

**Revise the Membership of the Board of Oil and Gas Conservation  
Vote YES on HB 500 With Proposed Amendments**

**Introduction**

This bill changes the makeup of the Board of Oil and Gas Conservation to better represent the diverse interests of the people of Montana, and to enable it to more effectively carry out its responsibility of regulating oil and gas production in Montana. Currently three of the seven board members are industry representatives. Landowners, one who has mineral rights and one who does not, fill two positions, and the two remaining positions are filled by members of the general public.

For the last several years, six of the seven board members were involved in the oil and gas industry. Governor Schweitzer recently appointed four new members to the board. However, the oil and gas industry is still over represented on the board with four of the members having industry ties. Other perspectives are needed. A board with a diversity of interests would be better suited to carry out its job as a regulatory authority.

With HB 500 and the proposed amendments, the new board would be:

- One representative of the oil and gas industry

THE FOLLOWING POSITIONS MUST BE FILLED BY PEOPLE RESIDING IN AN OIL OR GAS PRODUCING COUNTY

- One landowner who owns the mineral rights for the oil and gas production under the land.
- One landowner who does not own the mineral rights for oil or gas production under the land.
- One member of an irrigation district in a county where oil or gas production is occurring or has been proposed.
- One tribal member.
- One conservationist.
- One county commissioner.

**Why These Changes Are Important**

The environmental impact statement for coal bed methane development in Montana predicted that more than 19,000 CBM wells may be drilled in Montana. With this potential for development, the Board of Oil and Gas Conservation must be prepared to protect all interests and ensure that development of oil and gas does not harm nearby land or water resources. For these reasons the following members should be included on the board:

*Industry representative:* It is important that the needs of the industry are heard to ensure that oil and gas extraction can be done effectively and efficiently.

*Landowner with mineral rights:* There are many landowners who own some or all of the mineral rights to their land. This is an important constituency that needs a voice on the board.

*Landowner without mineral rights:* This member would represent the landowners in eastern Montana who do not own the mineral rights beneath their land. This puts them in a position where a mineral estate is essentially dominant to their surface rights. It is a position that can be of immense benefit if the landowner is involved with a responsible company and has a surface use agreement. It can also be a nightmare under other circumstances. This is a constituency that should be represented on the board.

*Irrigation district member:* An irrigation district member is important to deal with the water produced from CBM development that is likely to be discharged into Montana's rivers and streams. This water is of marginal quality, and if too much is discharged into a given body of water, the water could become unsuitable for agricultural uses. The presence of an irrigation district member would assure that the impacts of CBM development and water discharges to agriculture would be adequately considered.

*Tribal member:* Adding a tribal member makes great sense. Natural gas development on the Rocky Mountain Front, and in and around the Blackfeet Reservation, has long been discussed. Both the Northern Cheyenne and Crow Reservations contain significant methane reserves. It is only logical to include a tribal representative on the board. In fact, Montana law recommends this in section 2-15-108, MCA.

*Conservationist:* Other Montana regulatory boards such as the Water Pollution Control Advisory Council, the Air Pollution Control Advisory Council, and the Fish, Wildlife, and Parks Crimestoppers Board, all have a representative of the conservation community. The Board of Oil and Gas Conservation should be no different, and a conservationist would bring a much needed perspective to the board.

*County commissioner:* A county commissioner from an oil and gas producing county would help the board address the social and economic benefits and costs of oil and gas development.

Together, these seven members will constitute a well-rounded board that can make balanced decisions as coal bed methane development begins in Montana. Many other regulatory boards have a mix of members similar to this; why should the Board of Oil and Gas Conservation be any different?