

November 30, 2012

**FARM CREDIT SYSTEM
ROOSEVELT COUNTY DEEP RIGHTS AVAILABLE FOR OIL & GAS LEASE**

It has been brought to my attention that the deep rights under a couple of producing properties in Roosevelt County, Montana, may be available for lease. By deep rights I mean below the base of the Madison Group, which is approximately at 9,700 feet. This means that Northwest Farm Credit's **50% mineral interest** in the Bakken Formation is available for lease in the following properties:

1) **Township 29 North, Range 58 East, Section 04: SW4.**

Farm Credit leased this tract on 9/15/1976. This lease has been, and continues to be, held by the Torgerson 1 well (API 25085213080000). This well produces from the Madison Formation. The lease originally included more lands, but these lands were severed from the lease in accordance with its terms after the expiration of the lease's primary term. Sun Exploration filed a partial release on 4/13/1983 (Book 453, Page 68). However, Sun assigned 50% of the lease to Dome Petroleum, who later was acquired by Texaco. It took Texaco a little longer to file. Their partial lease was recorded on 12/9/1993 (Book 554, Page 948). The tracts in Sections 3, 4 and 9 that were horizontally severed have been subsequently leased on multiple occasions.

Of interest here is the vertical severance that occurred when Sun Operating / ORYX Energy filed a partial release on 9/29/1993 (Book 554, Page 678). This document released all interest in the subject tract below 9,700 feet. Therefore, I am assuming that this interest is available to lease.

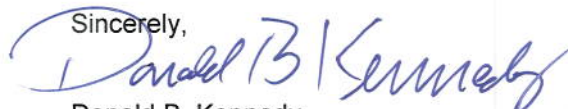
2) **Township 29 North, Range 58 East, Section 17: N2SE4.**

Farm Credit leased this tract on 5/17/1976. This lease has been, and continues to be, held by the Vannatta 1-17 well (API 25085212780000). This well produces from the Madison Formation. The lease originally included more lands, but these lands were severed from the lease in accordance with its terms after the expiration of the lease's primary term. Apache Corporation filed a partial release on 1/14/1987 (Book 515, Page 58). Texaco filed a partial release on 4/11/1995 (Book 564, Page 841). The other lands in Section 17 that were horizontally severed have been subsequently leased on multiple occasions.

Of interest here is the vertical severance that occurred when the following partial releases were filed: 1) by Sun Operating / ORYX Energy on 11/2/1992 (Book 550, Page 77); 2) by Williston Industrial Supply on 10/21/1998 (Book 590, Page 748); 3) by Marathon Oil on 11/24/1998 (Book 590, Page 834); 4) by Hunt Oil on 10/30/1998 (Book 590, Page 764). These documents released all interest in the subject tract below 9,659 feet. Therefore, I am assuming that this interest is available to lease.

If you have a desire to lease either of these partial interests and wish to submit a bid, please send your offer to the above address. You may also **FAX** your bid to my fax number 509-340-5523 or **Email** it. Your offer should be submitted prior to **January 11, 2013**. The winning bidder will be given ample time after that date to confirm title. Although, we may require a partial payment to provide some incentive to complete the title work in a timely fashion. However, if it is determined that the available interest is less than the assumed 50%, we will refund the monies received from the winning bidder.

If you have any comments or questions, please call or send me an email (don.kennedy@farm-credit.com). This letter will also be posted on my **WEBSITE**, (<http://www.farmcreditminerals.com>).

Sincerely,

Donald B. Kennedy
Authorized Agent
Farm Credit Mineral Operations