

Permitting in Montana

Department of Natural Resources and Conservation

Ground Water



Oil & Gas Drilling

2012

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Introduction

Permitting in Montana: Department of Natural Resources and Conservation is the second in a series of brochures published by the Environmental Quality Council (EQC) to assist lawmakers and the public in understanding environmental permitting processes. The EQC first prepared a brochure in 2010 to provide an overview of processes conducted by the Department of Environmental Quality. In 2011, the EQC agreed to develop a simple, visual guide for three Department of Natural Resources and Conservation (DNRC) processes. This brochure outlines the responsibilities of the applicant, the regulatory agency, and the public in each process.

The DNRC provides most permit applications and forms on its website. By following the links to the appropriate division and bureau, contact information and applications are available. A "Find a Form" link is also provided on the right-hand side of the DNRC website at www.dnrc.mt.gov.

Meanwhile, another EQC publication, *The Montana Index of Environmental Permits*, provides a complete list of the permits and licenses needed to conduct activities that may affect the state's environment. The EQC also provides *A Guide to the Montana Environmental Policy Act (MEPA)* -- an easy to understand overview of the MEPA process. The permit index and the MEPA guide are available through the Legislative Environmental Policy Office or on the web at <http://leg.mt.gov/css/Publications/environmental/default.asp>.

FAQs About Permitting in Montana

When do I need an environmental permit? Permits specify measures that must be taken to allow for the construction and operation of a project. Permits are meant to ensure that a proposed project is not a hazard to the health and welfare of Montanans. While no one would intentionally build a project that is harmful, there are standards -- established in law -- to protect Montana's landscape and people. If a project impacts air, land, or water, a permit is probably necessary. The type of permit will depend on the type and size of the project, as well as the type and quantity of emissions or discharge from the project.

How do I know if my project triggers a review under the Montana Environmental Policy Act? If your project requires a permit from a state agency and the project may impact the human environment (including biological, physical, social, economic, cultural, and aesthetic impacts), a MEPA review is required. MEPA is a public, interdisciplinary process to identify those impacts, consider their significance, and identify possible mitigation or alternatives.

How long will it take to get my permit? Timelines vary from permit to permit, as the flowcharts in this brochure illustrate. Some permits are processed in a matter of days or weeks, while others can take many months. A complete application is typically the first step to ensuring that an application for a permit is processed as quickly as possible. For complex projects, early communication with the DNRC typically helps in preparing a complete application.

Does the state monitor compliance with permit requirements? Yes. For example, after the Board of Oil and Gas Conservation approves a drilling permit, the Board's petroleum engineer may inspect oil and gas properties and wells to ascertain whether the provisions of Title 82, chapter 11, parts 1 and 2, Montana Code Annotated, administrative rules, or any special rules or orders are being met. Violations are reported back to the Board.

What kind of permit do I need?

These are the kinds of permits you would generally need for the following activities. If you are planning to do work on or near a waterway, are interested in using state lands, or are drilling for oil and gas in Montana, one or several permits may be required. This list is for reference purposes only. For more detailed information, contact the DNRC at 406-444-2074.

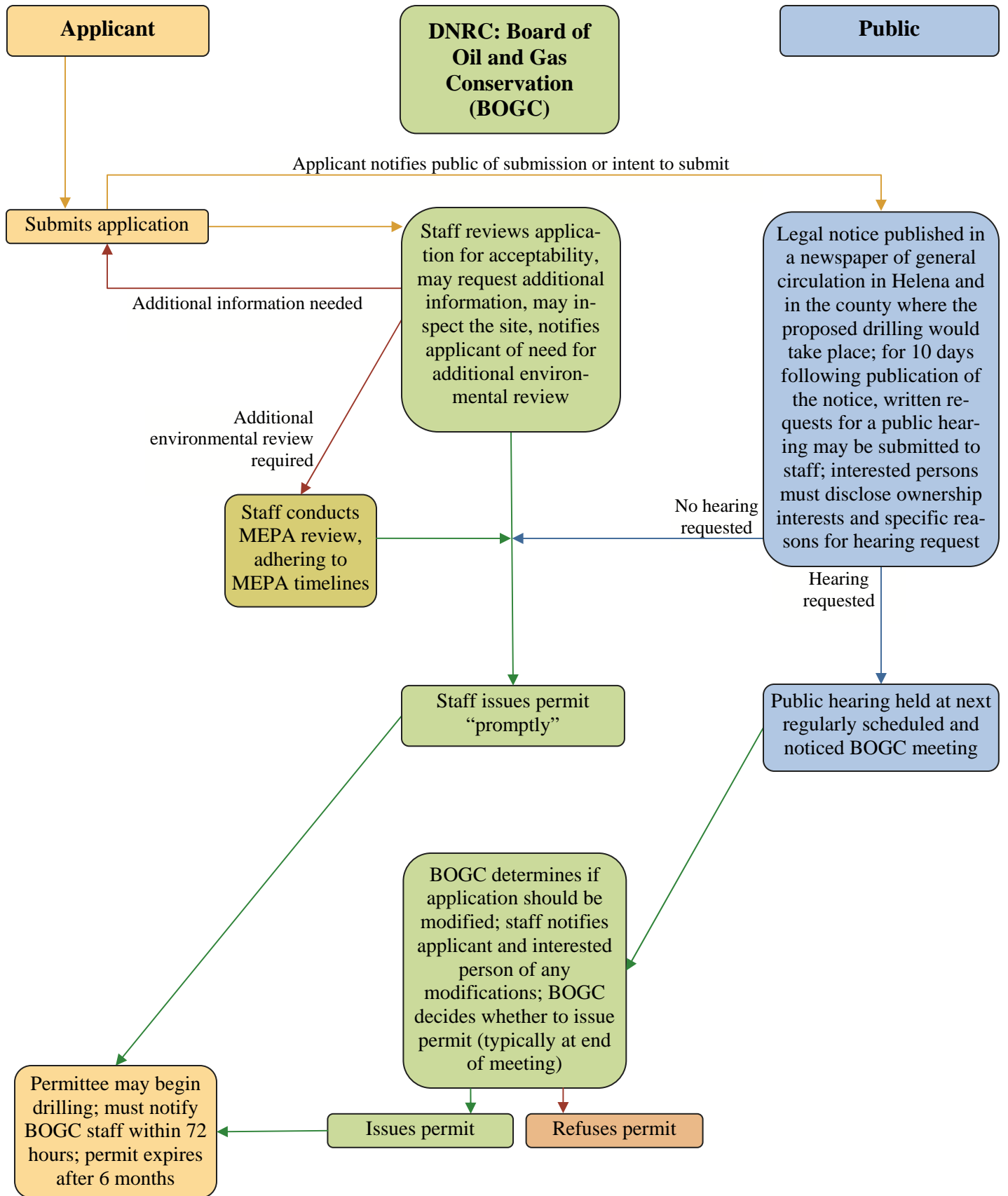
Activity	Form or Permit	Whom do I contact?
Physically alter or modify the bed or banks of a perennially flowing stream	310 Permit	The Board of Supervisors of the conservation district in which the project takes place
Change a point of diversion, place of use, purpose of use, or place of storage of any water right	Change Authorization 606 Permit	Water Rights Bureau, Department of Natural Resources and Conservation
Construct new or additional diversions, withdrawals, impoundments, or distribution works for appropriation of ground water over 35 gallons/minute or 10 acre feet/year and for any surface water. Ground water appropriations of less than 35 gallons/minute or less than 10 acre feet/year must first be appropriated and put to use before a water right is issued. Stock water impoundments of less than 15 acre feet may be constructed first with a form filed upon completion.	Water Right Permit 600	Water Rights Bureau, Department of Natural Resources and Conservation
Build a dam: If an impoundment capacity is 50 acre feet or more, a hazard classification is needed. Before storing water, a dam safety operation permit is needed.	Application for determination of hazard classification; High Hazard Dam Construction Permit	Water Operations Bureau, Department of Natural Resources and Conservation
Lease state land for agricultural purposes	Affidavit of Assignment Form; competitive bidding process	Agriculture and Grazing Management Bureau, Department of Natural Resources and Conservation
Obtain a state residential land lease	Determine if active, inactive, or pending lease; take part in application process; may include competitive bidding	Real Estate Management Bureau, Department of Natural Resources and Conservation
Harvest timber on state land: Permit is limited to 100,000 board feet unless an emergency due to fire, insect, fungus, parasite, or blowdown.	Commercial Timber Permit; competitive bidding process	Forest Management Bureau, Department of Natural Resources and Conservation
Drill for oil and gas on private or state land	Drilling Permit Form 22	Board of Oil and Gas Conservation, Department of Natural Resources and Conservation

Who can help me with the process?

Applicants can reach the DNRC at 406-444-2074. You also can refer to *A Guide to Stream Permitting in Montana* to determine which permits are necessary for the work you plan to do in a waterway. For answers to general permitting questions, you may also call the Legislative Environmental Policy Office at 406-444-3742 or the Citizens' Advocate Office at 406-444-3468.

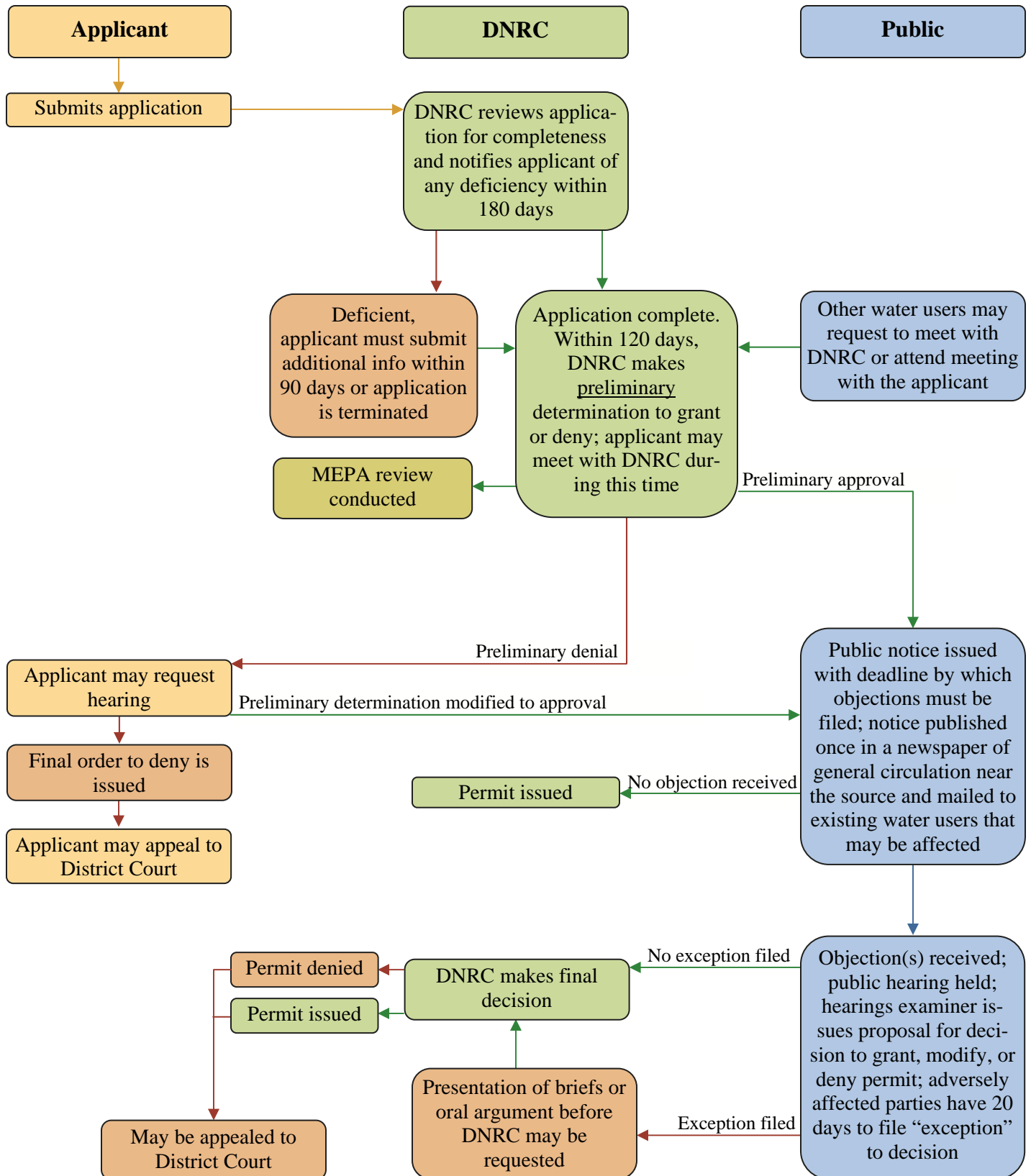
Oil & Gas Drilling Permitting Process*

Applies to proposed wildcat oil or gas drilling, stratigraphic test wells, or core hole drilling on state or private land for state or private minerals. May vary slightly for operations/wells drilled inside delineated fields. Air quality and wastewater permits may also be needed.



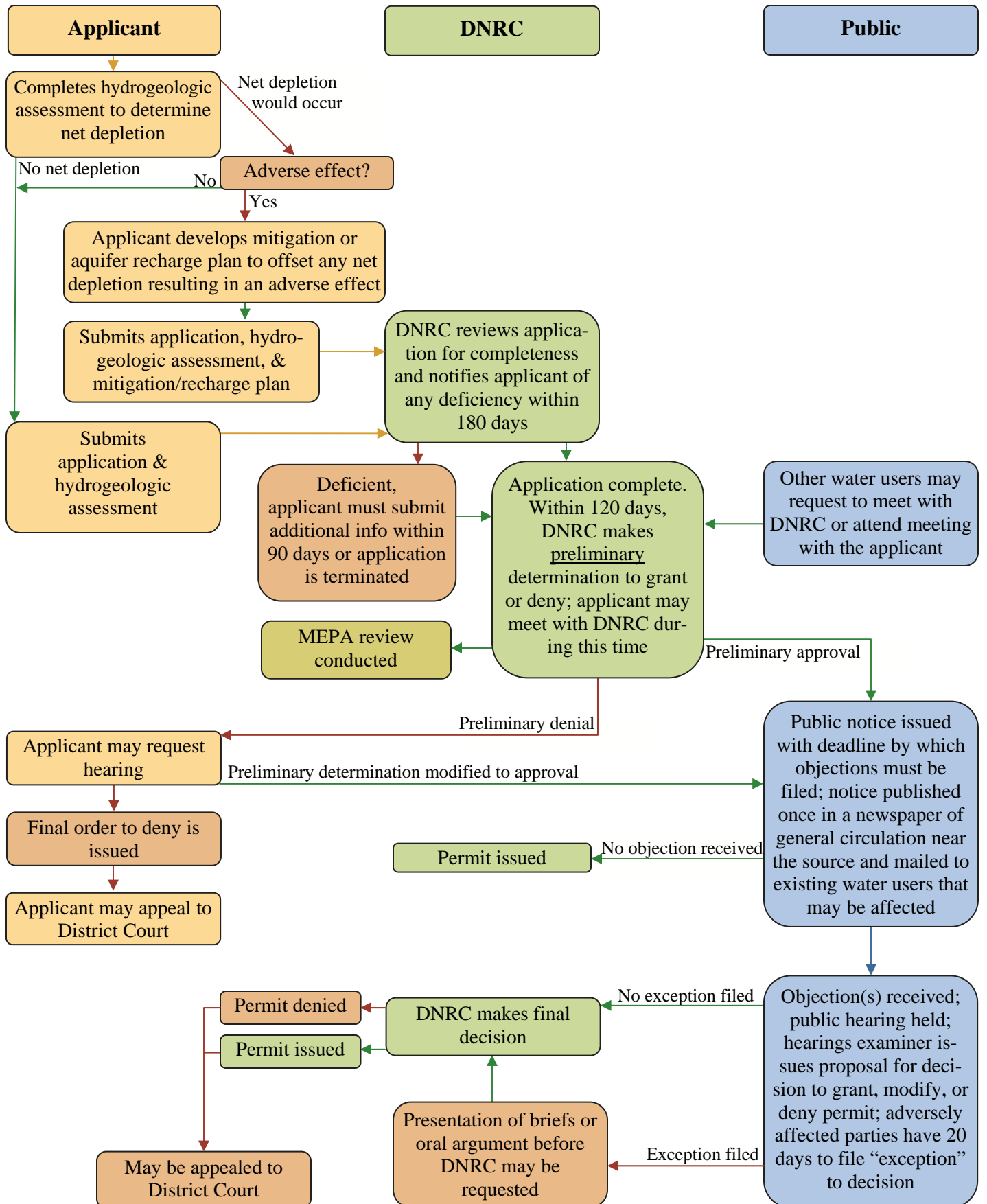
Ground Water (Open Basin) Permitting Process*

Required for use of more than 35 gallons/minute or more than 10 acre-feet/year, except for certain geothermal purposes and emergency fire protection, before any development begins or water is used.



Ground Water (Closed Basin) Permitting Process*

Required for use of more than 35 gallons/minute or more than 10 acre-feet/year, except for certain geothermal purposes and emergency fire protection, before any development begins or water is used. A hydrogeologic assessment must be conducted to determine if the appropriation would result in net depletion of surface water.



*Published by the Legislative Environmental Quality Council, 2012, as a reference. For legal purposes, always refer to statute and rule.