



MONTANA
ADMINISTRATIVE
REGISTER



**BOARD OF OIL AND GAS CONSERVATION
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION**

NOTICE OF PROPOSED RULEMAKING

MAR NOTICE NO. 2025-230.1

Summary

Amendment of ARM 36.22.1242 pertaining to reports by producers, tax report, and tax rate

No Hearing Scheduled

If the agency receives requests for a public hearing on the proposed rulemaking from either 10 percent or 25, whichever is less, of the persons directly affected by the proposed rulemaking; from the appropriate administrative rule review committee of the Legislature; from a governmental subdivision or agency; or from an association having not less than 25 members who will be directly affected, a hearing will be held at a later date. Notice of the hearing will be published in the Montana Administrative Register.

The estimated number of persons directly affected by the proposed rulemaking is 20.

Comments

Concerned persons may submit their data, views, or arguments concerning the proposed action in writing to the contact person listed below. Comments must be received by Friday, October 10, 2025, at 5:00 p.m.

Accommodations

The agency will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. Requests must be made by Friday, September 26, 2025, at 5:00 p.m.

Contact

Ben Jones
(406) 656-0040
bjones@mt.gov or mtogpub@mt.gov

Rulemaking Actions

AMEND

The rule proposed to be amended is as follows, stricken matter interlined, new matter underlined:

36.22.1242 REPORTS BY PRODUCERS – TAX REPORT – TAX RATE

- (1) Each owner or operator of an oil or gas well or any other well (except an injection well reported on Form No. 5) ~~shall file or cause to be filed with~~ must submit Form 6 to the board. ~~The form must be submitted by on or before~~ the last day of each month following the month being reported on. ~~Form No. 6 containing~~ must include all information required by ~~said~~ the form and accurately ~~reporting~~ show the status of each well ~~thereon~~ as of the last day of the month reported.
- (2) The privilege and license tax is 60 percent of the rate authorized in 82-11-131, MCA, for taxable production. ~~The taxable production is on~~ each barrel of crude petroleum and each 10,000 cubic feet of natural gas produced, saved, and marketed, or stored ~~within the state, or exported therefrom shall be 73.33 percent of the rate authorized in 82-11-131, MCA, (3/10 of 1%) of the market value thereof from the state.~~ This rule is effective on rate applies to all crude petroleum and natural gas produced on and after April 1, 2024 April 1, 2026.

Authorizing statute(s): 82-11-111, MCA

Implementing statute(s): 82-11-123, 82-11-131, MCA

Reasonable Necessity Statement

Under current forecast of oil and gas prices and production, the proposed rate reduction will provide adequate income for board operations and other activities required by statute. The proposed rule change has no impact to producers but will provide 0.08% of the market value of

oil and gas produced and sold to be passed to the oil and gas natural resource distribution account and 0.04% of the market value of oil and gas produced and sold to be passed to the damage mitigation account for plugging and reclamation of orphaned and pre-regulatory wells. The proposed effective date of this rulemaking is April 1, 2026.

Small Business Impact

The department has determined that the class or group of businesses that will be affected by this proposed rulemaking are the businesses that are involved in the exploration and production of oil and gas resources. The tax rate paid by oil and gas producers is not changing as a result of this rulemaking. The proposed rulemaking will not have an impact on small businesses. The department has completed a small business impact analysis, which is available upon request.

Bill Sponsor Notification

The bill sponsor contact requirements do not apply.

Interested Persons

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. Written requests may be e-mailed to the rules coordinator at DNRCRules@mt.gov, or may be made by completing a request form at any rules hearing held by the department.

Rule Reviewer

Robert Stutz

Approval

Amanda Kaster, Director

Approval

Steve Durrett, Chair