

REGULAR MEETING OF THE BOARD OF LAND COMMISSIONERS
AGENDA
September 16, 9:00 a.m.
Supreme Court Chambers, Mazurek Justice Building
Helena, MT

ACTION ITEMS

- 0924-1 Timber Sales: Main Soup APPROVED 4-0**
Benefits: Common Schools
Location: Lake Country
- 0924-2 Oil and Gas Lease Sale: September 4, 2024 APPROVED 4-0**
Benefits: Common Schools
Location: Pondera, Richland, and Toole Counties
- 0924-3 Land Banking Parcels: Set Minimum Bid for Sale APPROVED 4-0**
Benefits: Common Schools
Location: Fergus County
- 0924-4 Easements APPROVED 4-0**
Benefits: Common Schools, Public Buildings, Public Land Trust
Location: Custer, Fallon, Flathead, Madison, Powder River, Ravalli, and Sanders Counties
- 0924-5 Property Management: Rule Making APPROVED 4-0**
Benefits: N/A
Location: State of Montana

PUBLIC COMMENT

0924-1

TIMBER SALES:
Main Soup

**Land Board Agenda Item
September 16, 2024**

0924-1 Timber Sale: Main Soup

**Location: Lake County
Sections 20, 21, 27, 28 and 29 T24N R17W**

Trust Beneficiaries: Common Schools

Trust Revenue: \$206,460 (estimated, minimum bid)

Item Summary

Location: The Main Soup Timber Sale is located approximately 6 miles southeast of Swan Lake, Montana.

Size and Scope: The sale includes 5 harvest units (204 acres) of ground-based logging.

Volume: The estimated harvest volume is 8,302 tons (1,389 MBF) of sawlogs.

Estimated Return: The minimum bid is \$24.87 per ton, which would generate approximately \$206,460 for the Common School Trust and approximately \$36,974 in Forest Improvement fees.

Prescription: This sale would utilize a combination seed tree, individual tree selection, and commercial thinning harvest prescriptions designed to reduce insect and disease issues, reduce fuel loading, and promote forest health.

Road Construction/Maintenance: Department of Natural Resources and Conservation (DNRC) is proposing 0.5 miles of temporary road construction and 6.5 miles of road maintenance.

Access: The project area is accessed through State-owned roads.

Public Comments: This timber sale is covered under the Squeezer Meadow Environmental Impact Statement (EIS). Twenty public comments were received during the scoping of the Squeezer Meadow EIS and an additional five individuals indicated that they had no comments but would like to stay informed during project development. Nine comments expressed general support for the project, six comments were neutral, and five comments were opposed to the project. Commenters expressed concern about wildlife, silviculture, hydrology and soils, roads and traffic, fisheries, climate change, visual aesthetics, air quality, cultural resources, and economics. All public comments and concerns were considered and addressed in the Squeezer Meadow Final EIS.

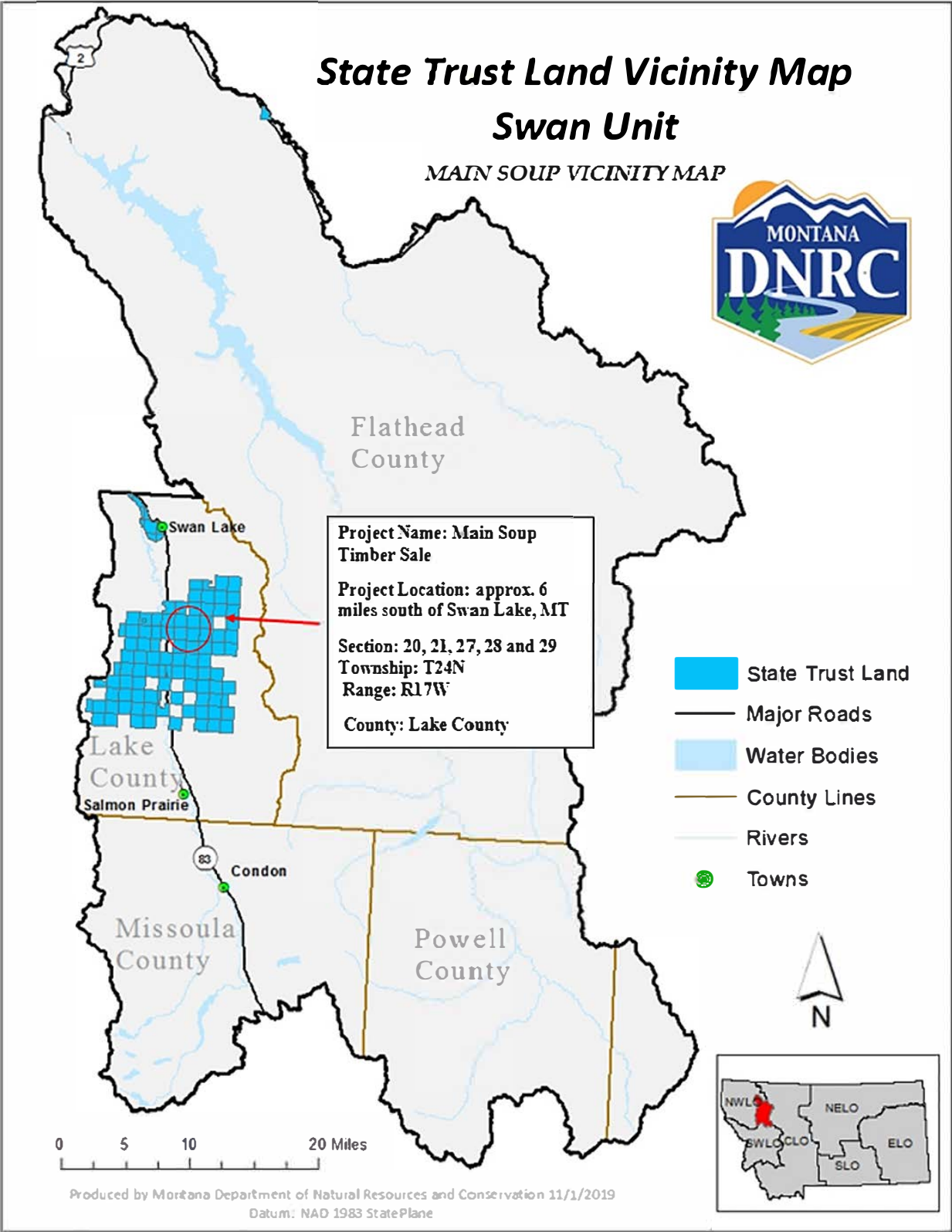
DNRC Recommendation

The DNRC recommends the Land Board direct DNRC to sell the Main Soup Timber Sale.

State Trust Land Vicinity Map

Swan Unit

MAIN SOUP VICINITY MAP



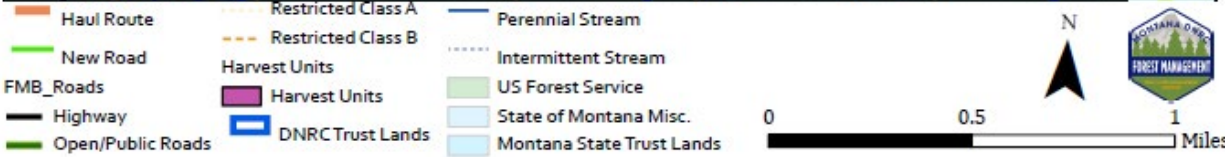
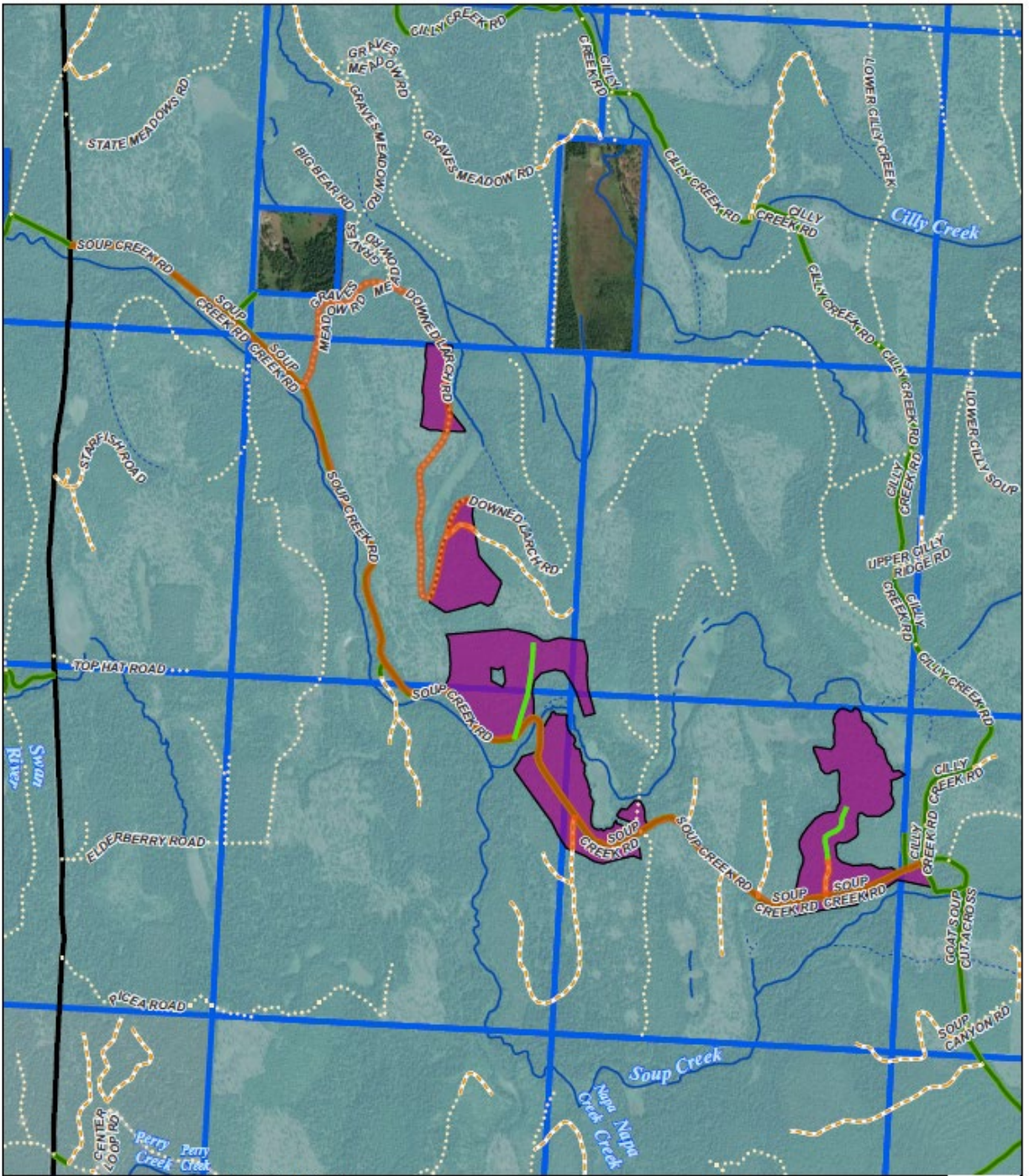
Project Name: Main Soup Timber Sale
Project Location: approx. 6 miles south of Swan Lake, MT
Section: 20, 21, 27, 28 and 29
Township: T24N
Range: R17W
County: Lake County

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

0 5 10 20 Miles

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

Main Soup Timber Sale Haul Route and Harvest Units



0924-2

OIL & GAS LEASE SALE

**Land Board Agenda Item
September 16, 2024**

0924-2 Oil and Gas Lease Sale: September 4, 2024

Location: Pondera, Richland, Toole

Trust Benefits: Common Schools

Trust Revenue: \$2,853,403

Item Summary

The Department of Natural Resources and Conservation (DNRC) held an online oil and gas lease sale that started on August 29, 2024 and closed on September 4, 2024, through an online auction company, EnergyNet. A total of four tracts were offered for lease. Four tracts were leased for a total of \$2,853,403. The four tracts that were sold covered a total of 2,295 acres. The average bid per acre was \$1,243.

The high competitive bid for the September 4, 2024 sale was \$4,315 per acre and the largest total bid was \$2,761,600 for Tract 3 in Richland County.

DNRC Recommendation

DNRC requests Land Board approval to issue the leases from the September 4, 2024 oil and gas lease sale.

**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

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

0924-3

LAND BANKING: SET MINIMUM BID

**Land Board Agenda Item
September 16, 2024**

0924-3 Land Banking Parcel: Set Minimum Bid

Location: Fergus County

Trust Benefits: Common Schools

Trust Revenue: \$750,000

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 Fergus County. The sale was nominated by the lessee and is located approximately 24 miles north of Winnett, Montana.

Sale #	# of Acres	Legal	Nominator	Trust
2064	640±	ALL of Sec. 36 T19N-R26E	Charles Oke	Common Schools

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

Sale No. 2064 is entirely surrounded 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.

MEPA scoping has been completed, and no potentially negative issues related to the sale of this parcel have been identified. Public comments include one reply from a Fergus County Commissioner stating the parcel should remain in agricultural production. Other public comments received were informational inquiries.

Economic Analysis:

Short term – The average rate of return on this sale parcel is shown in Figure 1. The parcel would continue to receive this return if it remained in state ownership.

Figure 1: Rate of Return at Current Appraised Value

Sale No.	Rate of Return
2064	0.20%

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 3.28% on acquisitions with income generated from annual lease payments.

Cultural/Paleontological Resources:

The state parcel proposed for sale (Section 36, T19N R26E) in Fergus County was inventoried to Class III standards for cultural and paleontologic resources in June of 2019. No cultural or paleontologic resources were identified on the state tract. A cultural and paleontologic resources inventory report has been prepared and is on file with the Montana Department of Natural Resources and Conservation (DNRC) and the Montana State Historic Preservation Office (SHPO). The DNRC fulfilled its Montana State Antiquities Act mandates by completing cultural and paleontologic resources inventory and reporting, then consulting with the SHPO. The SHPO concurred with the DNRC that sale of the state tract would result in No Effect to Heritage Properties. No additional cultural or paleontologic resources inventory or evaluation work is necessary.

Background:

In April 2024, the Board granted preliminary approval (Approved 5-0) for this parcel to continue through the Land Banking sale evaluation process.

Appraisal:

The appraisal was prepared by Montana General Certified Appraisers J. Scott Crosby and Valerie Crosby of Crosby Analytics, LLC in Cowley, Wyoming in June of 2024.

Sale No.	Appraised Value	Recommended Minimum Bid
2064	\$750,000	\$750,000

DNRC Recommendation

The DRNC recommends the Land Board set the minimum bid for this parcel at the appraised land value shown above.

Lewistown Unit - Sale No. 2064 Land Banking Sale Nomination



Land Banking Sale 2064

Map created by REMB staff March 2024

MT Land
Ownership
 DNRC Trust Lands

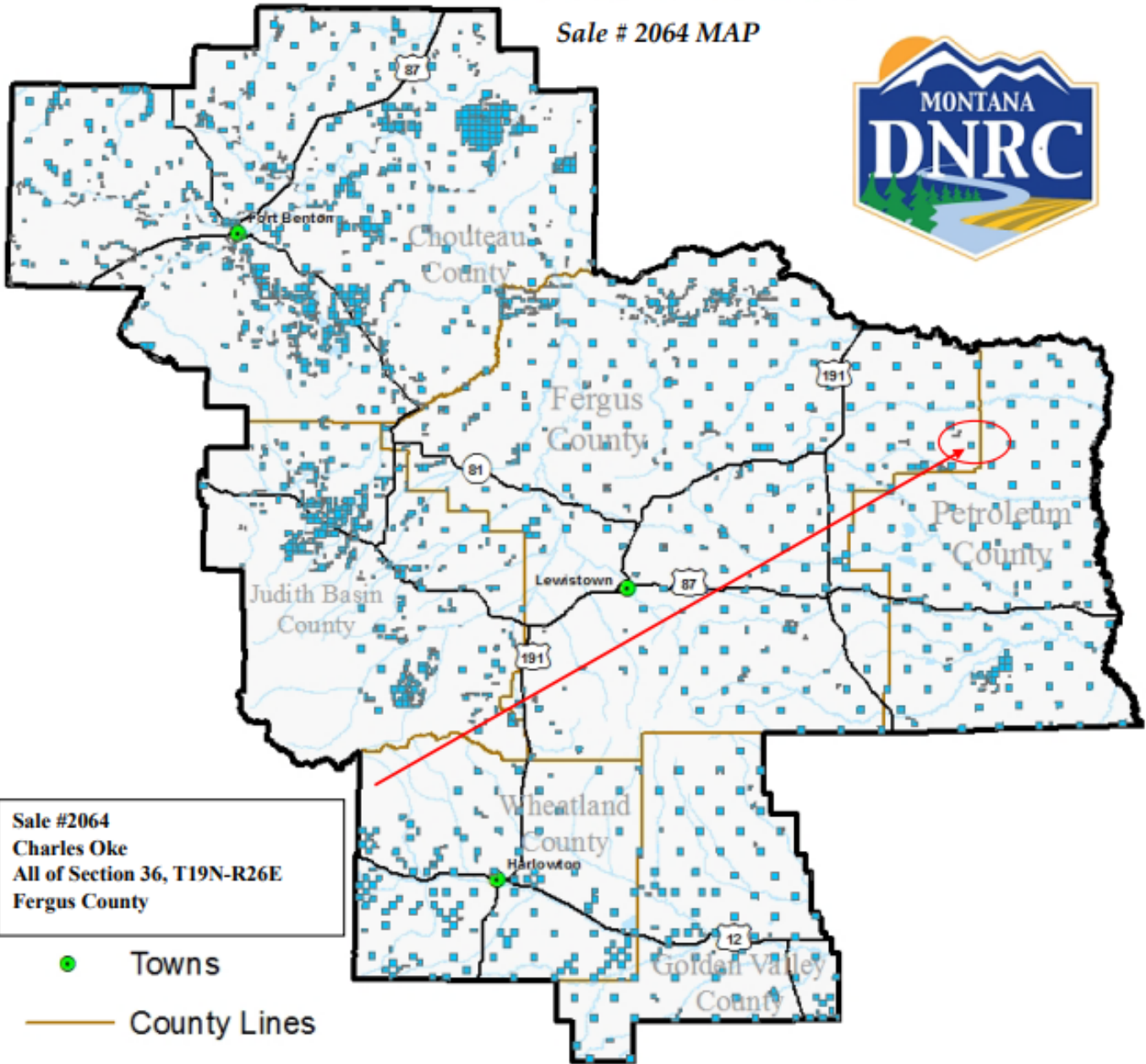
Fergus County
All of Section 36
T19N-R26E



State Trust Land Vicinity Map

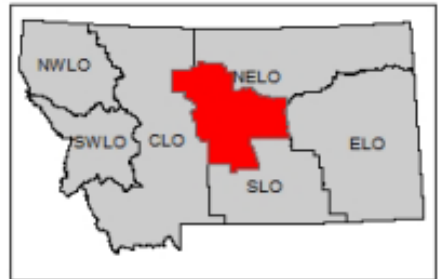
Lewistown Unit

Sale # 2064 MAP



Sale #2064
 Charles Oke
 All of Section 36, T19N-R26E
 Fergus County

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



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

0924-4

EASEMENTS

**Land Board Agenda Item
September 16, 2024**

0924-4 Easements

Location: Custer, Fallon, Flathead, Madison, Powder River, Ravalli, and Sanders Counties

Trust Benefits: Common Schools, Public Buildings, Public Land Trust

Trust Revenue: Common Schools	\$8,950
Public Buildings	\$ 958
Public Land Trust	\$8,267

Item Table of Contents

Applicant	Right-of-Way Purpose	Term	Page(s)
Lincoln Electric Cooperative	Buried Electric Distribution	Permanent	21-22
InterBel Telephone Cooperative	Buried Fiber Optic Cable	Permanent	23-24
NorthWestern Energy	Buried Electric Distribution	Permanent	25-26
NorthWestern Corporation	Buried 12" Natural Gas Pipeline	30-Year Term	27-28
SkyLink Fiber Communications	Buried Fiber Optic Cable	Permanent	29-30
Lumen Technologies	Two Overhead Telecommunications Lines	Permanent	31-32
Mid Rivers Telephone Cooperative	Buried Fiber Optic Cable	Permanent	33-52
Blackfoot Telephone Cooperative	Buried Fiber Optic Cable	Permanent	53-56
Range Telephone Cooperative	Buried Fiber Optic Cable	Permanent	57-58
Town of Twin Bridges	Sanitary Sewer Main Line	Permanent	59-60

APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Lincoln Electric Cooperative
PO Box 628
Eureka MT 59917

Application No.: 9539 (Amended)
R/W Purpose: a buried 25kV electric distribution line
Lessee Agreement: N/A (Unleased)
Acreage: 0.12
Compensation: \$378.00
Legal Description: 20-foot strip through SW4SW4, Sec. 8, Twp. 32N, Rge. 23W,
Flathead County
Trust Beneficiary: Public Buildings

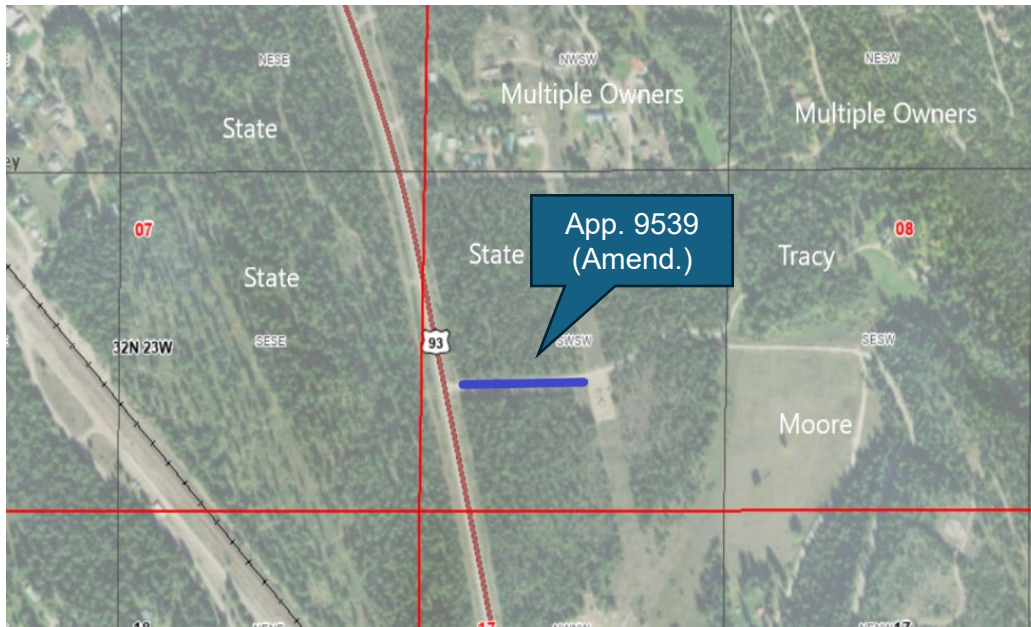
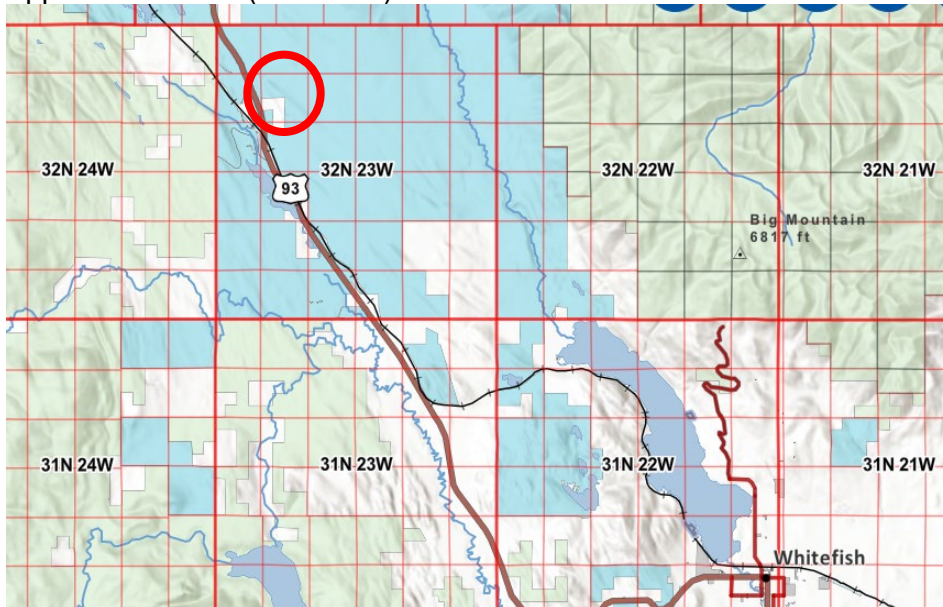
Item Summary

Lincoln Electric Cooperative is requesting an amendment to an existing easement issued in 1987 for an overhead distribution line. The requested amendment is in response to a requirement from BNSF to relocate the existing powerline to the outer edge of the railroad tracks which overlap with the existing easement as well as to provide potential fire mitigation and connection to other underground replacements occurring in the Olney area. This request will narrow the existing easement width, which is variable from 30-50 feet wide, down to 20-foot wide in totality and all existing overhead infrastructure will be removed. The relocation of the facility to underground will also provide a benefit to the cooperative's membership as it will reduce the number of outages that occur with overhead lines during the winter months. The easement value was determined by limited valuation of today's market values for the tract with a credit given for the cost of the original easement.

DNRC Recommendation

The DNRC recommends approval of the application of Lincoln Electric Cooperative.

Application #9539 (Amended)



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: InterBel Telephone Cooperative, Inc.
PO Box 648
Eureka, MT 59917

Application No.: 19039 (Amended)
R/W Purpose: a buried fiber optic telecommunications cable
Lessee Agreement: N/A (Navigable Waters)
Acreage: 0.03
Compensation: \$470.00
Legal Description: 20-foot strip under the Stillwater River in SE4SW4, Sec. 30,
Twp. 29N, Rge. 21W, Flathead County
Trust Beneficiary: Public Land Trust (Nav. Waters)

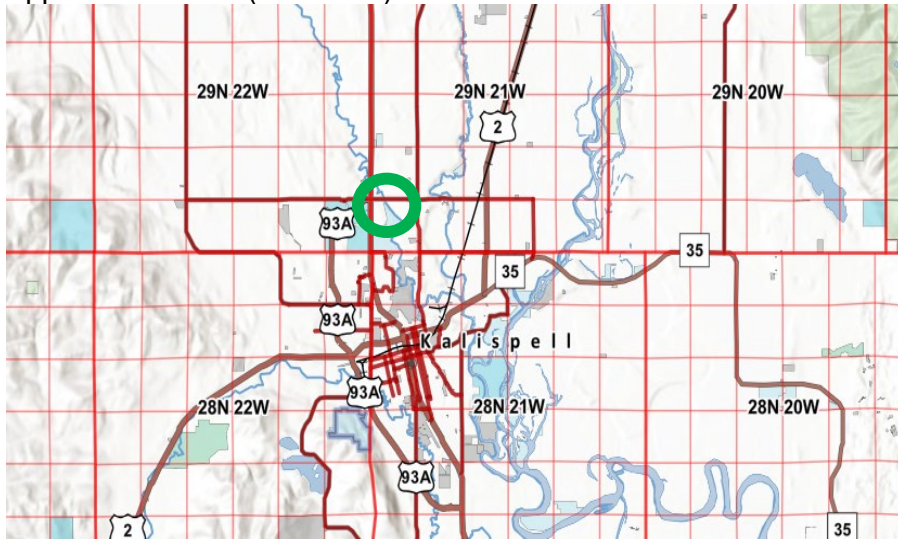
Item Summary

InterBel Telephone Cooperative is requesting an amendment to their existing easement issued in 2021 for a buried fiber optic telecommunications cable. The existing cable is adjacent to the West Reserve Drive bridge in Kalispell and the Department of Transportation (MDT) is requiring relocation of all utilities located on or near the bridge. The bridge project will expand the deck of the bridge to provide for a pedestrian pathway and slightly re-align the approaches on either side. The easement value was determined by utilizing the MDT appraisal that reflects today's market values for this vicinity and giving a credit for the cost of the original easement.

DNRC Recommendation

The DNRC recommends approval of the application of InterBel Telephone Cooperative.

Application 19039 (Amended)



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Energy
11 E. Park Street
Butte, MT 59701

Application No.: 19666
R/W Purpose: a buried 7.2/12.47kV electric distribution line
Lessee Agreement: N/A (Unleased)
Acreage: 0.58
Compensation: \$580.00
Legal Description: 30-foot strip through E2SE4, Sec. 10, Twp. 21N, Rge. 26W,
Sanders County
Trust Beneficiary: Public Buildings

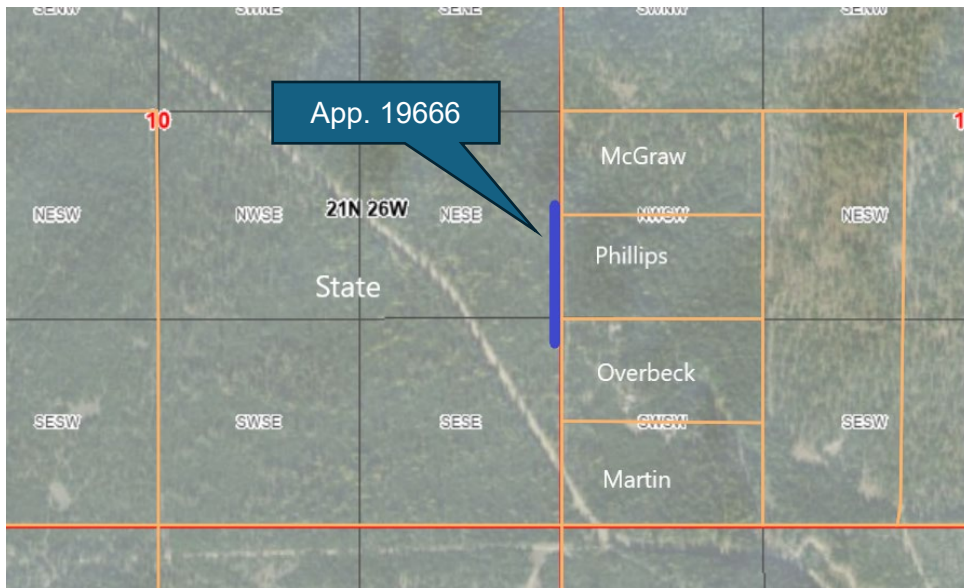
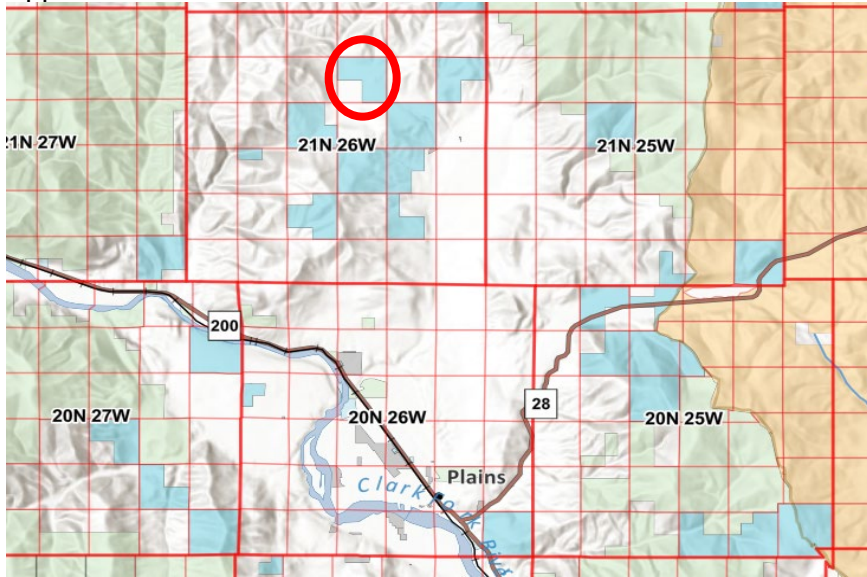
Item Summary

NorthWestern Energy is requesting an easement to install a buried electric distribution line on State Lands for the purpose of providing electrical service to a customer. The proposed line will be dropped from an existing line on private land and run along the adjacent State Land section line for a distance of approximately 965 feet where it will enter the property of the customer. Minimal impacts are expected from the proposed installation.

DNRC Recommendation

The DNRC recommends approval of the application of NorthWestern Energy.

Application #19666



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: NorthWestern Corporation
d/b/a NorthWestern Energy
11 E. Park Street
Butte, MT 59701

Application No.: 19667
R/W Purpose: a buried 12" natural gas pipeline
Lessee Agreement: N/A (Navigable River)
Acreage: 0.03
Compensation: \$1,050.00
Legal Description: 20-foot strip under the Stillwater River in SE4SW4, Sec. 30,
Twp. 29N, Rge. 21W, Flathead County
Trust Beneficiary: Public Land Trust (Nav. Waters)

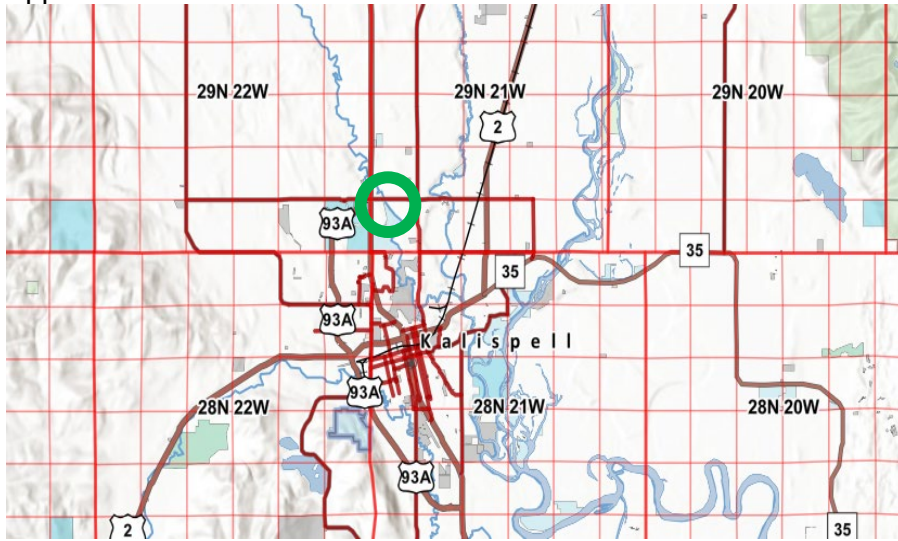
Item Summary

NorthWestern Corporation is requesting an easement under the Stillwater River for an existing 12" natural gas pipeline as a result of the MDT West Reserve Drive bridge reconstruction project. The natural gas pipeline is currently attached to the bridge and must be relocated to an area outside of the bridge expansion area. The pipeline will be bored beneath the bed of the river below scour depth. As is the standard practice for oil and gas pipelines, a 30-year term easement is recommended.

DNRC Recommendation

The DNRC recommends approval of the application of NorthWestern Corporation for a 30-year term easement.

Application #19667



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: SkyLink Fiber Communications LLC
568 Franklin Way
Kalispell, MT 59901

Application No.: 19668
R/W Purpose: a buried fiber optic cable
Lessee Agreement: N/A (Navigable Waters)
Acreage: 0.03
Compensation: \$1,050.00
Legal Description: 20-foot strip under the Stillwater River in SE4SW4, Sec. 30,
Twp. 29N, Rge. 21W, Flathead County
Trust Beneficiary: Public Land Trust (Nav. Waters)

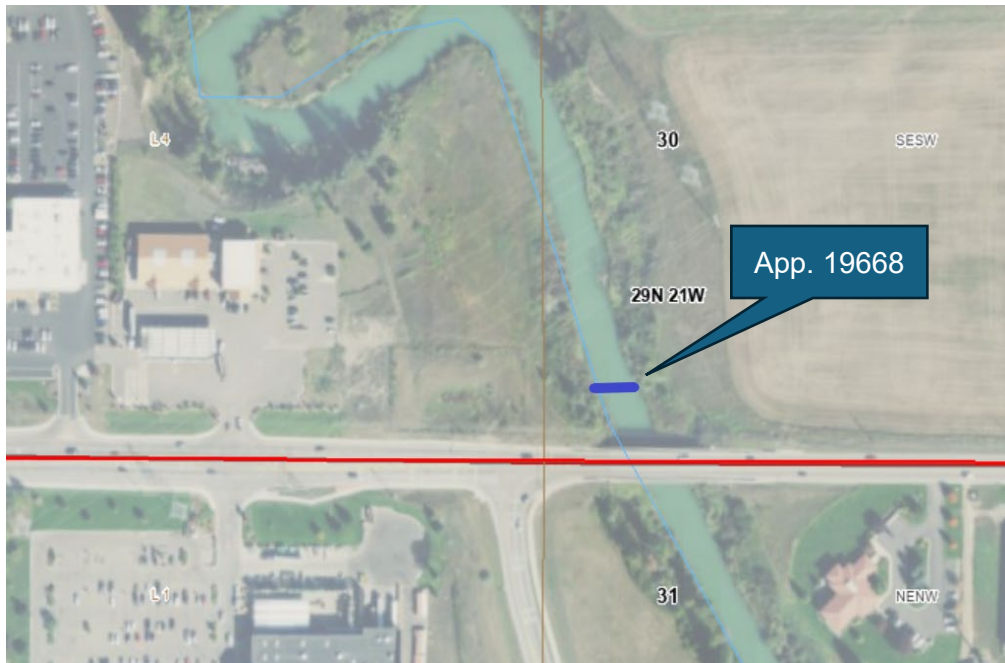
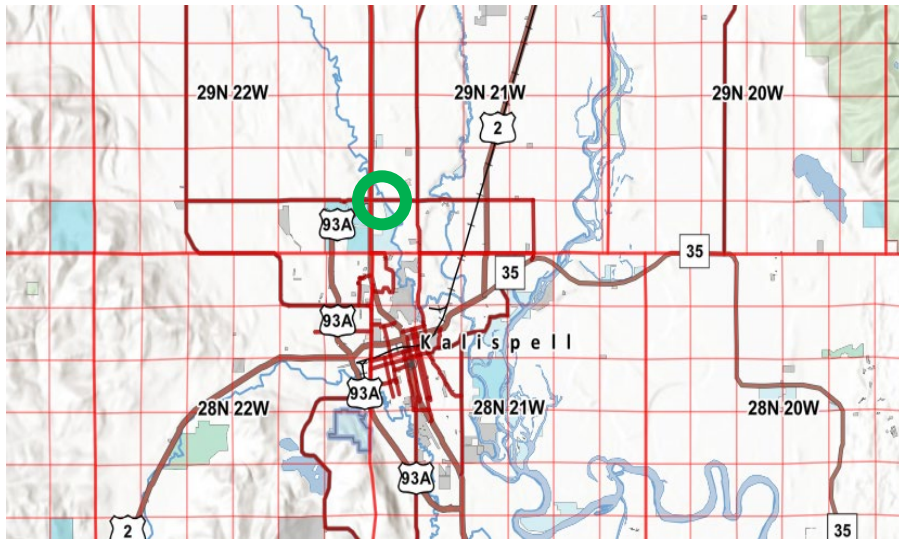
Item Summary

SkyLink Fiber Communications is requesting an easement for an existing fiber optic cable to be relocated and bored under the Stillwater River. The cable is currently attached to the West Reserve Drive bridge that is being reconstructed by MDT. All utilities attached to or within the immediate vicinity of the bridge are being required to relocate as a result of the bridge project. This fiber optic cable will be horizontally drilled under the riverbed below scour depth.

DNRC Recommendation

The DNRC recommends approval of the application of SkyLink Fiber Communications LLC.

Application #19668



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Lumen Technologies, Inc.
1090 N. Meridian
Kalispell, MT 59901

Application No.: 19678
R/W Purpose: two overhead telecommunications cables
Lessee Agreement: N/A (Navigable River)
Acreage: 0.03
Compensation: \$1,050.00
Legal Description: 20-foot strip across the Stillwater River in NE4NW4, Sec. 31,
Twp. 29N, Rge. 21W, Flathead County
Trust Beneficiary: Public Land Trust (Nav. Waters)

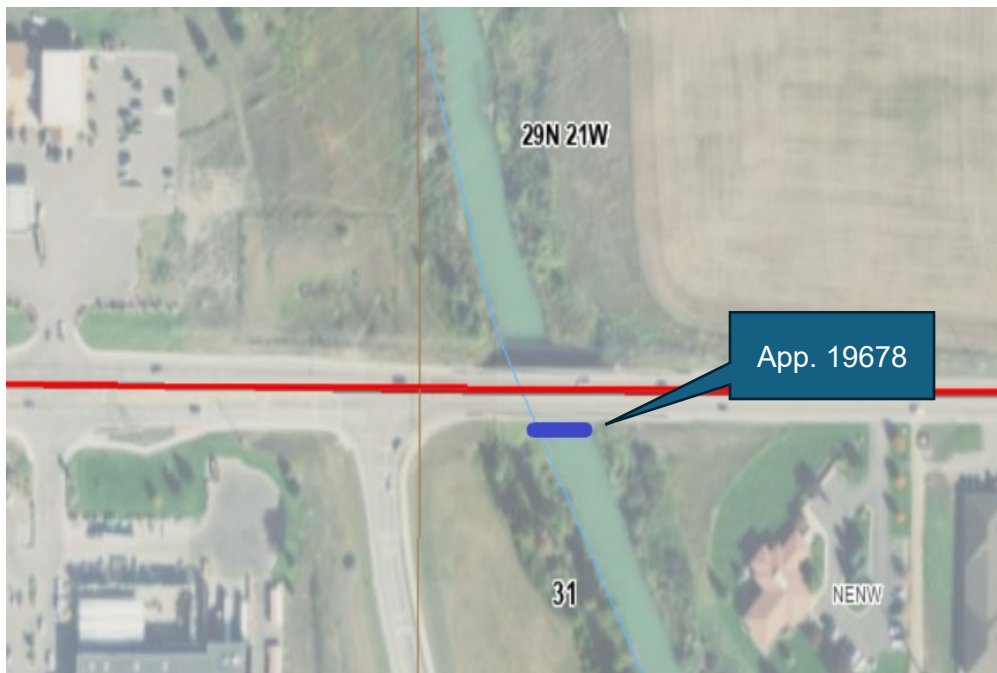
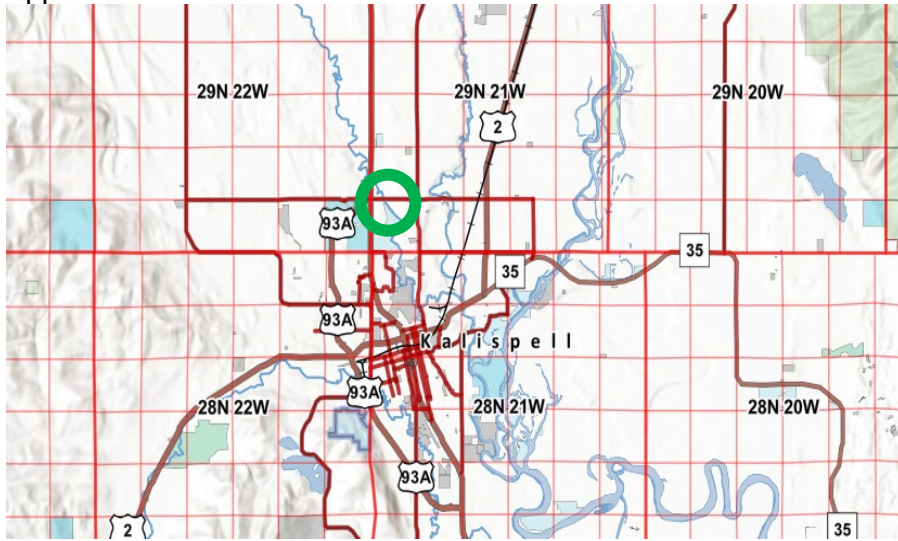
Item Summary

Lumen Technologies is requesting an easement for two overhead telecommunications cables crossing the Stillwater River. Both lines are currently in use with one line being attached to the West Reserve Street Bridge and the other placed on existing poles on either side of the river. As a result of the MDT bridge reconstruction project the line on the bridge will need to be relocated and it was determined that co-locating both cables to the existing pole structures would be least impactful. The existing overhead line on the poles had not been previously authorized by the Board, therefore this application is for two communications cables.

DNRC Recommendation

The DNRC recommends approval of the application of Lumen Technologies, Inc.

Application #19678



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Mid Rivers Telephone Cooperative
PO Box 280
Circle, MT 59215

Application No.: 19695
R/W Purpose: a buried fiber optic cable
Lessee Agreement: ok
Acreage: 2.10
Compensation: \$1,260.00
Legal Description: 16-foot strip through N2NW4, SE4NW4, S2NE4, NE4SE4,
Sec. 36, Twp. 11N, Rge. 57E, Fallon County
Trust Beneficiary: Common Schools

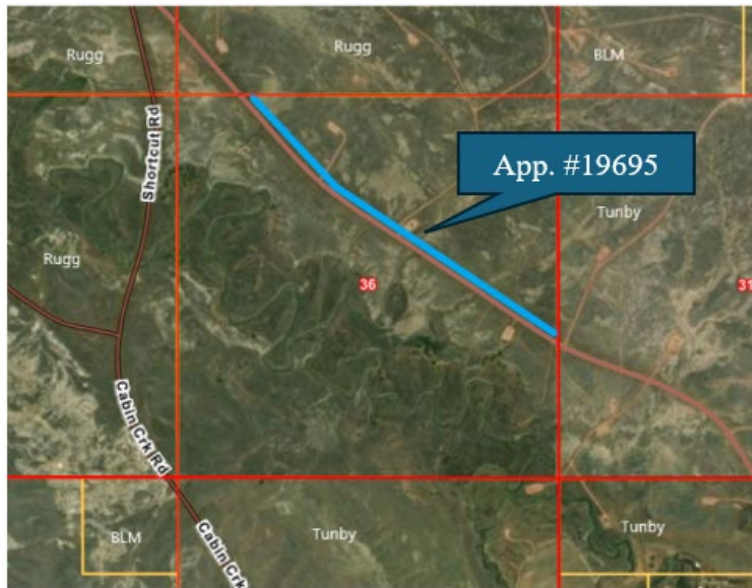
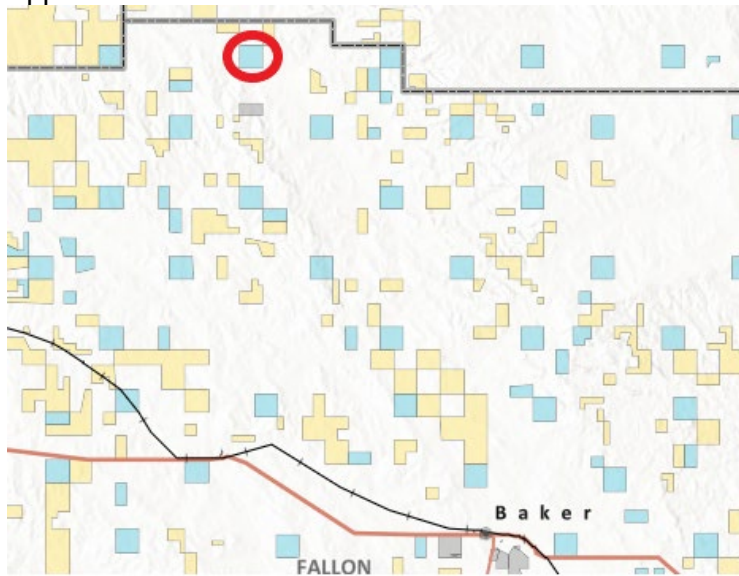
Item Summary

Mid-Rivers Telephone Cooperative is requesting an easement to install a buried fiber optic telecommunications cable. The line will provide reliable telephone and broadband services to homes and businesses in Fallon and Custer counties. The proposed route was chosen in order to follow existing roadways and disturbed areas. Other routes were considered and eliminated for topographical, environmental, and economic reasons. Consultation with the sage grouse program has occurred.

DNRC Recommendation

The DNRC recommends approval of the application of Mid Rivers Telephone Cooperative.

Application #19695



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Mid Rivers Telephone Cooperative
PO Box 280
Circle, MT 59215

Application No.: 19696
R/W Purpose: a buried fiber optic cable
Lessee Agreement: ok
Acreage: 0.07
Compensation: \$100.00
Legal Description: 16-foot strip through SE4SE4, Sec. 10, Twp. 9N, Rge. 56E,
Fallon County
Trust Beneficiary: Common Schools

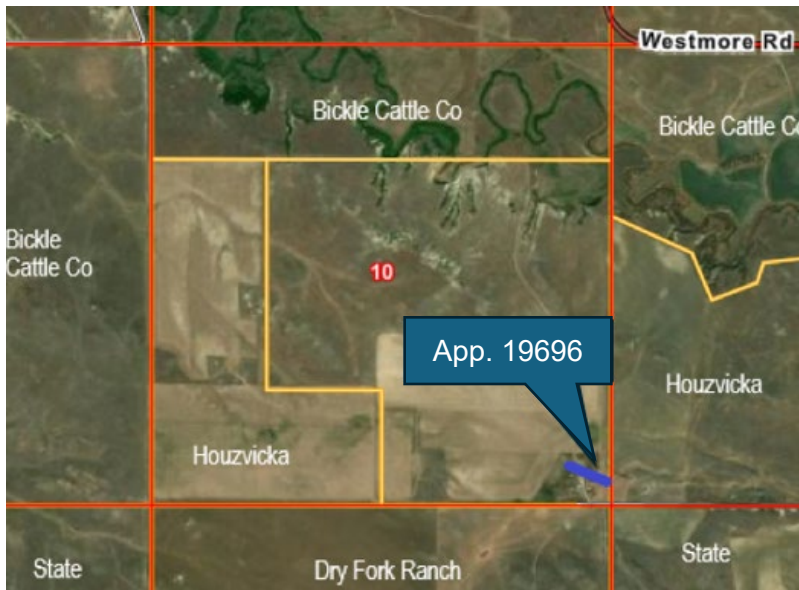
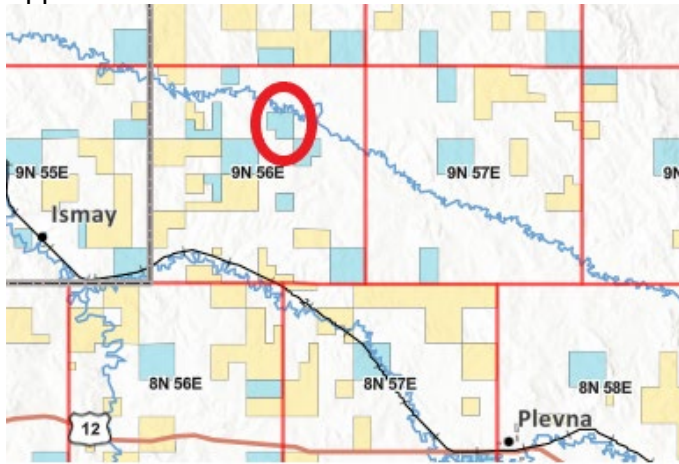
Item Summary

Continuation of Mid Rivers Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Mid Rivers Telephone Cooperative.

Application #19696



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Mid Rivers Telephone Cooperative
PO Box 280
Circle, MT 59215

Application No.: 19697
R/W Purpose: a buried fiber optic cable
Lessee Agreement: Ok
Acreage: 0.92
Compensation: \$552.00
Legal Description: 16-foot strip through E2SW4, Sec. 36, Twp. 8N, Rge. 57E,
Fallon County
Trust Beneficiary: Common Schools

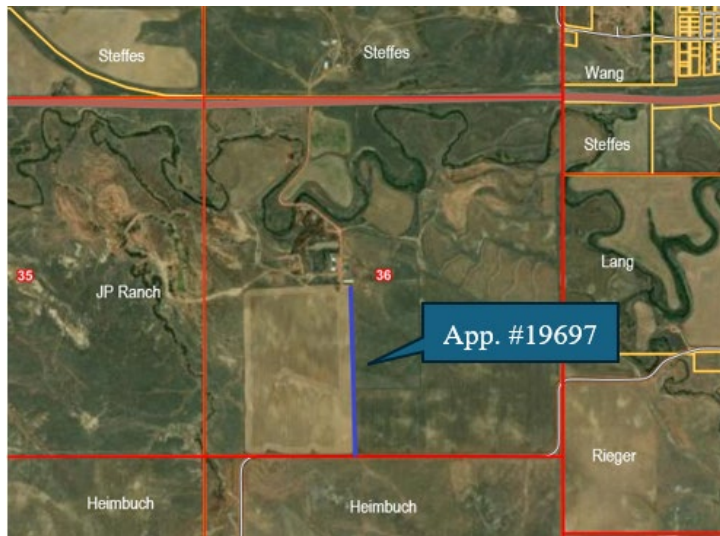
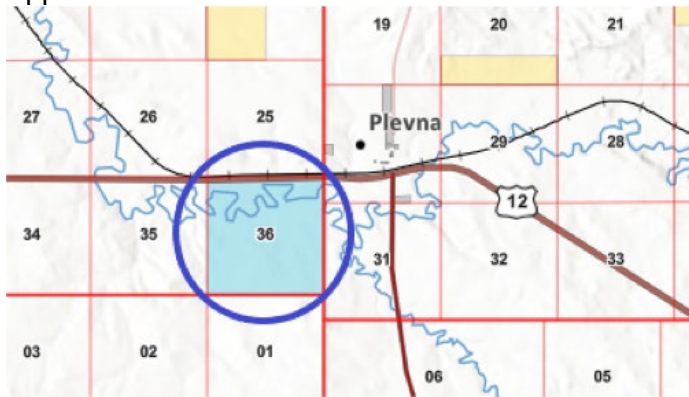
Item Summary

Continuation of Mid Rivers Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Mid Rivers Telephone Cooperative.

Application #19697



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Mid Rivers Telephone Cooperative
PO Box 280
Circle, MT 59215

Application No.: 19698
R/W Purpose: a buried fiber optic cable
Lessee Agreement: ok
Acreage: 0.97
Compensation: \$582.00
Legal Description: 16-foot strip through E2SE4, Sec. 34, Twp. 10N, Rge. 56E,
Fallon County
Trust Beneficiary: Common Schools

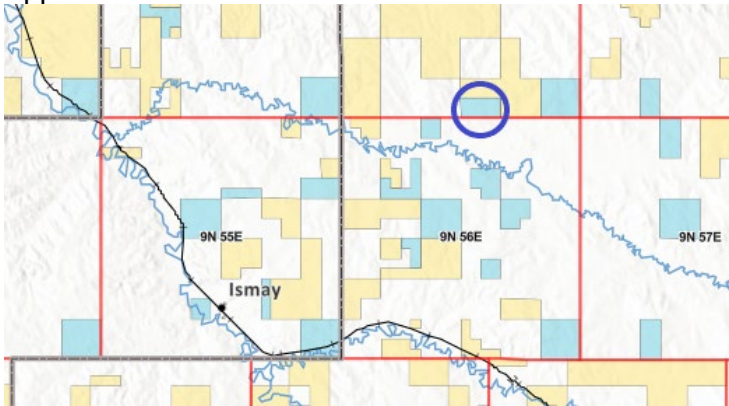
Item Summary

Continuation of Mid Rivers Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Mid Rivers Telephone Cooperative.

Application #19698



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Mid Rivers Telephone Cooperative
PO Box 280
Circle, MT 59215

Application No.: 19699
R/W Purpose: a buried fiber optic cable
Lessee Agreement: ok
Acreage: 2.49
Compensation: \$1,494.00
Legal Description: 16-foot strip through Gov. Lots 4, 5 & 12, W2SW4, Sec. 1,
Twp. 6N, Rge. 56E, Fallon County
Trust Beneficiary: Common Schools

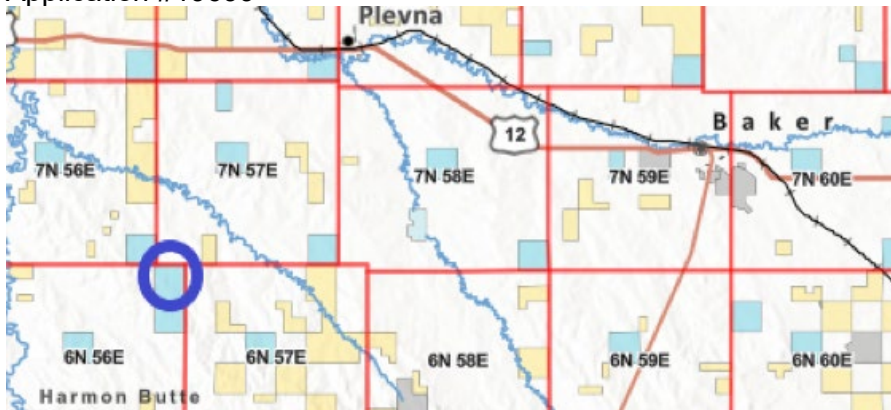
Item Summary

Continuation of Mid Rivers Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Mid Rivers Telephone Cooperative.

Application #19699



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Mid Rivers Telephone Cooperative
PO Box 280
Circle, MT 59215

Application No.: 19700
R/W Purpose: a buried fiber optic cable
Lessee Agreement: ok
Acreage: 2.11
Compensation: \$1,266.00
Legal Description: 16-foot strip through NE4NW4, W2W2, NE4SW4, Sec. 36,
Twp. 7N, Rge. 55E, Fallon County
Trust Beneficiary: Common Schools

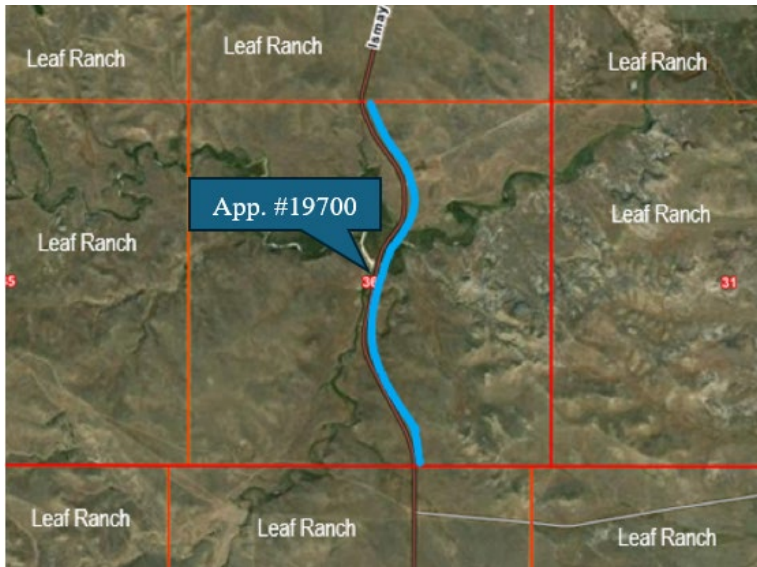
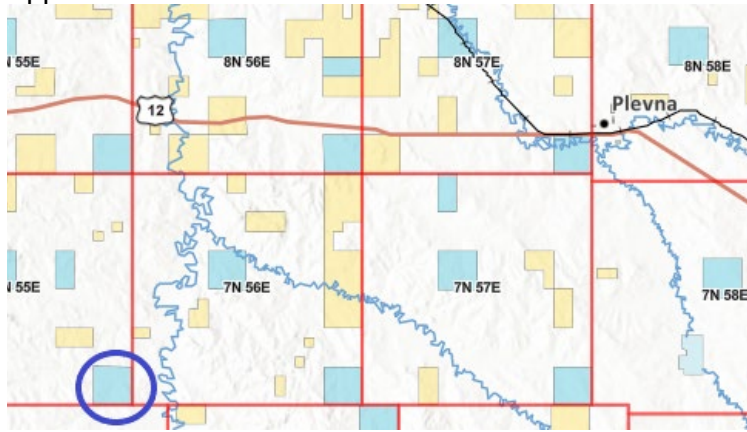
Item Summary

Continuation of Mid Rivers Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Mid Rivers Telephone Cooperative.

Application #19700



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Mid Rivers Telephone Cooperative
PO Box 280
Circle, MT 59215

Application No.: 19701
R/W Purpose: a buried fiber optic cable
Lessee Agreement: ok
Acreage: 2.24
Compensation: \$1,344.00
Legal Description: 16-foot strip through N2SE4, SE4SE4, Sec. 36, Twp. 7N, Rge. 54E, Custer County
Trust Beneficiary: Common Schools

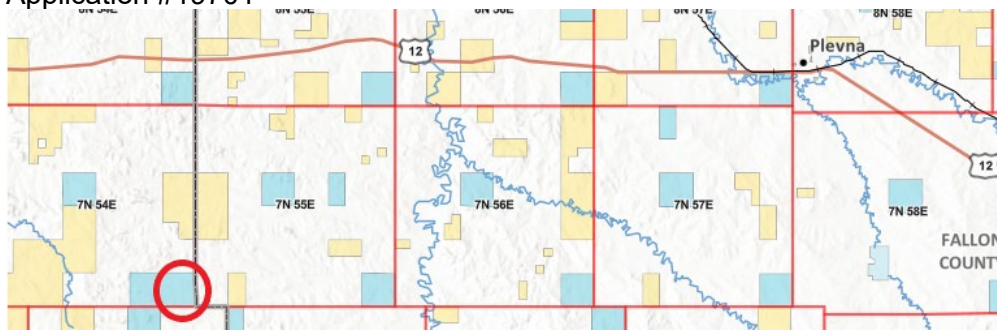
Item Summary

Continuation of Mid Rivers Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Mid Rivers Telephone Cooperative.

Application #19701



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Mid Rivers Telephone Cooperative
PO Box 280
Circle, MT 59215

Application No.: 19702
R/W Purpose: a buried fiber optic cable
Lessee Agreement: ok
Acreage: 1.11
Compensation: \$666.00
Legal Description: 16-foot strip through S2SE4, NE4SE4, Sec. 35, Twp. 7N,
Rge. 54E, Custer County
Trust Beneficiary: Common Schools

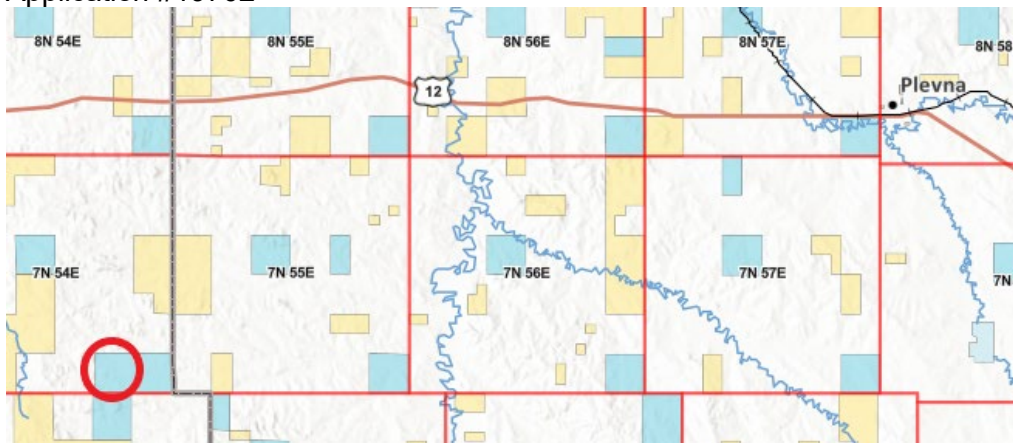
Item Summary

Continuation of Mid Rivers Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Mid Rivers Telephone Cooperative.

Application #19702



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Mid Rivers Telephone Cooperative
PO Box 280
Circle, MT 59215

Application No.: 19703
R/W Purpose: a buried fiber optic cable
Lessee Agreement: ok
Acreage: 0.17
Compensation: \$102.00
Legal Description: 16-foot strip through SW4SW4, Sec. 12, Twp. 9N, Rge. 55E,
Custer County
Trust Beneficiary: Common Schools

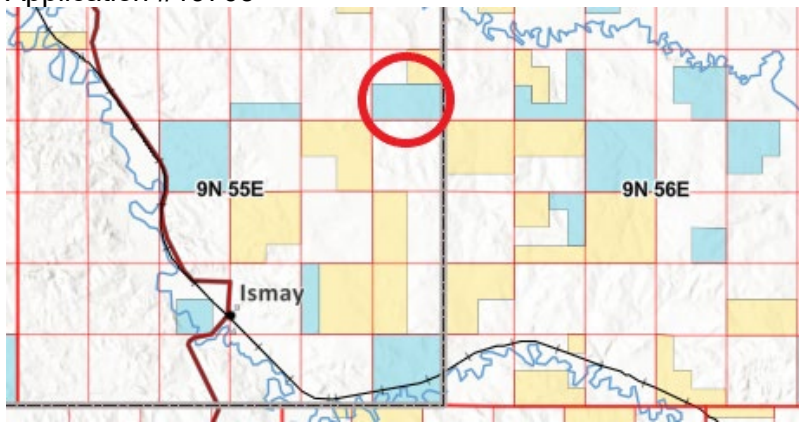
Item Summary

Continuation of Mid Rivers Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Mid Rivers Telephone Cooperative.

Application #19703



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Mid Rivers Telephone Cooperative
PO Box 280
Circle, MT 59215

Application No.: 19704
R/W Purpose: a buried fiber optic cable
Lessee Agreement: ok
Acreage: 1.00
Compensation: \$600.00
Legal Description: 16-foot strip through W2SW4, Sec. 16, Twp. 9N, Rge. 55E,
Custer County
Trust Beneficiary: Common Schools

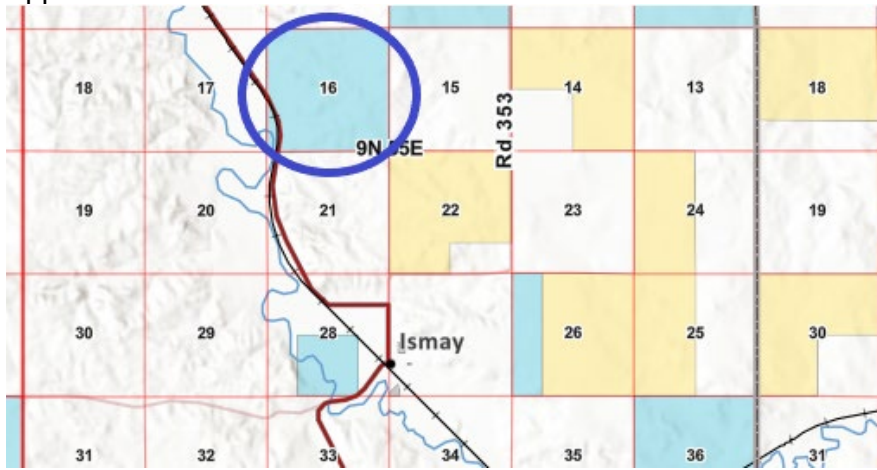
Item Summary

Continuation of Mid Rivers Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Mid Rivers Telephone Cooperative.

Application #19704



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Blackfoot Telephone Cooperative, Inc.
1221 North Russell St.
Missoula, MT 59808

Application No.: 19705
R/W Purpose: a buried fiber optic cable
Lessee Agreement: N/A (Navigable River)
Acreage: 0.02
Compensation: \$821.00
Legal Description: 10-foot strip under the Bitterroot River in NW4NW4, Sec. 17 and
NE4NE4, Sec. 18, Twp. 2N, Rge. 20W, Ravalli County
Trust Beneficiary: Public Land Trust (Nav. Waters)

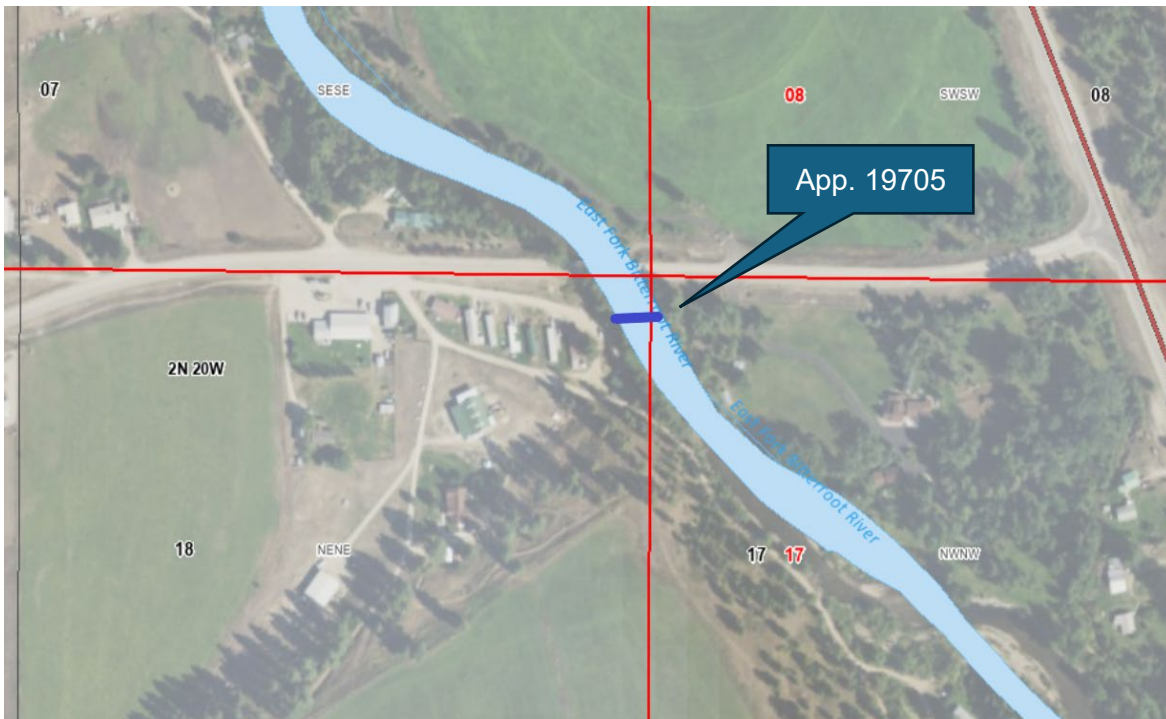
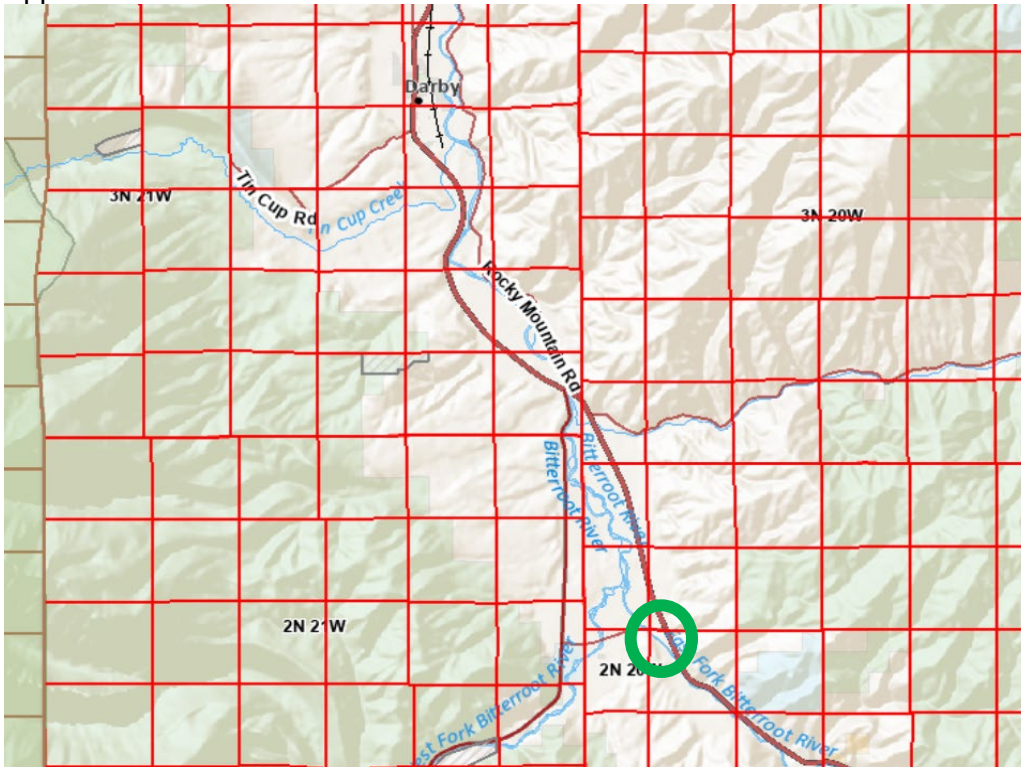
Item Summary

Blackfoot Telephone Cooperative is requesting an easement for installation of a new fiber optic cable under the Bitterroot River. This project will provide high speed internet and other services to the Darby exchange area. As the service will be provided to customers located on both sides of the river a crossing is necessary. The line will be horizontally directional drilled and will be placed below scour depth of the river.

DNRC Recommendation

The DNRC recommends approval of the application of Blackfoot Telephone Cooperative.

Application #19705



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Blackfoot Telephone Cooperative, Inc.
1221 North Russell St.
Missoula, MT 59808

Application No.: 19706
R/W Purpose: a buried fiber optic cable
Lessee Agreement: N/A (Unleased)
Acreage: 0.04
Compensation: \$1,088.00
Legal Description: 10-foot strip under the Bitterroot River in SE4NE4, Sec. 36,
Twp. 3N, Rge. 21W, Ravalli County
Trust Beneficiary: Public Land Trust (Nav. Waters)

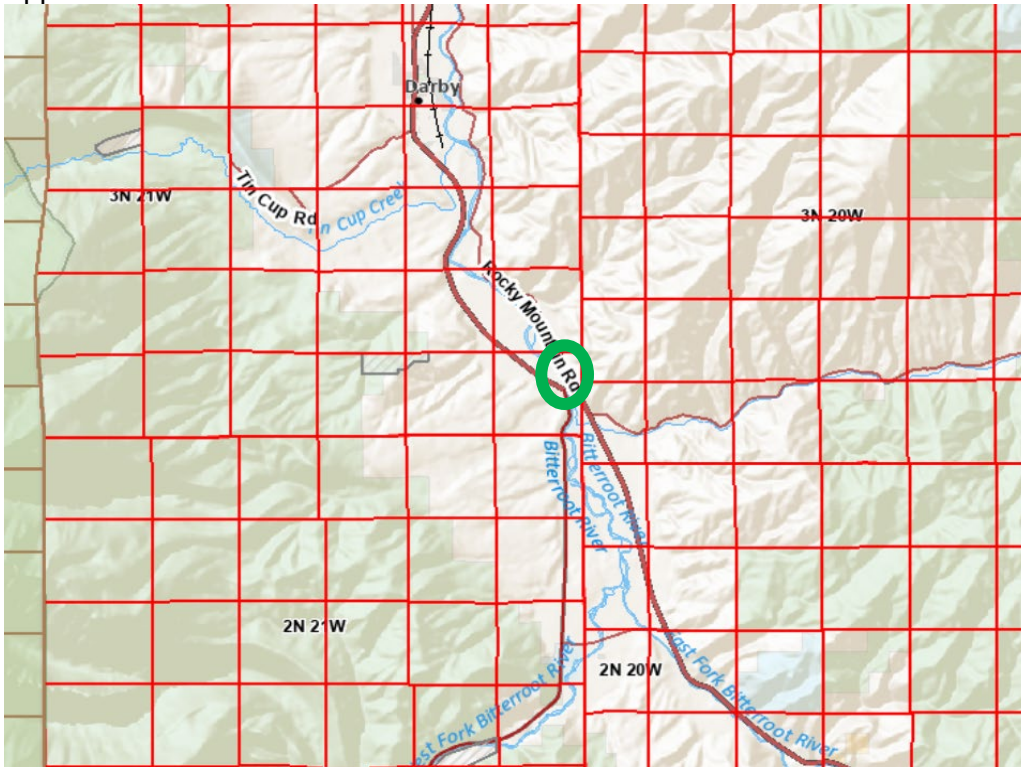
Item Summary

Continuation of Blackfoot Telephone Cooperative applications.

DNRC Recommendation

The DNRC recommends approval of the application of Blackfoot Telephone Cooperative.

Application #19706



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Range Telephone Cooperative, Inc.
PO Box 127
Forsyth, MT 59327

Application No.: 19707
R/W Purpose: a buried fiber optic cable
Lessee Agreement: ok
Acreage: 1.64
Compensation: \$984.00
Legal Description: 20-foot strip through SE4, Sec. 36, Twp. 4S, Rge. 45E,
Powder River County
Trust Beneficiary: Common Schools

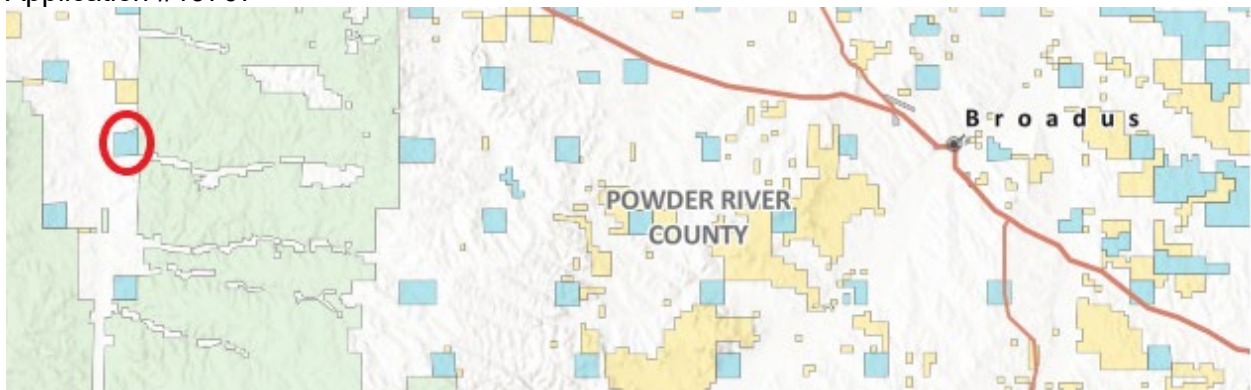
Item Summary

Range Telephone Cooperative, Inc. is requesting an easement to install a buried fiber optic telecommunications cable in the Ashland Exchange. The project will provide reliable telephone and broadband services to homes and businesses along 10 Mile Road in Powder River County. The proposed route was chosen in order to follow the existing roadway. Other routes were considered and eliminated for topographical, environmental, and economic reasons. Consultation with the sage grouse program has occurred.

DNRC Recommendation

The DNRC recommends approval of the application of Range Telephone Cooperative, Inc.

Application #19707



APPLICANTS AND RIGHTS OF WAY INFORMATION

Applicant: Town of Twin Bridges
104 E. 6th
Twin Bridges, MT 59754

Application No.: 19708
R/W Purpose: a buried 8" conduit containing a municipal sewer main line
Lessee Agreement: N/A (Navigable River)
Acreage: 0.07
Compensation: \$2,738.00
Legal Description: 30-foot strip under the Beaverhead River in NE4SW4, Sec. 27,
Twp. 3S, Rge. 6W, Madison County
Trust Beneficiary: Public Land Trust (Nav. Waters)

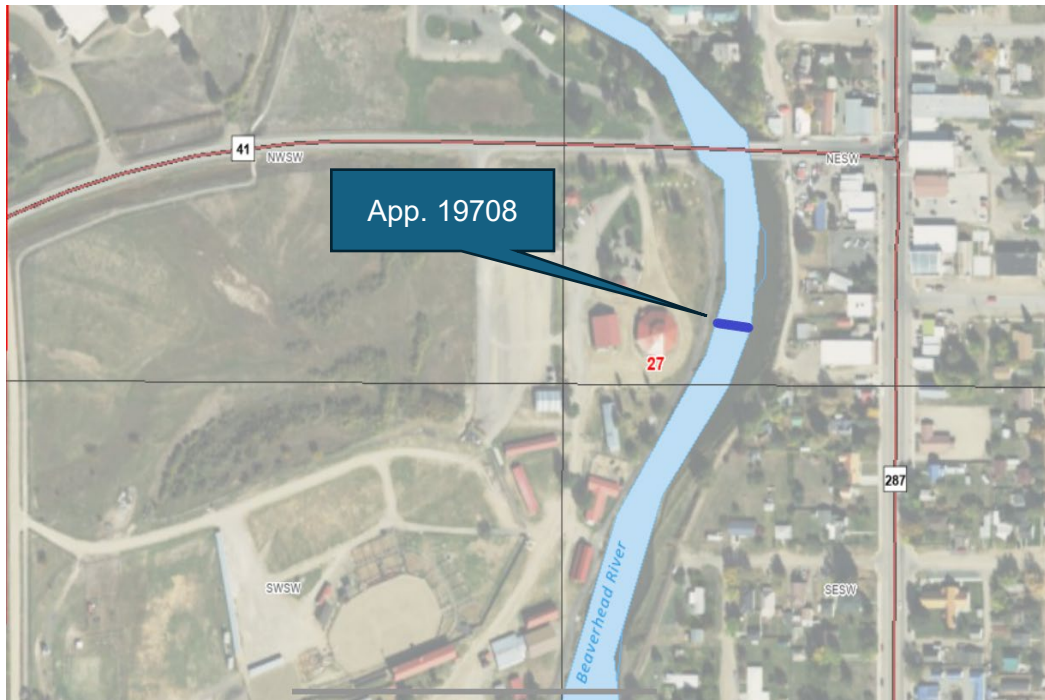
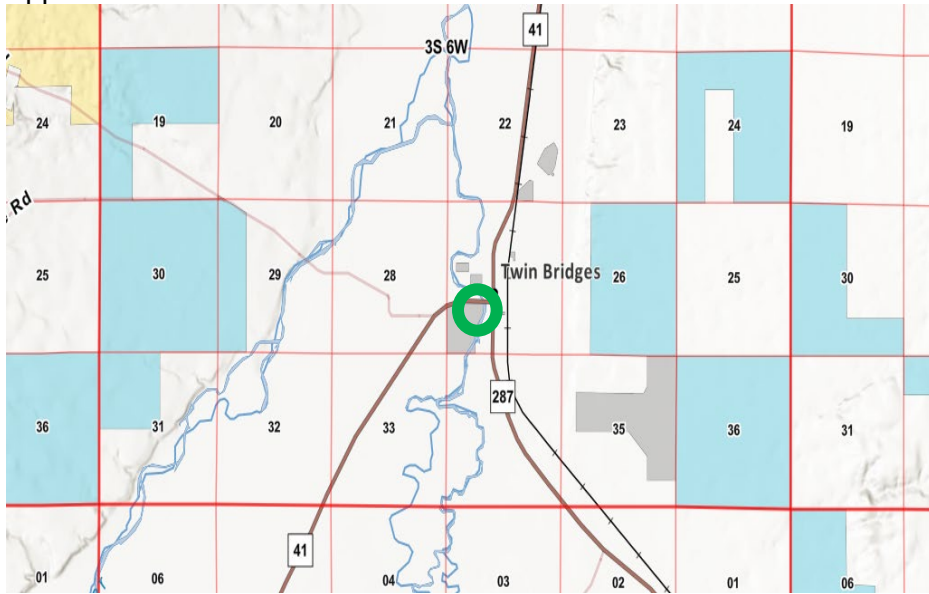
Item Summary

The Town of Twin Bridges is requesting an easement for a buried municipal sewer main line under the Beaverhead River. This proposed new line will replace the existing 2" sewer line currently suspended from the Highway 41 bridge. The pipeline serves the Madison County fairgrounds and the project will replace the existing grinder pump at the fairgrounds and horizontally directional drill a new pipeline under the Beaverhead River. The project will result in the fairgrounds facilities to be utilized year-round and eliminate any potential vulnerability of service or environmental issues by discontinuing use of the pipeline suspended from the bridge. The sewer line will be installed below scour depth of the river.

DNRC Recommendation

The DNRC recommends approval of the application of the Town of Twin Bridges.

Application #19708



0924-5

PROPERTY MANAGEMENT: Rule Making

**Land Board Agenda Item
September 16, 2024**

0924-5 Property Management: Rulemaking

Location: State of Montana

Trust Benefits: All

Trust Revenue: Unknown

Item Summary

The Real Estate Management Bureau of the Department of Natural Resources and Conservation (DNRC) is seeking Land Board authority to proceed with the rulemaking process of amending ARM 36.25.901(30) and ARM 36.25.903(3) to update rules pertaining to Real Estate Management Projects. This subchapter of rules was created with guidance from the 2005 Final Real Estate Management Programmatic Environmental Impact Statement (FEIS). The rules are set to expire on July 18, 2025, potentially leaving the Real Estate Management Bureau with diminished guidance and authority for fulfilling its mandate to generate revenue to the trust beneficiaries. The primary goals of the proposed rule amendments are to remove the expiration date and to clarify the definition of residential use making it more consistent with statute.

There will be a 30-day comment period and a public hearing on November 7, 2024. After the notice and hearing, the DNRC would seek final Land Board approval for adoption of the rule change in 2025.

DNRC Recommendation

The DNRC recommends approval of this request to continue the rulemaking process to update the rules associated with Real Estate Management Projects.

BEFORE 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 36.25.901, 36.25.903, and) PROPOSED AMENDMENT
36.25.910 pertaining to state land)
leasing real estate management)
projects)

TO: All Concerned Persons

1. On November 7, 2024, at 10:00 a.m., the Department of Natural Resources and Conservation (DNRC) will hold a public hearing at the DNRC building in the Montana Conference Room, first floor, located at 1539 Eleventh Avenue, Helena, Montana, and via Zoom, to consider the proposed amendments of the above-stated rules. Interested parties may access the remote conferencing platform in the following ways:

- a. Join Zoom Meeting: <https://mt-gov.zoom.us/j/87923184520?pwd=q8FqslViHK8LjMOj3dNHcyqznSFT8a.1>; Meeting ID: 879 2318 4520; Password: 383919; or
- b. Dial by Telephone: +1 646 558 8656; Meeting ID: 879 2318 4520; Password: 383919; Find your local number: <https://mt-gov.zoom.us/j/87923184520>

2. The department will provide 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 accommodation, contact the department no later than 5:00 p.m. on October 22, 2024, to advise us of the nature of the accommodation that you need. Please contact Jamie Price, Department of Natural Resources and Conservation, 1539 Eleventh Avenue, P.O. Box 201601, Helena, Montana, 59620-1601; telephone (406) 444-6615; Montana Relay 711; or e-mail DNRCOAH@mt.gov.

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

36.25.901 DEFINITIONS As used in this subchapter, the following definitions apply, except where the context clearly indicates otherwise:

- (1) "Board" means the state Board of Land Commissioners.
- (2) "Bureau" means the Real Estate Management Bureau of the Trust Lands Management Division of the Department of Natural Resources and Conservation.
- (3) "Cluster development" means a subdivision of a tract with building lots concentrated on a portion of the tract and the remainder conserved for open space.

(4) "Commercial" means the operation by any for-profit entity of any public parking lot, restaurant, bar, hotel, motel, office space, retail store or sales outlet, storage space, gas station, convenience store, shopping center, warehouse, hospitality enterprise, or concentrated recreational use, multifamily residential use, or other similar uses.

(5) "Conservation" means a primary land use for open space, preservation of habitat, natural areas, parks, or related public purposes, secured through dedication, lease, license, easement, deed restriction, or other legal instrument consistent with 77-1-203, MCA, for multiple use management.

(6) "Conservation entity" means a public entity or private organization qualified per Title 76, chapter 6, MCA, to acquire or designate interests and rights in real property to provide or preserve open space.

(7) "Department" means the Department of Natural Resources and Conservation.

(8) "Developed" means when a building permit, septic permit, or a permit to connect to a public sewer system, whichever comes first, has been issued for 25 percent or more of the commercial, industrial, or residential lots of a subdivided tract. Developed also means a permit has been issued for the construction of a private sewer system.

(9) "Division" means the Trust Land Management Division of the department.

(10) "Easement" means land use authorization as defined in 77-2-101, MCA.

(11) "Entitlement" means an approval or permit obtained from a local government that provides a right to annex, zone, or subdivide a tract of land.

(12) "Environmental review" means a written document as defined in 75-1-220(4), MCA.

(13) "Growth policy" means a document adopted under Title 76, chapter 1, part 6, MCA.

(14) "Industrial" means a land use that includes manufacturing, wholesaling, warehousing, utilities, heavy transportation, sanitary landfills, sewage treatment facilities, wind farms, feedlots, grain storage bins, irrigation facilities, reclamation projects, electrical substations, intermodal shipping facilities, and other uses.

(15) "Isolated tract or land" means any state land not possessing a legal right of access by the public, as provided in 77-2-361(1), MCA.

(16) "Joint venture" means a partnership between the department and another entity or entities to undertake a development project, each contributing equity and sharing in the revenues, expenses, and control of the project.

(17) "Land classification" means categorizing land according to its principal value, as defined in 77-1-401, MCA.

(18) "Lease" means a contract by which the board conveys a limited property interest in state lands for a term of years, for a specified rental, and for a use for which the land is classified.

(19) "License" means a contract by which the department conveys a limited property interest in state lands for a specific term and fee, and for a use other than that for which the land is classified.

(20) "MEPA" means The Montana Environmental Policy Act, Title 75, chapter 1, parts 1 through 3, MCA.

(21) "Other (land)" means a land classification that encompasses residential, commercial, industrial, and conservation uses.

(22) "Public entity" means a federal agency, state agency, a political subdivision of the state including a county, city, town, municipal corporation, a school district or

other special district, a joint agreement entity, a public authority, or any other public body of this or other state.

(23) "Public facility" means a building or area operated by a public entity.

(24) "Purchase of development rights" means acquiring one or more of the fee-simple interests associated with a parcel of land, such as the commercial or residential development rights.

(25) "Rate of return" means the ratio of income received from a project relative to the value of the asset or equity contribution, expressed as a percentage.

(26) "Real estate activities" means the following:

- (a) land sales and land banking;
- (b) land exchanges;
- (c) issuance of easements;
- (d) issuance of leases;
- (e) issuance of land use licenses;
- (f) marketing of state trust lands proposed for lease, license, or easement, sale, or exchange;
- (g) requests for proposals;
- (h) planning and design;
- (i) surveying and platting;
- (j) development of entitlements;
- (k) extension of services and infrastructure;
- (l) contracting for services;
- (m) environmental review; and
- (n) minor repairs, operation or maintenance of existing equipment, improvements, or facilities.

(27) "Real Estate Management Plan (plan)" means the PEIS for real estate for the department and the associated Record of Decision (ROD) approved July 18, 2005.

(28) "Real estate project" means a proposal initiated by the bureau to develop state trust land for a commercial, industrial, residential, or conservation use, or a public facility where no such use existed previously, when one or more of the following are required by a local government:

- (a) subdivision approval;
- (b) annexation; or
- (c) development or amendment of a growth policy or neighborhood plan. Real estate project also means the development of entitlements on state trust lands proposed for sale or exchange.

(29) "Receiving area" means land that receives additional development rights from land within a sending area. This is a component of a program providing for the transfer of development rights.

(30) "Residential" means multi-family residential single-family dwellings including, but not limited to, duplexes, condominiums, or townhouses~~cabins, associated ancillary uses, or other types of residential uses.~~

(31) "Rural" means a tract that does not meet the criteria for an urban tract.

(32) "Sending area" means land that provides additional development rights to other land within a receiving area. This is a component of a program providing for the transfer of development rights.

(33) "Subdivision" means a division of land defined by Title 76, MCA.

(34) "Subdivision review" means a city, town, or county governing body evaluating a subdivision proposal for compliance with the jurisdiction's subdivision regulations.

(35) "Threshold" means a predefined number of state trust land acres to be developed for commercial, industrial, or residential uses that, if met before July 18, 2025, may require a review of the programmatic plan.

(36) "Tract" means a parcel of state trust land that can be identified by legal description, independent of any other parcel of land, using documents on file in the records of the county clerk and recorder's office or in the department's records.

(37) "Transfer of development rights" means separating some or all of the development rights from a parcel of land in a "sending area" and transferring those rights to a parcel in a "receiving area," where additional development density is allowed.

(38) "Urban" means a tract meeting one or more of the following criteria:

(a) within the boundaries of an incorporated city or town;

(b) within 4.5 miles of the boundaries of an incorporated city or town;

(c) within a public sewer or water district; or

(d) within one mile of the boundaries of a public sewer or water district. An entire tract of state trust land is urban if any portion of the tract falls within an area described in (38)(a) through (d).

AUTH: 77-1-209, 77-1-301, MCA

IMP: 77-1-605, 77-1-904, MCA

REASON: The proposed amendment makes 36.25.901, and the commercial leasing program, more consistent with legislative directive. Mont. Code Ann. § 77-1-902(3)(b)(iv) expressly excludes single-family residences, home sites, and cabin sites as "commercial purposes" suitable for the Department's commercial leasing program. Additionally, the cabin site leasing program is a program with its own statutory authority, separate and distinct from the commercial leasing program.

36.25.903 GENERAL APPLICABILITY

(1) The Real Estate Management Plan (plan) rules, ARM 36.25.901 through 36.25.918, implement the Programmatic Environmental Impact Statement (PEIS) and the associated Record of Decision (ROD) adopted July 18, 2005.

(2) The rules apply to real estate projects, sales, and exchanges administered by the bureau on state trust lands, except for the following:

(a) real estate projects that, prior to July 18, 2005, have been subject to public scoping and environmental review processes under MEPA, section 75-1-201, et seq., MCA;

(b) real estate projects that received all local government approvals necessary for the completion of the real estate project on or before December 15, 2008;

(c) lease lots created prior to July 18, 2005;

(d) land use licenses;

(e) sales and exchanges closed on or before July 18, 2005; and

(f) real estate activities within navigable waterways of the state.

~~(3) These rules remain in effect until July 18, 2025, whereupon they shall expire.~~

AUTH: 77-1-209, 77-1-301, 77-1-603, MCA

IMP: 77-1-605, 77-1-903, MCA

REASON: The proposed amendment is necessary to remove the expiration date to allow the rules to remain in effect beyond that date.

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 to: Martin Balukas, Department of Natural Resources and Conservation, 1539 Eleventh Avenue, P.O. Box 201601, Helena, Montana, 59620-1601, or e-mail DNRCOAH@mt.gov, and must be received no later than 5:00 p.m. on November 7, 2024.

5. Martin Balukas, 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 the contact person in 2 above or may be made by completing a request form at any rules hearing held by the department.

7. An electronic copy of this proposal notice is available through the Secretary of State's web site at <https://rules.mt.gov>.

8. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

9. 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/ Luke Casey
Luke Casey
Rule Reviewer

/s/ Amanda Kaster
Amanda Kaster
Director
Natural Resources and Conservation

Certified to the Secretary of State September 24, 2024.