The Montana Department of Natural Resources & Conservation

Annual Plan
Fiscal Year 2027

Updated Aug. 23, 2026

The Montana Department of Natural Resources and Conservation DNRC

manages natural resources for the benefit of Montanans. DNRC oversees state trust land and protects Montana's natural resources from wildfire. The department also promotes stewardship of the state's water, soil, forest, and rangeland resources; aids conservation districts; provides natural resource conservation education; and provides support to the Board of Oil and Gas Conservation, as well as other commissions and advisory councils. Our vision is to ensure Montana's land and water resources provide benefits for present and future generations.

DNRC has the following divisions:

Board of Oil and Gas Conservation (BOGC)

The Board of Oil and Gas Conservation 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 that is charged with regulation of the industry.

Centralized Services Division (CSD)

The Centralized Services Division provides management and administrative services across the entire department. This includes legal, human resources, financial, information technology, records management, administrative hearings, safety, and communication services.

Conservation and Resource Development Division (CARDD)

The Conservation and Resource Development Division provides administrative, 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 program.

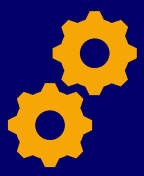
Water Resources Division (WRD)

The 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 Lands Division (FTLD)

The Forestry and Trust Lands 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 5.2 million surface acres of state trust lands 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 (Land Board) comprised of Governor (Chair), Superintendent of Public Instruction (Vice Chair), State Auditor, Secretary of State, and the Attorney General, who are constitutionally charged to oversee trust resources.



Strategic Outcome #1

Central Services

Enhance agency efficiency by providing consistent central services processes.

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.

By standardizing rulemaking processes, the agency can write clearer and more concise rules that are understandable to the public.

Key Measures

- 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.



Strategic Outcome #2

Central Services

Proactively tell the agency's story.

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 the great work being done across the state every day.

Key Measures

- Publish a minimum of seven (7) staff or program profiles per fiscal year highlighting agency work and employees, by sharing on social media and the internal communications board to strengthen internal awareness and external storytelling.
- Publish six (6) press release stories highlighting DNRC's work by the end of the fiscal year, with at least two (2) releases issued for each division.
- Add program presentations to the agency all-hands meetings during FY 2027 to increase staff awareness of the agency's work.

Strategic Outcome # 3

Board of Oil and Gas Conservation

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

- Implement a cross-trained technical review process to maintain timely drilling permit review despite a six-fold increase in permitting workload.
- $\geq$ 90 percent of permits reviewed for completeness within 5-10 business days of receipt, balancing timeliness with environmental review integrity.
- 100 percent of complete drilling permit applicants processed without department-caused delays.

Strategic Outcome #4

Board of Oil and Gas Conservation

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

- 100% of newly identified orphan wells evaluated and assigned a risk priority within 90 days of becoming Board responsibility.
- ≥80 percent of available funds used within the biennium.
- Inspectors witness 100% of all plugging operations.
- 100% of plugged sites fully reclaimed within 12 months of plugging, when seasonal and weather conditions allow.

Strategic Outcome #5

Board of Oil and Gas Conservation

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 to help 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

- ≥ 80 percent of identified violations resolved without requiring formal enforcement, reflecting compliance assistance.
- ≥ 50 percent of MITs witnessed by inspectors annually, ensuring broad coverage of UIC operations.
- All wells failing MITs (25-30 on average) are issued compliance directives within 14 days, with follow-up actions tracked until the well is repaired or plugged.
- Average response time for emergency calls or spill response (< 48 hours), providing assurance of prompt regulatory action.

Strategic Outcome #6

Conservation and Resource Development Division

Maximize grant and loan funds for on-the-ground projects.

Improve local capacity to access, administer, and deliver funded projects by providing clear, consistent, and user-focused grant management support.

This can be addressed by engaging stakeholders to review and improve tools, resources, and processes; improving understanding of funding opportunities among local governments, partners, and Sage Grouse Program participants; using plain language in administrative rules and program guidelines; improving online materials and resources to streamline the application process and clearly describe a transparent review and approval process; improving ease of understanding for applicants and recipients; identifying opportunities to provide training on grant administration; and providing consistency across the entire granting system.



Key Measures

- Engage stakeholders and use their feedback over the biennium to improve grant management tools, guidance, online resources, and application and review processes.
- Provide clear guidance, annual grant application and annual grant administration training, and support to help applicants and recipients administer grants and successfully deliver projects.

Strategic Outcome #7

Conservation and Resource Development Division

Improve public visibility into CARDD-managed grant and loan investments, project progress, and the use of matching funds.

This can be accomplished by creating an online dashboard using publicly available data for programs implemented through House Bills 6, 7, 8, and 11; Conservation District Grants; Aquatic Invasive Species Grants; and federal pass-through grants. The dashboard will track project status through planning, design, and construction, as applicable, and identify matching-fund sources leveraged by CARDD-managed state and federal grants and loans.

Key Measures

- Develop and maintain a public dataset that tracks grant and loan expenditures, project status, and matching funds from agreement execution through completion.
- Create and maintain an online dashboard that shows where CARDD-managed funds are invested and how projects are progressing.

Strategic Outcome #8

Water Resources Division

Increase stewardship of water resources.

Montana's water users depend on timely, reliable information about streamflow and water use to make informed decisions and protect existing water rights. DNRC is working to strengthen the state's understanding of natural streamflow conditions and water use by expanding the Montana Stream Gage Network. This effort will ensure that critical data is available to support water management decisions.

DNRC will also continue to maintain its partnership with the U.S. Geological Survey through the Cooperative Stream Gage Network. This complementary network provides real-time streamflow data on larger rivers and streams throughout

Montana, further supporting statewide water management, planning, and protection of water users.

The 2025 Legislature appropriated funding through Decision Packages 24014 and 24015 to support implementation of these strategies. To date, DNRC has installed and is operating 83 real-time stream gages. DNRC is actively pursuing land-access agreements and special use permits for the remaining sites and is expected to have the remaining 17 sites installed by the end of the biennium.

The U.S. Geological Survey is currently operating 245 real-time stream gages, although some partner funded sites have been lost and others added over the past year, at the request of the funders. Additional federal appropriations have been added to the stream gage program and federally funded sites have not been impacted over the past year.

The DNRC public stream-gage data platform, StAGE, was upgraded in the spring of 2026 and data is now housed on cloud services, freeing up internal IT support services. StAGE continues to expand the real-time data that is publicly available.

Key Measures

- Completely build out the existing Montana Stream Gage Network with 100 total gages by fiscal year-end to hit the 2015 State Water Plan goal.
- Maintain the existing USGS Stream Gage Network of 245 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/.

Strategic Outcome #9

Water Resources Division

Improve customer service.

Efficient water management decisions create better customer services for all water users across the state.

This can be accomplished by developing workflows and data quality assurance checks to improve the reliability of the centralized water rights information system (WRIS), updating the Permits and Changes Application dashboard

for permitting timelines, analyze permitting data for continued improvement, and creating online, database-integrated digital forms for water rights applications to increase accuracy and public use.

Key Measures

- Utilize and improve the water rights permit and changes application dashboard to inform operational efficiencies as they are discovered.
- 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

Forestry and Trust Land Division

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

- Initiate two (2) forest management projects within each Landscape by fiscal year end.
- Use EXPLORE Act authorities to initiate one new recreation-based project by fiscal year end.
- Increase the volume of timber sold under 70 mmbf by the end of calendar year 2027.

- Reach 1 million acres of total Landscapes under the Shared Stewardship Agreement by the end of the biennium.

  Board feet of timber sold is tracked on a calendar year, not a fiscal year

Strategic Outcome #11

Forestry and Trust Land Division

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

- Contain 95 percent of all reported wildfires to 10 acres or less.

Strategic Outcome #12

Forestry and Trust Land Division

Inspect every agricultural and grazing lease scheduled for renewal in the upcoming fiscal year.



DNRC manages 4.7 million acres of agricultural and grazing state trust land in fulfillment of its statutory and fiduciary obligations to trust beneficiaries. To safeguard the long-term income-generating capacity of these lands for present and future generations, the department will inspect every agricultural and grazing lease scheduled for renewal in the upcoming fiscal year, ensuring lessee compliance, protecting land productivity, and sustaining revenue generation for the trust prior to renewal.

Key Measures

- Inspect every lease scheduled for renewal in fiscal year 2027.
- Increase lease compliance rates by ensuring appropriate agricultural and grazing practices are being implemented that protect the long-term income-generating capacity of these lands for present and future generations.
- 100% of field lease inspections will be completed through a fully automated system integrated with the Trust Land Management System (TLMS) database, enabling real-time data collection and analysis.