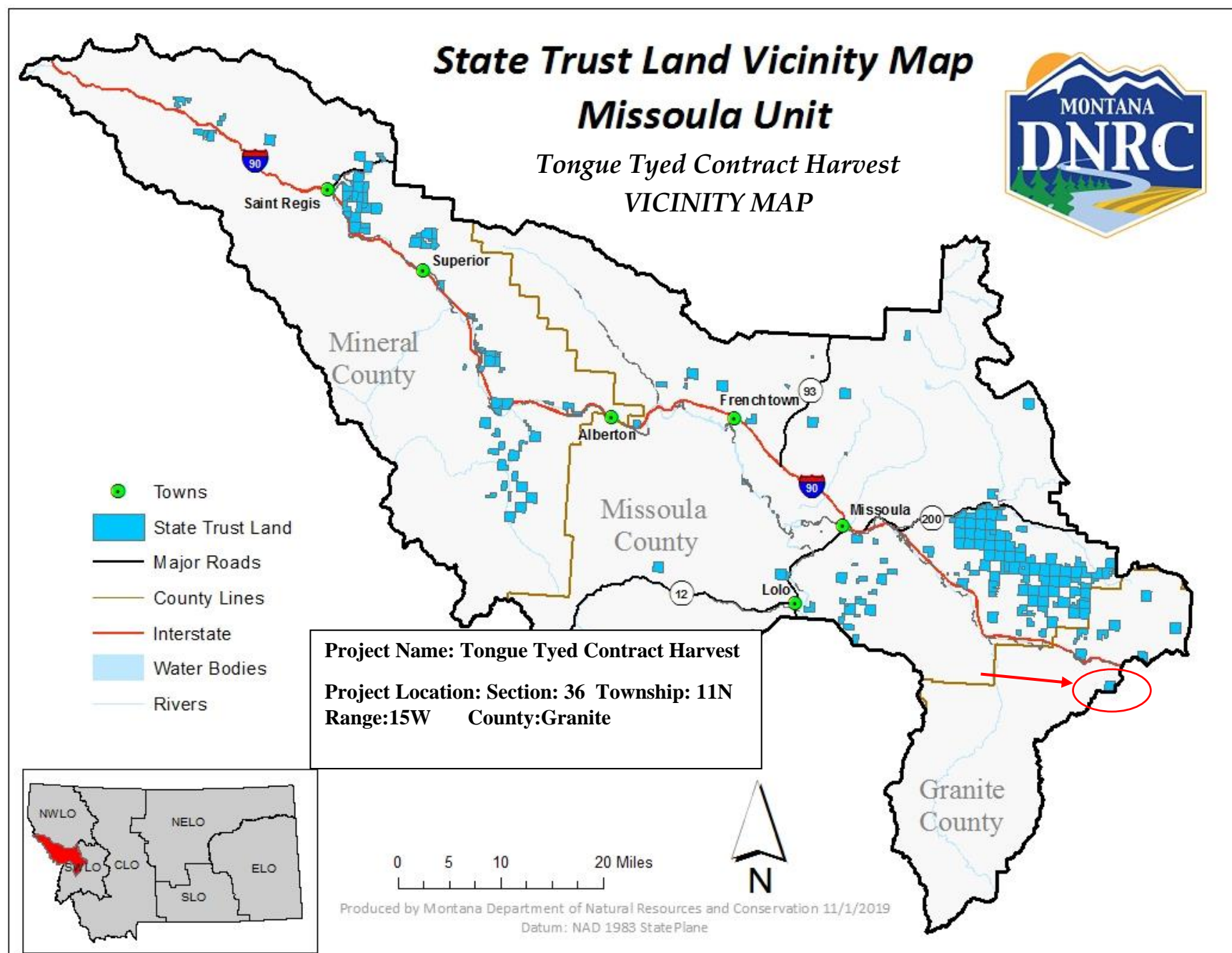
**Road Construction/Maintenance:** The Department of Natural Resources and Conservation (DNRC) is proposing 1 mile of new road construction and 11 miles of road maintenance.

**Access:** Access is obtained through cost share agreements with the United States Forest Service and DNRC roads.

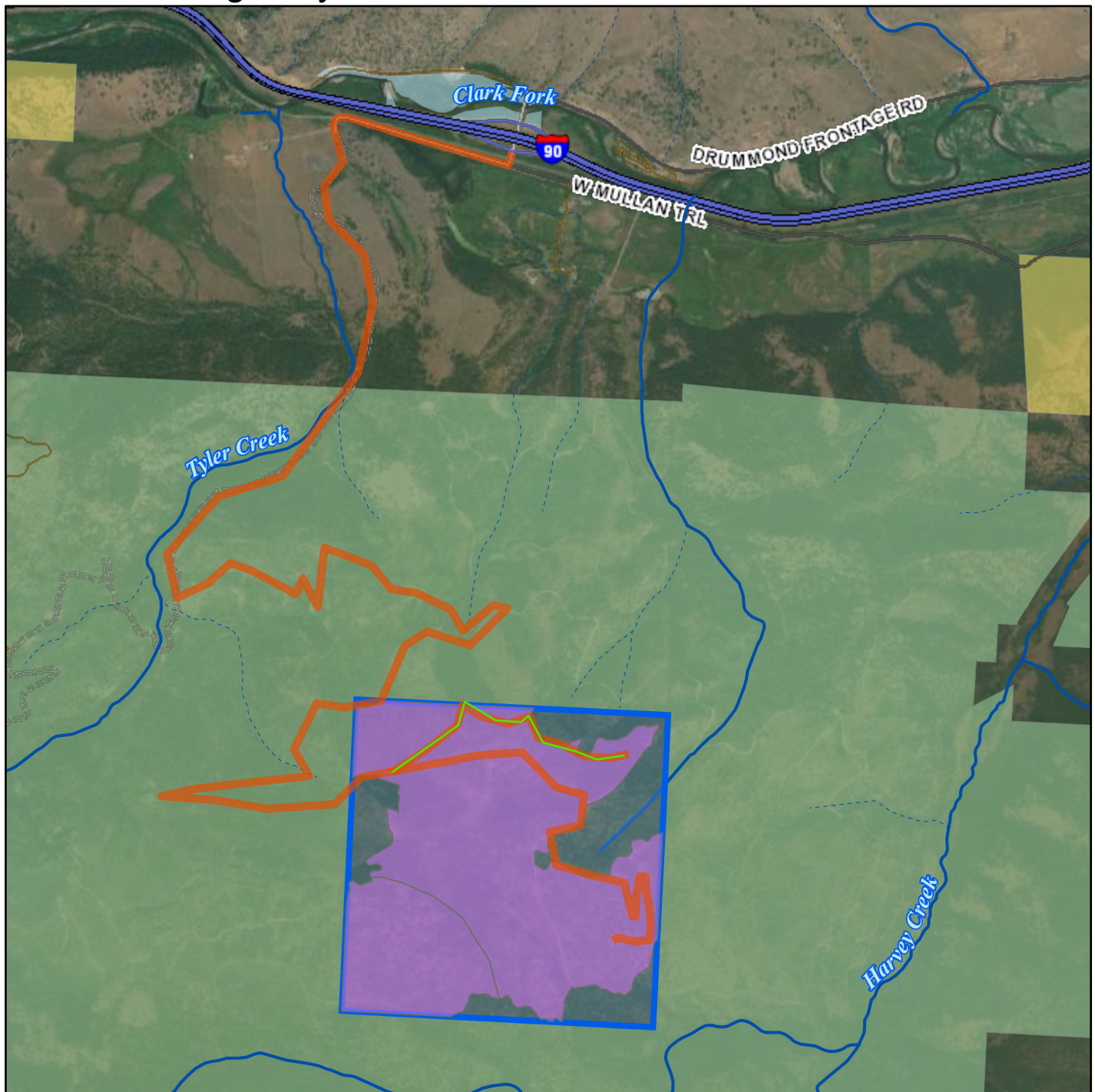
**Public Comments:** No public comments were received.

**DNRC Recommendation**

The director recommends the Land Board direct DNRC to sell the Tongue Tyed Contract Harvest Timber Sale.



# Tongue Tyed Haul Route and Harvest Units



- |                           |                           |
|---------------------------|---------------------------|
| Haul Route                | Perennial Stream          |
| New Road                  | Intermittent Stream       |
| Tongue Tyed Harvest Units | Bureau of Land Management |
| DNRC Trust Lands          | US Forest Service         |
|                           | State of Montana Misc.    |

0 0.55 1.1 Miles





# 0421-2

CABIN AND HOME SITE SALES:

Set Minimum Bid for Sale



**Land Board Agenda Item  
April 19, 2021**

**0421-2 Cabin and Home Sites: Set Minimum Bid for Sale**

**Location:** Flathead County  
**Trust Benefits:** Montana Tech  
**Trust Revenue:** \$387,000

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) is requesting to set the minimum bid for 1 cabin site nominated for sale in Flathead County. This sale was nominated by the lessee in conjunction with the Cabin and Home Site Sale Program. Preliminary Land Board approval was granted in April of 2020 (Approved 5-0).

| <b>Sale No.</b> | <b>Acres</b> | <b>Legal Description</b>                           | <b>Nominator</b>    | <b>Trust</b> |
|-----------------|--------------|--|---------------------|--------------|
| <b>1107</b>     | 1.46±        | Lot 30, Echo Lake, COS 18885, Section 5, T27N-R19W | Kevin & Anna Hunter | Montana Tech |

This parcel is currently leased as a cabin site and produces above average income for residential leases statewide. The parcel will be sold with the access that is currently provided under their lease agreements and can be conveyed by DNRC.

**Economic Analysis:**

Short term – The average rate of return on this sale parcel is 3.204%. The parcel will continue to receive this rate of return if it remains in state ownership.

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 2.91% on acquisitions with income generated from annual lease payments.

**Cultural/Paleontological Resources:**

A Class I level of cultural resource inventory was conducted for this 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.

**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.

**Appraised Values of Land and Improvements:**

The appraisal of this cabin site was prepared by Montana General Certified Appraiser Elliott M. Clark, MAI of Clark Real Estate Appraisal of Whitefish, Montana. The sale proponents appealed the values determined by the appraiser and requested a hearing regarding the appraised land value. The administrative hearing was held on February 2, 2021. Administrative Law Judge Jay D. Weiner's recommendation to the Land Board was to set minimum bid at the appraised values shown below.

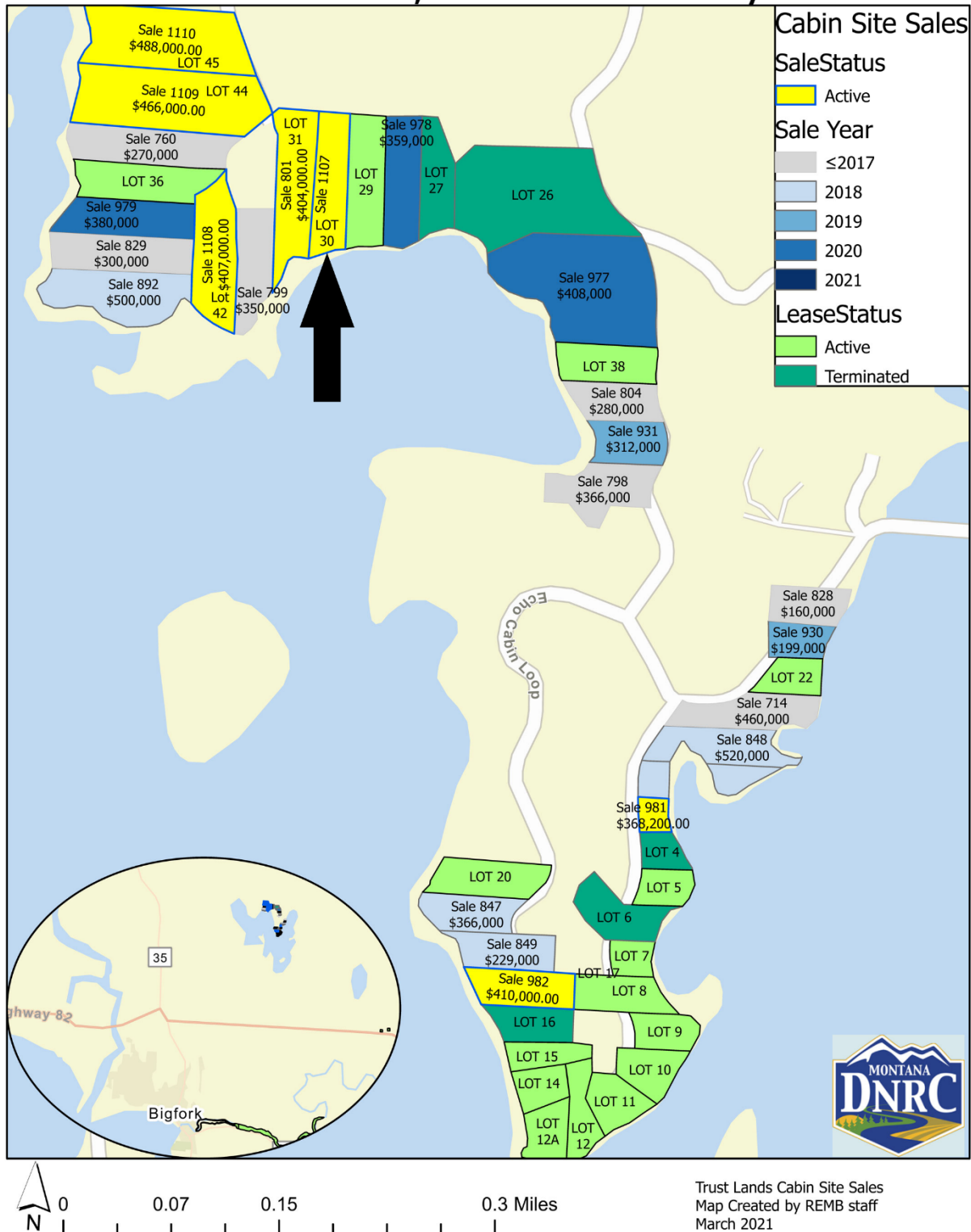
| <b>Sale No.</b> | <b>Appraised Land Value</b> | <b>Appraised Improvements Value</b> |
|-----------------|-----------------------------|-------------------------------------|
| <b>1107</b>     | \$387,000                   | \$138,000                           |

**DNRC Recommendation**

The director recommends that the Land Board set the minimum bid for this cabin site at the appraised land value and the maximum value of compensation for the improvements shown above.



# Echo Lake, Flathead County





# 0421-3

LAND BANKING PARCELS:

Set Minimum Bid for Sale



**Land Board Agenda Item  
April 19, 2021**

**0421-3 Land Banking Parcel: Set Minimum Bid for Sale  
Beaverhead County: The Hairpin LC**

**Location: Beaverhead County**

**Trust Benefits: Common Schools**

**Trust Revenue: \$1,124,000**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) requests to set minimum bid for one parcel totaling approximately 640 acres nominated for sale in Beaverhead County. The sale was nominated by the lessee and is located approximately 10 miles southeast of Jackson, Montana.

| <b>Sale #</b> | <b># of Acres</b> | <b>Legal</b>                 | <b>Nominator</b> | <b>Trust</b>      |
|---------------|-------------------|------------------------------|------------------|-------------------|
| 1080          | 640±              | ALL,<br>Section 16, T7S-R14W | The Hairpin LC   | Common<br>Schools |

Sale parcel 1080 includes approximately 640 acres of grazing land. The parcel has above average productivity for grazing lands statewide. The sale proponent currently holds a grazing lease on the parcel.

This isolated parcel is surrounded by private land and is not legally accessible to the public. The sale of this parcel would not restrict or eliminate access to adjacent private land. Public comments include one reply in support of the sale, two that would like to see the profits from the sale used to purchase publicly-accessible land in the nearby region, and one that would like to see the Hairpin Ranch participate in the Block Management Program and allow hunting on the property.

No potentially negative issues were identified through the MEPA process regarding the sale of this parcel. Two streams on the section, Sage and Andrus have been identified as possibly containing westslope cutthroat trout. The Montana Department of Fish, Wildlife and Parks supports the sale of this isolated tract and has been working with the Hairpin Ranch on a westslope cutthroat trout conservation project to construct a fish barrier.

**Economic Analysis:**

Short Term – The average rate of return on the sale parcel is 0.37%. The parcel would continue to receive this return if it remains in state ownership.

Long-term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement land through the department'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 2.91% on acquisitions with income generated from annual lease payments.

#### **Cultural/Paleontological Resources:**

The DNRC archaeologist conducted a Class III cultural and paleontological resources inventory of the subject State School Trust parcel. A historic ditch (24BE2499) was documented. This cultural resource was subsequently determined ineligible for listing in the National Register of Historic Places. Disposition of the state tract will have *No Effect to Antiquities* as defined in the Montana State Antiquities Act. A formal report of findings has been prepared and is on file with the DNRC and the Montana State Historic Preservation Officer.

#### **Background:**

In April of 2020, the Land Board granted preliminary approval (Approved 5-0) for this parcel to continue through the Land Banking sale evaluation process.

#### **Appraised Value:**

The appraisal was prepared by Montana General Certified Appraiser Gregory Thornquist of Elkhorn Appraisal Services in Helena, Montana.

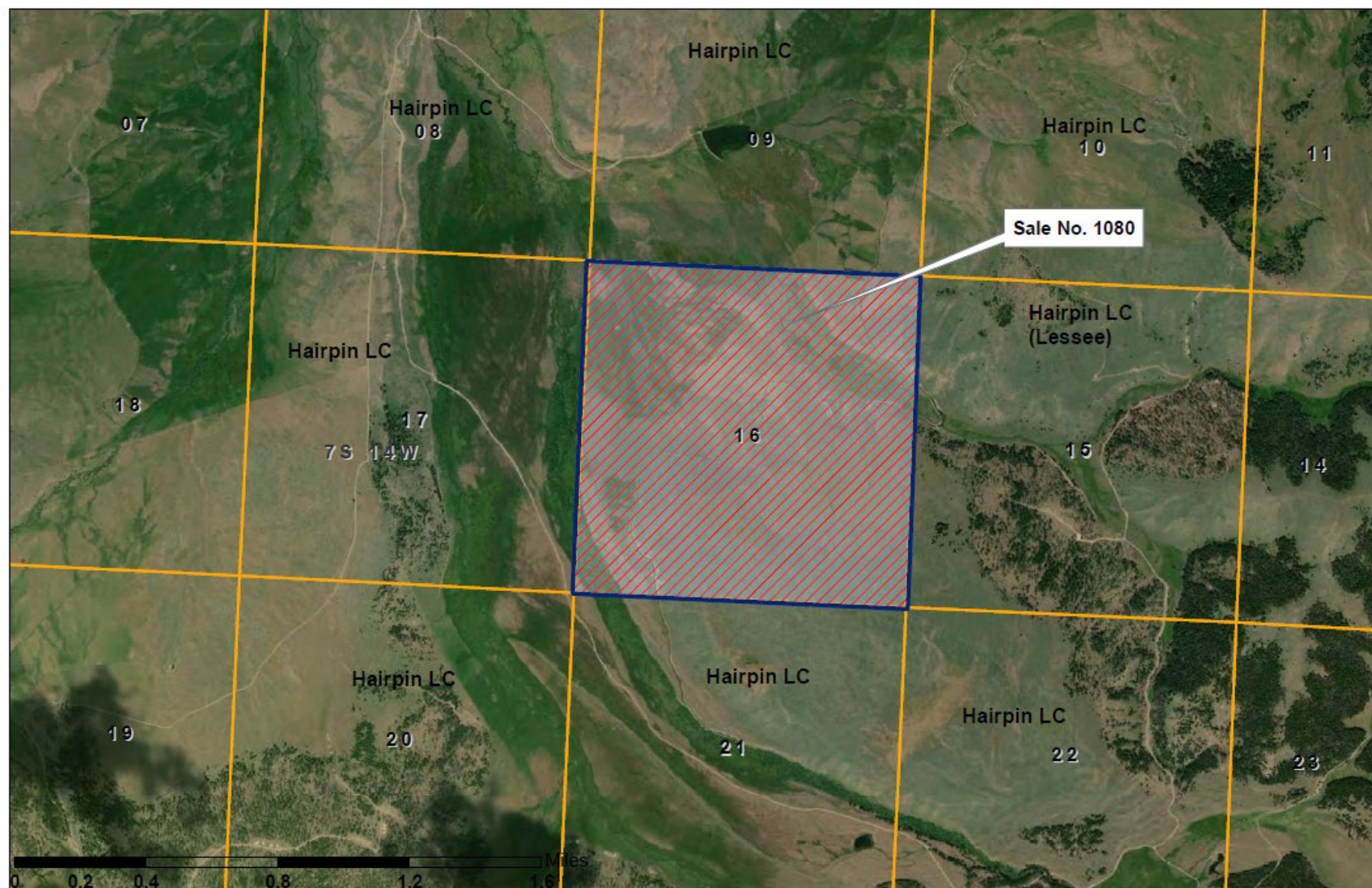
| <b>Sale #</b> | <b>Appraised Value</b> | <b>Recommended Minimum Bid</b> |
|---------------|------------------------|--------------------------------|
| 1080          | \$960,000              | \$1,124,000                    |

As part of the preliminary approval process, the Lessee, The Hairpin LC, had agreed to provide temporary road access to remove state timber on nearby state land prior to the completion of this sale. However, after the DNRC completed due diligence on the removal of timber, the State decided that given the costs associated with roads required for the sale and the size of the timber sale, it was not economically feasible to access timber through The Hairpin LC property. Because the State decided not to pursue the temporary road access, The Hairpin, LC, agreed to a minimum bid price of the higher of the appraised value or \$1,124,000. Therefore, the DNRC recommends a minimum bid price for this sale of \$1,124,000.

#### **DNRC Recommendation**

The director recommends the Land Board set the minimum bid for this parcel at the recommended minimum bid shown above.





Location: Beaverhead County S16 T7S R14W  
 Prepared on: 10 MARCH 2020  
 Prepared By: DNRC REMB Staff  
 Projection: NAD 1983 MT State Plane

Beaverhead County Sale: Hairpin LC  
 Sale No. 1080, Common Schools



Sale # 1080



Montana State Trust Land



Owner Parcels



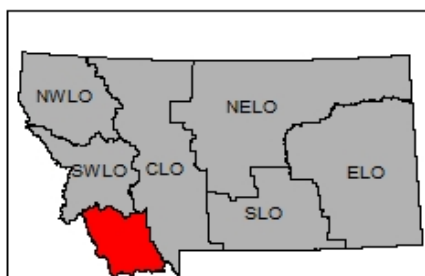


# State Trust Land Vicinity Map Dillon Unit



- Towns
- Major Roads
- Interstate
- State Trust Land
- Water Bodies
- County Lines
- Rivers

**Sale # 1080**  
**S16 T7S R14W**  
**Beaverhead County**  
**Hairpin LC**



0 10 20 40 Miles

Produced by Montana Department of Natural Resources and Conservation 11/1/2019

Datum: NAD 1983 StatePlane





# 0421-4

LAND BANKING PARCEL:

Final Approval for Sale

A. Rosebud County

B. Fergus County



**Land Board Agenda Item  
April 19, 2021**

**0421-4A Land Banking Parcel: Final Approval for Sale**

**Location: Rosebud County**

**Trust Benefits: Common Schools**

**Trust Revenue: \$416,000**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) requests final approval to sell one parcel totaling approximately 640 acres nominated for sale in Rosebud County. The sale was nominated by the lessee and is located southeast of Forsyth, Montana.

| <b>Sale #</b> | <b># of Acres</b> | <b>Legal</b>             | <b>Nominator</b>               | <b>Trust</b>      |
|---------------|-------------------|--------------------------|--------------------------------|-------------------|
| 1079          | 640±              | ALL<br>T4N-R43E, Sec. 36 | Darell J. & Tammy R.<br>Luther | Common<br>Schools |

The sale parcel has been used primarily for livestock grazing purposes and has below average productivity for agricultural and grazing lands statewide.

The parcel is almost entirely surrounded by private land and is not legally accessible by the public. The southeast corner of the property is adjacent to BLM land; however, there is no legal access to the BLM parcel either. The sale of this parcel would not restrict or eliminate access to adjacent private land.

No potentially negative issues were identified through the MEPA process regarding the sale of this parcel.

**Economic Analysis:**

Short term – The average rate of return on the sale parcel is 0.36%. The parcel would continue to receive this return if it remains in state ownership.

Long-term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement land through the department'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 2.91% on acquisitions with income generated from annual lease payments.

**Cultural/Paleontological Resources:**

The DNRC archaeologist conducted a Class III cultural and paleontological resources inventory of Section 36, T4N R43E. During the course of inventory, two isolated artifacts (two gray porcellanite flakes) were documented as IF-LR1 and IF-LR2. Both isolated finds are ineligible for listing in the National Register of Historic Places. As such, disposition of the state parcel will have No Effect to

Antiquities as defined under the Montana State Antiquities Act. A formal report of findings has been prepared and is on file with the DNRC and the Montana State Historic Preservation Officer.

**Background:**

In April 2020, the Board granted preliminary approval (Approved 5-0) for this parcel to continue through the Land Banking sale evaluation process. After appraisal, the Land Board set the minimum bid in December of 2020 (Approved 5-0) at the appraised value.

**Appraised Value:**

The appraisal was prepared by Montana General Certified Appraiser Timothy B. Hogan, ASA, IFAS of Hogan Appraisal, LLC in Billings, Montana.

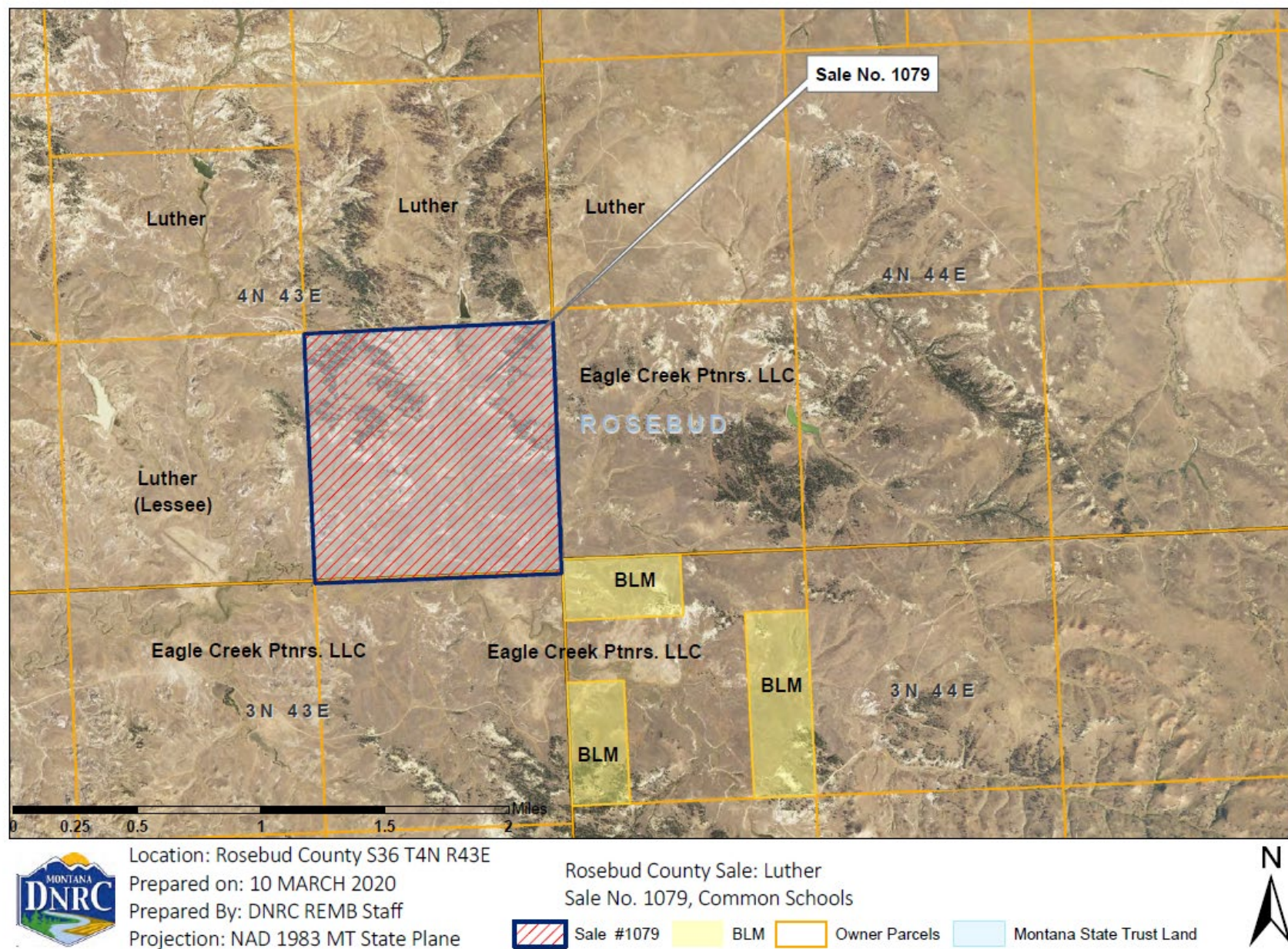
| <b>Sale #</b> | <b>Appraised Value</b> | <b>Final Sale Price</b> |
|---------------|------------------------|-------------------------|
| 1079          | \$416,000              | \$416,000               |

**Sale Price:**

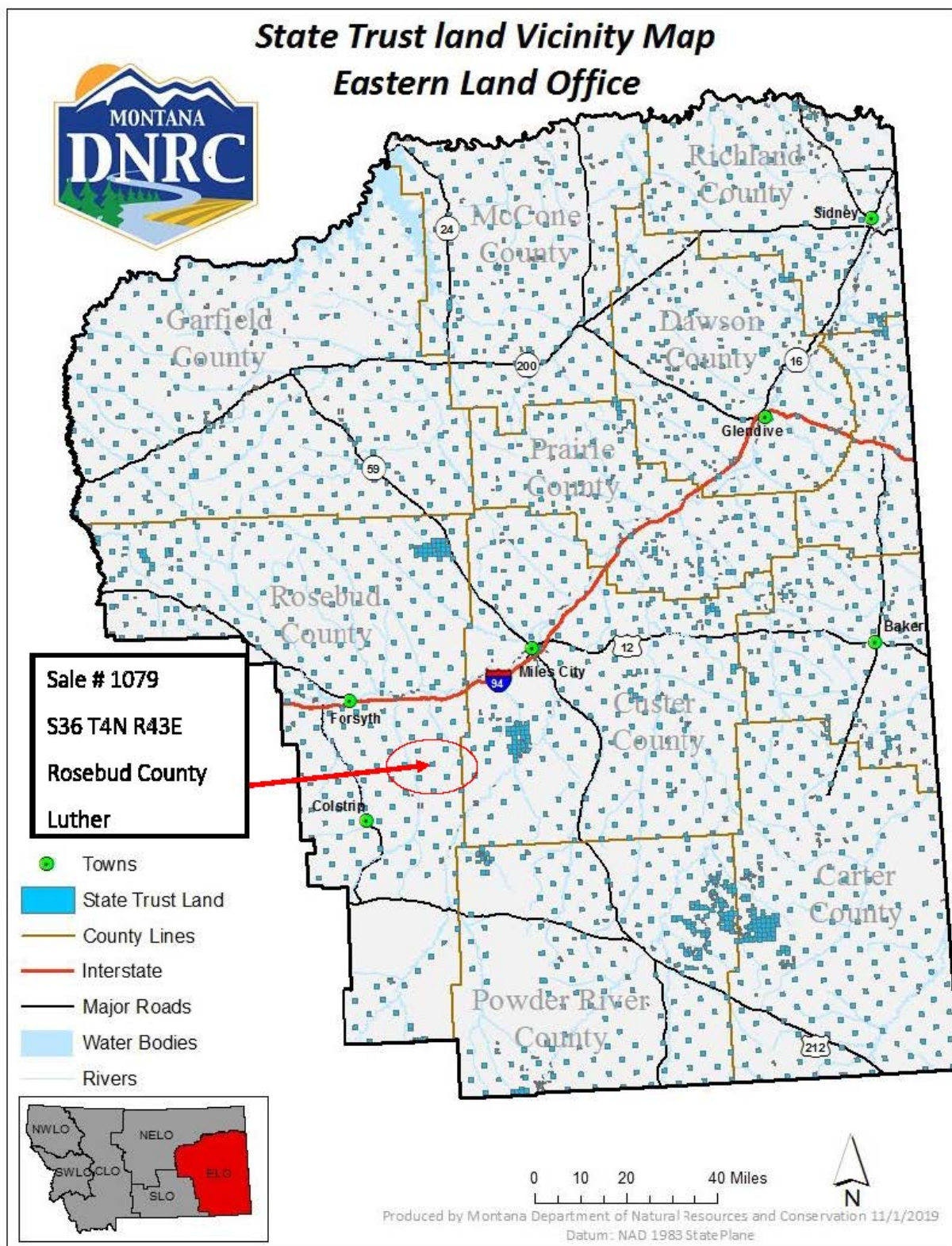
The parcel sold at public auction on March 16, 2021. There was one qualified bidder for the sale, which was the current lessee. The parcel sold for the final sale price shown above.

**DNRC Recommendation**

The director recommends the Land Board grant final approval for this Land Banking sale at the value shown above.







**0421-4B Land Banking Parcel: Final Approval for Sale**

**Location: Fergus County**

**Trust Benefits: Common Schools**

**Trust Revenue: \$82,000**

**Item Summary**

The Department of Natural Resources and Conservation (DNRC) requests final approval to sell one parcel totaling approximately 120 acres nominated for sale in Fergus County. The sale was nominated by the lessee and is located approximately 9 miles southwest of Winifred, Montana.

| Sale # | # of Acres | Legal                                | Nominator                  | Trust          |
|--------|------------|--------------------------------------|----------------------------|----------------|
| 1081   | 120±       | E2NE4 & NE4SE4<br>T20N-R17E, Sec. 16 | Terry L. & Aileen L. Noble | Common Schools |

The sale parcel has been used primarily for livestock grazing purposes with a small portion (2.2 acres) of agricultural use.

Sale No. 1081 is surrounded entirely by private land and is not legally accessible by the public. The sale of this parcel would not restrict or eliminate access to adjacent private land.

No potentially negative issues were identified through the MEPA process regarding the sale of this parcel.

**Economic Analysis:**

Short term – The average rate of return on the sale parcel is 0.34 %. The parcel would continue to receive this return if it remains in state ownership.

Long-term – The funds from the sale of this parcel would be combined with other sale funds to purchase replacement land through the department'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 2.91% on acquisitions with income generated from annual lease payments.

**Cultural/Paleontological Resources:**

The state parcel proposed for sale was inventoried to Class III standards for cultural and paleontological resources. No cultural or fossil resources were documented. Disposition of the state parcel will have *No Effect to Antiquities* as defined under the Montana State Antiquities Act. A formal report of findings has been prepared and filed with the Montana State Historic Preservation Office per the requirements of the Montana State Antiquities Act.

**Background:**

In April 2020, the Board granted preliminary approval (Approved 5-0) for this parcel to continue through the Land Banking sale evaluation process. After appraisal, the Land Board set the minimum bid in December of 2020 (Approved 5-0) at the appraised value.

**Appraised Value:**

The appraisal was prepared by Montana General Certified Appraiser Timothy B. Hogan, ASA, IFAS of Hogan Appraisal, LLC in Billings, Montana.

| <b>Sale #</b> | <b>Appraised Value</b> | <b>Final Sale Price</b> |
|---------------|------------------------|-------------------------|
| 1081          | \$82,000               | \$82,000                |

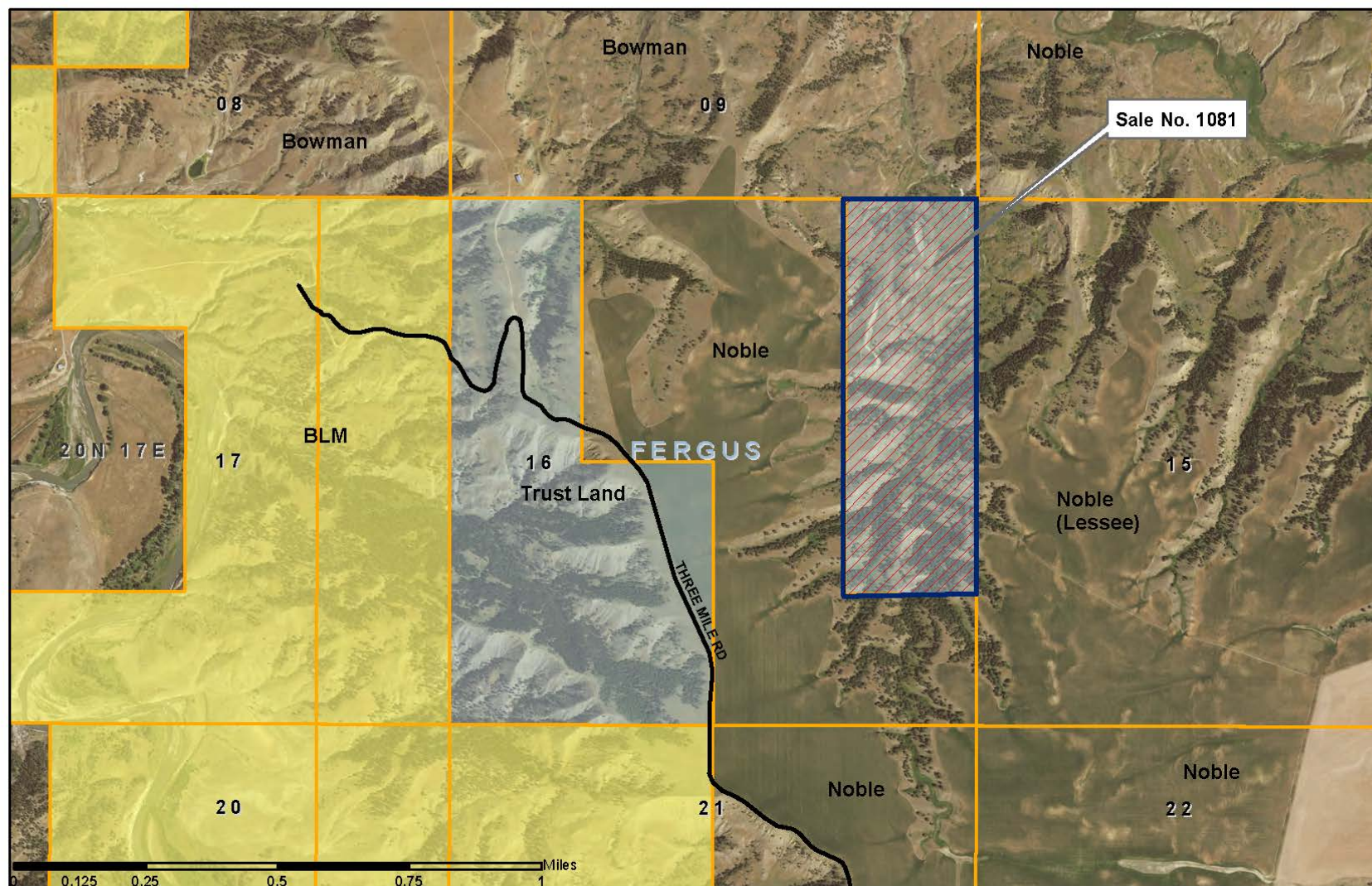
**Sale Price:**

The parcel sold at public auction on March 18, 2021. There was one qualified bidder for the sale, which was the current lessee. The parcel sold for the final sale price shown above.

**DNRC Recommendation**

The director recommends the Land Board grant final approval for this Land Banking sale at the value shown above.





Location: Fergus County S16 T20N R 17E

Prepared on: 10 MARCH 2020


Prepared By: DNRC REMB Staff

Projection: NAD 1983 MT State Plane

Fergus County Sale: Noble


Sale No. 1081, Common Schools

 Sale #1081

 Montana State Trust Land

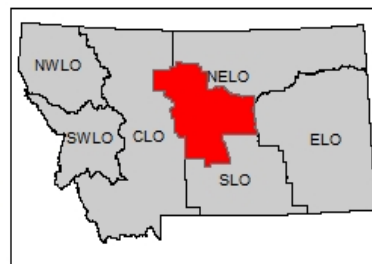
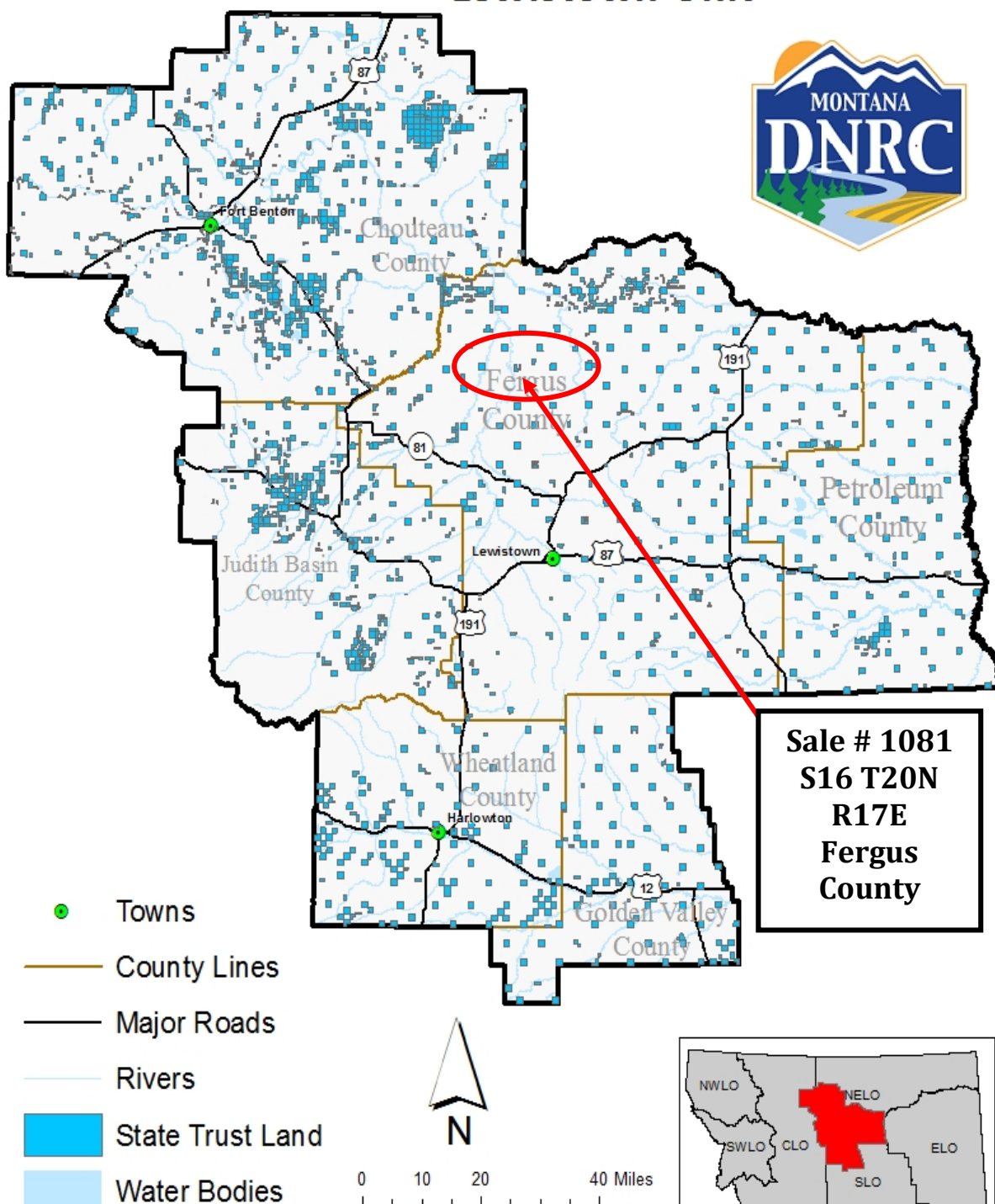
 BLM

 Owner Parcels

 Roads



## State Trust Land Vicinity Map Lewistown Unit



# 0421-5

EASEMENTS:

Standard Grant



**Land Board Agenda Item  
April 19, 2021**

**0421-5 Easements**

**Location:** Beaverhead, Carter, Golden Valley, Madison, McCone, Pondera, Richland, Toole

**Trust Benefits:** Capitol Buildings, Common Schools

**Trust Revenue:** Capitol Buildings = \$310  
Common Schools = \$11,454

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| 3-Rivers Telephone Cooperative, Inc.  | Buried Fiber Optic Cable    | Permanent   | 46-57          |
| Mid-Rivers Telephone Cooperative, Inc | Buried Fiber Optic Cable    | Permanent   | 58-61          |
| Toole County                          | Public County Road          | Permanent   | 62-63          |
| Charles Parks                         | Private Access Road         | Permanent   | 64-65          |
| Joseph & Shenna Monroe                | Private Access Road         | Permanent   | 66-67          |

## APPLICANTS AND RIGHTS OF WAY INFORMATION

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|                    |  |
|--------------------|--|
| Applicant:         | Mid-Rivers Telephone Cooperative<br>PO Box 280<br>Circle, MT 59215                                 |
| Application No.:   | 19050  |
| R/W Purpose:       | a buried fiber optic cable   |
| Lessee Agreement:  | ok   |
| Acreage:           | 1.61   |
| Compensation:      | \$805.00   |
| Legal Description: | a 16-foot strip through NW4SW4, W2NW4, NE4NW4, Sec. 16,<br>Twp. 7N, Rge. 23E, Golden Valley County |
| Trust Beneficiary: | Common Schools   |

### Item Summary

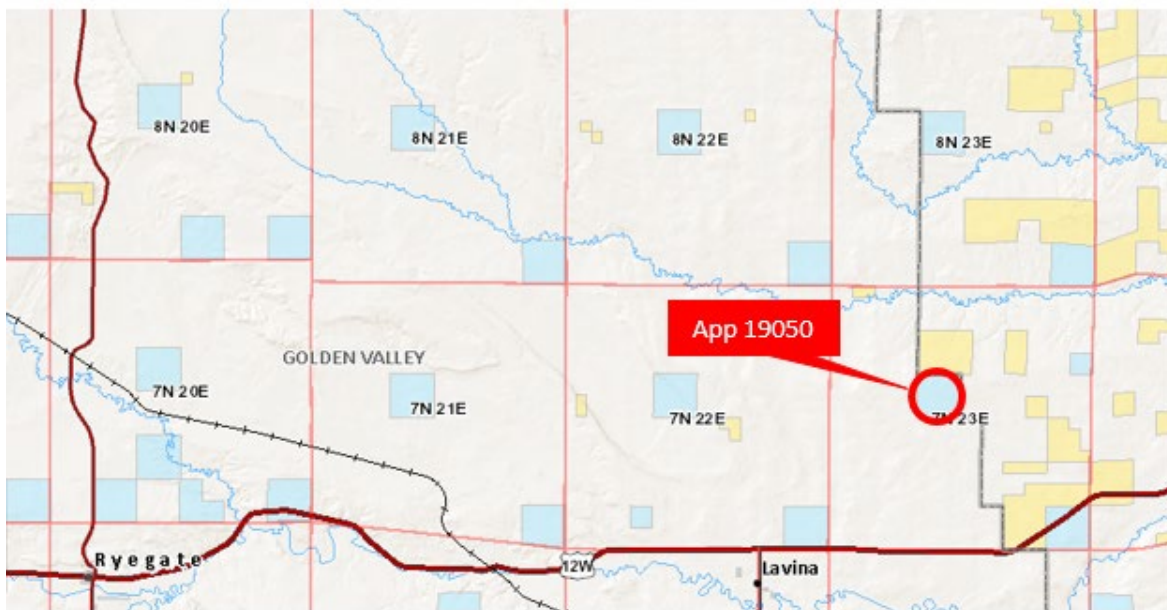
Mid-Rivers Telephone Cooperative is requesting an easement to place a fiber optic cable across State Trust land in rural Golden Valley County. This easement is part of an 89-mile project to provide upgraded services north of Ryegate and Lavina. The cable will be installed using a direct plow method and is located along existing roadways where ground disturbance has previously occurred. The project is within Sage Grouse habitat and has received approval from MSGOT. Mid-Rivers has agreed to mitigation, including seasonal construction.

### DNRC Recommendation

The director recommends approval of the application of Mid-Rivers Telephone Cooperative.



## R/W Application 19050



APPLICANTS AND RIGHTS OF WAY INFORMATION

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|                    |  |
|--------------------|--|
| Applicant:         | Mid-Rivers Telephone Cooperative<br>PO Box 280<br>Circle, MT 59215                         |
| Application No.:   | 19051  |
| R/W Purpose:       | a buried fiber optic cable   |
| Lessee Agreement:  | ok   |
| Acreage:           | 1.44   |
| Compensation:      | \$720.00   |
| Legal Description: | a 16-foot strip through S2SW4, SW4SE4, Sec. 16, Twp. 9N,<br>Rge. 22E, Golden Valley County |
| Trust Beneficiary: | Common Schools   |

Item Summary

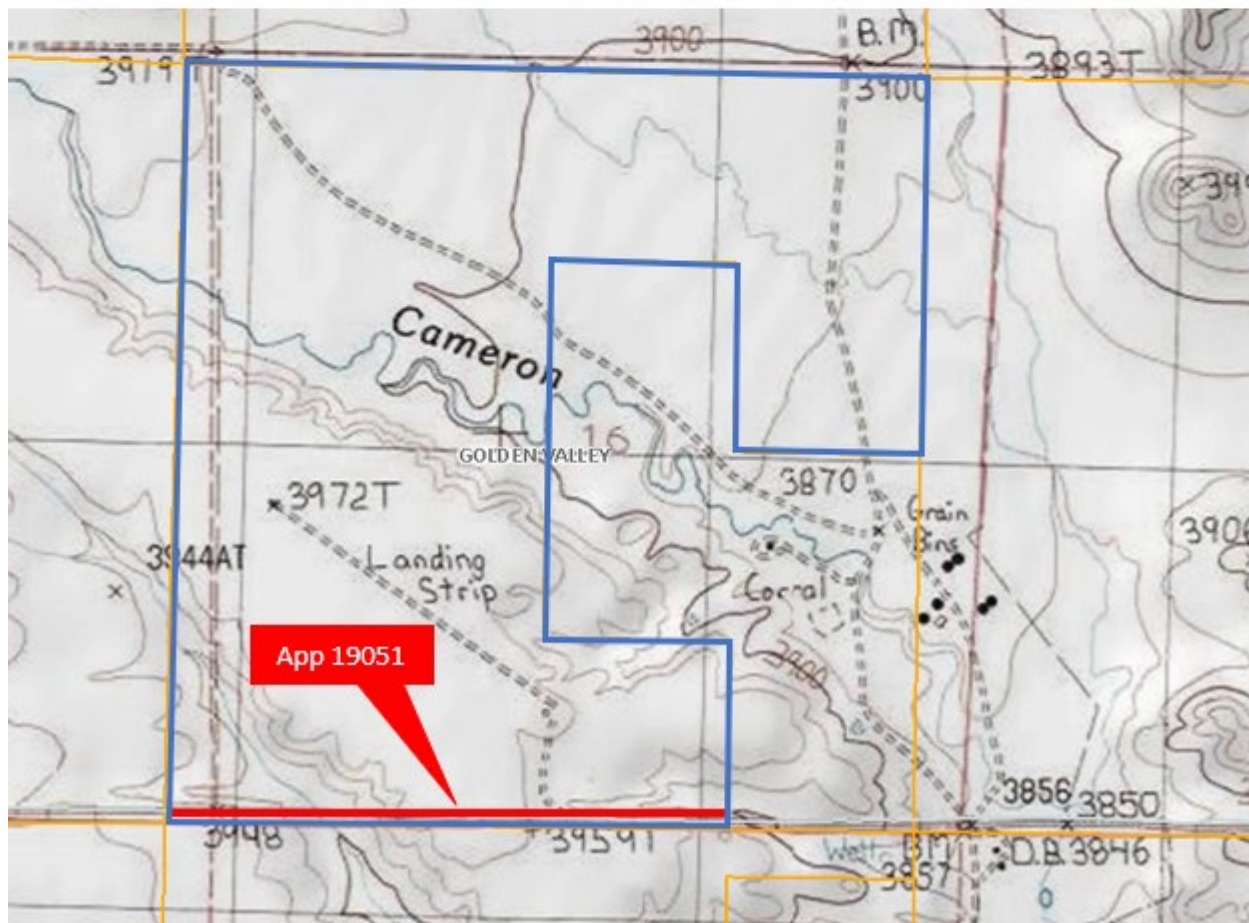
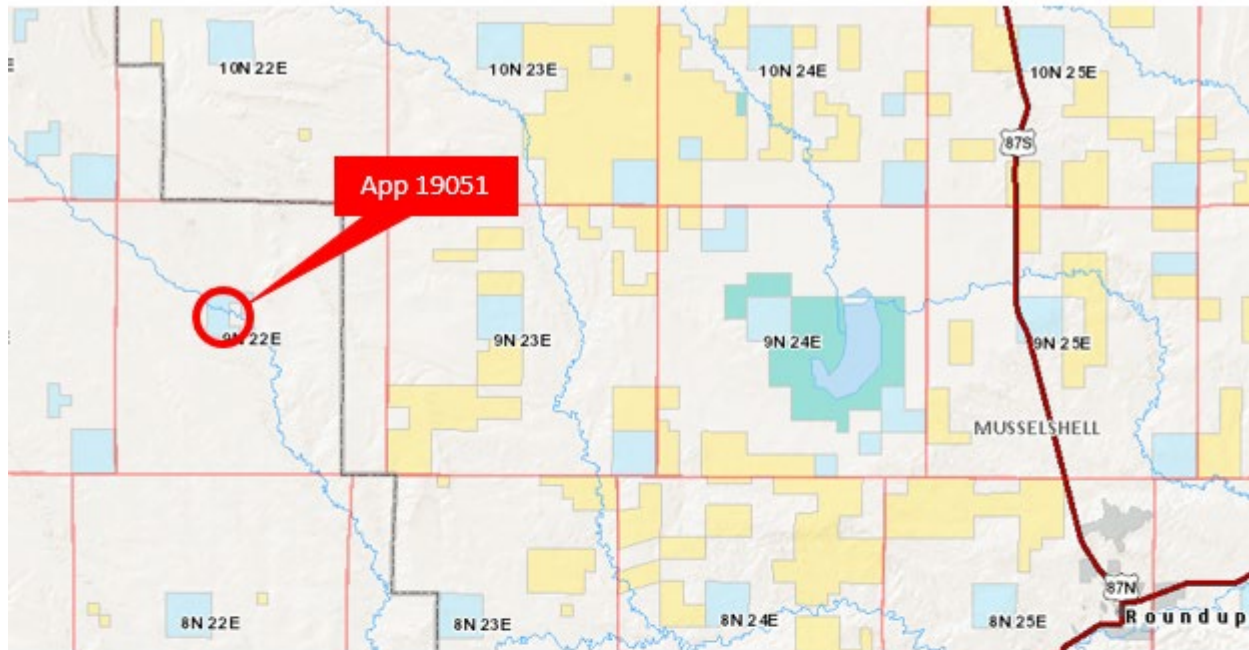
See page 42 for summary.

DNRC Recommendation

See page 42 for recommendation



## R/W Application 19051



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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|                    |   |
|--------------------|---|
| Applicant:         | 3Rivers Telephone Cooperative, Inc.<br>PO Box 429<br>Fairfield, MT 59436-0429 |
| Application No.:   | 19052   |
| R/W Purpose:       | a buried fiber optic cable  |
| Lessee Agreement:  | ok  |
| Acreage:           | 0.31  |
| Compensation:      | \$310.00  |
| Legal Description: | 10-foot strip through SW4SW4, Sec. 36, Twp. 2S, Rge. 9W,<br>Madison County    |
| Trust Beneficiary: | Common Schools  |

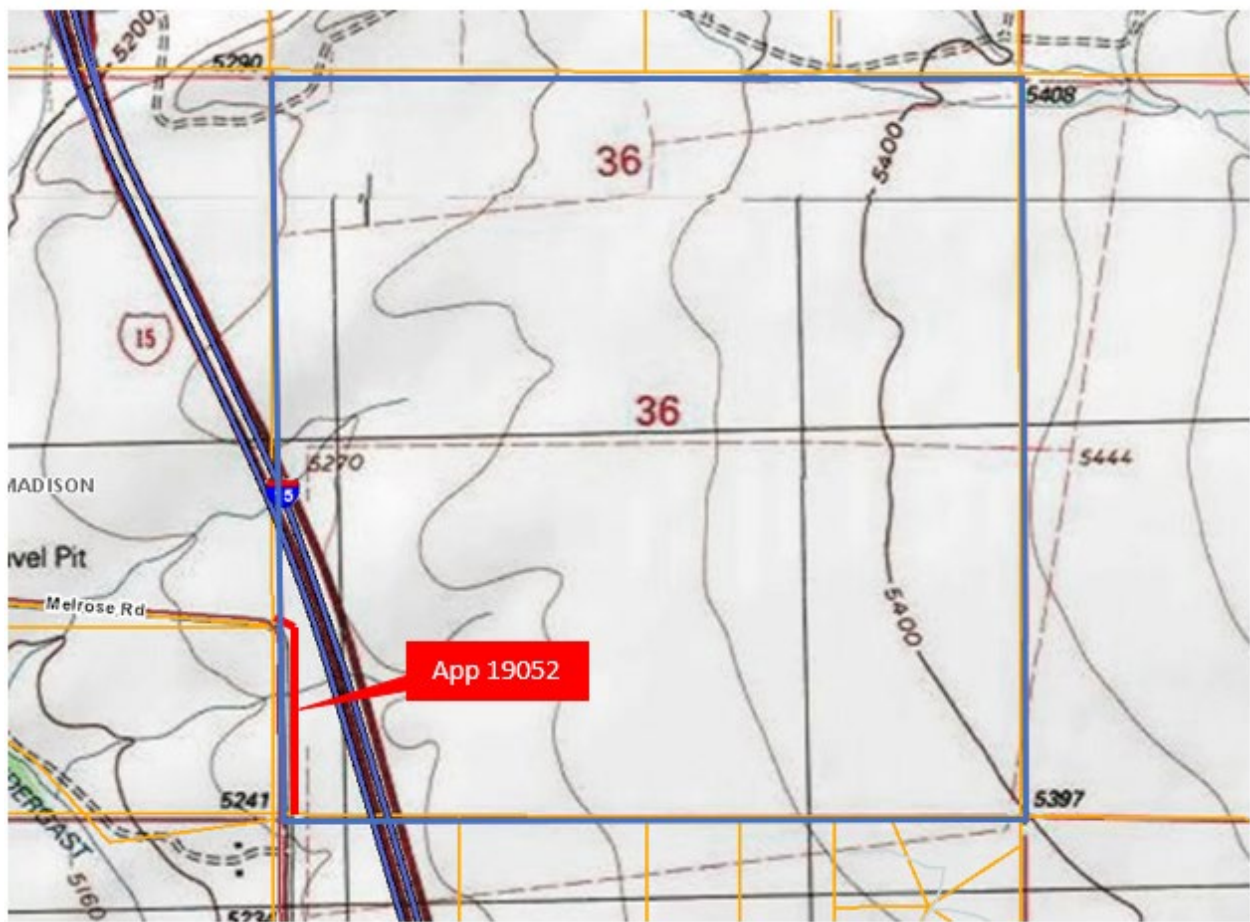
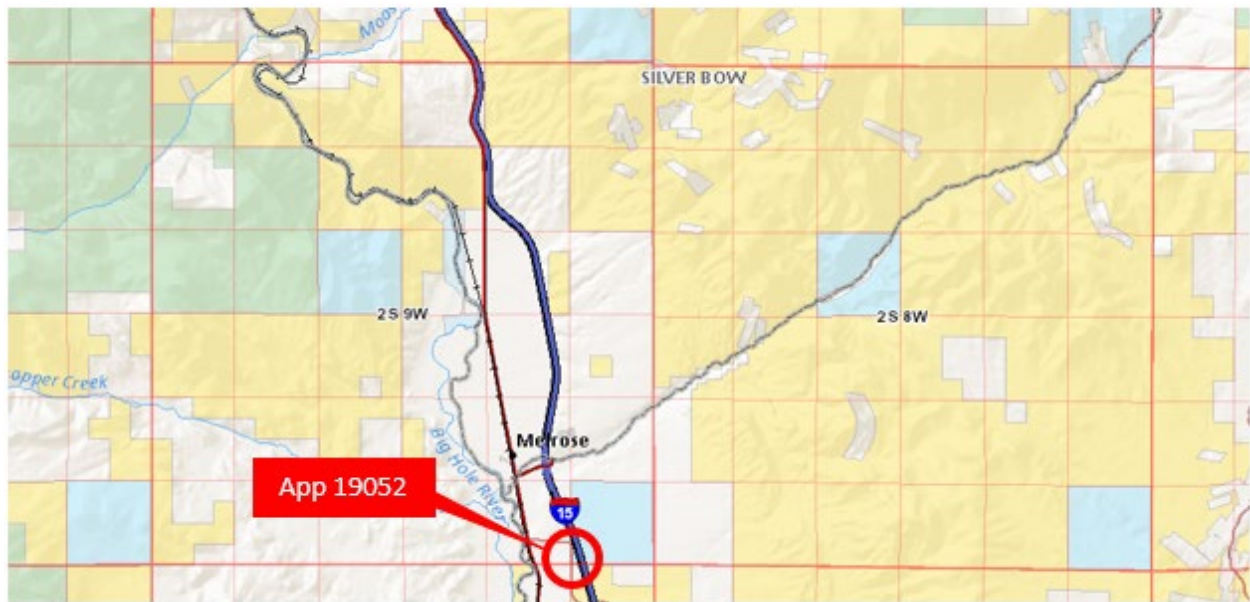
### Item Summary

3Rivers Telephone Cooperative is requesting easements to place fiber optic cable in rural Beaverhead and Madison Counties in the Melrose exchange area. This application is part of a 103-mile cable installation under the Fiber to the Home (FTTH) project that provides high speed internet and broadband services to rural customers. The existing copper cables are at capacity and do not allow for future growth capabilities. These new fiber optic cable will be placed in existing cable corridors along state highway, county and existing roads to minimize the impacts.

### DNRC Recommendation

The director recommends approval of the application of 3Rivers Telephone Cooperative.

## R/W Application 19052



APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: 3Rivers Telephone Cooperative, Inc.  
PO Box 429  
Fairfield, MT 59436-0429

Application No.: 19053  
R/W Purpose: a buried fiber optic cable  
Lessee Agreement: ok  
Acreage: 0.14  
Compensation: \$140.00  
Legal Description: 10-foot strip through NW4SW4, Sec. 36, Twp. 4S, Rge. 8W,  
Beaverhead County  
Trust Beneficiary: Common Schools

Item Summary

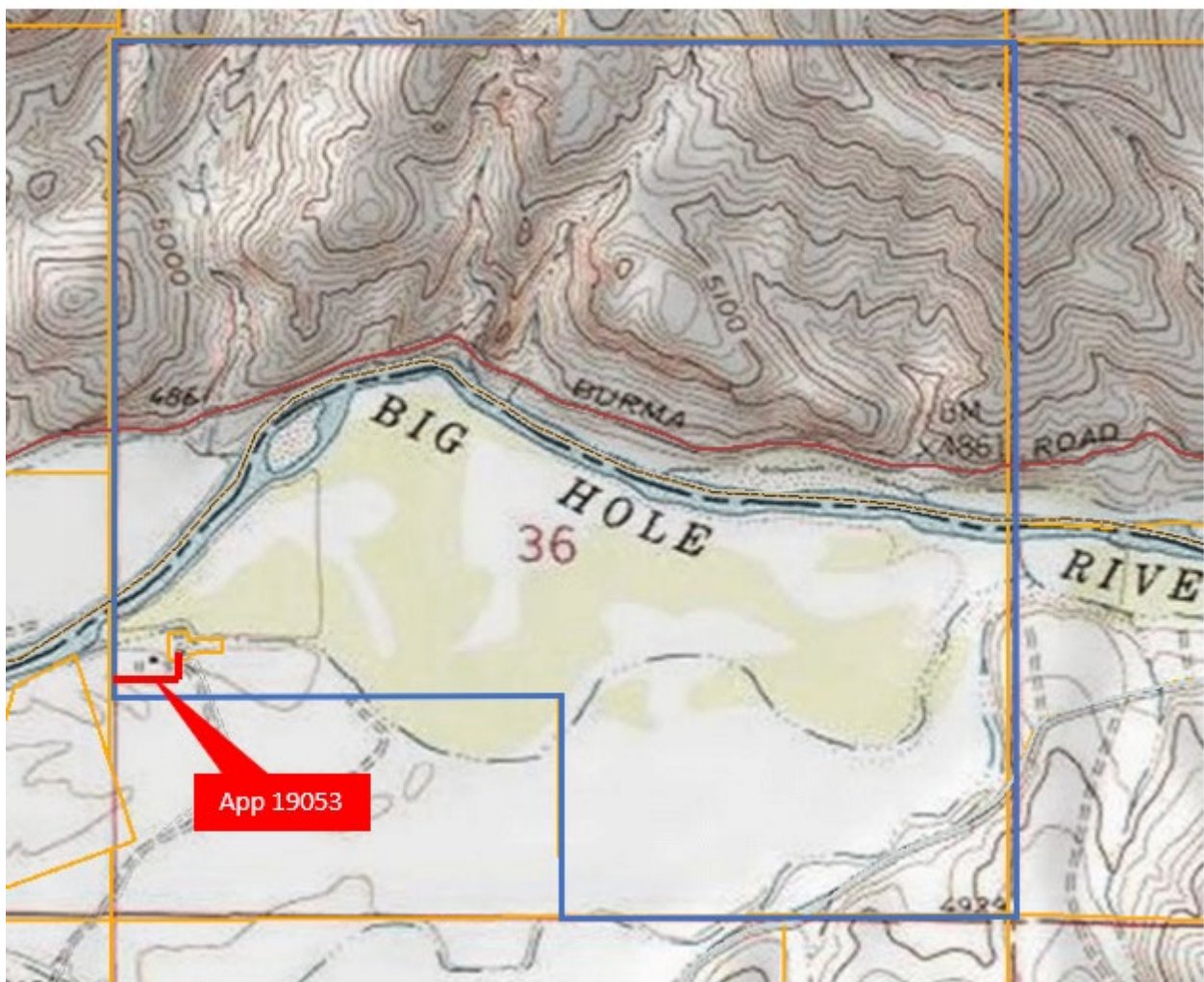
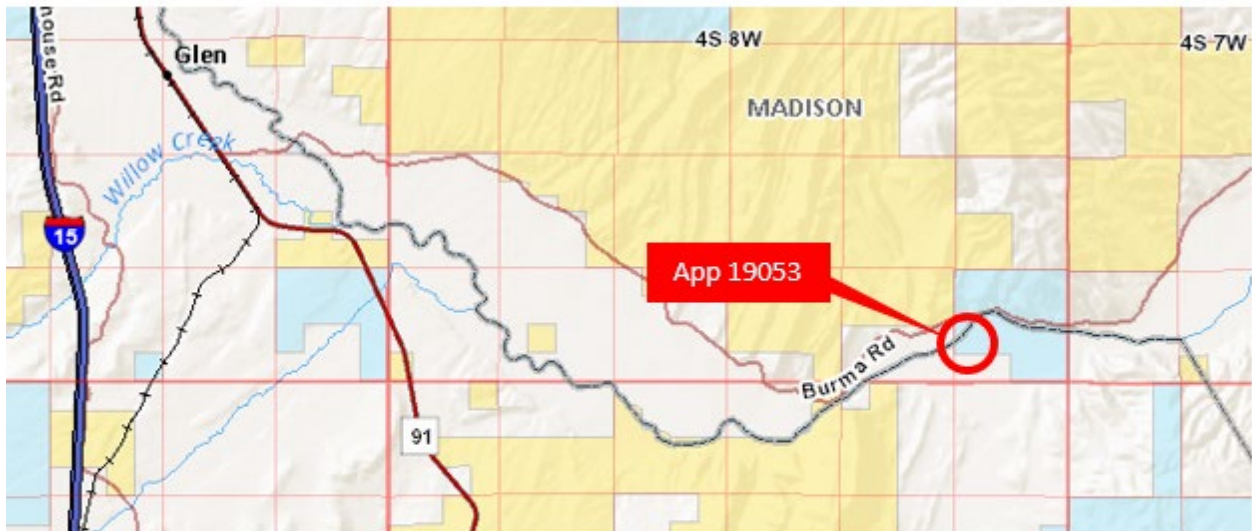
See page 46 for summary.

DNRC Recommendation

See page 46 for recommendation



## R/W Application 19053



APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: 3Rivers Telephone Cooperative, Inc.  
PO Box 429  
Fairfield, MT 59436-0429

Application No.: 19054  
R/W Purpose: a buried fiber optic cable  
Lessee Agreement: ok  
Acreage: 1.48  
Compensation: \$1,480.00  
Legal Description: 10-foot strip through E2E2 and a 10-foot strip through NE4NE4,  
Sec. 16, Twp. 4S, Rge. 9W, Beaverhead County  
Trust Beneficiary: Common Schools

Item Summary

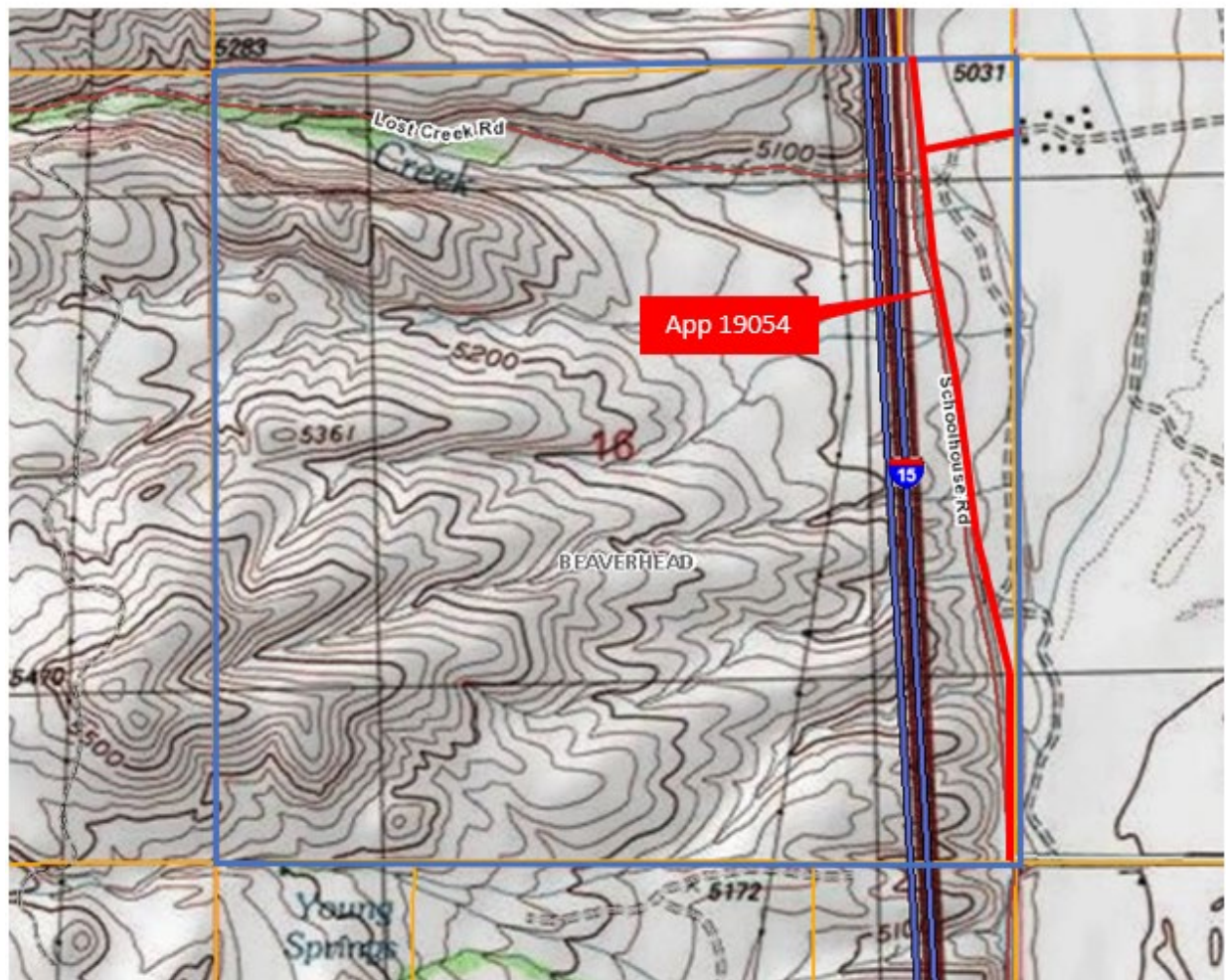
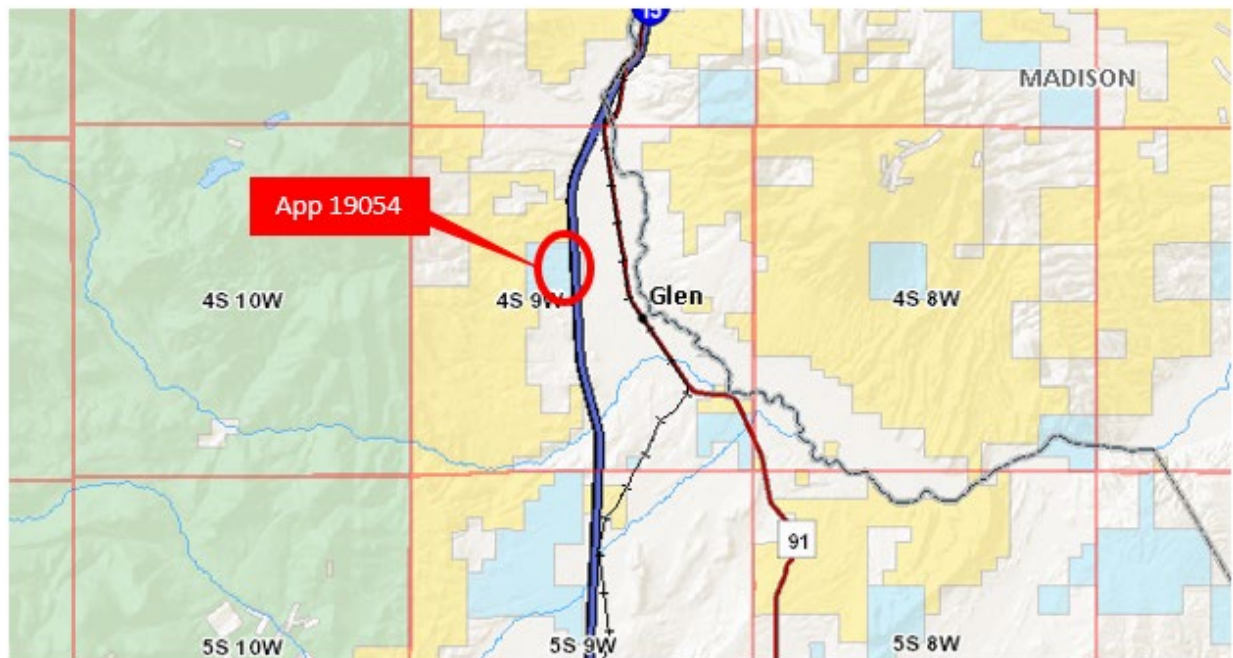
See page 46 for summary.

DNRC Recommendation

See page 46 for recommendation



## R/W Application 19054





## APPLICANTS AND RIGHTS OF WAY INFORMATION

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|                    |   |
|--------------------|---|
| Applicant:         | 3Rivers Telephone Cooperative, Inc.<br>PO Box 429<br>Fairfield, MT 59436-0429   |
| Application No.:   | 19055   |
| R/W Purpose:       | a buried fiber optic cable  |
| Lessee Agreement:  | ok  |
| Acreage:           | 1.01  |
| Compensation:      | \$1,010.00  |
| Legal Description: | 10-foot strip through NE4NE4; a 10-foot strip through E2NE4, and<br>a 10-foot strip through SE4NE4, NE4SE4, Sec. 36, Twp. 4S,<br>Rge. 9W, Beaverhead County |
| Trust Beneficiary: | Common Schools  |

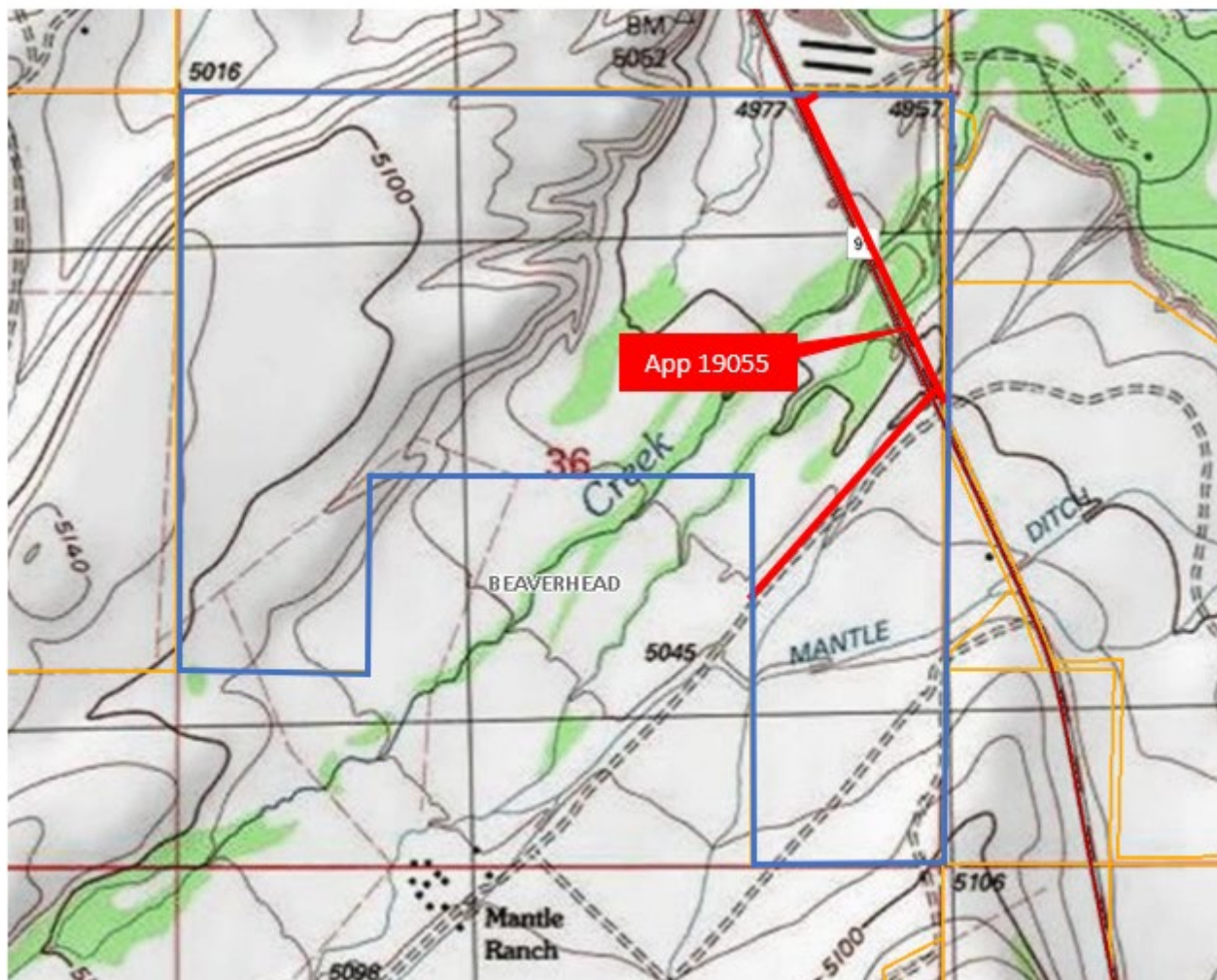
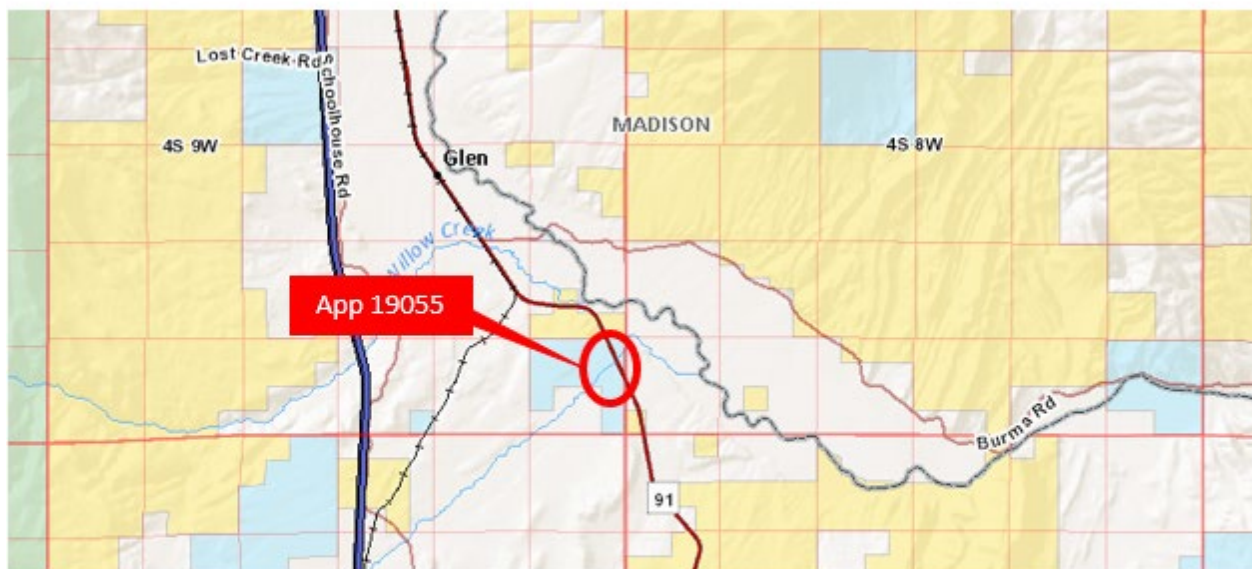
### Item Summary

See page 46 for summary.

### DNRC Recommendation

See page 46 for recommendation

## R/W Application 19055



APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: 3Rivers Telephone Cooperative, Inc.  
PO Box 429  
Fairfield, MT 59436-0429

Application No.: 19056  
R/W Purpose: a buried fiber optic cable  
Lessee Agreement: ok  
Acreage: 0.91  
Compensation: \$910.00  
Legal Description: 10-foot strip through E2SE4, NW4SE4, Sec. 16, Twp. 5S,  
Rge. 9W, Beaverhead County  
Trust Beneficiary: Common Schools

Item Summary

See page 46 for summary.

DNRC Recommendation

See page 46 for recommendation



## R/W Application 19056



APPLICANTS AND RIGHTS OF WAY INFORMATION

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Applicant: 3Rivers Telephone Cooperative, Inc.  
PO Box 429  
Fairfield, MT 59436-0429

Application No.: 19057  
R/W Purpose: a buried fiber optic cable  
Lessee Agreement: ok  
Acreage: 0.31  
Compensation: \$310.00  
Legal Description: 10-foot strip through SW4NE4, Sec. 30, Twp. 5S, Rge. 9W,  
Beaverhead County  
Trust Beneficiary: Capitol Buildings

Item Summary

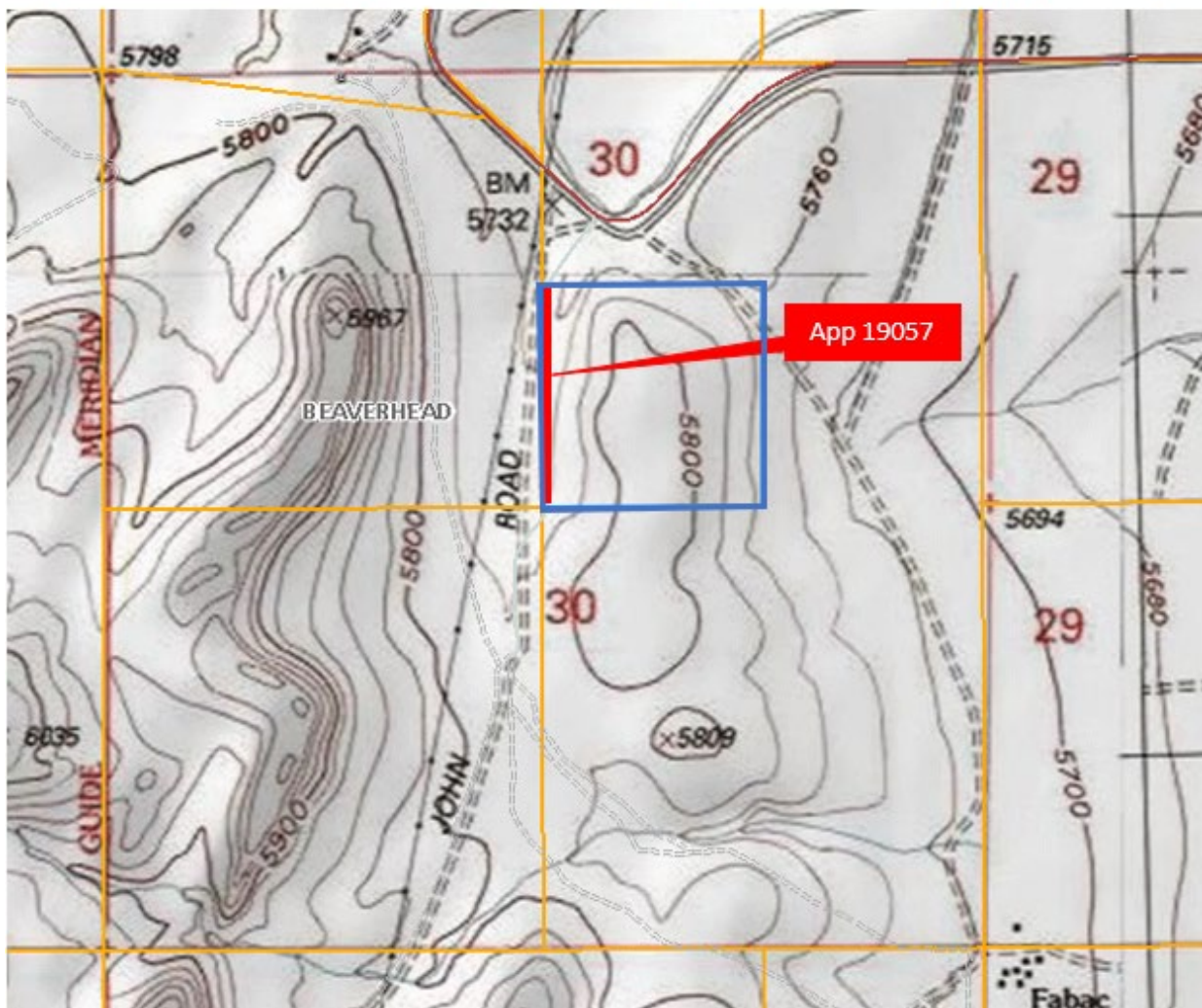
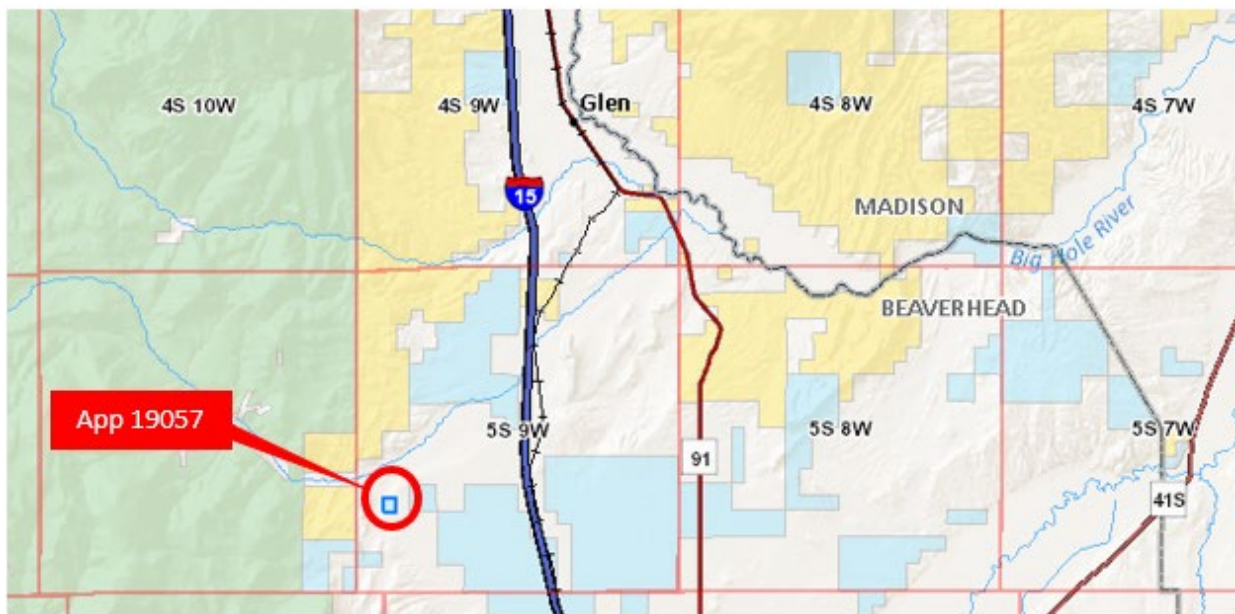
See page 46 for summary.

DNRC Recommendation

See page 46 for recommendation



## R/W Application 19057



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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|                    |  |
|--------------------|--|
| Applicant:         | Mid-Rivers Telephone Cooperative<br>PO Box 280<br>Circle, MT 59215           |
| Application No.:   | 19059  |
| R/W Purpose:       | a buried fiber optic cable   |
| Lessee Agreement:  | ok   |
| Acreage:           | 2.03   |
| Compensation:      | \$711.00   |
| Legal Description: | a 16-foot strips through N2N2, Sec. 36, Twp. 27N, Rge. 50E,<br>McCone County |
| Trust Beneficiary: | Common Schools   |

### Item Summary

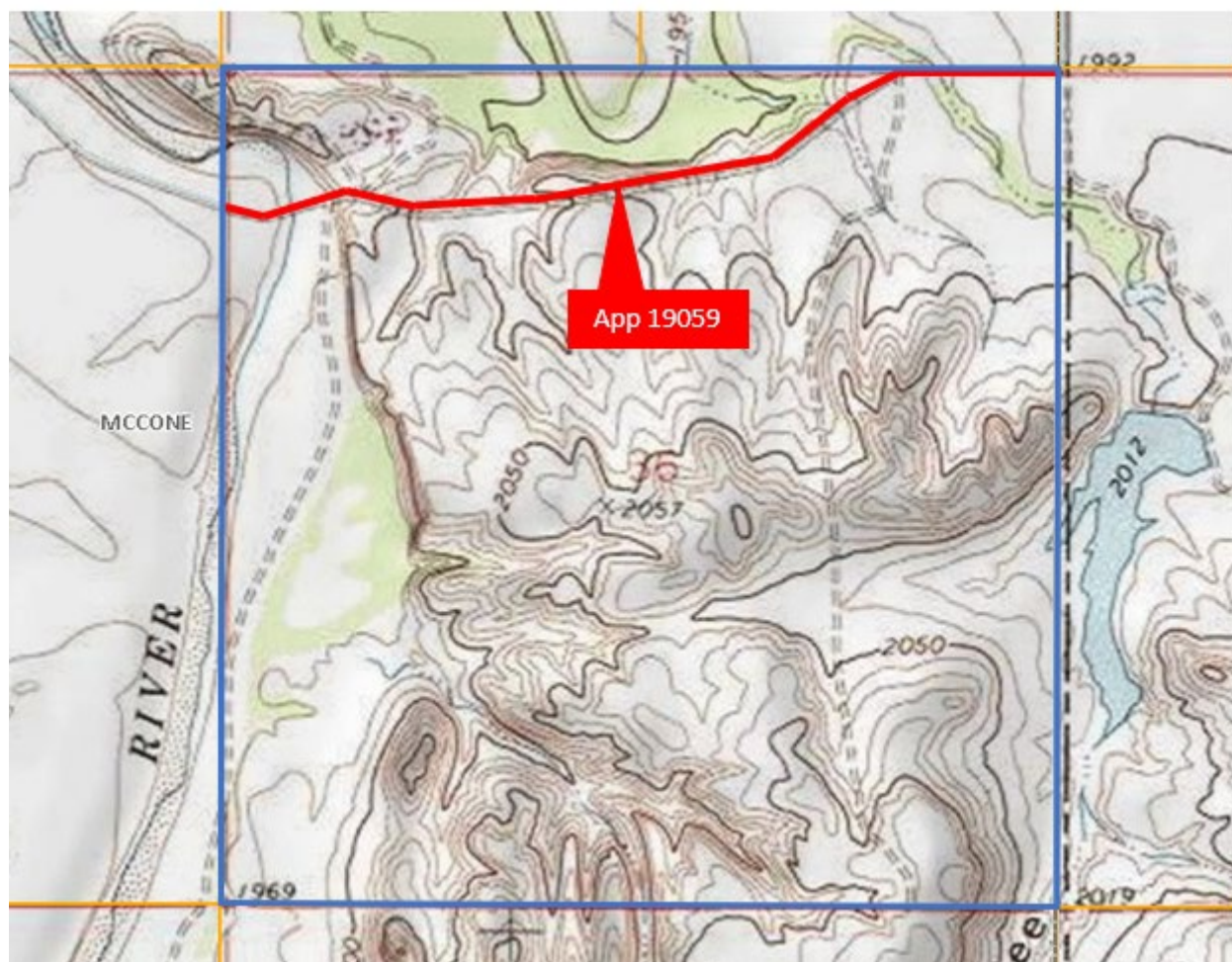
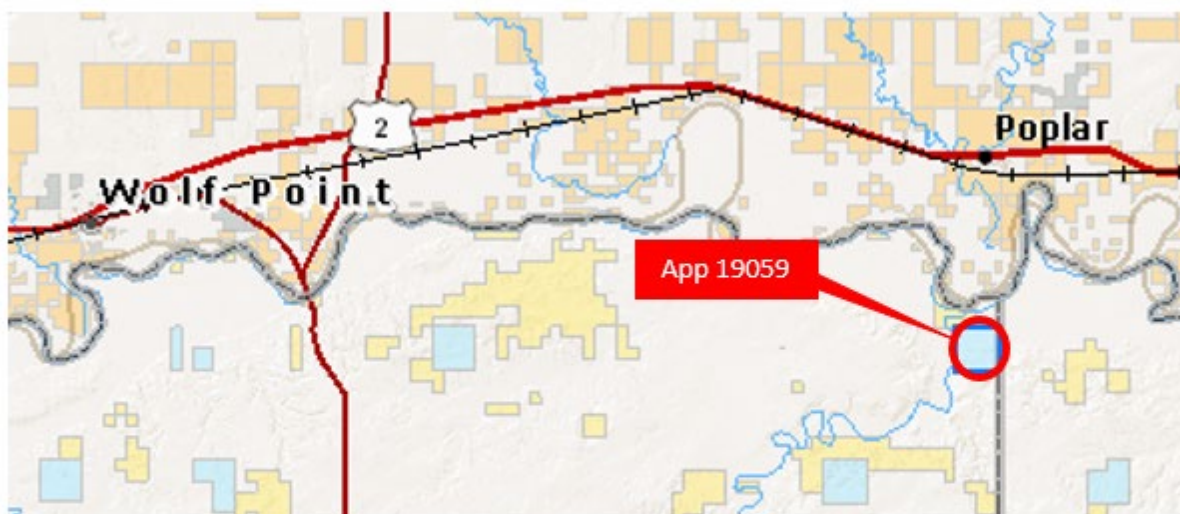
Mid-Rivers Telephone Cooperative is proposing to install new fiber optic cable in McCone and Richland County service area to provide improved service to rural customers. The cable will be installed using a rip trench/static plow and is located along existing roadways in previously disturbed ground to avoid drainage areas and limit potential erosion in some locations. The State Trust land parcels are not located within Sage Grouse habitat, therefor consultation with MSGOT was not necessary.

### DNRC Recommendation

The director recommends approval of the application of Mid-Rivers Telephone Cooperative



R/W Application 19059



APPLICANTS AND RIGHTS OF WAY INFORMATION

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|                    |  |
|--------------------|--|
| Applicant:         | Mid-Rivers Telephone Cooperative<br>PO Box 280<br>Circle, MT 59215   |
| Application No.:   | 19060  |
| R/W Purpose:       | a buried fiber optic cable   |
| Lessee Agreement:  | ok   |
| Acreage:           | 3.27   |
| Compensation:      | \$1,145.00   |
| Legal Description: | 16-foot strip through S2SE4, and a 16-foot strip through W2SE4,<br>W2NE4, NE4NE4, Sec. 36, Twp. 27N, Rge. 51E, Richland County |
| Trust Beneficiary: | Common Schools   |

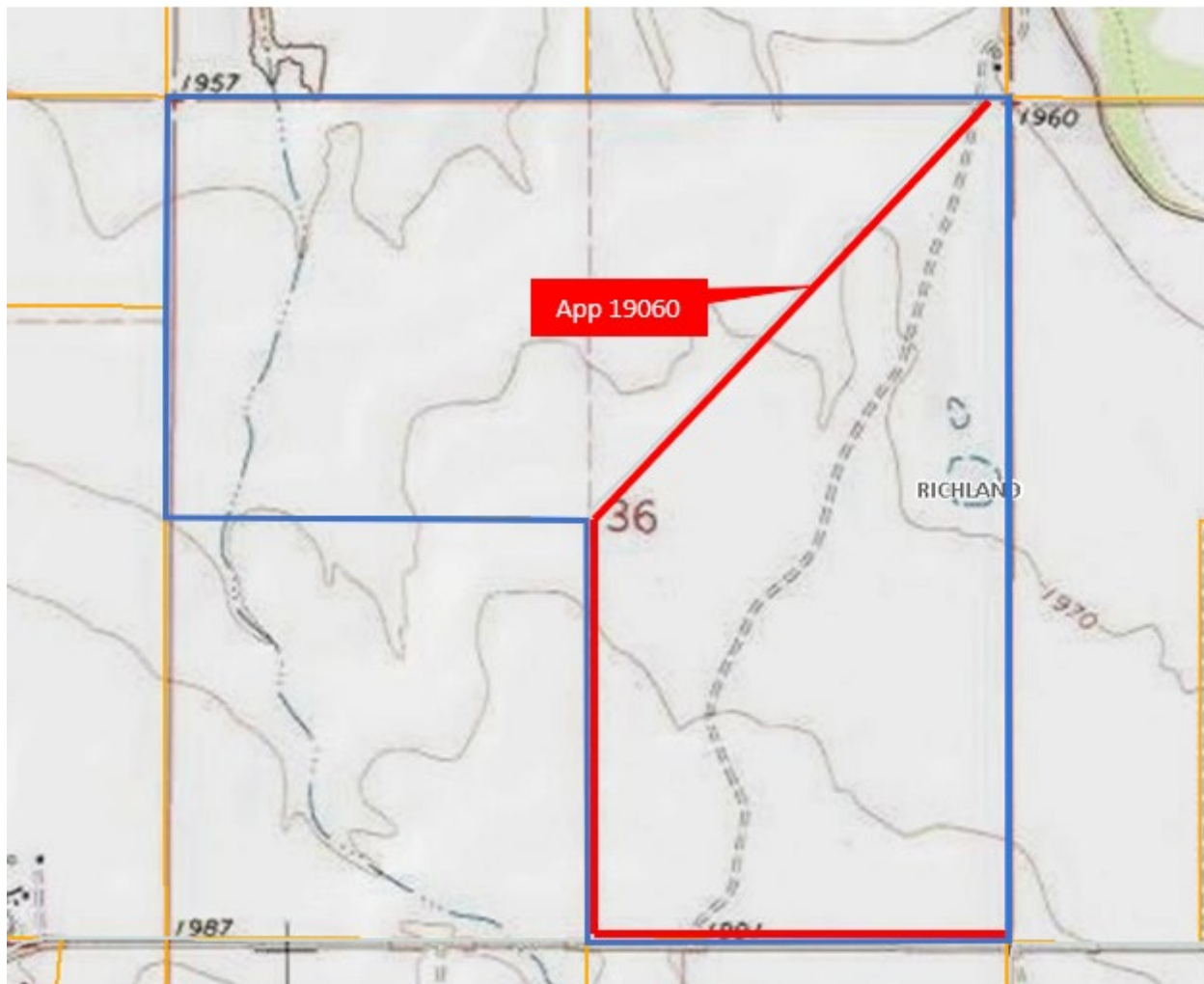
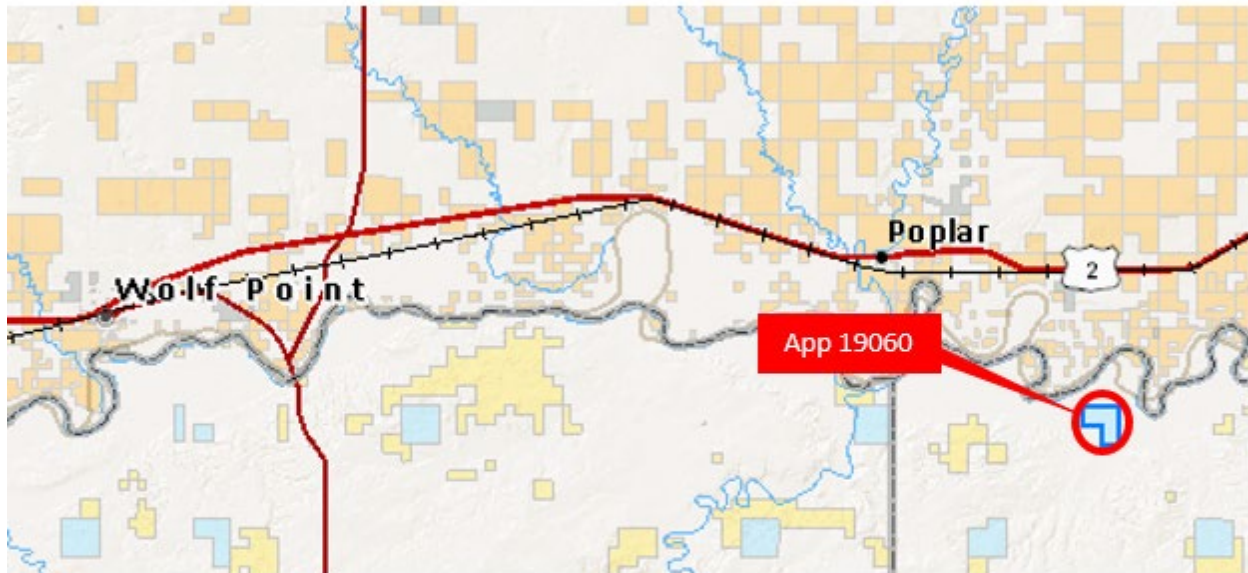
Item Summary

See page 58 for summary.

DNRC Recommendation

See page 58 for recommendation

## R/W Application 19060





## APPLICANTS AND RIGHTS OF WAY INFORMATION

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|                    |  |
|--------------------|--|
| Applicant:         | Toole County<br>226 1st Street South<br>Shelby, MT 5959474                             |
| Application No.:   | 19061  |
| R/W Purpose:       | a public county road   |
| Lessee Agreement:  | N/A (Historic)   |
| Acreage:           | 1.67   |
| Compensation:      | \$1,169.00   |
| Legal Description: | 30-foot strip through Gov. Lot 4 , SE4SW4, Sec. 19, Twp. 32N,<br>Rge. 1E, Toole County |
| Trust Beneficiary: | Common Schools   |

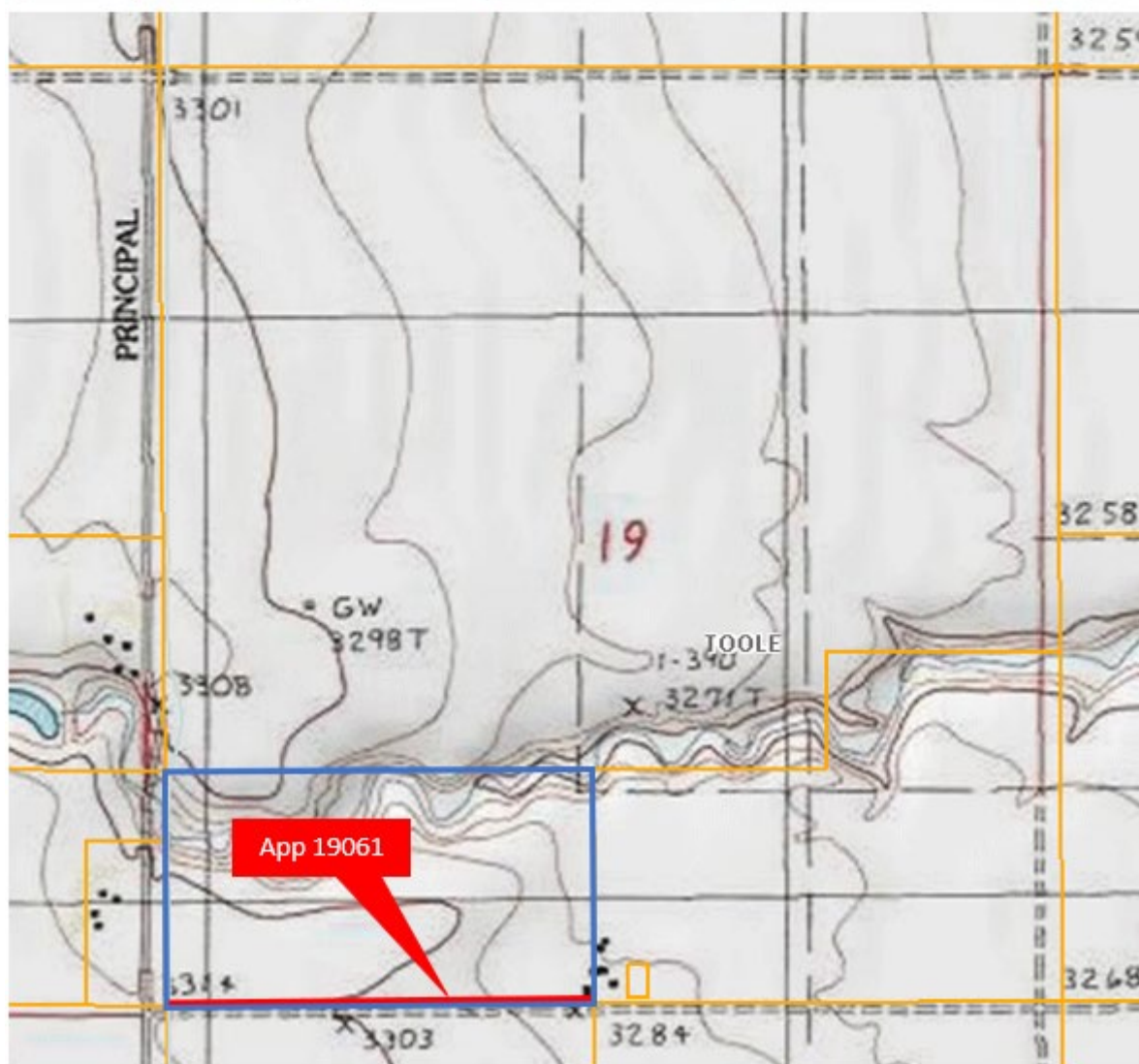
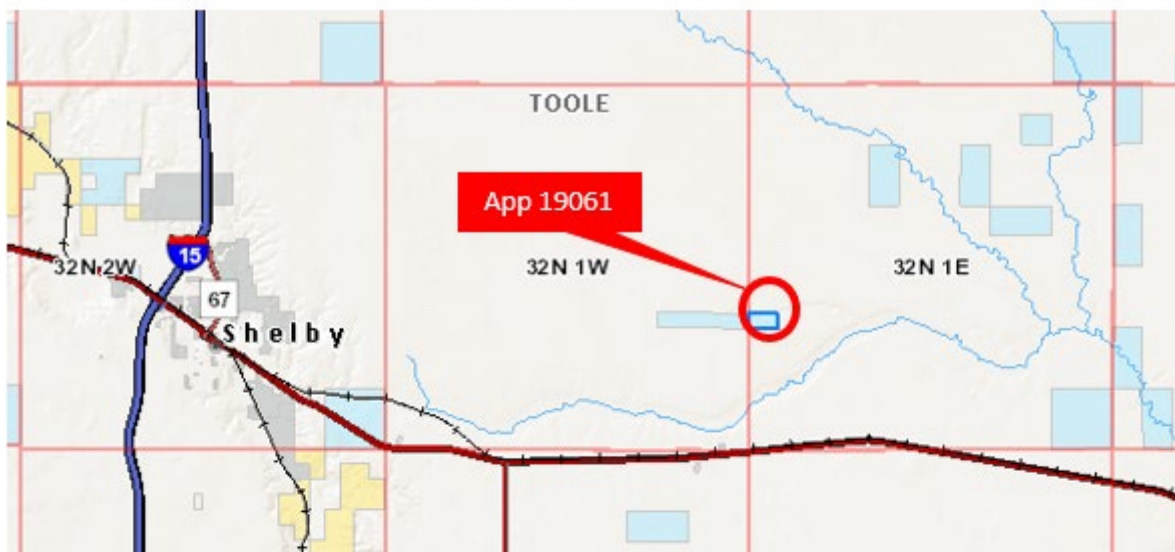
### Item Summary

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

### DNRC Recommendation

The director recommends approval of the application of Toole County.

## R/W Application 19061



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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|                    |   |
|--------------------|---|
| Applicant:         | Charles Parks<br>PO Box 298<br>Ekalaka, MT 59324  |
| Application No.:   | 19062   |
| R/W Purpose:       | a private access road to conduct normal farming and ranching operations                               |
| Lessee Agreement:  | N/A (Historic)  |
| Acreage:           | 3.51  |
| Compensation:      | \$2,106.00  |
| Legal Description: | 30-foot strip through Gov. Lots 1, 2, 3, 4, SW4SE4, NW4NE4, Sec. 36, Twp. 1N, Rge. 56E, Carter County |
| Trust Beneficiary: | Common Schools  |

### Item Summary

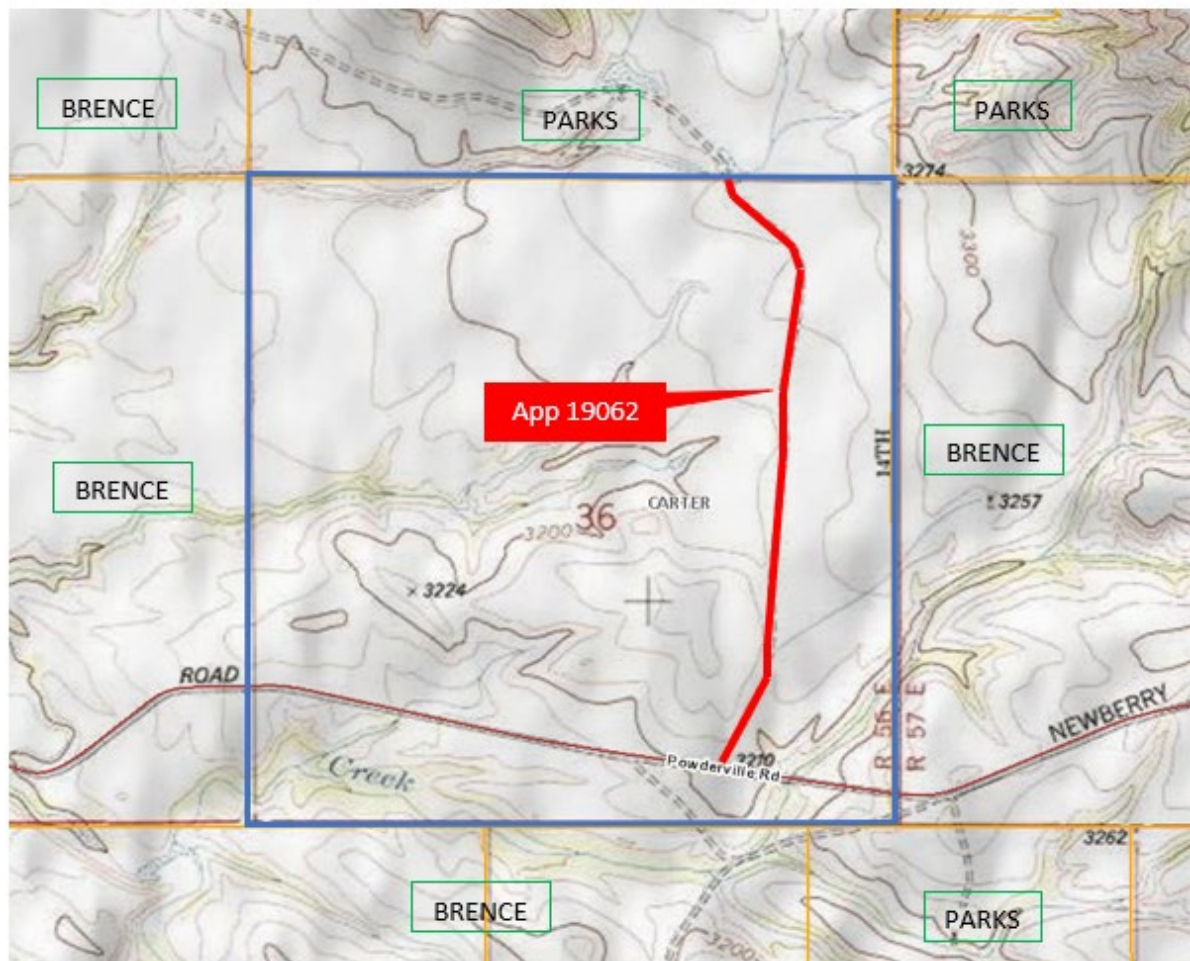
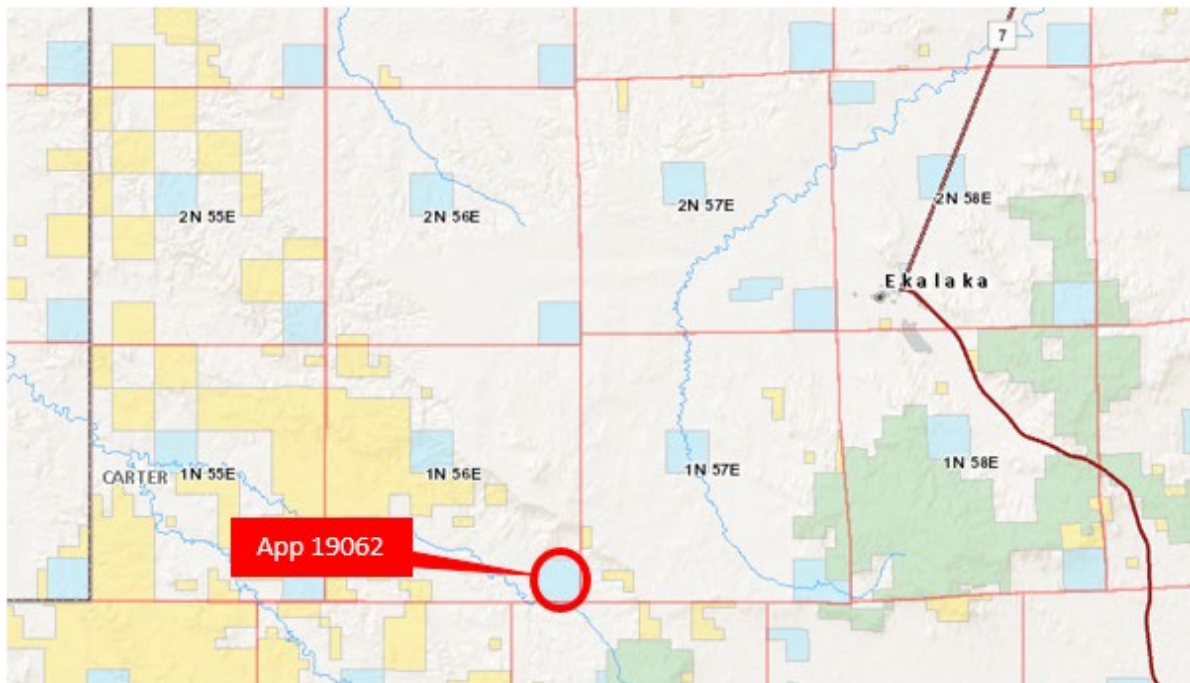
Charles Parks has made application for the use of an existing road to conduct normal farming, ranching. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is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

- Gov. Lots 3 & 4, W2, W2SE4: Sec. 25, Twp. 1N, Rge. 56E, Carter County

### DNRC Recommendation

The director recommends approval of the application of Charles Parks.

## R/W Application 19062



## APPLICANTS AND RIGHTS OF WAY INFORMATION

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|                    |  |
|--------------------|--|
| Applicant:         | Joseph & Shenna Monroe<br>21545 Conrad Dupuyer Road<br>Valier, MT 59486  |
| Application No.:   | 19063  |
| R/W Purpose:       | a private access road to conduct normal farming and ranching operations  |
| Lessee Agreement:  | N/A (Historic)   |
| Acreage:           | 0.79   |
| Compensation:      | \$948.00   |
| Legal Description: | 20-foot strip through NW4SE4, Sec. 11, Twp. 28N, Rge. 6W, Pondera County |
| Trust Beneficiary: | Common Schools   |

### Item Summary

Joseph and Shenna Monroe have made application for the use of an existing road to conduct normal farming, 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 the Monroe's do not have the ability to reciprocate legal access to the State. The private property of applicant to be accessed is described as:

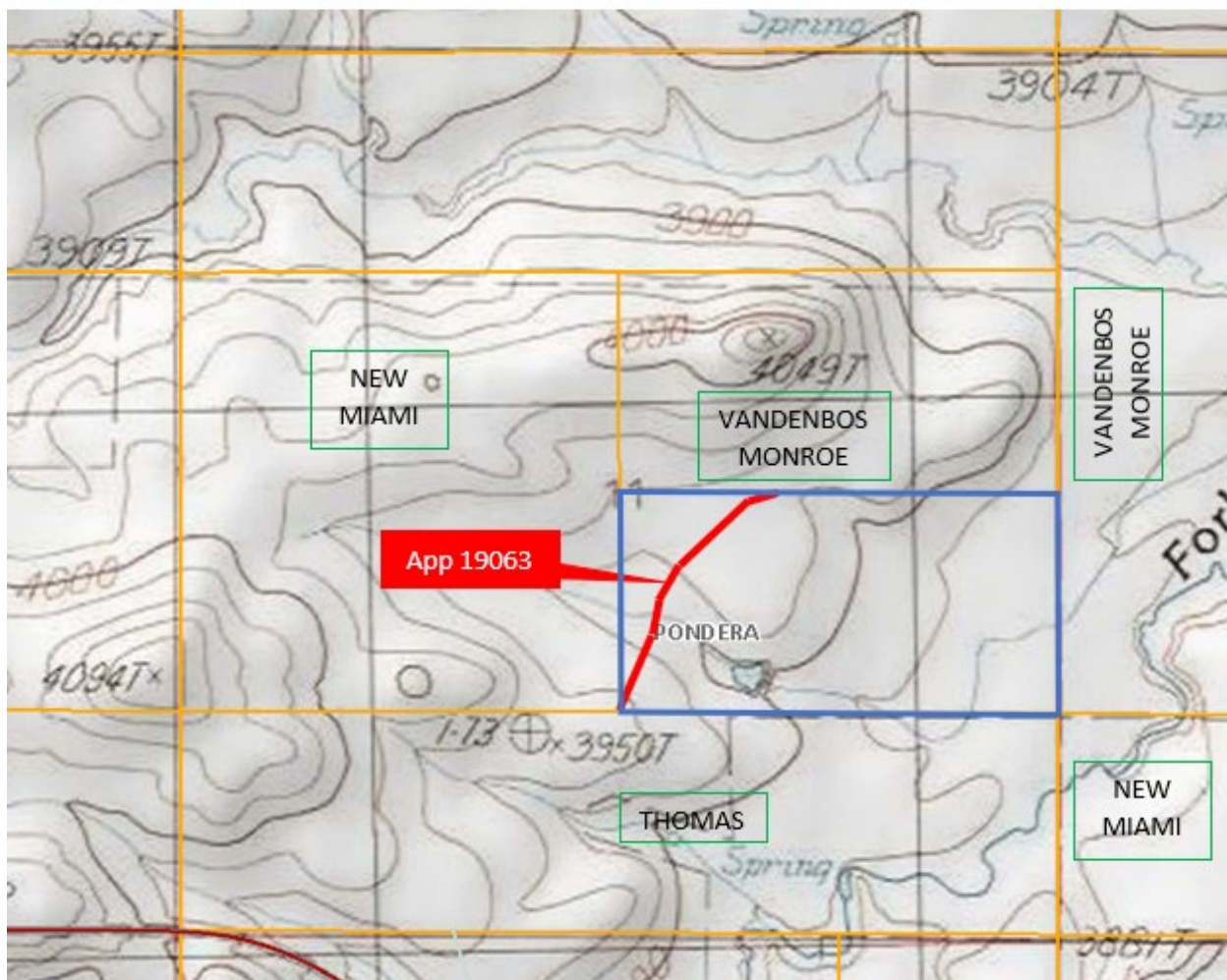
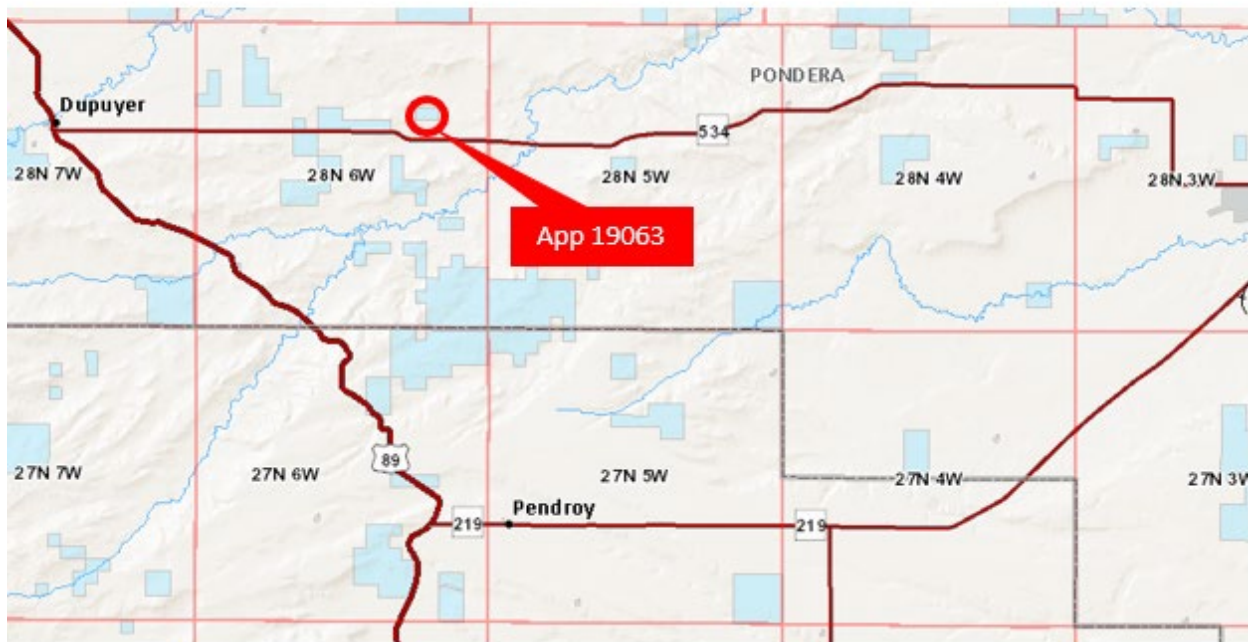
- S2NE4: Sec. 11, Twp. 28N, Rge. 6W, Pondera County

### DNRC Recommendation

The director recommends approval of the application of Joseph & Shenna Monroe.



## R/W Application 19063





# 0421-6

RECIPROCAL ACCESS AGREEMENT:

A. Cook Creek

B. Alkali Creek



**Land Board Agenda Item  
April 19, 2021**

**0421-6A Reciprocal Access Agreement – Cook Creek**

**Location: Rosebud County**

**Trust Benefits: Common Schools**

**Trust Revenue: \$861**

**I. Cooperator:**

Cook Creek LLC and Rodney T. Green  
2176 Skyview Dr.  
Billings, MT 59105

**II. Purpose of Reciprocal Access Agreement:**

State land is intermingled with the Cook Creek, LLC and Rodney T. Green properties. In order for both parties to gain legal access, they have proposed to exchange easements as part of this Reciprocal Access Agreement (Agreement).

The State will grant a perpetual non-exclusive easement, 30 feet in width, to Cooperator Cook Creek LLC and a non-exclusive easement, 40 feet in width, to Rodney T. Green for the purpose of constructing, reconstructing, maintaining, repairing, and using a road or road segment for all lawful purposes.

Cooperator Cook Creek LLC will grant a perpetual non-exclusive easement, 30 feet in width to the State for the purpose of constructing, reconstructing, maintaining, repairing, and using a road or road segment for all lawful purposes and Rodney T. Green will grant a perpetual non-exclusive easement, 40 feet in width to the State for the purpose of constructing, reconstructing, maintaining, repairing, and using a road or road segment for all lawful purposes.

**III. Legal Description (R/W):**

Rosebud County:

|   |            |
|---|------------|
| State Land burdened - Sec. 36, Twp. 2S, Rge. 44E –  | 4.65 acres |
| State Land benefited - Sec. 36, Twp. 2S, Rge. 44E - | 640 acres  |

|  |            |
|--|------------|
| Coop Land burdened - Sec. 35, Twp. 2S, Rge. 44E –  | 4.54 acres |
| Coop Land benefited - Sec. 31, Twp. 2S, Rge. 45E – | 631 acres  |
| Sec. 6, Twp. 3S, Rge. 45E –                        | 312 acres  |

**Total R/W Acres:**

|                      |                    |
|----------------------|--------------------|
| State grant to Coop: | 4.65 acres (40-ft) |
| Coop grant to State: | 4.54 acres (40-ft) |

**Total R/W Miles:**

|                      |            |
|----------------------|------------|
| State grant to Coop: | 0.96 miles |
| Coop grant to State: | 0.93 mile  |



**IV. Costs to be Borne by Each Party:**

Excess costs, by land value and road costs are summarized as follows:

|                   | EXCESS COSTS             |                          |
|-------------------|--------------------------|--------------------------|
|                   | State owes<br>Cooperator | Cooperator owes<br>State |
| Land Value        | \$ 950                   | \$ 1,811                 |
| Road Costs        | M/S                      | M/S                      |
| Total Value/Costs | \$ 950                   | \$ 1,811                 |

**NET BALANCE**

|            |  |               |
|------------|--|---------------|
| Land Value |  | \$ 861        |
| Road Costs |  | \$ M/S        |
| Subtotals  |  | <b>\$ 861</b> |

**TOTAL LAND AND ROAD**

**\$ 861**

Land values are calculated with consideration given to trusts burdened and trusts benefited by the easement granted. The remaining Net Balance of \$861 that the Cooperator owes will be paid after approval of this Agreement by the Land Board.

**V. Results of MEPA Analysis:**

No significant impacts are expected, and no further analysis required

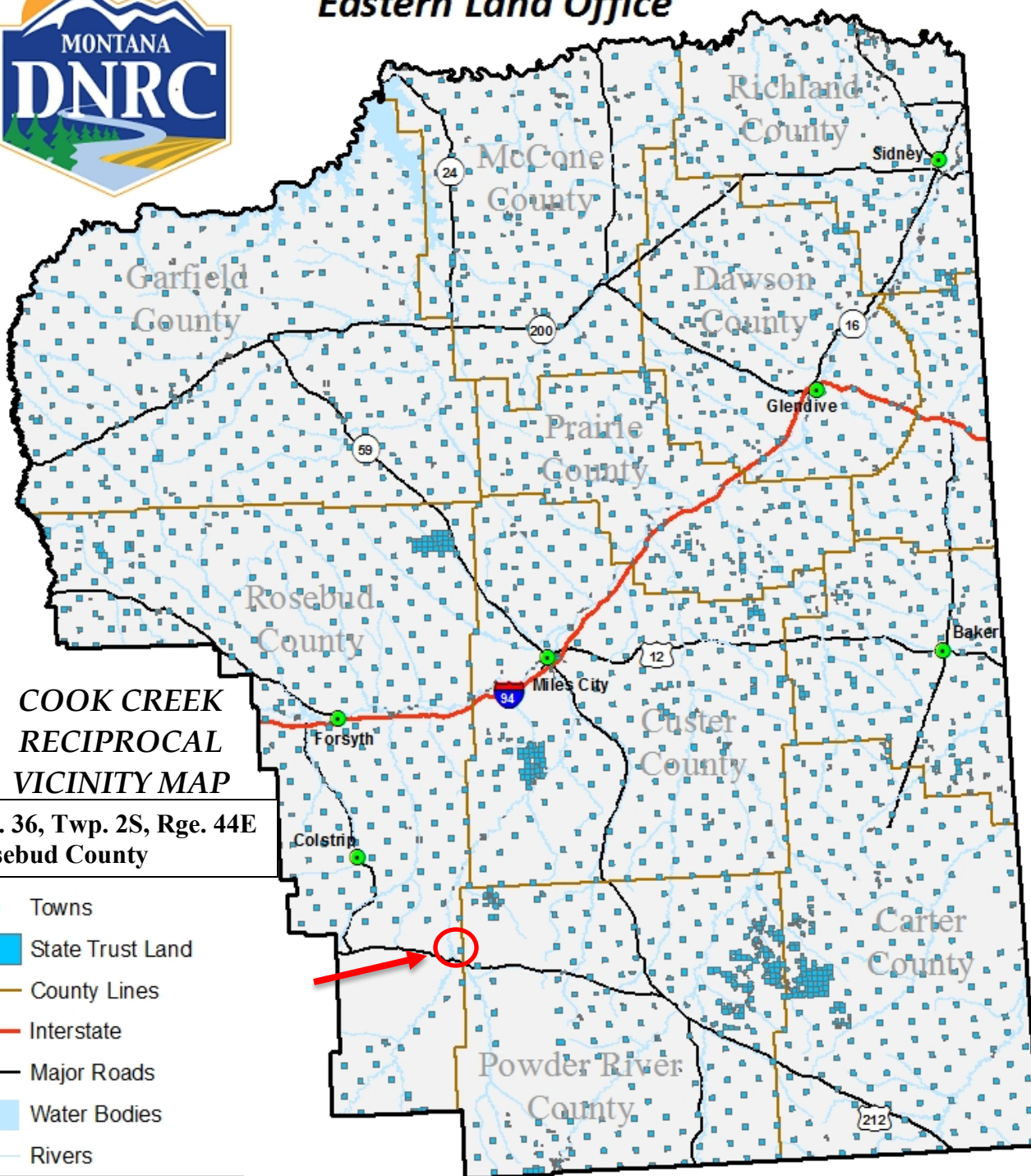
**VI. Benefits to State:**

1. *Describe the rights regarding which DNRC lands are being accessed.*
  - Provides full permanent access for all lawful purposes to 640 acres of State Trust Lands (Common Schools).
2. *Describe the public access situation and the effects of this agreement.*
  - As a result of this agreement, there will be no change to the access rights in favor of the public.
3. *Describe other benefits associated with completing the agreement.*
  - Provides for acquisition costs to be shared and thereby reduces access acquisition costs, shared financial obligations for road maintenance, resurfacing, weed management, and road reconstruction, if need be, to current road standards.
  - Provides for legal access for land management opportunities and other uses if need be.

**VIII. Recommendation:**

The director recommends approval of the Cook Creek Reciprocal Access Agreement.

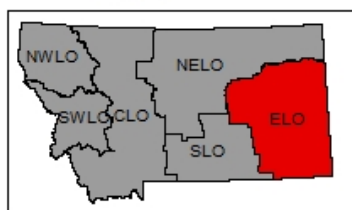
# State Trust land Vicinity Map Eastern Land Office



## COOK CREEK RECIPROCAL VICINITY MAP

Sec. 36, Twp. 2S, Rge. 44E  
Rosebud County

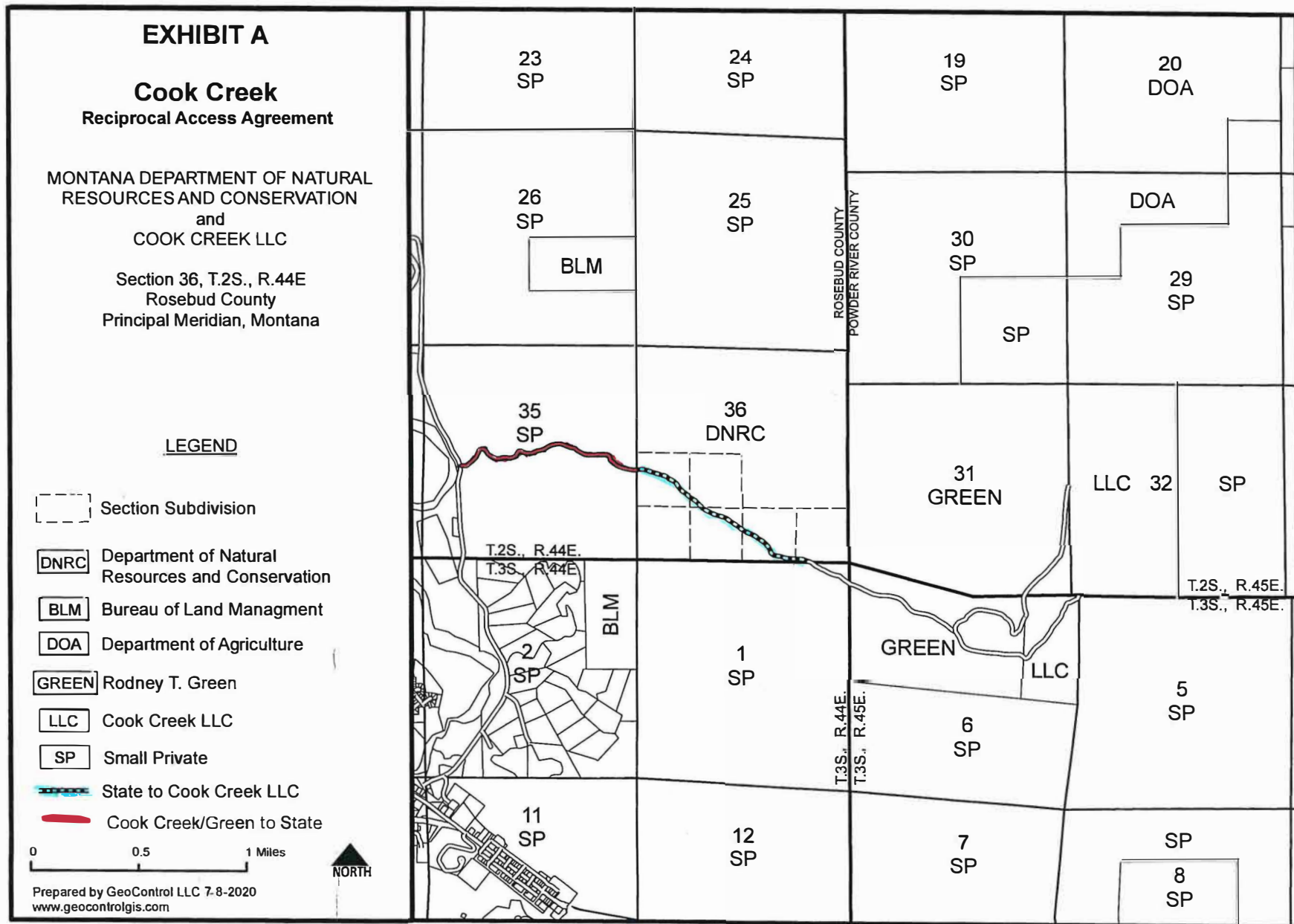
- Towns
- State Trust Land
- County Lines
- Interstate
- Major Roads
- Water Bodies
- Rivers



0 10 20 40 Miles



Produced by Montana Department of Natural Resources and Conservation 11/1/2019  
Datum: NAD 1983 StatePlane



**Land Board Agenda Item  
April 19, 2021**

**0421-6B Reciprocal Access Agreement – Alkali Creek**

**Location: Yellowstone County**

**Trust Benefits: Common Schools**

**Trust Revenue: \$11,800**

**I. Cooperator:**

Dr. Morledge Family LLC  
2176 Skyview Drive,  
Billings, MT 59105

Morledge Alkali Creek LLC  
2176 Skyview Drive  
Billings, MT 59105

**II. Purpose of Reciprocal Access Agreement:**

State land is intermingled with the Dr. Morledge Family, LLC and Morledge Alkali Creek, LLC properties. In order for both parties to gain legal access, they have proposed to exchange easements as part of this Reciprocal Access Agreement (Agreement).

The State will grant a perpetual non-exclusive easement, 60 feet in width, to Cooperator Dr. Morledge Family, LLC and Morledge Alkali Creek, LLC for the purpose of constructing, reconstructing, maintaining, repairing, and using a road or road segment for all lawful purposes.

Dr. Morledge Family, LLC and Morledge Alkali Creek, LLC will grant a perpetual non-exclusive easement, 60 feet in width to the State for the purpose of constructing, reconstructing, maintaining, repairing, and using a road or road segment for all lawful purposes with rights in favor of motorized public.

**III. Legal Description (R/W):**

Yellowstone County:

|   |            |
|---|------------|
| State Land burdened - Sec. 18, Twp. 1N, Rge. 26E –  | 1.82 acres |
| Sec. 20, Twp. 1N, Rge. 26E –                        | 4.44 acres |
| State Land benefited - Sec. 20, Twp. 1N, Rge. 26E - | 480 acres  |
| Sec. 24, Twp. 1N, Rge. 26E -                        | 220 acres  |

|  |            |
|--|------------|
| Coop Land burdened - Sec. 19, Twp. 1N, Rge. 26E -  | 6.18 acres |
| Coop Land benefited - Sec. 19, Twp. 1N, Rge. 26E – | 90 acres   |

**Total R/W Acres:**

|                      |              |
|----------------------|--------------|
| State grant to Coop: | 6.26 (60-ft) |
| Coop grant to State: | 6.18 (60-ft) |

**Total R/W Miles:**

State grant to Coop: 0.86 miles  
 Coop grant to State: 0.85 mile

**IV. Costs to be Borne by Each Party:**

Excess costs by land value are summarized as follows:

|             | EXCESS COSTS           |                       |
|-------------|------------------------|-----------------------|
|             | State owes Cooperators | Cooperators owe State |
| Land Value  | \$ 73,000              | \$ 84,800             |
| NET BALANCE |                        | \$ 11,800             |

Compensation for the values agreed to by the parties is as follows:

Land values are calculated with consideration given to trusts burdened and trusts benefited by the easements granted. The net amount of \$11,800 that the Cooperators owe the State will be paid in cash at the time of conveyance.

**V. Results of MEPA Analysis:**

No significant impacts are expected, and no further analysis required

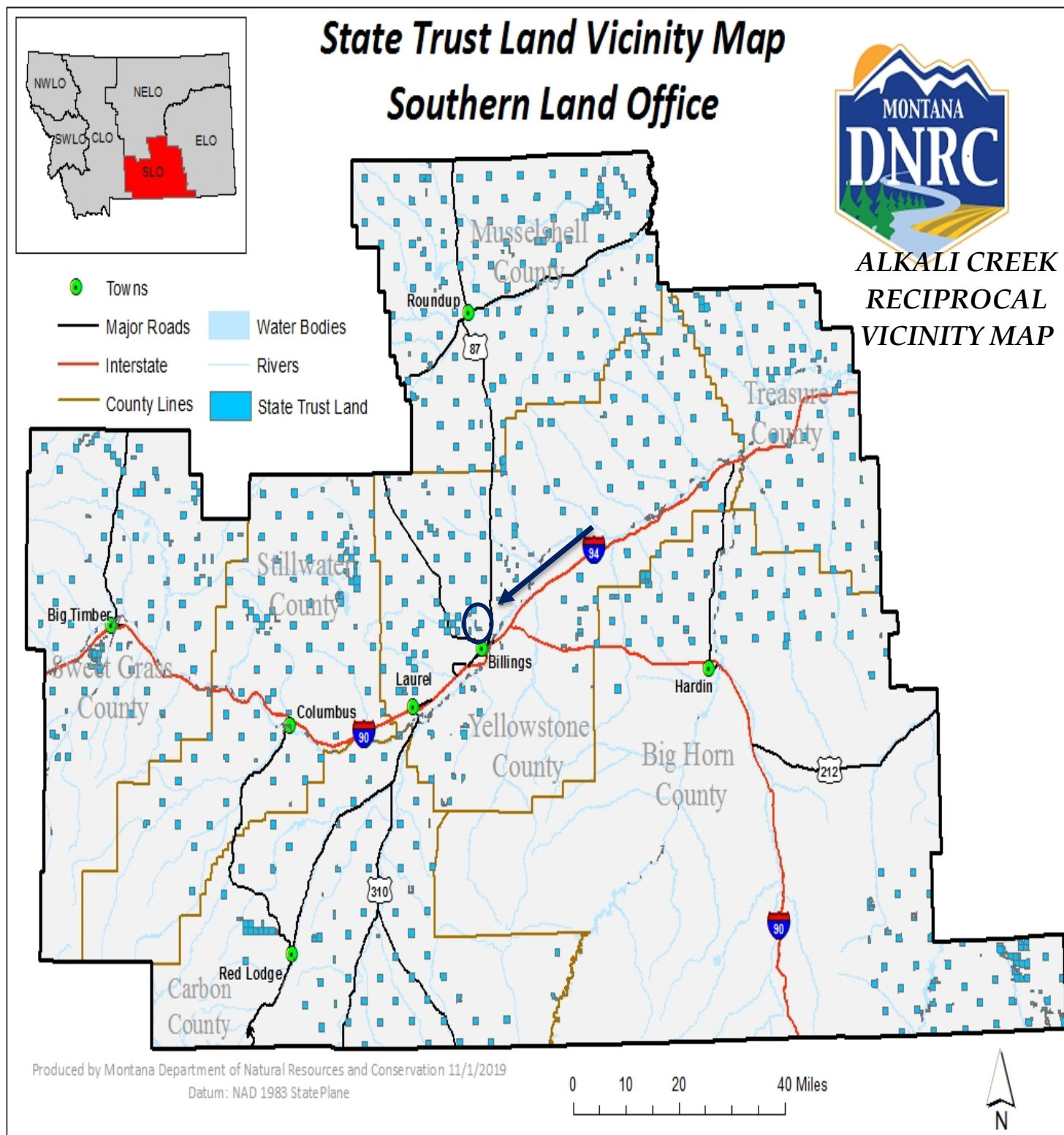
**VI. Benefits to State:**

1. *Describe the rights regarding which DNRC lands are being accessed.*
  - Provides full permanent access for all lawful purposes, including buried utilities, to 700 acres of State Trust Lands (Common Schools).
2. *Describe the public access situation and the effects of this agreement.*
  - As a result of this agreement the State will be acquiring rights in favor of the public. The public will now have motorized access to the identified State Trust Lands.
3. *Describe other benefits associated with completing the agreement.*
  - Provides for acquisition costs to be shared and thereby reduces access acquisition costs, shared financial obligations for road maintenance, resurfacing, weed management, and road reconstruction, if need be, to current road standards.
  - Provides for legal access for land management opportunities and other uses.

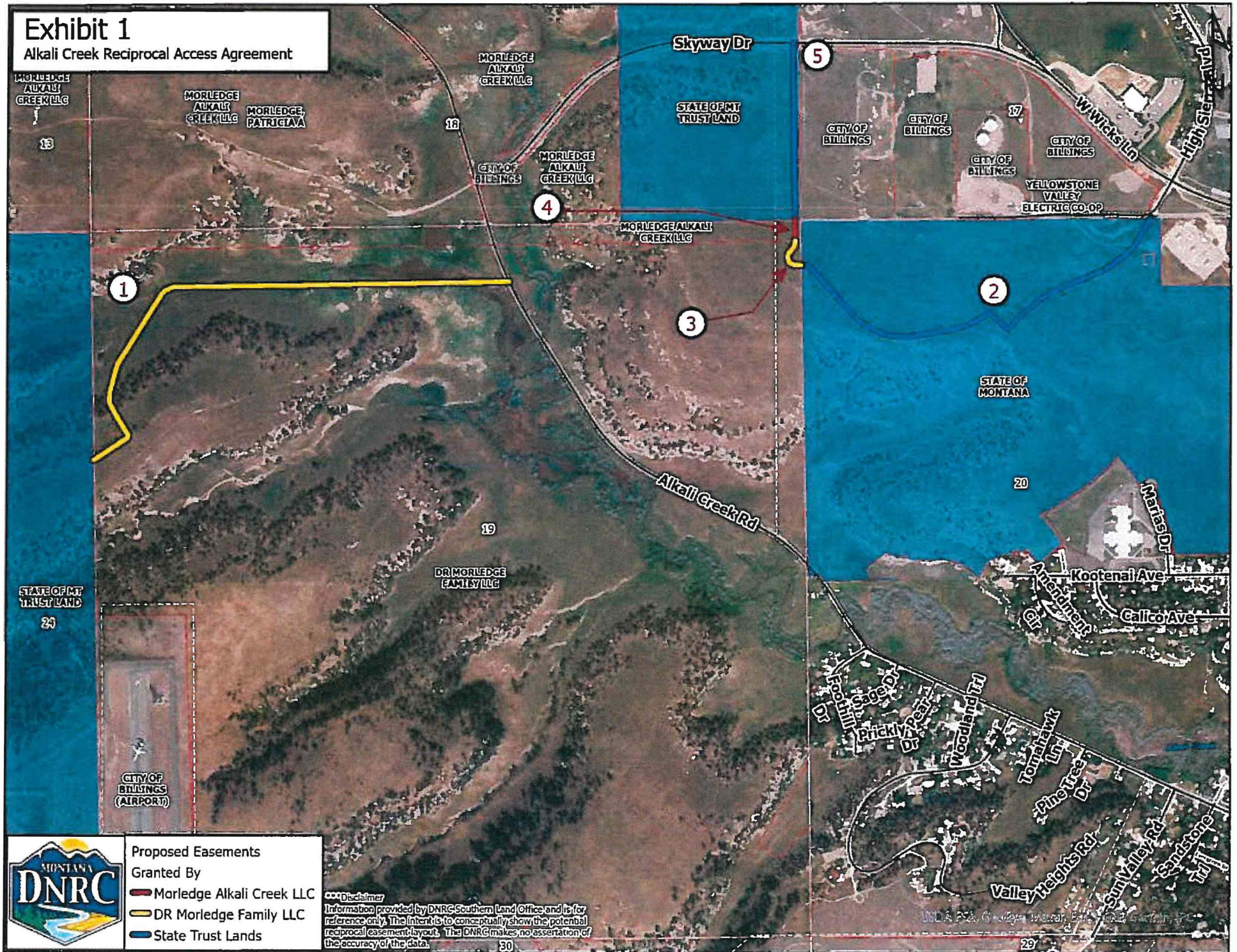
**VIII. Recommendation:**

The director recommends approval of the Cook Creek Reciprocal Access Agreement and further recommends waiver of the conveyance fee obligation due to public access being attained.











# 0421-7

MINERALS MANAGEMENT BUREAU

RULE MAKING:

Rules Governing the Issuance of Oil and Gas  
Leases on State Lands



**Land Board Agenda Item  
April 19, 2021**

**0421-7   Authority to Begin Rulemaking for Online Oil and Gas Lease Sales**

**Location: State of Montana  
Oil and Gas Mineral Estate**

**Trust Benefits: Multiple**

**Trust Revenue: Unknown**

**Item Summary**

The Minerals Management Bureau is seeking Land Board authority to begin the Rulemaking process of amending ARM 36.25.205 to allow online oil and gas lease sales. Senate Bill 41 was passed during the 2019 Legislature in which MCA 77-3-411 was modified to allow other types of competitive bidding in which to conduct oil and gas lease sales other than oral bidding.

If passed, the rulemaking process can take up to 6 months and will include sending an RFP to the potential online sale vendor, as there is only one known vendor at this time. Once a vendor is selected, details of how the online sale format, payment, and timing would be established. The online sale process would be required to fit in with existing notification timelines; although, the sale could be spread out over multiple days to allow bidders more time and flexibility to place their bid.

**DNRC Recommendation**

The director recommends the Land Board approve this request to begin rulemaking for online oil and gas lease sales.



3843BEFORE THE DEPARTMENT OF NATURAL RESOURCES  
AND CONSERVATION OF THE STATE OF MONTANA

In the matter of the amendment of        ) NOTICE OF PUBLIC HEARING ON  
ARM 36.25.205, pertaining to Oil and        ) PROPOSED AMENDMENT  
Gas Leases on State Lands                    )

To: All Concerned Persons

1. On Thursday May 27, 2021, at 1:00 p.m., the Department of Natural Resources and Conservation (department) will hold a public hearing in the Montana Room (ground floor), at the Department of Natural Resources and Conservation, 1539 Eleventh Avenue, Helena, Montana, and via Zoom to consider the proposed amendment of the above-stated rule.

The Zoom information is as follows:

Topic: MAR 36-22-200 Oil and Gas Online Sales hearing  
Time: May 27, 2021 01:00 PM Mountain Time (US and Canada)

Join Zoom Meeting

<https://mt-gov.zoom.us/j/98601244102?pwd=MkZBb3N2Rm9yRUwzOG92bHNpeEU3dz09>

Meeting ID: 986 0124 4102

Password: 500039

Dial by Telephone

+1 646 558 8656 or +1 406 444 9999

Meeting ID: 986 0124 4102

Password: 500039

Find your local number: <https://mt-gov.zoom.us/j/98601244102>

Join by SIP

98601244102@zoomcrc.com

Join by H.323 (Polycom)

162.255.37.11##98601244102

2. The department will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the department no later than 5:00 p.m. on May 20, 2021, to advise us of the nature of the accommodation that you need. Please contact Trevor Taylor, Montana Department of Natural Resources and Conservation, 1539 Eleventh Avenue, P.O. Box 201601, Helena, Montana 59620-1601; telephone (406) 444-3843; fax (406) 444-2684; email [TTaylor2@mt.gov](mailto:TTaylor2@mt.gov).

MAR Notice No. 36-22-200

3. The rules proposed to be amended provide as follows, new matter underlined, deleted matter interlined:

36.25.205 PROCEDURES FOR ISSUE OF LEASE (1) A sale of oil and gas leases on state lands ~~normally will be held~~ scheduled once each quarter on the first or second Tuesday of March, June, and December, and on a day in September that will not conflict with the Labor Day holiday. For in-person auctions, the date of sale is the day on which the auction will be held. For online auctions, the date of sale will be the last day of online bidding. ~~It will be in the~~ The department's ~~has~~ discretion to waive or postpone a sale on any of these dates if insufficient applications have been received or to postpone if circumstances warrant. In such event a notice of "no sale" will be published in a publication of general circulation in Montana and on the department's website. Notice will also be sent to stakeholders on the department's oil and gas lease sale mailing list.

(2) Sale of each lease will be by competitive, ~~oral~~ in-person or online bidding.

(a) through (c) remain the same.

(d) The successful bidder shall pay the first year's rental, the bonus amount and the issuance fee to the department. For online auctions, the successful bidder may also be required to pay an online service fee and any fees associated with payment processing or wire transfers.

(3) through (6) remains the same.

AUTH: 77-1-302, 77-3-402, 77-3-411, MCA

IMP: 77-1-302, 77-3-411

REASONABLE NECESSITY: The department, through its Trust Lands Management Division, has a statutory and constitutional duty to generate revenue for the trust beneficiaries, primarily common schools. In 2019 the Montana State Legislature, through Senate Bill (SB) 41, modified § 77-3-411, MCA, to allow oil and gas lease auctions on state land to be conducted in alternate formats aside from in-person oral auctions. SB 41 was drafted to give the department latitude to hold online sales so that the department could cast a wider net for bidders, increase competition among bidders, and, as a result, potentially generate more revenue for trust beneficiaries. The proposed amendment sets a framework to implement the intent of SB 41 by allowing the department flexibility as needed to conduct auctions through the services of online marketplaces which may reach more bidders and make the bidding process more efficient.

4. Concerned persons may submit their data, views, or arguments either orally or in writing at the hearing. Written data, views, or arguments may also be submitted in writing to: Trevor Taylor, Department of Natural Resources and Conservation, 1539 Eleventh Avenue, P.O. Box 201601, Helena, Montana 59620-1601; fax (406) 444-2864; email TTaylor2@mt.gov, and must be received no later than 5:00 p.m., May 28, 2021.

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5. Trevor Taylor, Bureau Chief, Minerals Management Bureau, Department of Natural Resources and Conservation, has been designated to preside over and conduct this hearing.

6. The department maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to Aliselina Strong, 1539 Eleventh Avenue, PO Box 201601, Helena, MT 59620; fax (406) 444-2684; e-mail [astrong@mt.gov](mailto:astrong@mt.gov); or may be made by completing a request form at any rules hearing held by the department.

7. The bill sponsor contact requirements of 2-4-302, MCA, do apply and have been fulfilled. The primary bill sponsor was contacted on April 1, 2021, via email.

8. With regard to the requirements of 2-4-111, MCA, the department has determined that the amendment of the above-referenced rules will not significantly and directly impact small businesses.

/s/  
AMANDA KASTER  
Director  
Natural Resources and Conservation

/s/  
BRADLEY JONES  
Rule Reviewer

Certified to the Secretary of State [DATE].