

BEFORE THE BOARD OF OIL AND GAS CONSERVATION AND THE
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
OF THE STATE OF MONTANA

In the matter of the amendment of) NOTICE OF PROPOSED
ARM 36.22.1242 pertaining to reports) AMENDMENT
by producers, tax report, and tax rate)
) NO PUBLIC HEARING
) CONTEMPLATED

TO: All Concerned Persons

1. On December 6, 2023, the Department of Natural Resources and Conservation (department) and the Board of Oil and Gas Conservation (board) propose to amend the above-stated rule.

2. The department 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. If you require an accommodation, contact the department no later than November 3, 2023, to advise us of the nature of the accommodation that you need. Please contact Ben Jones, Board of Oil and Gas Conservation, 2535 St. Johns Avenue, Billings, MT 59102, telephone (406) 656-0040, or e-mail mtogpub@mt.gov.

3. The rule proposed to be amended provides as follows, new matter underlined, deleted matter interlined:

36.22.1242 REPORTS BY PRODUCERS – TAX REPORT – TAX RATE

(1) remains the same.

(2) The privilege and license tax 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 ~~83.33~~ 73.33 percent of the rate authorized in 82-11-131, MCA, (3/10 of 1%) of the market value thereof. This rule is effective on all crude petroleum and natural gas produced on and after ~~January 1, 2020~~ April 1, 2024.

AUTH: 82-11-111, MCA

IMP: 82-11-123, 82-11-131, MCA

REASON: Under current forecast 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.

4. Concerned persons may submit their data, views, or arguments concerning the proposed action in writing to: Ben Jones, Board of Oil and Gas

Conservation, Billings, Montana, 59102; telephone (406) 656-0040; fax (406) 652-5305; or e-mail mtogpub@mt.gov and must be received no later than 5:00 p.m. on November 17, 2023.

5. If persons who are directly affected by the proposed actions wish to express their data, views, or arguments orally or in writing at a public hearing, they must make written request for a hearing and submit this request along with any written comments to Ben Jones at the above address no later than 5:00 p.m. on November 17, 2023.

6. If the agency receives requests for a public hearing on the proposed action from either ten percent or 25, whichever is less, of the persons directly affected by the proposed action; 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. Ten percent of those directly affected has been determined to be 20 persons based on the number of oil and gas producers in the state.

7. 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. Such written request may be mailed or delivered to the contact person in paragraph 2 or may be made by completing a request form at any rules hearing held by the department.

8. An electronic copy of this proposal notice is available through the Secretary of State's web site at <http://sosmt.gov/ARM/Register>.

9. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

10. With regard to the requirements of 2-4-111, MCA, the department has determined that the amendment of the above-referenced rule will not significantly and directly impact small businesses.

/s/ Steve Durrett
Steve Durrett, Chair
Board of Oil and Gas Conservation

/s/ Amanda Kaster
Amanda Kaster, Director
Department of Natural Resources
and Conservation

/s/ Liz Leman
Liz Leman
Rule Reviewer

Certified to the Secretary of State October 10, 2023.