



*Serving Montanans First through Natural Resource
Management*

THE MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

FY 2025

The **Montana Department of Natural Resources and Conservation** 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 the 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.

CENTRALIZED SERVICES DIVISION

Provides management and administrative services for the 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

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

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

WATER RESOURCES DIVISION

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 LAND DIVISION

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, State Auditor, Attorney General, Superintendent of Public Instruction, and Secretary of State), who are constitutionally charged to oversee trust resources. The department director is the chief administrative officer of the board.



Strategic Outcome

#1

BETTER MANAGE OUR LANDS

Improve and expand forest management by utilizing all available tools across management ownerships and meet Trust Land Management Division Annual Sustainable Yield target.

Key Measures

- Place an additional 40,000 acres under management by December 2025.
- Work with partners to increase the use of prescribed fire on state and private lands.
- Achieve the increased annual timber sales volume in 2027 Biennium of 60 million board feet (mmbf) per year.

FY 25 Performance Report Update

- As of October 1, DNRC currently has 34,126 additional acres under management.
- DNRC participated in the Blackfoot Valley Prescribed Fire training, which burned 879 acres and completed 19 task books. Additional training is being planned for 2026. The department created a template for cross-boundary burning on private land and has used it for the first time on Mill Gulch, which covered 1,500 acres. More multi-party agreements are in the works. The Montana Prescribed Fire Council continues to meet and provide feedback on recent fire science developments, training opportunities, and foster increased collaboration. House Bill 84, passed during the 2025 legislative session, authorizes the DNRC to create and implement a Certified Prescribed Fire Manager Program.
- DNRC's Forest Management Program offered for sale 60.338 MMBF of new sawlog volume in FY25.

STREAMLINE PERMITTING AND REGULATORY PROCESSES

Increase outreach with customers to better facilitate service in the water permitting process.

Plug and reclaim all orphaned wells under contract from Federal IJA Initial Grant.



Strategic Outcome

#2

Key Measures

- Increase outreach to Montanans by conducting outreach campaigns, trainings, and listening sessions on water rights permitting. Increase our listserv participation by 30% to 2,600.
- Work with stakeholders to pass and implement legislation to ensure a smooth transition from statewide water adjudication to long-term administration of water rights; and meet the state's new water demands while protecting existing water rights.
- Have 95% of Orphan Wells plugged with federal funding that expires on September 30, 2025

FY 25 Performance Report Update

- DNRC successfully completed and exceeded initial goals for growing listserv participation and engaging the public through educational and feedback events. Listserv subscriber counts for key topics increased substantially, surpassing the targeted 30% growth to reach over 2,600, or 3,449 subscribers. DNRC provided training and educational sessions, as well as attended conferences to educate on water rights permitting.
- The DNRC's Comprehensive Water Review Stakeholder Working Group brought together diverse participants who helped pass legislation balancing Montana's new water demands with the protection of existing water rights.
 - HB 441: Provides a smooth transition from statewide adjudication to long-term administration of water rights. Sets a clear petition process for provisional permits, which are subject to the final decree.
 - HB 432: Streamlines water right permitting by allowing certain exceptions to the water right change process.
 - SB 190: Streamlines water right permitting by reinstating the option for a water user to remove their water right from consideration during the department's adverse effect analysis.
 - SB 178: Streamlines water right permitting by providing for temporary leases of a water right without the need for a full change application.
 - HB 681: Allows the department to evaluate if someone qualifies for use of certain permit exceptions prior to use of the water. Allows for certainty in qualifications under the permit exception that did not previously exist.
- The Board of Oil and Gas Conservation has 100% of the orphan wells under contract with a federal grant to be plugged, and 97.5% done with final reclamation.



Strategic Outcome

#3

IMPROVE CUSTOMER SERVICE

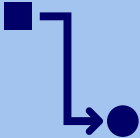
Making accurate water right and public land access information easy to find and use.

Key Measures

- Identify with the Water Court streamline water distribution projects that can be digitized in the 2027 Biennium for more efficient water management on the ground, which is publicly available, benefiting water users and managers alike.
- Start administrative rules project for recreational use of trust land to ensure readability and alignment with statutory changes from the legislature (will be ongoing through the 2027 Biennium).

FY 25 Performance Report Update

- DNRC worked with the Water Court to improve and digitize water distribution projects by developing clear procedures, an internal geospatial database, and the public WaterMapper tool ([WaterMapper](#)). This makes distribution project information, court documents, and custom mapping easily accessible, leading to faster, more efficient, and transparent water management for all users.
- DNRC is midway through a three-phased rulemaking project to improve recreational use rules. In February of 2025, the department completed Phase 1 by adopting rules that align with existing statutes and implementing food storage requirements consistent with those of all other public land management agencies. In July of 2025, DNRC published a proposal notice for Phase 2 rulemaking, which aims to renumber the recreational use rules into their own subchapter to facilitate easier access and significantly simplify the language throughout the ruleset to enhance clarity. The Phase 2 rulemaking project retains the original intent of the rules. In early 2026, DNRC will begin Phase 3 rulemaking, engaging the public and stakeholders to identify opportunities/needs for modifying rules related to recreational use and associated processes.

 Strategic Outcome #4	MORE EFFICIENT GOVERNMENT & FINANCIAL MANAGEMENT	
	Streamline internal processes and adopt relevant technology.	
	Key Measures	• Review the loan submission and servicing with the Board of Investments to determine if they can more efficiently service DNRC loans. • Complete development on a new cloud-based financial management system by June 30, 2025, with go-live scheduled for the first part of FY 2026. • Obligate 100% of the HB 6 and HB 7 grants for the Renewable Resource Grant and Resource Development Grant programs awarded in the 2025 Biennium. A small amount of funding in both funds was not expended due to projects spending less than anticipated.
	FY 25 Performance Report Update	• Completed the review of loan submission and servicing with the Board of Investments to determine if they can more efficiently service DNRC loans. • Obligated 98%, or \$15.95 million, in renewable resource grants. • Obligated 98%, or \$5.51 million, in Reclamation Development Grants. • A new cloud-based financial management system has been contracted, and the team is working toward full launch in October of 2025.