



The Montana Department of
**Natural Resources
& Conservation**

Serving Montanans First through Natural Resource Management

THE MONTANA DEPARTMENT OF NATURAL
RESOURCES AND CONSERVATION

ANNUAL PLAN

FY2026

Updated September 1, 2025

The Montana Department of Natural Resources and Conservation (DNRC) is responsible for managing state trust land; protecting Montana’s natural resources from wildfire; promoting stewardship of state water, soil, forest, and rangeland resources; aiding conservation districts; providing natural resource conservation education; and providing support to the Board of Oil and Gas Conservation and other commissions and advisory councils. Our vision is to ensure Montana's land and water resources provide benefits for present and future generations.

The DNRC has the following divisions:

CENTRALIZED SERVICES DIVISION (CSD)

CSD provides management and administrative services across the entire department. This includes activities such as legal, human resources, financial, information technology, records management, administrative hearings, safety, and communication services.

OIL AND GAS CONSERVATION DIVISION (BOGC)

BOGC is responsible for programs operated for the prevention of resource waste through regulation of oil and gas exploration and production. This division supports the quasi-judicial Board of Oil and Gas that is charged with regulation of the industry.

CONSERVATION AND RESOURCE DEVELOPMENT DIVISION (CARDD)

CARDD provides administrative, legal, and technical assistance and financial grants to conservation districts. The division also manages natural resource conservation and development grant and loan programs for local governments, state agencies, and private individuals. CARDD administers five attached councils and commissions and the Montana Sage Grouse Oversight Team.

WATER RESOURCES DIVISION (WRD)

WRD is responsible for the administration of all water use within the state, including maintaining the database for all water rights, providing technical and legal support for implementation of approved water compacts for Indian tribes and federal agencies, managing state water projects, investigating water use act violations, ensuring dam safety compliance, and providing water adjudication support to the Water Court.

FORESTRY AND TRUST LANDS DIVISION (FTLD)

FTLD is responsible for planning and implementing forestry programs statewide. Division responsibilities include protecting natural resources from wildfire, regulating forest practices, providing a variety of services to private forest landowners, implementing cross boundary projects to build resilient forests, sustainable economies, and fire adapted communities, increasing forest restoration, management, and health on federal lands, and growing and selling seedlings for conservation and reforestation plantings on state and private lands in Montana.

The division also manages state trust land resources to produce revenues for the trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land. This work is done under the direction of the State Board of Land Commissioners (comprised of the Governor (Chair), Superintendent of Public Instruction, State Auditor, Secretary of State, and Attorney General), who are constitutionally charged to oversee trust resources.

 <p>Strategic Outcome</p> <p>#1</p> <p>CSD</p>	<p>Enhance agency efficiency by providing consistent central services processes.</p>	
	<p>Internal inefficiencies lead to increased staff time on administrative tasks which can affect the agency’s ability to provide meaningful and timely customer service to constituents.</p> <p>By standardizing rulemaking processes and streamlining procurement processes, the agency can write more clear and concise rules that are understandable to the public and reduce the amount of time it takes from procurement initiation to contract signatures.</p>	
	<p>Key Measures</p>	<ul style="list-style-type: none"> • All new administrative rules must have a maximum readability grade level of 12. • Train 25 people across the agency on new rulemaking processes and procedures by fiscal year end. • Reduce the average time it takes from a requisition to a signed contract by 15 days during FY 2026.

 <p>Strategic Outcome</p> <p>#2</p> <p>CSD</p>	<p>Proactively tell the agency’s story.</p>	
	<p>Stakeholders, the public, and agency staff don’t fully understand the vastness of DNRC’s work across the state. By sharing DNRC’s mission, vision and priorities more broadly, both internally and externally, the agency can provide increased visibility into on the great work being done across the state every day.</p>	
	<p>Key Measures</p>	<ul style="list-style-type: none"> • Launch three (3) targeted social media campaigns by the end of the fiscal year highlighting agency work in key areas. • Create a new and robust onboarding process that provides more information on the agency’s work by the end of the fiscal year that will be available to all new employees. • Add program presentations to the agency all-hands meetings during FY 2026 to increase staff awareness of the agency’s work.



Strategic Outcome

#3

BOGC

Ensure drilling permits are processed in a manner that upholds regulatory integrity, environmental protection, and public trust.

Issuing drilling permits promptly once applications are compliant and complete reduces unnecessary rig standby costs and ensures timely development for mineral owners.

This includes conducting MEPA reviews promptly and identifying any non-conforming applications, improving workflow efficiency through process updates and staffing enhancements, and providing clear guidance to operators on completeness requirements to prevent delays.

Key Measures

- Compliance technician position trained and conducting MEPA reviews by September 30, 2025.
- ≥ 90 percent of draft environmental assessments completed within 5-10 business days of completeness determination, balancing timeliness with environmental review integrity.
- 100 percent of complete drilling permit applicants processed without agency-caused delays.



Strategic Outcome

#4

BOGC

Reduce environmental hazards and land use disruptions by strategically prioritizing and managing the orphan well program within available resources.

Plugging and reclaiming orphaned and pre-regulatory wells can eliminate existing or potential environmental threats and potential disruption to surface use.

The Board of Oil and Gas Conservation can ensure public and environmental benefit by maintaining a prioritized inventory of orphan and pre-regulatory wells, developing and executing plugging and reclamation projects based on risk priority, and witnessing orphan well plugging to ensure wells are properly plugged and abandoned.

Key Measures

- Finalize rulemaking to reduce the privilege and license tax rate by April 1, 2026, to enable access to increased orphan well plugging funds authorized by SB 339 passed during the 2025 Legislative Session.
- ≥ 80 percent of available funds used within the biennium.
- Inspectors witness plugged wells.
- Percentage of plugged sites fully reclaimed within 12 months of plugging.



Strategic Outcome

#5
BOGC

Ensure industry compliance with BOGC rules to protect groundwater, prevent waste, and safeguard public health and the environment.

Conduct inspections of oil, gas, and underground injection control (UIC) operations and respond to incidents and complaints to provide early detection of risks will help to resolve violations and maintain public confidence in regulatory oversight.

This includes conducting routine inspections on active wells and drilling locations, witnessing mechanical integrity tests (MIT) to verify well integrity and address non-compliance, responding to citizen complaints and industry-reported incidents in a timely manner, documenting inspection findings and recommending enforcement actions when necessary, and using risk-based prioritization to direct inspection resources toward higher-risk activities or areas.

Key Measures	<ul style="list-style-type: none">• ≥ 80 percent of identified violations resolved without requiring formal enforcement, reflecting compliance assistance.
	<ul style="list-style-type: none">• ≥ 50 percent of MIT' s witnessed by inspectors annually, ensuring broad coverage of UIC operations.
	<ul style="list-style-type: none">• All wells failing MIT' s are issued compliance directives within 14 days, with follow-up actions tracked until the well is repaired or plugged.
	<ul style="list-style-type: none">• Average response time for emergency calls or spill response (< 48 hours), providing assurance of prompt regulatory action.



Strategic Outcome

#6

CARDD

Maximize grant and loan funds for on the ground projects.

Improve local capacity to administer projects and funds so that more funds can be utilized to complete projects.

This can be addressed by improving local government’s understanding of funding opportunities, using plain language in administrative rules and program guidelines, improving the quality of applications submitted to DNRC through online tools and training, and providing consistency across the entire granting system.

Key Measures

- Create and develop a baseline dataset to track grant/loan status, performance and expenditures. This includes measuring the proportion of grant funds used for administration, planning, engineering or construction, and tracking the project status (planning, design, construction, completion).
- Create online dashboard to display grant/loan data.



Strategic Outcome

#7

CARDD

Maximize grant and loan funds for on the ground projects.

Prioritize project grant/loan funds for technically feasible projects so more funds can be utilized to complete projects.

This can be done by refining the planning grant structure to result in well-conceived projects for legislative review by restructuring (current) planning grants into two stages: Planning and Design. It can also be accomplished by introducing stakeholders to the newly designed format, providing training and support for local governments to ensure state/federal grant compliance.

Key Measures

- Track design and bidding time in projects funded by grants and loans, including the time in each project phase.
- Track project status from grant agreement execution to project completion.
- Track actual match leveraged by grants and loans.

 <p>Strategic Outcome</p> <p>#8 WRD</p>	<p>Increase stewardship of water resources.</p>	
	<p>Increase the state’s information on stream natural flow and water use to create more effective water management and protection of water users.</p> <p>Build out the DNRC Montana Stream Gage Network ensure critical data is available for water management decisions for Montana water users. Maintain the USGS Co-op Stream Gage Network that provides complimentary real-time network data for water management throughout the state on larger streams. The 2025 Legislature appropriated funds through DP 24014 and DP 24015 to assist the agency in implementing these strategies.</p>	
	<p>Key Measures</p>	<ul style="list-style-type: none"> • Increase the existing Montana Stream Gage Network by 10 gages by fiscal year end (for a total increase of 24 gages by the end of the biennium to hit the 2015 State Water Plan goal of 100 total gages). • Maintain the existing USGS Stream Gage Network of 231 gages to prevent further loss of critical data. • Provide all data to the public through the StAGE portal (ongoing) - https://gis.dnrc.mt.gov/apps/StAGE/.

 <p>Strategic Outcome</p> <p>#9 WRD</p>	<p>Improve customer service.</p>	
	<p>Improve the availability, accuracy, and use of water data for more efficient water management decisions to create better customer services for all water users across the state.</p> <p>This can be accomplished by developing workflows and data quality assurance checks to improve the reliability of the centralized water rights information system (WRIS), creating a water measurement database to collect and efficiently access water use data, and creating online, database integrated digital forms for water rights applications to increase accuracy and public use.</p>	
	<p>Key Measures</p>	<ul style="list-style-type: none"> • Create a water use database and process to upload water use data for use in water modeling by fiscal year end. • Transition WRD database systems to a cloud-based data management system by fiscal year end. • Create five (5) water rights digital forms by fiscal year end.



Strategic Outcome

#10

FTLD

Implement the DNRC/US Forest Service(USFS) Shared Stewardship Agreement.

In order to assist the USFS in meeting increased timber management goals to address Montana’s forest health and wildfire crisis, DNRC will execute a Shared Stewardship Agreement with the USFS and begin implementation of a 200,000-acre landscape using the Good Neighbor Authority (GNA).

This will ensure stability in DNRC’ s GNA program by finalizing and executing a five-year landscape restoration work plan in collaboration with the USFS.

Key Measures	<ul style="list-style-type: none"> • Initiate two (2) forest management projects within the Landscape by fiscal year end.
	<ul style="list-style-type: none"> • Use EXPLORE Act authorities to initiate one new recreation-based project by fiscal year end.
	<ul style="list-style-type: none"> • Increase the volume of timber sold under GNA from 25 million board feet (mmbf) to 50 mmbf by the end of calendar year 2026. <p><i>**Board feet of timber sold is tracked on a calendar year, not a fiscal year**</i></p>



Strategic Outcome

#11

FTLD

Minimize the size and impact of wildfire incidents.

To meet DNRC’s obligation to protect state and private lands from wildfire, the agency will minimize the size and impact of wildfire incidents through rapid detection, coordinated response, and effective initial attack.

To ensure the agency has the most qualified wildland firefighting force possible, DNRC will strengthen rapid initial attack capabilities through training, equipment upgrades, and staffing during peak fire season.

DNRC will also expand fire detection capabilities using aerial patrols, remote sensing, and community reporting networks in order to catch more fires before they become large and costly.

Key Measures	<ul style="list-style-type: none"> • Contain 95 percent of all reported wildfires to 10 acres or less.
---------------------	---



Strategic
Outcome

#12

FTLD

Improve customer service related to recreational use of state trust land.

By simplifying regulations for recreational activities such as hunting, fishing, and camping on state trust lands, engaging more meaningfully with the public and stakeholders on needs and concerns around recreational use, and implementing clear signage, maps, and online resources, the public can understand expectations and recreate more responsibly on state trust lands.

**Key
Measures**

- Increase recreational use licenses issued annually by 2.5 percent per year.
- Increase public and stakeholder participation in regulation review by getting at least 25 percent more public comments on rulemaking.
- Reduce government costs for cleaning up litter, illegal dumping, and abandoned vehicles on state trust land by 5 percent per year.