

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 ARM     ) NOTICE OF AMENDMENT  
36.22.1242 pertaining to reports by     )  
producers, tax report, and tax rate     )

To: All Concerned Persons

1. On October 20, 2023, the Board of Oil and Gas Conservation and the Department of Natural Resources and Conservation (department) published MAR Notice No. 36-22-220 pertaining to the proposed amendment of the above-stated rule at page 1290 of the 2023 Montana Administrative Register, Issue Number 20.

2. A public hearing was not contemplated or officially requested.

3. The department has amended ARM 36.22.1242 as proposed.

4. The department has thoroughly considered the written comment received. A summary of the comment received and the department's response is as follows:

COMMENT: The privilege and license tax are important to local communities in gas and oil country. The tax is used to mitigate the boom-and-bust cycles affecting oil and gas cities and towns and to meet other local needs of residents of those communities. Reducing the share of the tax for administration of the board means that cities and towns will receive a greater share of the privilege and license production tax to help meet those critical local demands. The Montana League of Cities and Towns supports this proposal and thanks the Board of Oil and Gas Conservation for their dedication in administering this important program.

RESPONSE: The department agrees.

5. The effective date of this rulemaking is April 1, 2024.

/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 on December 12, 2023.