

AGENDA
REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
March 21, 2022 at 9:00 a.m.
State Capitol, Room 303
Helena, MT

ACTION ITEMS

- 0322-1 MT Heritage Preservation & Development Commission: Stonewall Hall Donation**
Benefits: N/A (non-trust land) **APPROVED 5-0**
Location: Madison County
- 0322-2 Timber Sale: Libby Unit Office** **APPROVED 5-0**
Benefits: Common Schools
Location: Lincoln County
- 0322-3 Oil and Gas Lease Sale: March 1, 2022** **APPROVED 5-0**
Benefits: Common Schools
Location: Daniels, Phillips, Roosevelt, Rosebud, Toole, and Valley Counties
- 0322-4 Cabin and Home Sites: Final Approval for Sale** **APPROVED 4-1 COMMISSIONER**
A. Flathead County **DOWNING OPPOSED**
Benefits: Deaf and Blind School, Montana Tech, and Common Schools
Location: Flathead County
B. Sanders County
Benefits: Common Schools
Location: Sanders County
- 0322-5 Easements: Standard Grants** **APPROVED 5-0**
Benefits: Common Schools, MSU 2nd Grant, and Acquired Lands
Location: Daniels, Fergus, Missoula, Pondera, and Stillwater Counties

PUBLIC COMMENT

0322-1

MT HERITAGE PRESERVATION &
DEVELOPMENT COMMISSION:

Stonewall Hall Donation

**Land Board Agenda Item
March 21, 2022**

0322-1 MT Heritage Preservation & Development Commission: Stonewall Hall Donation

Location: Madison County

Trust Benefits: N/A – Non-Trust

Trust Revenue: N/A

Item Summary

The Montana Heritage Commission is seeking approval, pursuant to 22-3-1003(10), MCA, for the acquisition of Stonewall Hall that served as the Montana Territorial Capital Building during the 1864-1875 time period. The subject property is located at 300 Wallace Street, in Virginia City, MT with a legal description of Lots 11 & 12 in Block 192 of the Original Townsite of Virginia City, which is on file in the office of the Clerk and Recorder, records of Madison County, Montana.

The Donation will be coming from the Neal C LaFever Trust and is contingent on the State of Montana/Montana Heritage Commission having full ownership.

Fundraising efforts are in partnership with the Montana Heritage Commission and its 5013c Montana History Foundation. Together we have raised \$500-\$750k in pledges for stabilization and have verbal commitments for additional amounts if the Land Board approves the acquisition.

Appraisal, Public Notice

A Public Meeting was held on February 18th, 2022, with strong support for the acquisition.

An appraisal was completed on February 28, 2022, by Scott C Petersen, Certified General Appraiser. The conclusion of value of the property is \$156,000.

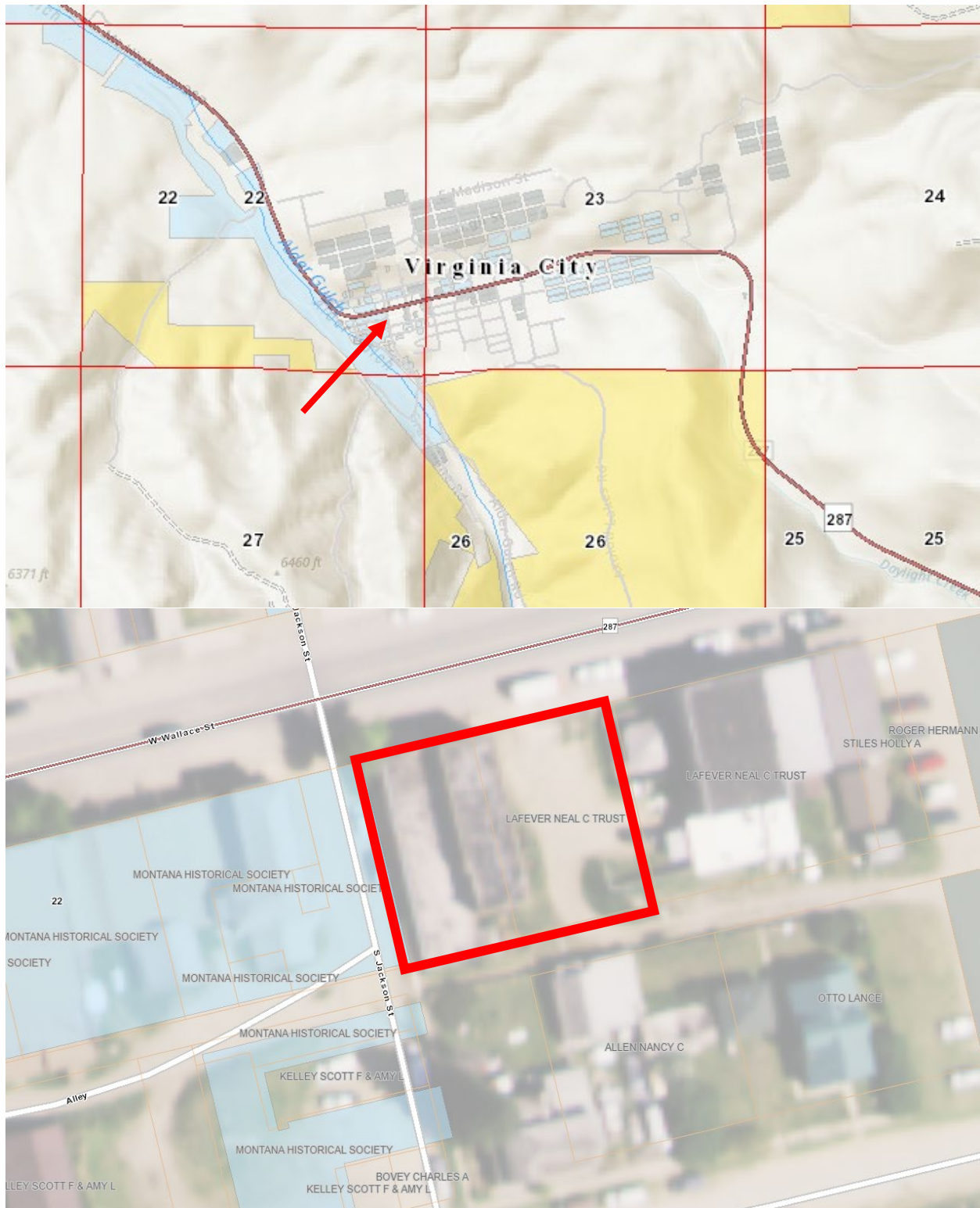
Montana Heritage Commission Recommendation

The Montana Heritage Commission made motion to accept on March 4, 2022, and acquire, Stonewall Hall which conditions that all fundraising efforts go to the stabilization of building and preservation efforts are in line with Department of Interior and Historic Preservation office standards.

The Montana Heritage Commission intends to make the building an interpretive center showcasing the history of the building and make it a convention center for social gathering events such as weddings and other social gatherings.

Virginia City, MT is Montana's number one state owned tourist destination with over 1 million tourists visiting during the shoulder season. The economic footprint is \$74.6 million that contributes to 1,226 jobs for Montana.





0322-2

TIMBER SALE:

Libby Unit Office

**Land Board Agenda Item
March 21, 2022**

0322-2 Timber Sale: Libby Unit Office

Location: Lincoln County
Section 16, T30N, R29W

Trust Beneficiaries: Common Schools

Trust Revenue: \$169,297 (estimated, minimum bid)

Item Summary

Location: The Libby Unit Office Timber Sale is located approximately 11 miles east of Libby, MT.

Size and Scope: The sale includes 1 harvest unit (453 acres) of tractor (423 acres) and skyline logging (30 acres).

Volume: The estimated sale volume is 10,749 tons (1.622 MMBF) of sawlogs.

Estimated Return: The minimum bid is \$15.75 per ton, which would generate approximately \$169,297 for the Common Schools Trust and approximately \$48,156 in Forest Improvement fees.

Prescription: The Libby Unit Office Timber Sale would utilize a sanitation harvest prescription designed to salvage bark beetle mortality and harden the remainder of the stand to bark beetle pressure.

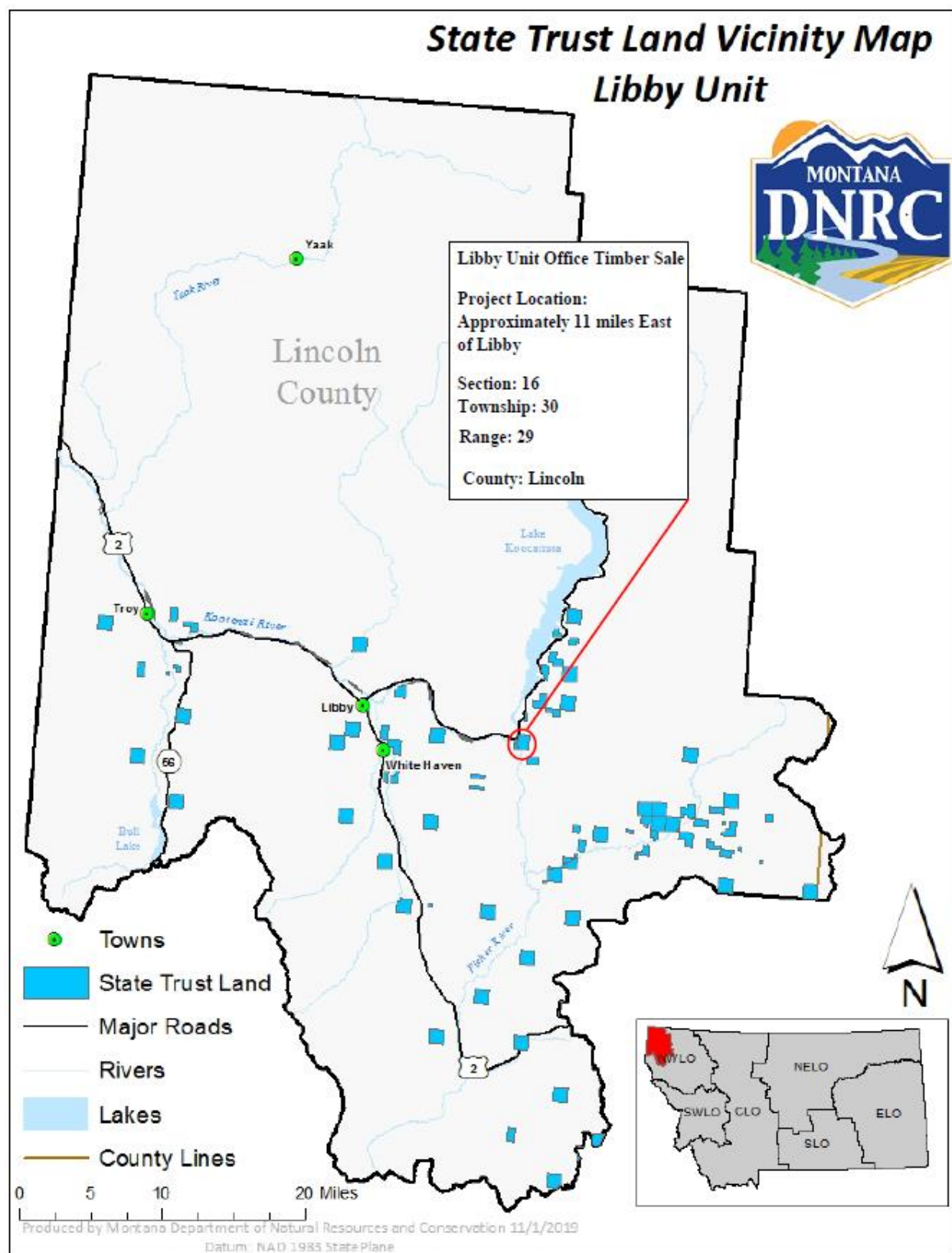
Road Construction/Maintenance: In conjunction with the Libby Unit Office Timber Sale, the Department of Natural Resources and Conservation (DNRC) is proposing 5.7 miles of road maintenance.

Access: Access to the Libby Unit Office Timber Sale is through a cost share road with the United States Forest Service (USFS) (BN Overpass/Butler) and through the Johnson's Draw Agreement (Easement #58453) acquired on June 16, 1997.

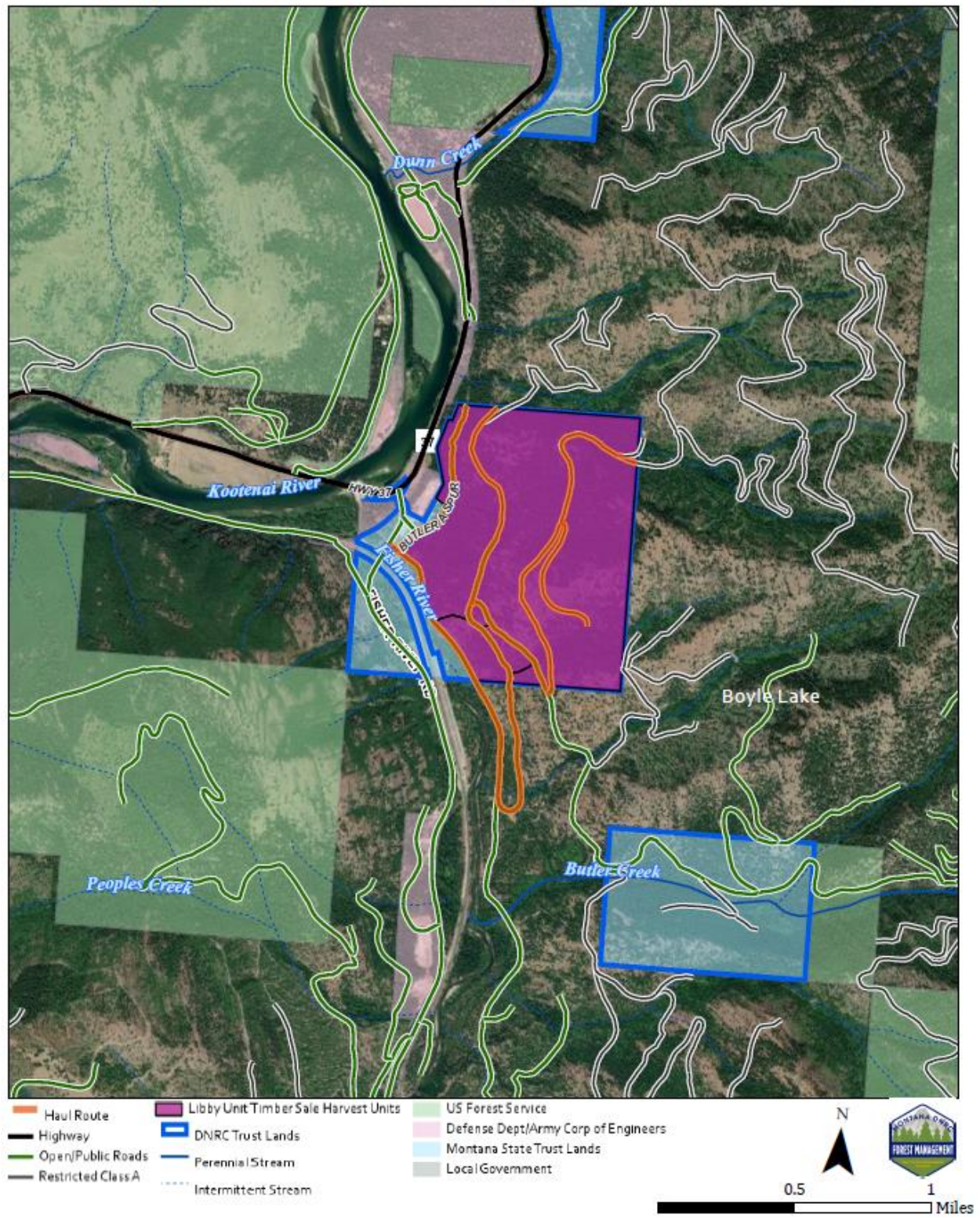
Public Comments: Three public comments related to the Libby Unit Office Timber Sale were received. Two comments were received from industry representatives in support of the timber sale. One comment was received from the Northern Cheyenne Tribe inquiring about an archeological report for the proposed project area. DNRC provided the commenter with the findings from a Class III inventory report that was conducted by a DNRC archeologist.

DNRC Recommendation

The Director recommends the Land Board direct DNRC to sell the Libby Unit Office Timber Sale.



Libby Unit Office Timber Sale Haul Route and Harvest Units



0322-3

OIL AND GAS LEASE SALE:

March 1, 2022

**Land Board Agenda Item
March 21, 2022**

0322-3 Oil and Gas Lease Sale: March 1, 2022

Location: Daniels, Philips, Roosevelt, Rosebud, Toole, Valley Counties

Trust Benefits: Common Schools

Trust Revenue: \$1,188,744.84

Item Summary

The Department of Natural Resources and Conservation (DNRC) held an online oil and gas lease sale that started on February 23, 2022, and closed on March 1, 2022, through an online auction company, EnergyNet. A total of thirty-six tracts were offered for lease. Thirty-six tracts were leased for a total of \$1,188,744.84. The thirty-six tracts that were sold covered a total of 18,579.28 acres. The average bid per acre was \$63.98.

The highest competitive bid for the March 1, 2022 sale was \$285.00 per acre for Tract 7 in Roosevelt County and the largest total bid was \$192,900.60 for Tract 28 in Rosebud County.

DNRC Recommendation

The director requests Land Board approval to issue the leases from the March 1, 2022, oil and gas lease sale.

State of Montana
Oil & Gas Lease Sale - March 1, 2022
Lease Sale Results

The following described lands were offered for oil and gas leasing through the online bidding service, EnergyNet.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Daniels									
1	1, 2, 3, 4, 5, 6	34.N	44.E	2	LOTS 2, 3, 4, S2N2, S2	600.72	\$1.75	\$1,051.26	DIAMOND RESOURCES INC
2	1, 2, 3, 4, 5, 6	34.N	44.E	3	LOTS 1, 2, 3, 4, S2N2, S2 *	640.96	\$1.75	\$1,121.68	DIAMOND RESOURCES INC
3	1, 2, 3, 4, 5, 6	34.N	44.E	10	N2, SE4	480.00	\$1.75	\$840.00	DIAMOND RESOURCES INC
Phillips									
4	1, 2, 3, 4, 5, 6, 7, 9	30.N	33.E	16	ALL	640.00	\$1.75	\$1,120.00	TWIN BRIDGES LLC
5	1, 2, 3, 4, 5, 6, 7, 9	30.N	33.E	36	ALL	640.00	\$1.50	\$960.00	SILVER SPUR RESOURCES LLC
Roosevelt									
6	1, 2, 3, 4, 5, 6, 11, 15	28.N	56.E	31	LOT 4, SE4SW4	75.00	\$115.00	\$8,625.00	SOLOCORP
7	1, 2, 3, 4, 5, 6, 15	29.N	57.E	36	W2, NW4NE4 *	360.00	\$285.00	\$102,600.00	WESTERN SHALE CORPORATION
8	1, 2, 3, 4, 5, 6, 8, 15	30.N	57.E	36	ALL *	640.00	\$205.00	\$131,200.00	SOLOCORP
9	1, 2, 3, 4, 5, 6, 13, 15	30.N	58.E	16	ALL	640.00	\$110.00	\$70,400.00	SOLOCORP
Rosebud									
10	1, 2, 3, 4, 5, 6, 7, 10	9.N	33.E	16	ALL	640.00	\$1.75	\$1,120.00	MAVERICK OIL INC
11	1, 2, 3, 4, 5, 6, 7, 10, 16, 17	9.N	34.E	12	E2	320.00	\$3.25	\$1,040.00	MAVERICK OIL INC
12	1, 2, 3, 4, 5, 6, 7, 10	9.N	34.E	16	ALL	640.00	\$26.00	\$16,640.00	MAVERICK OIL INC
13	1, 2, 3, 4, 5, 6, 10	10.N	32.E	14	SE4	160.00	\$31.00	\$4,960.00	MAVERICK OIL INC
14	1, 2, 3, 4, 5, 6, 10, 12	10.N	32.E	16	ALL, SUBJECT TO RR R/W	640.00	\$2.00	\$1,280.00	MAVERICK OIL INC
15	1, 2, 3, 4, 5, 6, 7, 9	10.N	32.E	30	E2NW4, NE4, E2SE4	320.00	\$1.75	\$560.00	MAVERICK OIL INC
16	1, 2, 3, 4, 5, 6, 10	10.N	32.E	36	ALL	640.00	\$1.75	\$1,120.00	MAVERICK OIL INC
17	1, 2, 3, 4, 5, 6, 7, 10, 14	10.N	33.E	16	ALL, SUBJECT TO RR R/W	640.00	\$72.00	\$46,080.00	MAVERICK OIL INC
18	1, 2, 3, 4, 5, 6, 7, 10	10.N	33.E	36	ALL	640.00	\$82.00	\$52,480.00	MAVERICK OIL INC
19	1, 2, 3, 4, 5, 6, 7, 10	10.N	34.E	16	ALL	640.00	\$200.00	\$128,000.00	MAVERICK OIL INC
20	1, 2, 3, 4, 5, 6, 7, 10	11.N	33.E	5	LOTS 1, 2, 3, 4, S2N2, S2	640.40	\$1.75	\$1,120.70	MAVERICK OIL INC
21	1, 2, 3, 4, 5, 6, 7, 10	11.N	33.E	6	LOTS 1, 2, S2NE4, SE4	320.00	\$1.75	\$560.00	MAVERICK OIL INC
22	1, 2, 3, 4, 5, 6, 7, 10	11.N	33.E	9	ALL	640.00	\$2.00	\$1,280.00	MAVERICK OIL INC
23	1, 2, 3, 4, 5, 6, 7, 10	11.N	33.E	16	ALL	640.00	\$16.00	\$10,240.00	MAVERICK OIL INC
24	1, 2, 3, 4, 5, 6, 10	11.N	34.E	4	S2	320.00	\$110.00	\$35,200.00	MAVERICK OIL INC
25	1, 2, 3, 4, 5, 6, 10	11.N	34.E	18	E2E2, SW4NE4, SE4NW4, NE4SW4, NW4SE4	320.00	\$160.00	\$51,200.00	MAVERICK OIL INC
26	1, 2, 3, 4, 5, 6, 7, 10, 16	11.N	34.E	36	ALL	640.00	\$230.00	\$147,200.00	PADON OIL & GAS INC
27	1, 2, 3, 4, 5, 6, 7, 10	12.N	32.E	36	ALL	640.00	\$1.75	\$1,120.00	MAVERICK OIL INC
28	1, 2, 3, 4, 5, 6, 7, 10	12.N	33.E	36	LOTS 1-24, N2	1244.52	\$155.00	\$192,900.60	PADON OIL & GAS INC
29	1, 2, 3, 4, 5, 6, 7, 10	12.N	34.E	30	E2	320.00	\$160.00	\$51,200.00	MAVERICK OIL INC
30	1, 2, 3, 4, 5, 6, 7, 10	12.N	34.E	31	LOTS 1, 2, 3, 4, E2	377.68	\$170.00	\$64,205.60	MAVERICK OIL INC
31	1, 2, 3, 4, 5, 6, 7, 10	12.N	34.E	36	ALL	640.00	\$91.00	\$58,240.00	PADON OIL & GAS INC

Toole

0322-3

32 1, 2, 3, 4, 5, 6	37.N	3.E	36 S2, BELOW THE BASE OF THE RIERDON FORMATION	320.00	\$1.50	\$480.00	LONEWOLF ENERGY, INC.
33 1, 2, 3, 4, 5, 6	37.N	3.E	36 NW4, W2NE4, BELOW THE BASE OF THE BLACKLEAF FORMATION	240.00	\$1.50	\$360.00	LONEWOLF ENERGY, INC.
34 1, 2, 3, 4, 5, 6	34.N	2.W	16 ALL, BELOW THE BASE OF * THE THREE FORKS FORMATION	640.00	\$1.75	\$1,120.00	SYNERGY OFFSHORE LLC
Valley							
35 1, 2, 3, 4, 5, 6	34.N	43.E	21 N2	320.00	\$1.75	\$560.00	DIAMOND RESOURCES INC
36 1, 2, 3, 4, 5, 6, 12	34.N	43.E	23 S2	320.00	\$1.75	\$560.00	DIAMOND RESOURCES INC

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

Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	18,579.28	36

Oil and Gas Lease Sale Summary

Total Tracts	36
Total Acres	18,579.28
Total Bid Revenue	\$1,188,744.84
Average Bid Per Acre	\$63.98

State of Montana
Oil & Gas Lease Sale - March 1, 2022
Stipulations

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

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

- 13 Any activity within 1/8 mile of the river, stream, floodplain, or lake/reservoir on or adjacent to this tract must be approved in writing by the TLMD prior to commencement. No surface occupancy is allowed within the bed of the river and/or stream, abandoned channels, the bed of the lake/reservoir, or on islands and accretions associated with the river, stream, or lake/reservoir.
- 14 No surface occupancy of the cemetery site is permitted without written approval of TLMD.
- 15 If whooping cranes are observed on-site, construction and/or maintenance activities shall be suspended until birds leave the area.
- 16 Wildlife species of concern have been identified on or near this tract. Identified species will be avoided, unless otherwise authorized by the TLMD. Additional mitigation measures may also be required.
- 17 This lease is spaced into an adjacent off-tract well.

0322-4

CABIN AND HOME SITES:

Final Approval for Sale

- A. Flathead County
- B. Sanders County

**Land Board Agenda Item
March 21, 2022**

0322-4A Cabin and Home Sites: Final Approval for Sale

Location: Flathead County
Trust Benefits: Deaf & Blind School, Montana Tech and Common Schools
Trust Revenue: \$583,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval for sale of six (6) cabin sites nominated for sale in Flathead County. These sales were nominated by the lessees in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
1149	1.064	Lot 24, Olney Townsite, COS 21331 T32N-R23W, Section 7	Nathan & Patti Conkle	Deaf & Blind School
1150	2.771	Parcel 3, Olney Townsite, COS 21331 T32N-R23W, Section 7	John & Karen Streat	Deaf & Blind School
1151	3.546	Parcel 2, Olney Townsite, COS 21331 T32N-R23W, Section 7	John & Karen Streat	Deaf & Blind School
1152	4	Tract 9 COS 21990 OLNEY REMOTE T32N-R23W, Section 18	Starla & Ted Guckenberg	Montana Tech
1153	2	Tract 3 COS 21787 T33N-R24W, Section 23	Wade, Mark, & Ben Fredenberg; Jovita Kottraba	Common Schools
1166	2.238	Lot 5, Beaver Lake, COS 18353 T31N-R22W, Section 20	Lonnie & Catherine Collinsworth	Montana Tech

The parcels are currently leased as cabin sites and produce an average income for residential leases statewide. The parcels will be sold with the access that is currently provided under their lease agreements and can be conveyed by DNRC.

Background

Preliminary Land Board approval was granted in April of 2020 (Approved 5-0), and the Land Board set the minimum bid for the land and the maximum value of compensation for the improvements at the appraised values in December of 2021 (Approved 4-1).

Cultural/Paleontological Resources:

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

Access/Recreational Use:

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

generated by these sales will go towards purchasing new lands that will have dedicated public access and recreational opportunities.

Economic Analysis:

Short term – The average rates of return on these sale parcels are as shown in Figure 1. The parcels will continue to receive these returns if they remain in state ownership. The income rates of return will likely grow smaller over the next 20 years, as average annual value appreciation is greater than the annual rent increase.

Figure 1: Rates of Return at Current Appraised Values

Sale No.	Rate of Return	Sale No.	Rate of Return
1149	2.402%	1152	1.276%
1150	2.023%	1153	2.826%
1151	2.023%	1166	2.662%

Long term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through DNRC's Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 3.04% on acquisitions with income generated from annual lease payments. However, the rates of return on land acquired more recently have been higher, ranging from 3.46% on acquisitions purchased within the last five years to 3.41% for lands acquired within the last ten years.

Appraised Values of Land and Improvements:

The appraisals were prepared by Montana General Certified Appraisers Elliott M. Clark, MAI, of Clark Real Estate Appraisal in Whitefish and Jennifer L. McGinnis, MAI of McGinnis Real Estate Appraisal Group, LLC in Whitefish.

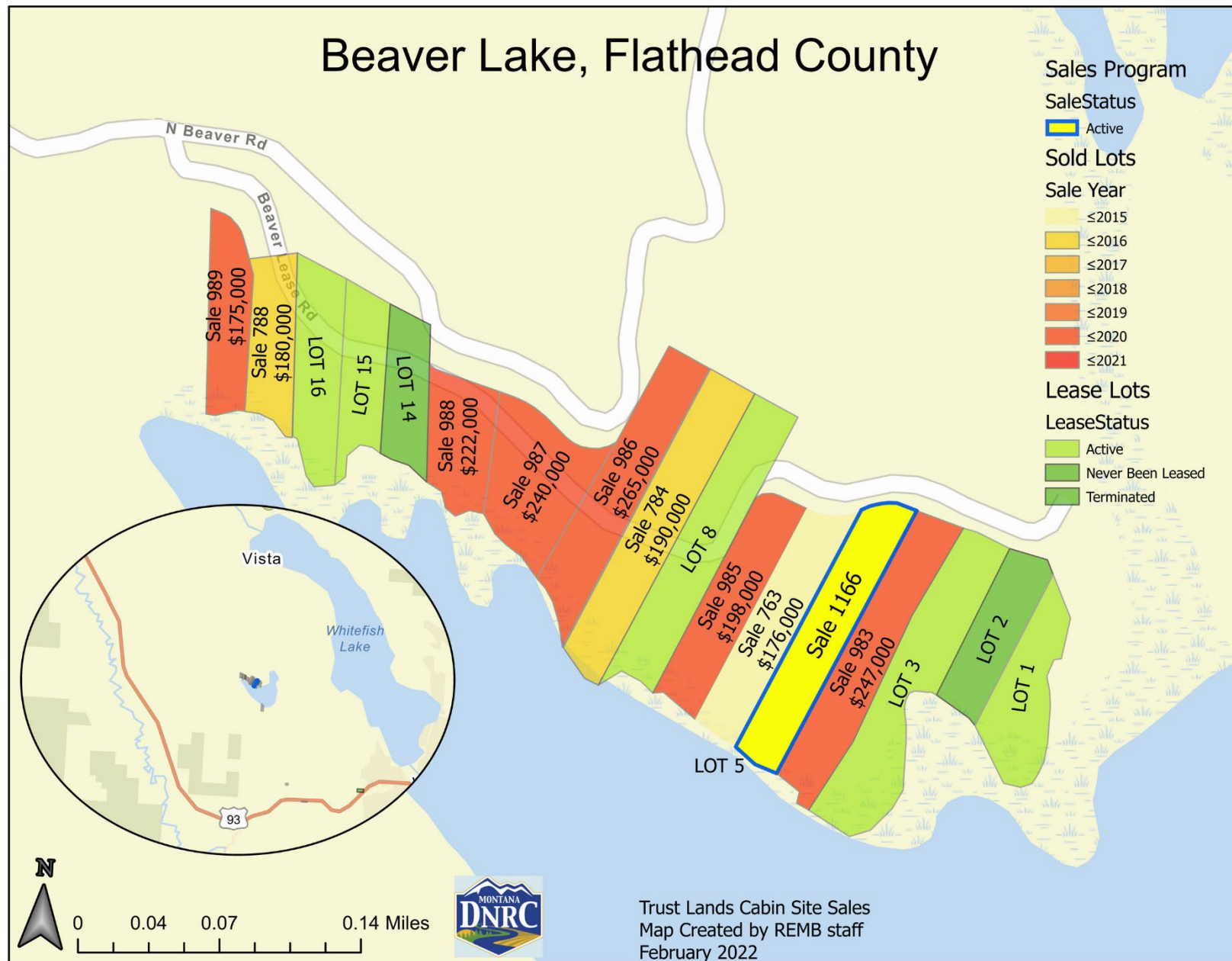
Sale Nos.	Appraised Land Value	Appraised Improvements Value	Final Sale Price
1149	\$ 50,000	\$ 418,000	\$ 50,000
1150	\$ 60,000	\$ 153,000	\$ 60,000
1151	\$ 60,000	\$ 270,000	\$ 60,000
1152	\$ 103,000	\$ 256,000	\$ 103,000
1153	\$ 60,000	\$ 110,000	\$ 60,000
1166	\$ 250,000	\$ 165,000	\$ 250,000

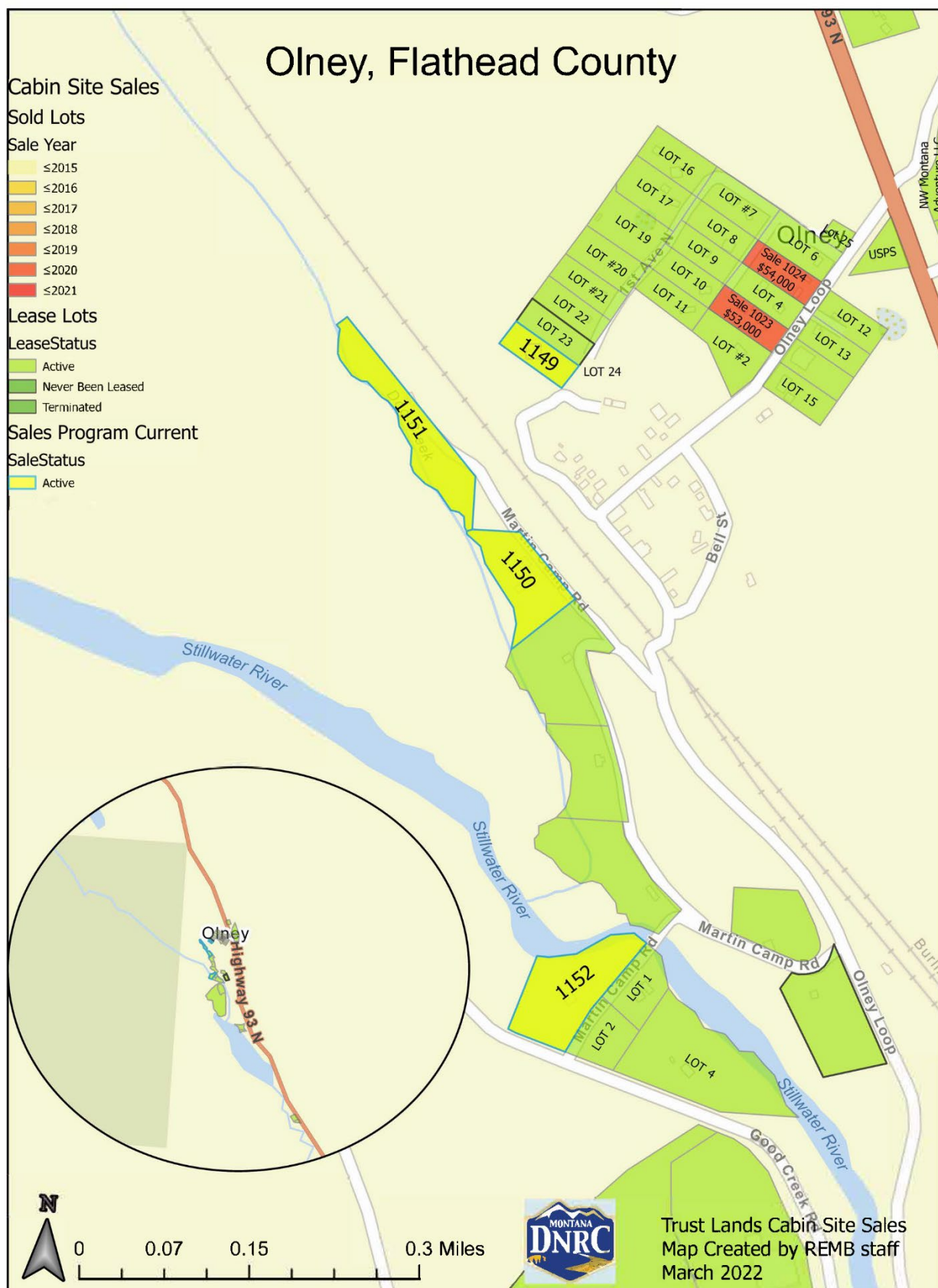
Sale Price

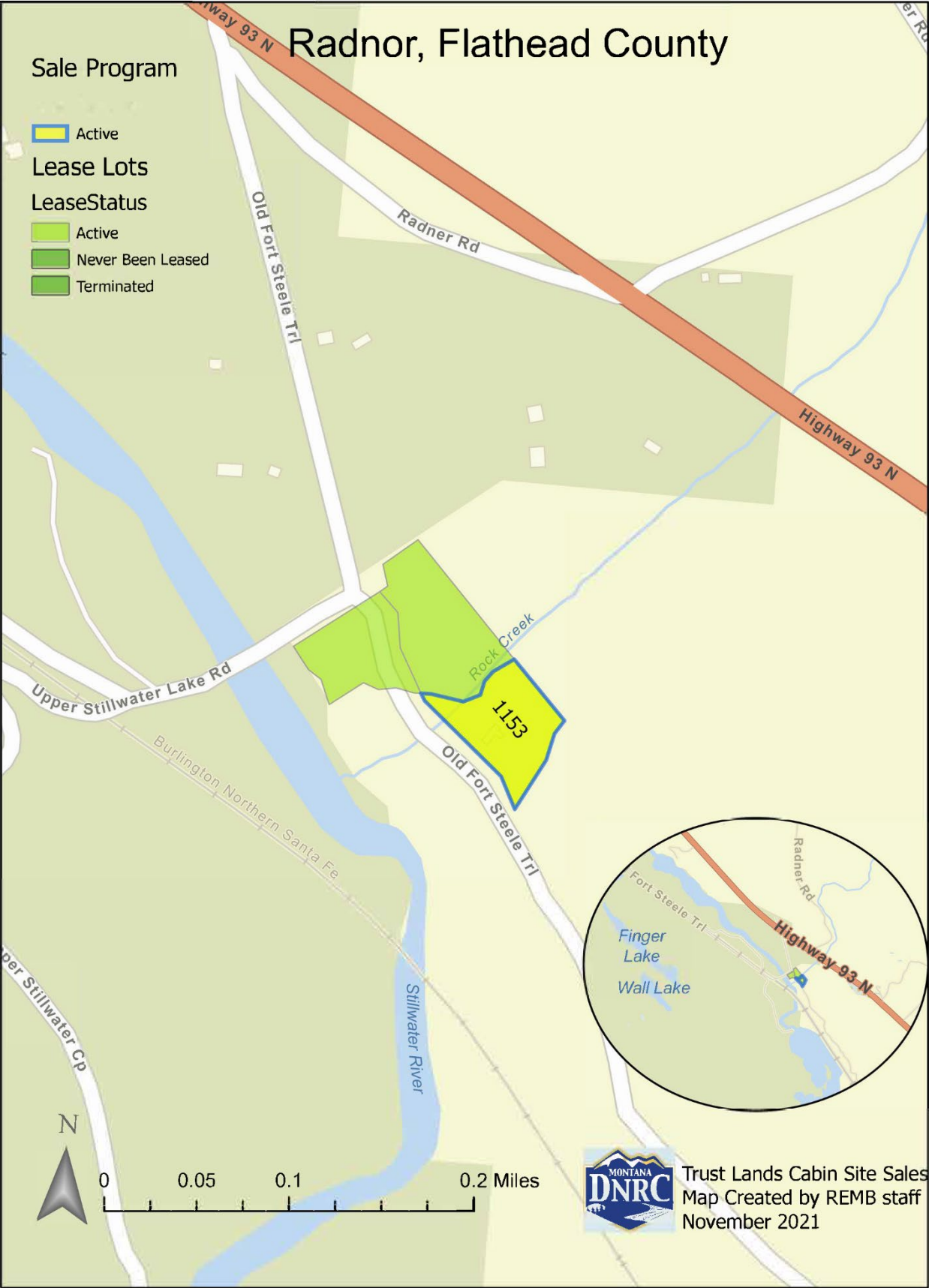
The cabin sites were sold at public auction on February 17, 2022. There was one qualified bidder for each sale who was the current lessee. The sites sold for the final sale prices listed above.

DNRC Recommendation

The director recommends the Land Board grant final approval for the sale of these cabin sites at the values shown above.







**Land Board Agenda Item
March 21, 2022**

0322-4B Cabin and Home Sites: Final Approval for Sale

Location: Sanders County
Trust Benefits: Common Schools
Trust Revenue: \$187,000

Item Summary

The Department of Natural Resources and Conservation (DNRC) is requesting final approval for sale of two (2) cabin sites nominated for sale in Sanders County. These sales were nominated by the lessees in conjunction with the Cabin and Home Site Sale Program.

Sale No.	Acres	Legal Description	Nominator	Trust
1171	0.46	Tract 9, COS 3703 Sanders County T24N-R27W, Section 36	Bonnie J. & John Jay Gagnon	Common Schools
1172	1.94	Tract 1, COS 3704, Sanders County T25N-R27W, Section 36	Juan Lulack	Common Schools

The parcels are currently leased as cabin sites and produce an average income for residential leases statewide. The parcels will be sold with the access that is currently provided under their lease agreements and can be conveyed by DNRC.

Background

Preliminary Land Board approval was granted in May of 2020 (Approved 5-0), and the Land Board set the minimum bid for the land and the maximum value of compensation for the improvements at the appraised values in December of 2021 (Approved 4-1).

Cultural/Paleontological Resources:

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

Access/Recreational Use:

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

Economic Analysis:

Short term – The average rates of return on these sale parcels are as shown in Figure 1. The parcels will continue to receive these returns if they remain in state ownership. The income rates of return will likely grow smaller over the next 20 years, as average annual value appreciation is greater than the annual rent increase.

Figure 1: Rates of Return at Current Appraised Values

Sale No.	Rate of Return	Sale No.	Rate of Return
1171	1.215%	1172	0.897%

Long term – The funds from the sale of these parcels would be combined with other sale funds to purchase replacement lands through DNRC's Land Banking program. Lands purchased are required to have an equal or greater rate of return than the combined lands that generated the sale funds used for the purchase. To date, the average annual rate of return on acquisitions has been 3.04% on acquisitions with income generated from annual lease payments. However, the rates of return on land acquired more recently have been higher, ranging from 3.46% on acquisitions purchased within the last five years to 3.41% for lands acquired within the last ten years.

Appraised Values of Land and Improvements:

The appraisals were prepared by Montana General Certified Appraiser Jennifer L. McGinnis, MAI of McGinnis Real Estate Appraisal Group, LLC in Whitefish.

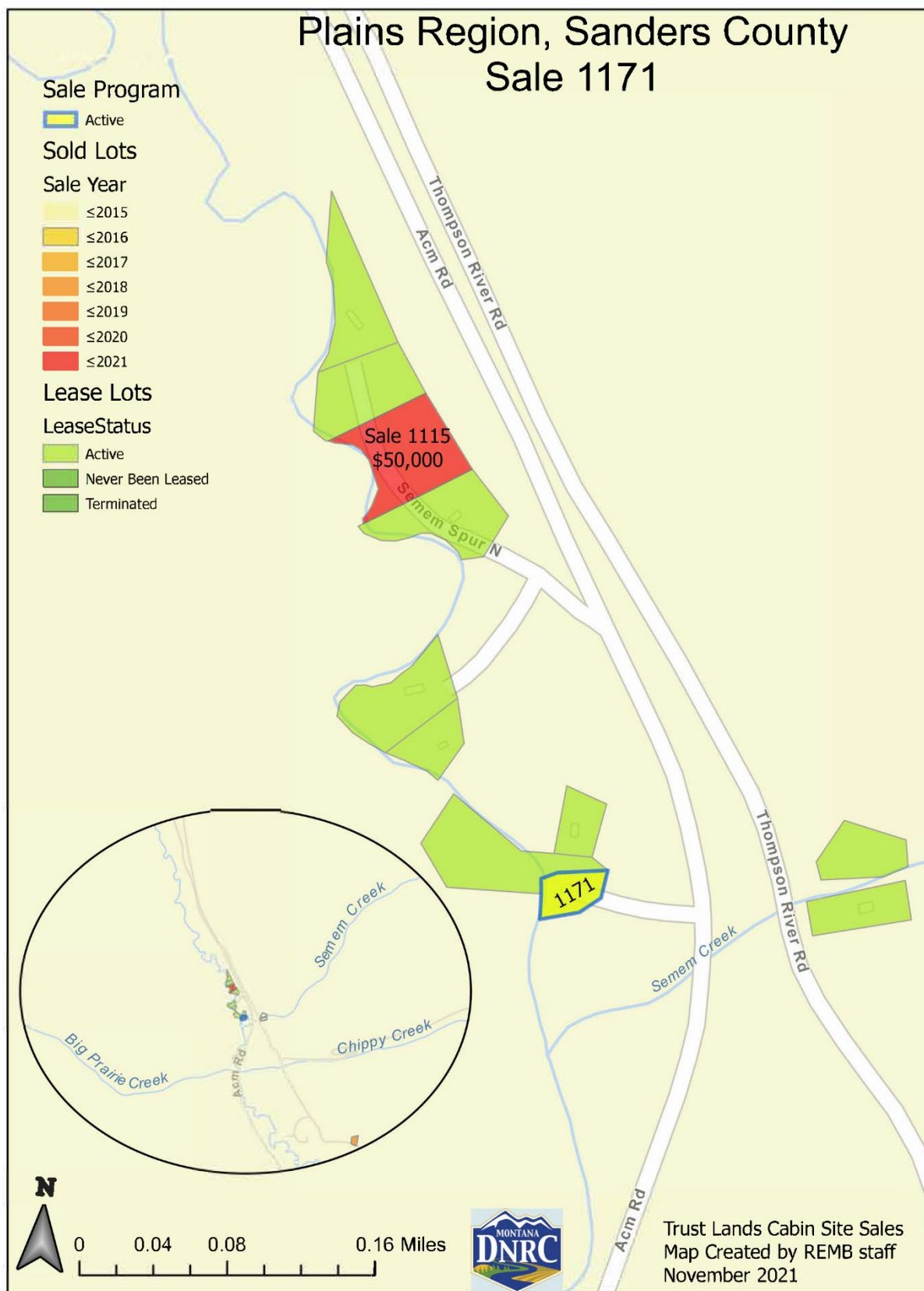
Sale Nos.	Appraised Land Value	Appraised Improvements Value	Final Sale Price
1171	\$ 75,000	\$ 69,000	\$ 75,000
1172	\$ 112,000	\$ 75,000	\$ 112,000

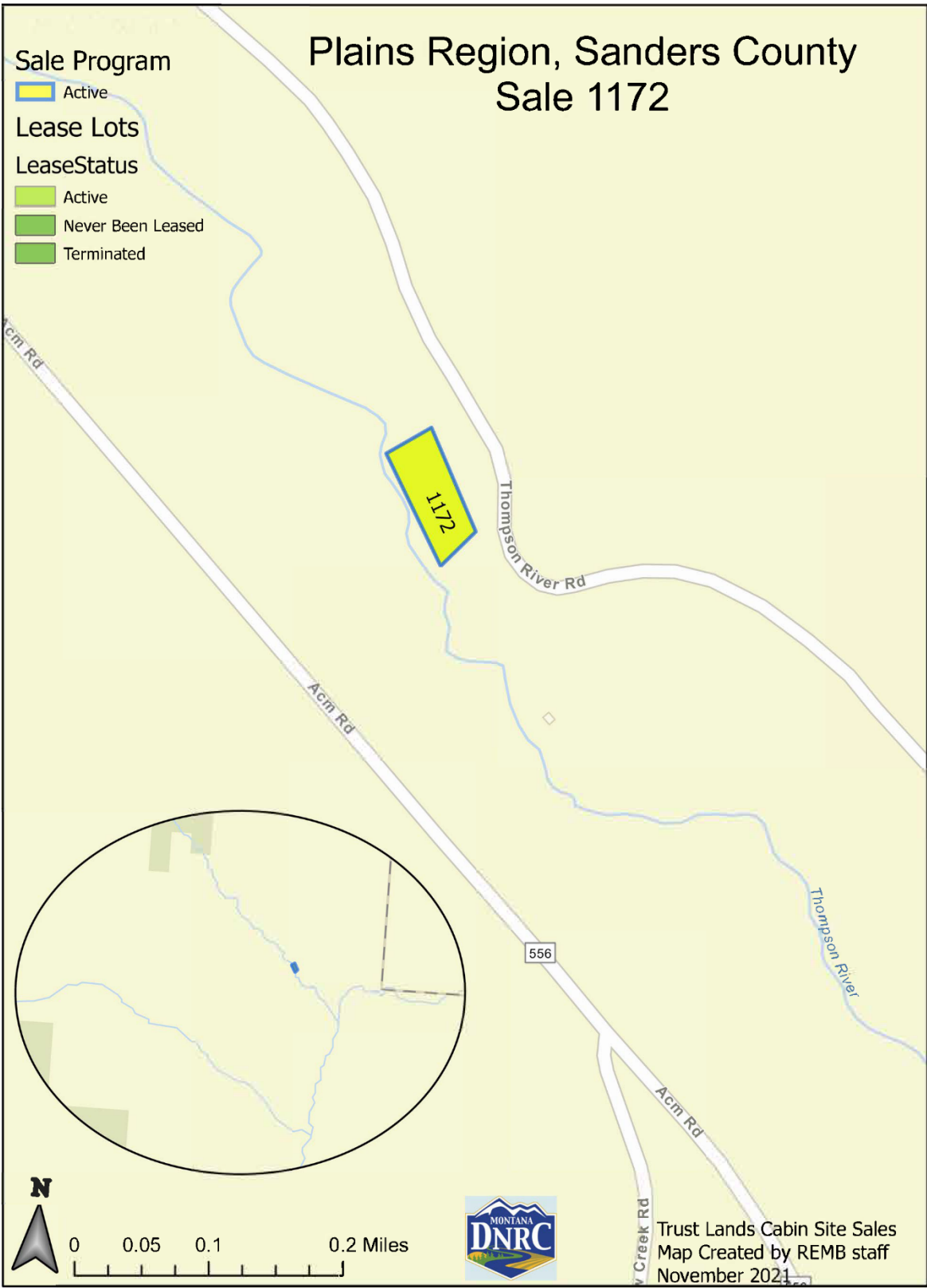
Sale Price

The cabin sites were sold at public auction on February 18, 2022. There was one qualified bidder for each sale who was the current lessee. The sites sold for the final sale prices listed above.

DNRC Recommendation

The director recommends the Land Board grant final approval for the sale of these cabin sites at the values shown above.





0322-5

EASEMENTS:

Standard Grants

**Land Board Agenda Item
March 21, 2022**

0322-5 Easements: Standard Grants

Location: Daniels, Fergus, Missoula, Pondera, and Stillwater Counties

**Trust Benefits: Acquired Lands-Public Schools, Common Schools,
MSU-2nd Grant**

**Trust Revenue: Acquired Lands-Public Schools - \$50
Common Schools = \$9,338
MSU-2nd Grant = \$6,324**

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APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Anthony Greenwater 35465 Lessnau Lane Clinton, MT 59825
Application No.:	19146
R/W Purpose:	a private access road to a single-family residence and associated outbuilding and to conduct timber management activities
Lessee Agreement:	N/A (Unleased)
Acres:	2.05
Compensation:	\$1,025.00
Legal Description:	30-foot strip through SE4SW4, SW4SW4, NW4SW4, Sec. 16 and NE4SE4, Sec. 17, Twp. 12N, Rge. 15W, Missoula County
Trust Beneficiary:	Common Schools and Acquired Lands - Public Schools

Item Summary

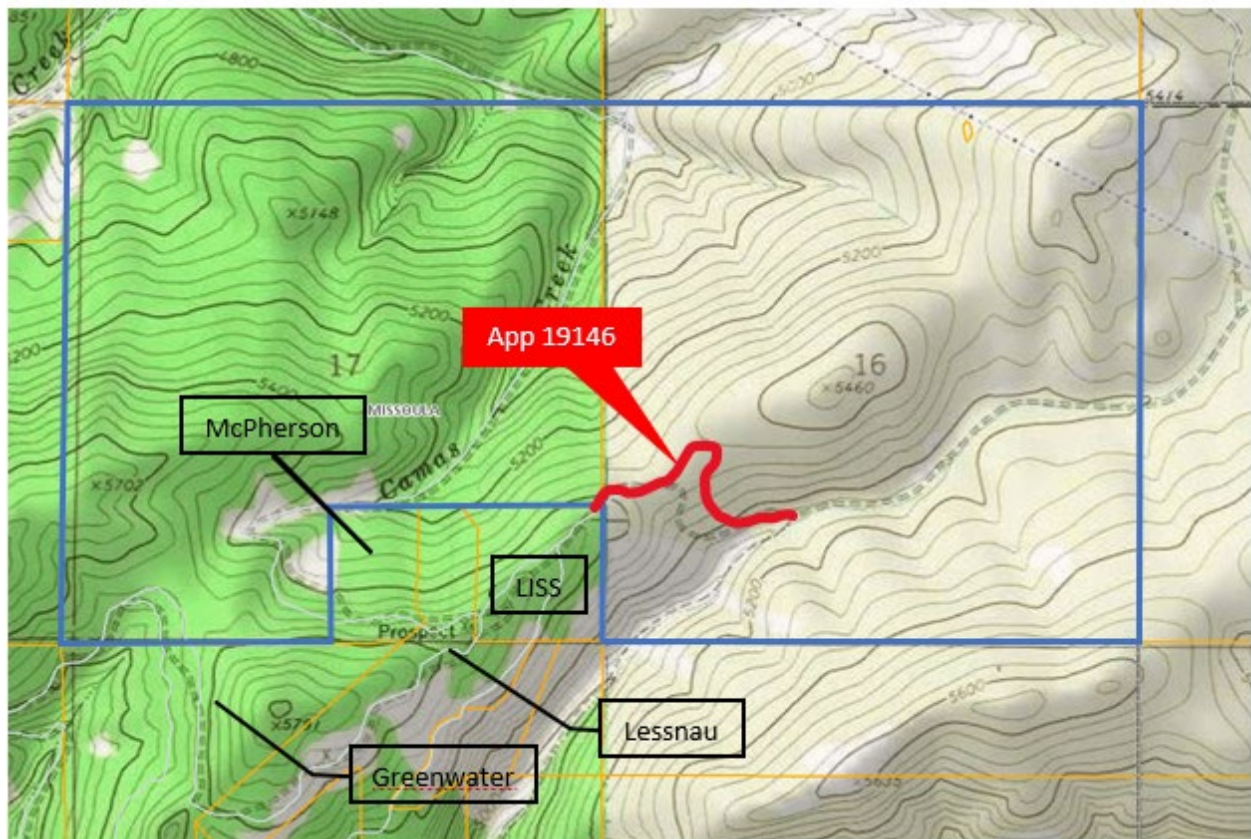
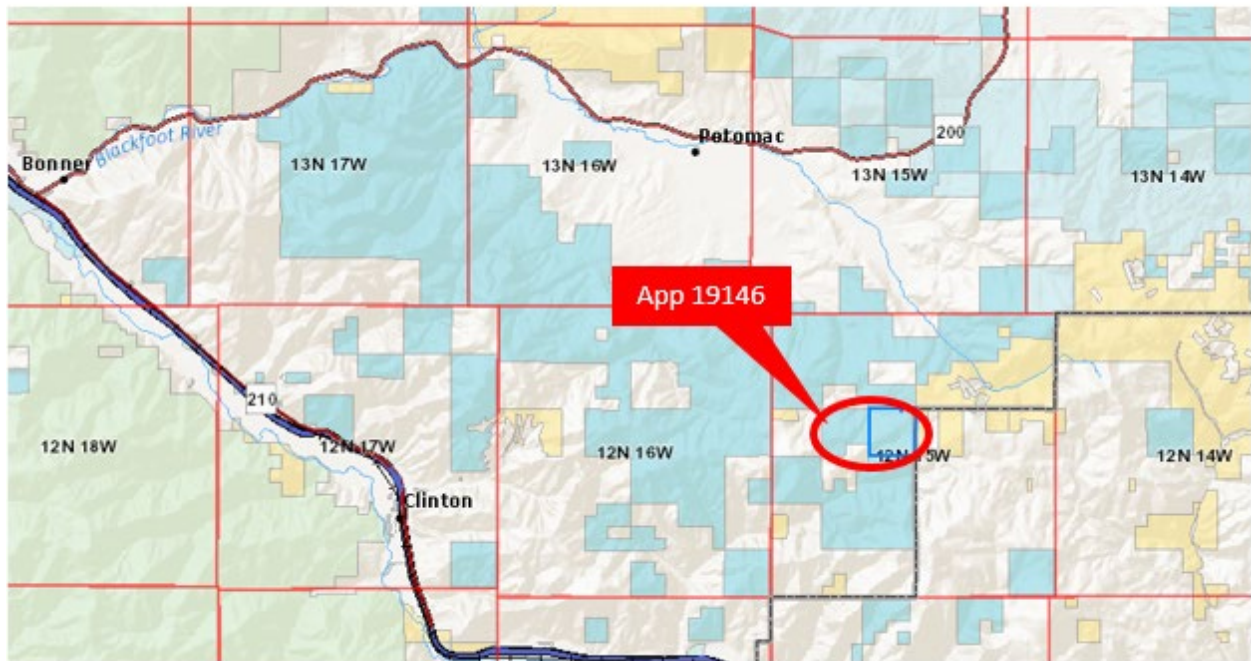
Anthony Greenwater has made application under the Private Access Policy for an easement to access private lands for a single-family residence and associated outbuildings and to conduct timber management activities. Mr. Greenwater is one of several property owners that utilize this access to get to their properties. The Land Board had granted an easement on this same road in 2009 to an adjacent landowner and staff is actively working with the other landowners to acquire an easement with the intent to have all landowners form a road users association in the near future. All lots have internal access across one another. Other access to Mr. Greenwater's property also involves crossing State Lands, however that access is through unsafe, former logging roads that would need considerable upgrades. The route applied for is least impactful to State Trust Lands. The private property of Greenwater to be accessed is as follows:

- Government Lots 3, 4, and 5, NW4SW4, NW4NW4, Sec. 20, Twp. 12N, Rge. 15W

DNRC Recommendation

The director recommends approval of the application of Anthony Greenwater.

R/W Applications 19146



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	3 Rivers Telephone Cooperative, Inc PO Box 429 Fairfield, MT 59436-0429
Application No.:	19219
R/W Purpose:	a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	0.62
Compensation:	\$585.00
Legal Description:	10-foot strip through S2SE4, Sec. 35, Twp. 29N, Rge. 6W, Pondera County
Trust Beneficiary:	Common Schools

Item Summary

3 Rivers Telephone Cooperative is requesting an easement to install a new fiber optic cable in the Valier service area. The cable will be placed adjacent to a county road and provide upgraded service to rural customers. Minimal impacts are expected from the installation which will utilize a static plow.

DNRC Recommendation

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

APPLICANTS AND RIGHTS OF WAY INFORMATION

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

Application No.: 19220
R/W Purpose: a buried fiber optic cable
Lessee Agreement: ok
Acreage: 1.21
Compensation: \$1,215.00
Legal Description: 10-foot strip through S2S2, Sec. 36, Twp. 29N, Rge. 6W,
Pondera County
Trust Beneficiary: Common Schools

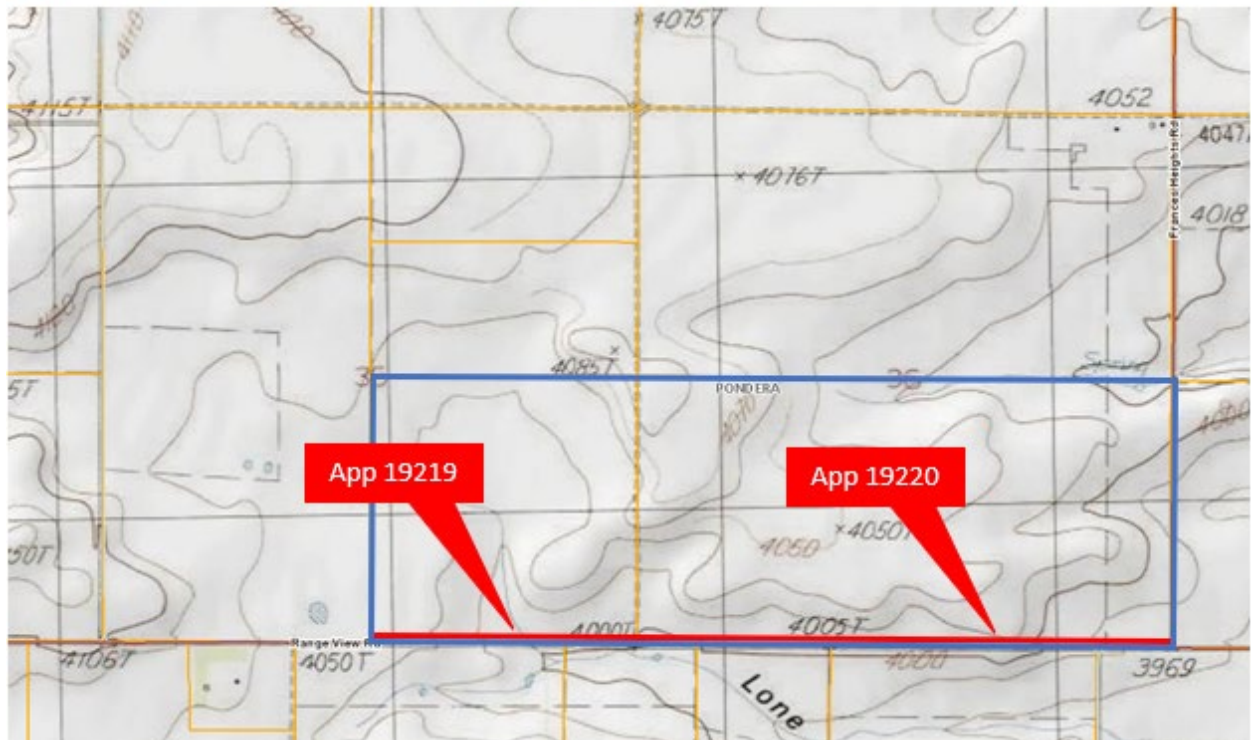
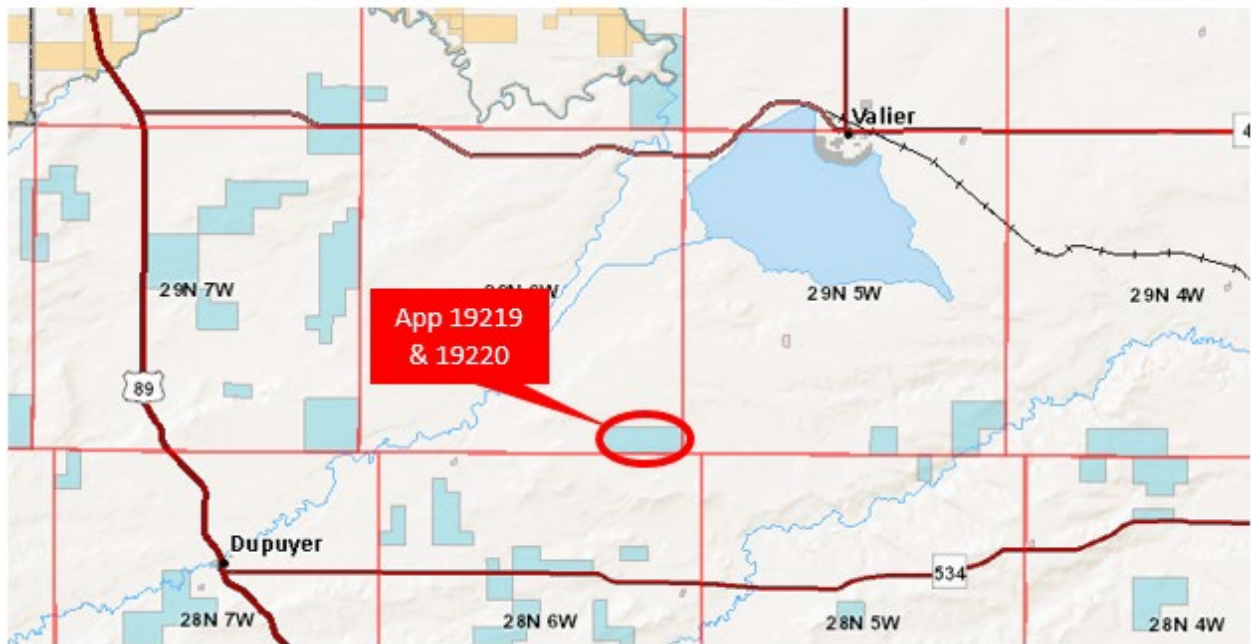
Item Summary

See summary on page 40

DNRC Recommendation

See recommendation on page 40

R/W Applications 19219 & 19220



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Triangle Telephone Cooperative Association, Inc 2121 US HWY 2 NW Havre, MT 59501
Application No.:	19221
R/W Purpose:	a buried telecommunications cable
Lessee Agreement:	ok
Acreage:	0.58
Compensation:	\$754.00
Legal Description:	20-Foot strip through SW4NW4, Sec. 16, Twp. 13N, Rge. 17E, Fergus County
Trust Beneficiary:	Common Schools

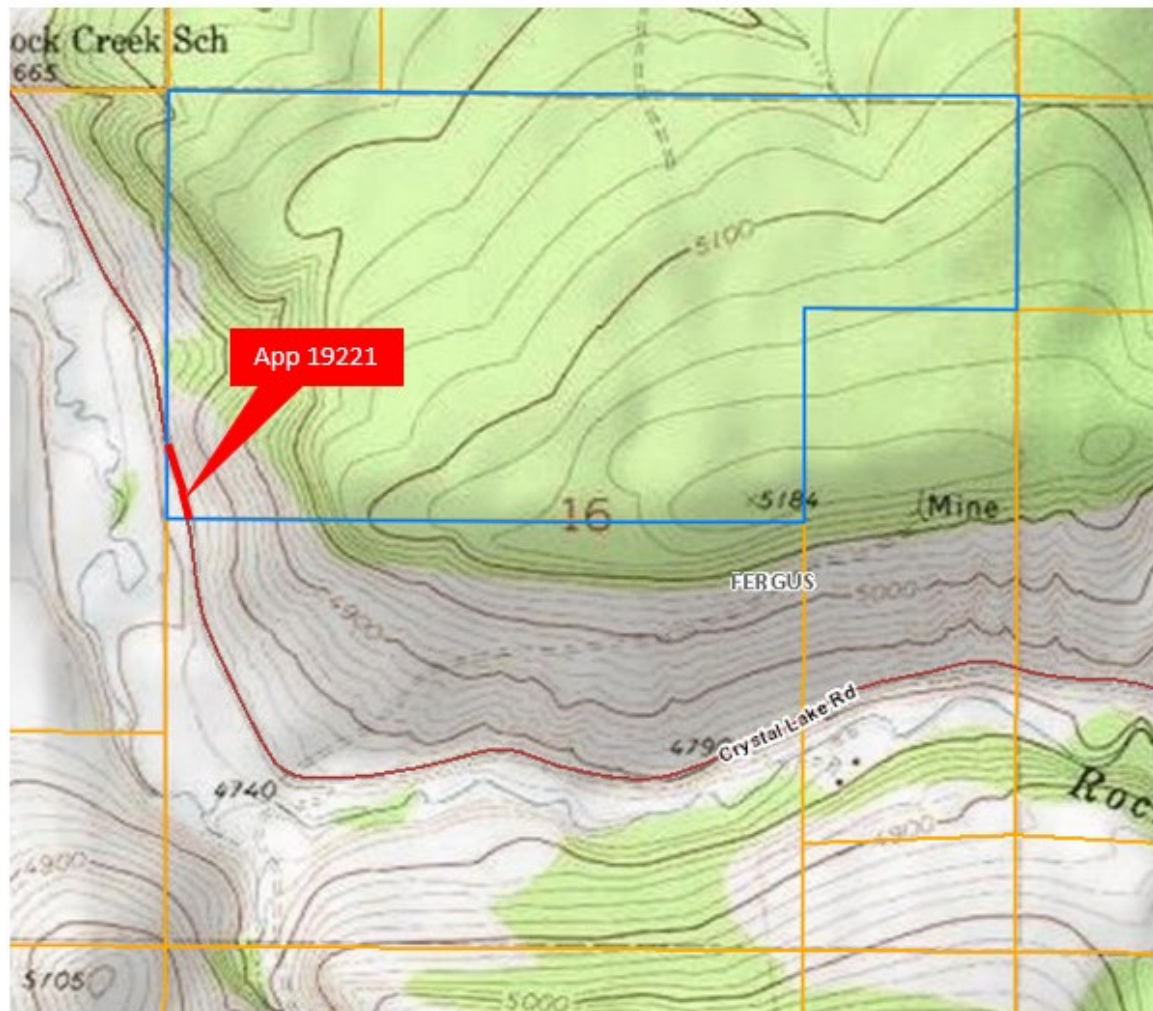
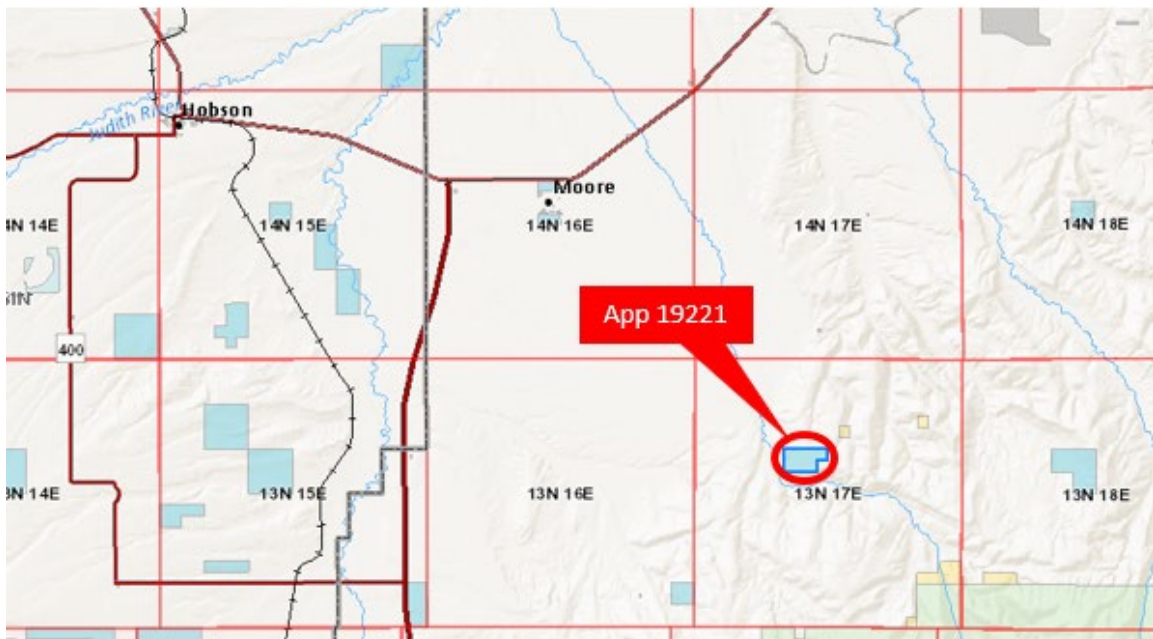
Item Summary

Triangle Telephone Coop. is proposing to install new telecommunications facilities in the Moore Exchange area in Fergus County. The cable will be installed using a direct plow method and is located along an existing roadway where ground disturbance has previously occurred. The new telecommunications cable will provide improved service to rural customers and provide future growth capabilities.

DNRC Recommendation

The director recommends approval of the application of Triangle Telephone Coop.

R/W Application 19221



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	Project Telephone Company PO Box 8 Worden, MT 59088
Application No.:	19224
R/W Purpose:	a buried fiber optic cable
Lessee Agreement:	ok
Acreage:	0.76
Compensation:	\$5,016.00
Legal Description:	20-foot strip through E2NE4, Sec. 36, Twp. 4S, Rge. 15E, Stillwater County
Trust Beneficiary:	Common Schools

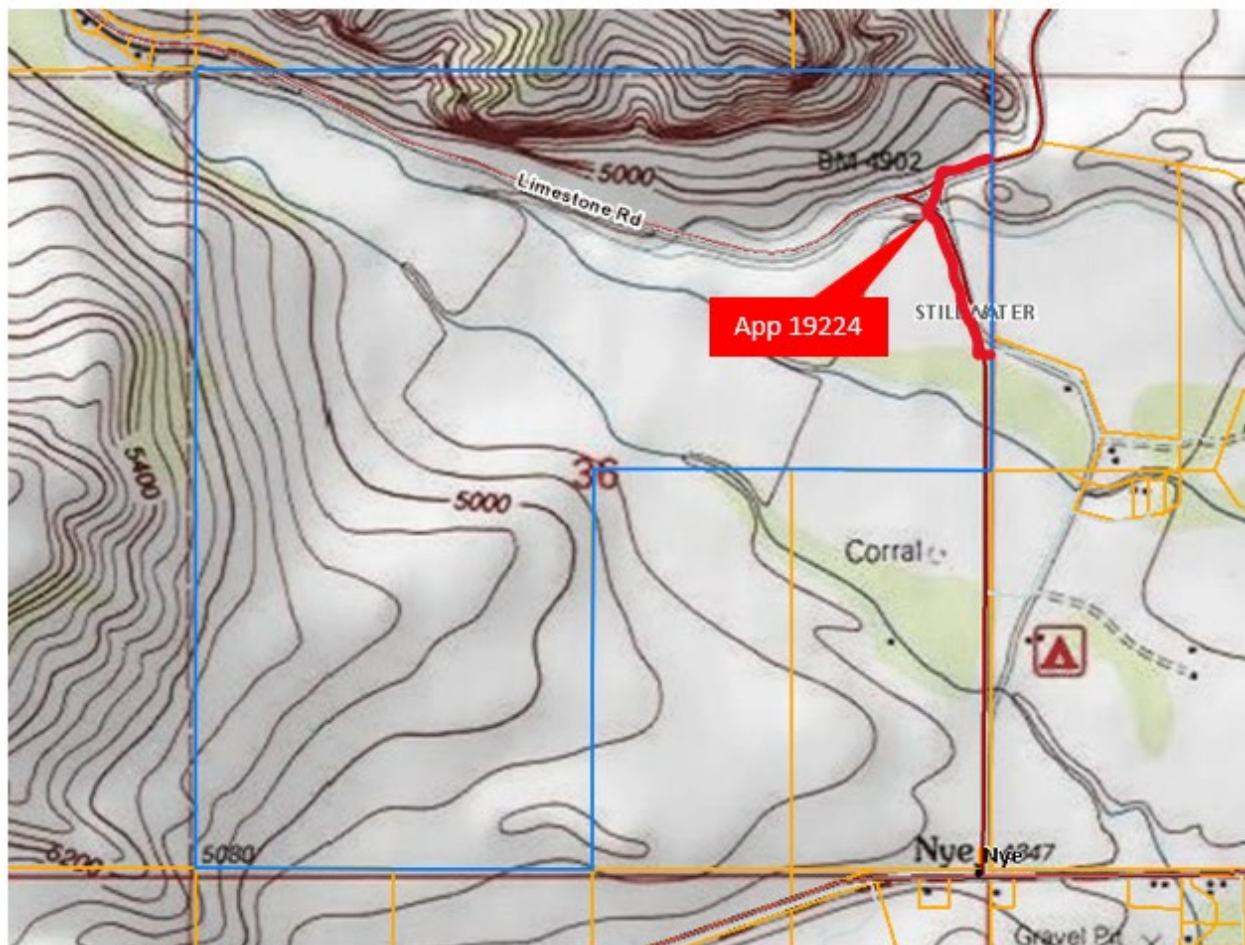
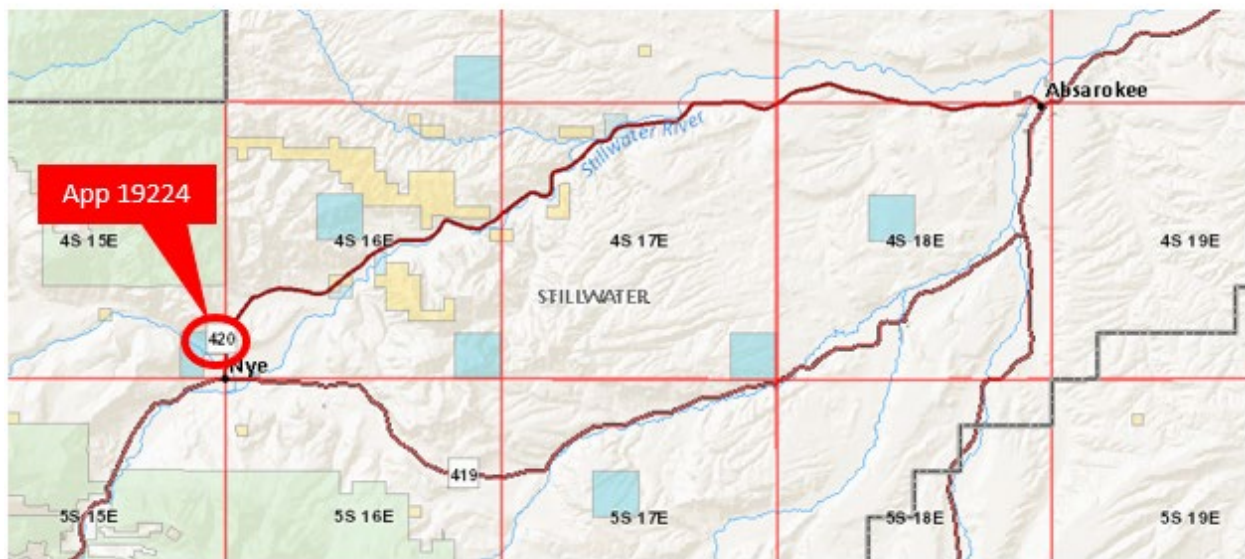
Item Summary

Project Telephone Company is proposing to install new telecommunications facilities in the Nye area in Stillwater County. The cable will be installed using a direct plow method and is located along an existing roadway where ground disturbance has previously occurred. The new telecommunications cable will provide improved service to rural customers and provide future growth capabilities.

DNRC Recommendation

The director recommends approval of the application of Project Telephone Company.

R/W Application 19224



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	NorVal Electric Cooperative, Inc. PO Box 951 Glasgow, MT 59230
Application No.:	19225
R/W Purpose:	a buried electric distribution line
Lessee Agreement:	ok
Acreage:	1.22
Compensation:	\$793.00
Legal Description:	20-foot strip through W2SW4, Sec. 14, N2NE4, Sec. 22 & NW4NW4, Sec. 23, Twp. 36N, Rge. 45E, Daniels County
Trust Beneficiary:	Common Schools

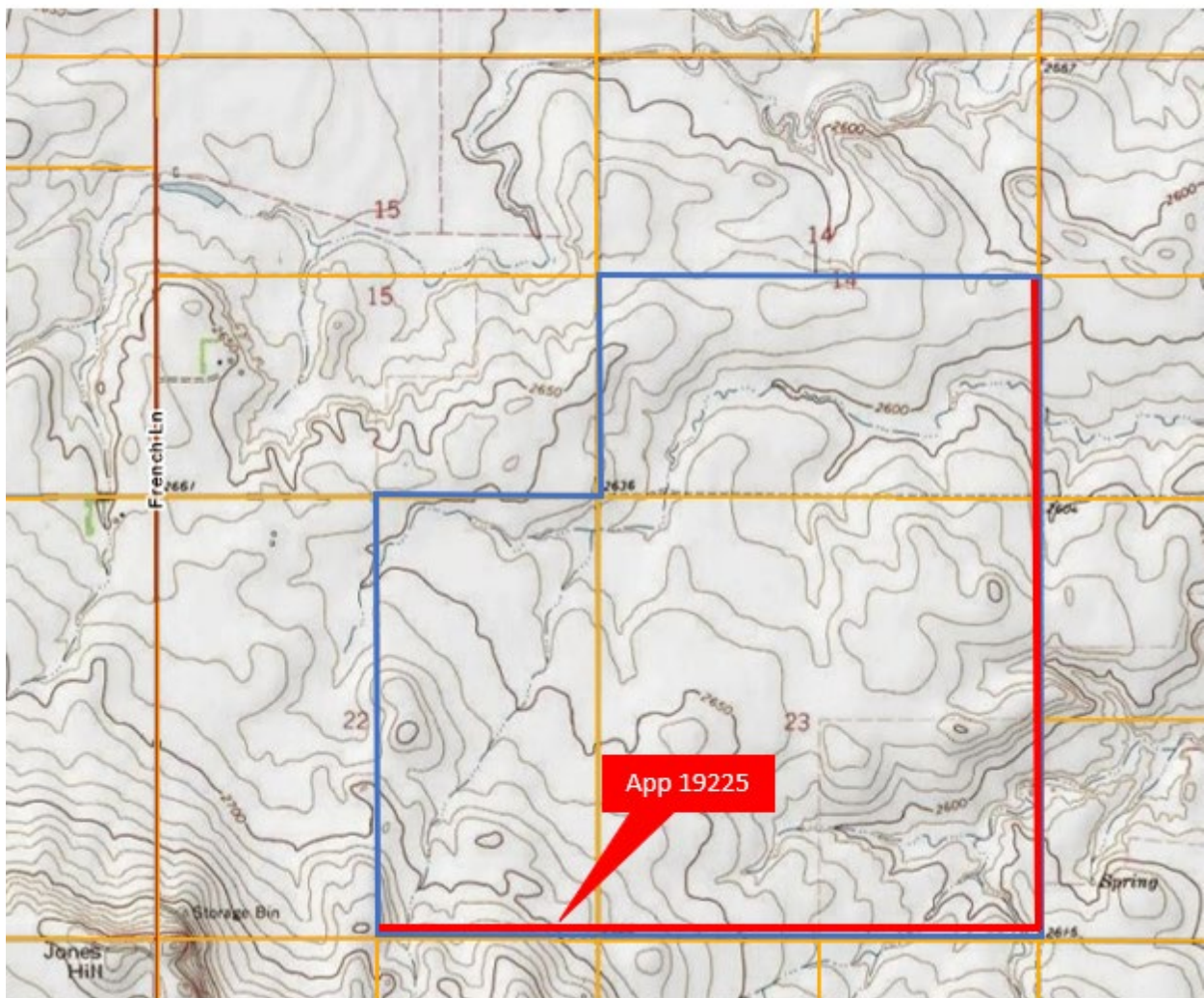
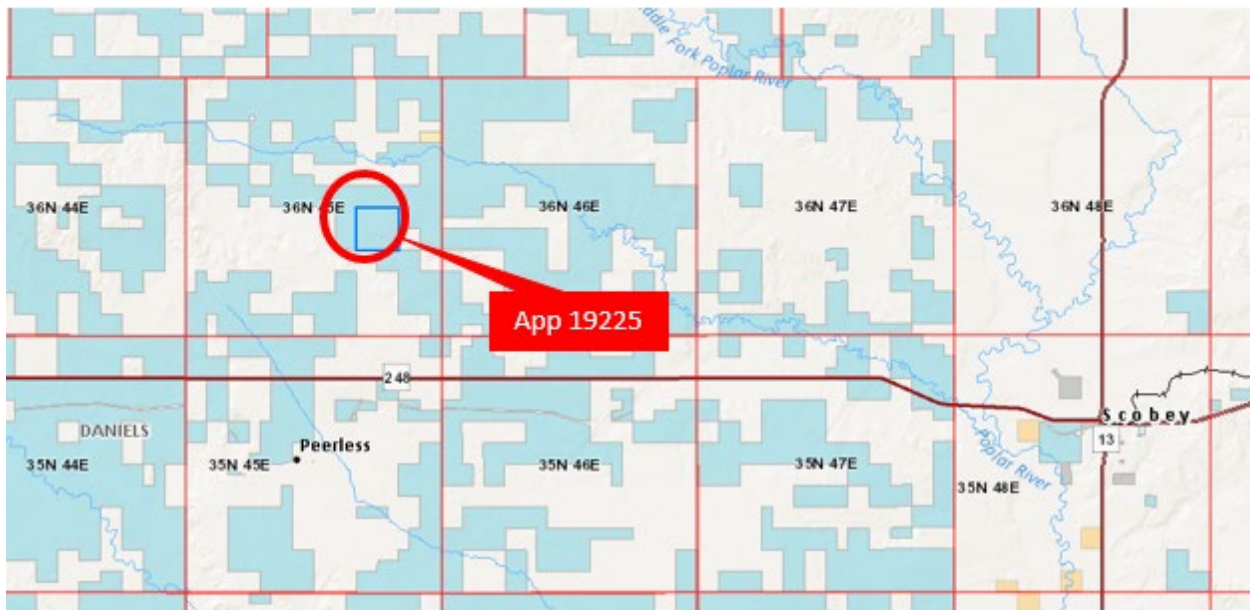
Item Summary

NorVal Electric Cooperative is proposing to install new underground electrical distribution line to replace an old existing buried line and provide more reliable service to the rural area northwest of Peerless. The replacement cable will be installed along existing public roads, therefore minimal impacts are expected.

DNRC Recommendation

The director recommends approval of the application of NorVal Electric Cooperative

R/W Application 19225



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant:	David J. Haviland 9004 Douglas Circle Helena, MT 59602
Application No.:	19226
R/W Purpose:	a private access road to a single-family residence and associated outbuilding and to conduct timber management activities
Lessee Agreement:	N/A (Historic)
Acreage:	5.27
Compensation:	\$6,324.00
Legal Description:	40-foot strip through Gov. Lots 5, 6, 10 & 11, SE4SW4, NW4SW4, Sec. 4, Twp. 16N, Rge. 15W, Missoula County
Trust Beneficiary:	MSU - 2nd Grant

Item Summary

David J. Haviland has made application for the use of an existing road to a single-family residence and associated outbuilding and to conduct timber management activities. The road has been in place for many years and authorization for continued use is being requested pursuant to §77-1-130, MCA, which allows for recognition of such historic access. The State Land is legally accessible by Riverview Drive, therefore reciprocal access is unnecessary. The private property of applicant to be accessed is described as:

- COS 2397: Sec. 5, Twp. 16N, Rge. 15W, Missoula County

DNRC Recommendation

The director recommends approval of the application of David Haviland.

R/W Application 19226

