State of Montana Oil & Gas Lease Sale - September 7, 2022 Lease Sale Results

The following described lands were offered for oil and gas leasing through an online bidding service, EnergyNet, beginning September 1, 2022 and closed on September 7, 2022.

Tract Stipulations	Twp Rng	Sec Description	Acres	Bid/Acre	Total Bid Lessee
Liberty					
1 1, 2, 3, 4, 5, 6	36.N 6.E	16 ALL	* 640.00	\$1.50	\$960.00 SAGE ENERGY GROUP LLC
Rosebud					
2 1, 2, 3, 4, 5, 6, 7, 8	11.N 33.E	36 W2NW4, NE4, S2	560.00	\$1.75	\$980.00 MAVERICK OIL, INC.
Sheridan					
3 1, 2, 3, 4, 5, 6	36.N 54.E	3 W2SW4	80.00	\$12.00	\$960.00 4-JW, LTD.
4 1, 2, 3, 4, 5, 6, 9	36.N 54.E	4 SE4NE4, E2SE4	120.00	\$12.00	\$1,440.00 4-JW, LTD.
5 1, 2, 3, 4, 5, 6	36.N 54.E	8 NE4	* 160.00	\$16.00	\$2,560.00 YOCKIM, DENNIS W
6 1, 2, 3, 4, 5, 6	36.N 54.E	9 NW4	* 160.00	\$12.00	\$1,920.00 4-JW, LTD.
7 1, 2, 3, 4, 5, 6, 10	36.N 54.E	10 W2NW4, NE4NW4	120.00	\$24.00	\$2,880.00 4-JW, LTD.
8 1, 2, 3, 4, 5, 6	36.N 54.E	16 ALL	640.00	\$12.00	\$7,680.00 4-JW, LTD.

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

Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	2,480.00	8

Oil and Gas Lease Sale Summary

Total Tracts	8
Total Acres	2,480.00
Total Bid Revenue	\$19,380.00
Average Bid Per Acre	\$7.81

State of Montana Oil & Gas Lease Sale - September 7, 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 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.
- 9 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 10 If whooping cranes are observed on-site, construction and/or maintenance activities shall be suspended until birds leave the area.

State of Montana Oil & Gas Lease Sale - September 7, 2022 Applicant List

Tract Twp	Rng	Sec	Description	Acres	Applicant
Liberty					
1 36.N	6.E	16	ALL	640.00	SAGE ENERGY GROUP LLC
Rosebud					
2 11.N	33.E	36	W2NW4, NE4, S2	560.00	LANDSTALKER, LLC
Sheridan					
3 36.N	54.E	3	W2SW4	80.00	4-JW, LTD.
4 36.N	54.E	4	SE4NE4, E2SE4	120.00	4-JW, LTD.
5 36.N	54.E	8	NE4	160.00	4-JW, LTD.
6 36.N	54.E	9	NW4	160.00	4-JW, LTD.
7 36.N	54.E	10	W2NW4, NE4NW4	120.00	4-JW, LTD.
8 36.N	54.E	16	ALL	640.00	4-JW, LTD.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION P.O. Box 201601 Helena, Montana 59620-1601

The following is a list of oil and gas leases, which expired or terminated in March 2022.

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Blaine					
Diame	35 N	20 E	16	All	640.00
	36 N	17 E	13	All	640.00
	37 N	18 E	36	All	640.00
Chouteau					
	28 N	14 E	16	All	640.00
Dawson					
	14 N	55 E	18	Yellowstone Riverbed and related acreage	4.00
Glacier					
	32 N	5 W	16	All	640.00
Hill					
	33 N	16 E	24	All	640.00
Liberty					
	34 N	4 E	16	All, Below the base of the Blackleaf formation	640.00
Pondera					
Tondera	31 N	3 W	16	Lots 3, 4, 5, 7, 10, 11, 13, 16	137.24
Powder River					
	8 S	53 E	16	All	640.00
Richland					
	25 N	56 E	16	All	640.00
	27 N	54 E	9	Any and all State interest under the Missouri Riverbed and related acreage	21.00
	27 N	54 E	11	Any and all State interest under the Missouri	7.00
	27 N	55 E	3	Riverbed and related acreage	16.50
	27 N 27 N	55 E 55 E	3 7	Missouri Riverbed and related acreage Any and all State interest under the Missouri	42.00
	2/ IN	55 L	1	Riverbed and related acreage	42.00

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Roosevelt					
	27 N	54 E	3	Any and all State interest under the Missouri Riverbed and related acreage	36.00
	27 N	55 E	3	Missouri Riverbed and related acreage	22.50
	27 N	55 E	7	Any and all State interest under the Missouri Riverbed and related acreage	3.00
	30 N	56 E	36	All	640.00
Sheridan					
	31 N	55 E	36	E2	320.00
Toole					
	31 N	3 W	16	LOTS 1, 2, 6, 8, 9, 12, 15, E2NE4, NW4NE4, NE4SE4	328.32
	36 N	2 E	34	All	640.00

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Trust Land Management Division



GREG GIANFORTE, GOVERNOR

1539 ELEVENTH AVENUE

DIRECTOR'S OFFICE: (406) 444-2074 FAX (406) 444-2684 PO BOX 201601 HELENA, MONTANA 59620-1601

TO ALL INTERESTED PARTIES:

RE: December 6, 2022 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the December

2022 Oil and Gas Lease Sale will be held online during the period of November 30th -

December 6th, 2022, through the online auction service, EnergyNet (EnergyNet.com).

Please contact EnergyNet for help setting up an account to bid on state tracts. For all other inquiries, contact the Department of Natural Resources and Conservation. In the event details for the December Oil and Gas Lease Sale change, an updated notice will be sent to you.

The deadline filing date for submitting applications on tracts to be nominated for the sale in December is 5:00pm MST on <u>September 20, 2021</u>. Applications must be received in this office by that date. If you have any questions, please contact me at <u>THossfeld@mt.gov</u> or (406) 444-4576.

Theresa Hossfeld, Leasing Specialist Mineral Leasing Section Minerals Management Bureau