

State of Montana
Oil & Gas Lease Sale - September 4, 2024
Lease Sale Results

The following described lands were offered for oil and gas leasing through an online bidding service, EnergyNet, opened on August 29, 2024 and closed on September 4, 2024.

Tract	Stipulations	Twp	Rng	Sec	Description	Acres	Bid/Acre	Total Bid	Lessee
Pondera									
1	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15, 16	31.N	3.W	16	LOTS 1-13 INC., LOTS 15, * 16, E2NE4, NW4NE4, NE4SE4 (SUBJECT TO, BUT NOT LIMITED TO 70-16-201, MCA; 70-18-201, MCA; AND 70-18-205, MCA)	455.00	\$1.50	\$682.50	BIG ROSE COLONY INC
Richland									
2	1, 2, 3, 4, 5, 6, 7	22.N	53.E	16	ALL	640.00	\$110.00	\$70,400.00	IRISH OIL & GAS, INC.
3	1, 2, 3, 4, 5, 6, 10, 14	24.N	58.E	16	ALL	640.00	\$4,315.00	\$2,761,600.00	PHOENIX CAPITAL GROUP HOLDINGS LLC
Toole									
4	1, 2, 3, 4, 5, 6, 10, 13	36.N	2.E	16	NW4, S2NE4, S2	560.00	\$37.00	\$20,720.00	MCR, LLC

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

Summary by Lessor

	Total Acres	Total Tracts
Dept. of Natural Resources and Conservation	2,295.00	4

Oil and Gas Lease Sale Summary

Total Tracts	4
Total Acres	2,295.00
Total Bid Revenue	\$2,853,402.50
Average Bid Per Acre	\$1,243.31

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Stipulations

- 1 Lessee shall notify and obtain approval from the Department's Forestry and Trust Lands Division (FTLD) 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 FTLD'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 Forestry and Trust Lands Division (FTLD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to FTLD. 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 FTLD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the FTLD 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 FTLD 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 FTLD 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 FTLD.
 - 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 If (an) existing well(s) production on this tract is/are put to private use, (for example, farm taps) the lessee is responsible for installation of a meter and documentation of gas used as recorded by said meter. Documentation will be provided to the Department.

Lessee will have a meter installed within 45 days from the effective date of this lease, or prior to gas production, whichever comes first. The lessee shall work with MMB every year that the tap well is in use to pay royalties on the average price of gas. MMB will calculate a contract gas price annually based on projected AECO Index price. Non-compliance with this stipulation will result in lease cancellation.

- 9 The State, as a riparian land and/or mineral owner, may have an ownership claim to adjacent river/stream/lake/reservoir/abandoned channel bed(s) and related acreage in this Section. No surface occupancy is allowed within the bed of a river, stream, lake or reservoir, or on islands and accretions, or abandoned channels. If during production, title to river, stream, lake, reservoir, abandoned channel and/or related acreage or adjoining land title is disputed, the lessee will file an interpleader action under Rule 22, M.R. Civ. P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which the title is disputed. The lessee shall name all potential royalty claimants as defendants.
- 10 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 11 If there is oil or gas production, and if land title is disputed, the lessee shall fund professional land surveys as needed to determine the location and acreage encompassed by the spacing and/or pooling unit and the state lease acreage within that unit. Surveys shall be conducted by a licensed land surveyor acceptable to the Department, and shall be prepared pursuant to survey requirements provided by the Department.

- 12 This tract has (an) existing well(s) and related facilities. The lessee has 45 days from the effective date of this lease to determine whether or not to assume responsibility from the former lessee for the well(s) and any existing facilities. The lessee may not enter the well(s) until a change of operator has been filed with, and approved by, the Board of Oil and Gas Conservation (BOGC). If a change of operator is accepted, the(se) well(s) must be returned to commercial production or plugged and the well site(s) reclaimed within 18 months from the effective date of this lease. Notice(s) for intent to abandon (an) existing well(s) has/have been filed with the BOGC.
- 13 This tract has (an) existing well(s) and related facilities. The lessee has 45 days from the effective date of this lease to determine whether or not to assume responsibility from the former lessee for the well(s) and any existing facilities. The lessee may not enter the well(s) until a change of operator has been filed with, and approved by, the Board of Oil and Gas Conservation. If a change of operator is accepted, the(se) well(s) must be returned to commercial production or plugged and the well site(s) reclaimed within 18 months from the effective date of this lease.
- 14 If whooping cranes are observed on-site, construction and/or maintenance activities shall be suspended until birds leave the area.
- 15 MT Dept. of Fish, Wildlife and Parks (MT-DFWP) holds surface estate on part of the lease area in part of the east half and northwest quarter of this Section. Prior to MT-DFWP's surface acquisition, two gas wells were emplaced in the east half of the Section. These currently shut-in wells may be returned to production.

This area is now part of the Marias River Wildlife Management Area. MT-DNRC will consult with MT-DFWP regarding oil and gas activity proposed on their surface area. If the lessee proposes new oil and gas activity on the MT-DFWP surface area, lessee shall coordinate with MT-DNRC and MT-DFWP to determine a suitable location of proposed oil and gas well(s), related facilities and equipment for possible development and production within the lease area. The location of the well(s), equipment and facilities shall be reasonable and shall not cause undue hardship to the oil and gas lessee. The lessee will also work and coordinate with MT-DNRC if proposing any activity outside the MT-DFWP surface area on this tract.

- 16 It is the responsibility of the lessee to acquire permission for access to the leased state lands/mineral estate. Neither this lease nor MT-DNRC provide any guarantee that access will be obtainable from adjoining landowners. Written proof of access from MT-DFWP will be provided to MT-DNRC.

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Applicant List

Tract	Twp	Rng	Sec	Description	Acres	Applicant
Pondera						
1	31.N	3.W	16	LOTS 1-13 INC., LOTS 15, 16, E2NE4, NW4NE4, NE4SE4 (SUBJECT TO, BUT NOT LIMITED TO 70-16-201, MCA; 70-18-201, MCA; AND 70-18-205, MCA)	455.00	BIG ROSE COLONY INC
Richland						
2	22.N	53.E	16	ALL	640.00	PITCHBLACK OIL, LLC
3	24.N	58.E	16	ALL	640.00	JBLS MONTANA, INC.
Toole						
4	36.N	2.E	16	NW4, S2NE4, S2	560.00	MCR, LLC

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

P.O. Box 201601

Helena, Montana 59620-1601

The following is a list of oil and gas leases, which expired or terminated in March 2024.

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Fallon					
	4 N	61 E	16	All	640.00
	4 N	61 E	22	W2	320.00
	4 N	61 E	36	All	640.00
	5 N	60 E	16	All	640.00
Musselshell					
	10 N	28 E	36	All	640.00
	10 N	29 E	36	All	640.00
	10 N	30 E	6	Lots 1, 2, S2NE4, SE4	320.43
	10 N	30 E	36	All, less patented RR R/W	621.80
Petroleum					
	12 N	29 E	16	All	640.00
	12 N	29 E	32	NW4	160.00
	12 N	29 E	36	Lots 1, 2, 3, 4, W2, W2E2	572.07
	12 N	30 E	16	All	640.00
	12 N	30 E	36	All	640.00
Powder River					
	9 S	50 E	36	Lots 1, 2, 3, N2, NW4SE4, N2SW4	550.30
Rosebud					
	9 N	33 E	16	ALL	640.00
	9 N	34 E	12	E2	320.00
	9 N	34 E	16	ALL	640.00
	10 N	32 E	30	E2NW4, NE4, E2SE4	320.00
	10 N	35 E	16	All	640.00
	11 N	35 E	36	All	640.00
	12 N	31 E	21	All	640.00
	12 N	34 E	31	LOTS 1, 2, 3, 4, E2	377.68
	13 N	31 E	36	All	640.00
Sheridan					
	33 N	57 E	16	ALL	640.00
	33 N	57 E	36	ALL	640.00
	36 N	55 E	36	All	640.00

COUNTY	TWP	RNG	SEC	DESCRIPTION	ACRES
Sheridan					
	36 N	57 E	36	All	640.00
	37 N	56 E	36	All	640.00
	37 N	57 E	36	All	640.00
Toole					
	32 N	1 W	25	N2, FROM THE SURFACE TO THE BASE OF THE BACKLEAF FORMATION	320.00
	32 N	1 W	26	E2, FROM THE SURFACE TO THE BASE OF THE BACKLEAF FORMATION	320.00
	34 N	2 W	16	ALL, BELOW THE BASE OF THE THREE FORKS FORMATION	640.00

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION

Forestry and Trust Lands 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 3, 2024 Oil and Gas Lease Sale

In order to give as much advance notice as possible, please be advised that the December 2024 Oil and Gas Lease Sale will be held online during the period of **November 27 – December 3, 2024**, 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 out.

The deadline filing date for submitting applications on tracts to be nominated for the sale in December is 5:00pm MST on September 17, 2024. Applications must be received in this office by that date. If you have any questions, please contact me at THossfeld@mt.gov or (406) 444-4576.

Theresa Hossfeld, Leasing Specialist
Mineral Leasing Section
Minerals Management Bureau