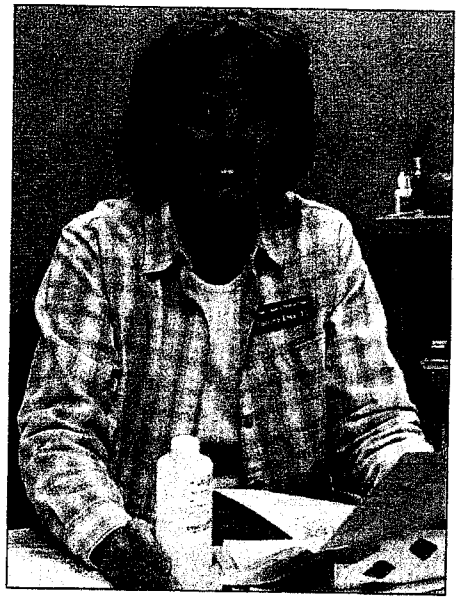
By **LISA SCHMIDT**

NORTH Dakota's oil rush overflows into eastern Montana, and speculators dance with glee at the prospect that big money will gush from wells even farther west.

The most profitable oil wells pump from the Bakken formation east of the longitudinal line between Wolf Point and Miles City, but the rush is also on in the Golden Triangle, near the northern Continental Divide.

Residents of north-central Montana have seen how the black gold rush has turned eastern Montana's way of life upside down and are wondering how they can benefit from oil's spending spree while protecting their personal safety, water and some semblance of their local culture.



CLEAN AND SAFE: Corrine Rose, Pondera County sanitarian, has had more requests for assistance in designing new RV parks this year than ever before. "In 17 years as sanitarian, I have never had a request for an RV park permit. Now I have 10."

The issues range from human waste disposal and competing water uses to safe school bus routes in heavy traffic and noxious weed control.

"We have no idea what to expect," says Corrine Rose, Pondera County sanitarian.

But Rose knows that Sidney, the county seat of Richland County, where more than 118 million barrels of oil have been pumped since 2005, hosts water treatment plants that cannot manage the volume or pollutants in the wastewater that is being produced.

Steve Kilbreath, public water systems manager for the Montana Department of Environmental Quality, spent a year in Culbertson, near the Montana-North Dakota border.

"I visited a 200-person work camp that had a septic system that was a 1.5-mile-long open trench. The gray water gets dumped in coulees on the prairie," Kilbreath says. "By the time we get there to permit an operation, it is already built and up and running."

Personal safety a growing concern

Rose, who authorizes public water and wastewater systems in central Montana's Teton and Pondera counties, sees potential problems with water pollution and infrastructure.

However, she says, "I don't expect a repeat of Sidney's situation. Sidney is the only town for miles. But here we have several small towns, and Great Falls can bear the brunt of some of this influx of people, too," she says.

Concern about personal safety also is growing in the Golden Triangle, especially after 43-year-old Sidney teacher Sherry Arnold was abducted and killed in January. Two men who were traveling to the Richland County oil fields with hopes of employment have been charged in her death.

SHIFTING BURDEN: Pondera County Commissioner Cyndi Johnson expects her central Montana county will face increasing demands on the county's shrinking budget because of oil development. "We have to shift dollars to the immediate needs," she says. "Our immediate need is public safety. We already expect increased trespass violations and substance abuse."

Applications for the right to carry a concealed weapon are increasing monthly, and firearm sales have tripled in the last year, says Roger Erickson, a gun store owner in Conrad, Mont.

Central Montana officials are preparing for a financial boom, but they know it will all come to an end eventually.

"Whatever we do now, we want it to minimize the impacts to our community and be good in the long term, too," Rose says.

Tax holiday shorts budget

MONTANA city and county b will not see a major tax lift the oil boom for at least two ye

The Montana Legislature pa tax holiday in 1999 — 12 montl vertical wells and 18 months fo zontal wells — allowing oil com to pay only a 0.5% income tax the holiday, instead of the 9% rate that kicks in afterward.

The tax holiday results in a major loss of potential income to cities and counties exactly when they need to ramp up spending for increased public safety, noxious weed control, water monitoring and other impacts.

In 2011, Richland County was home to 135 new oil wells. A good well pumps 300 to 1,000 barrels daily, and the average price per barrel ranges from $90 to $120. A conservative estimate of income produced by the new Richland County wells during 18 months was almost $46 million. At the 9% tax rate, Richland County would have received more than $614,000, but with the tax holiday in place, county commissioners had only an extra $34,000 to spend.

Meeting water needs

HYDRAULIC fracturing uses water and lots of it. Yet most of Montana's surface water is already allocated for specific uses. Many of those uses occur year-round, but irrigation rights often specify a limited time of use.

If a water rights owner decides to sell water, he or she must apply for a change of use, says Scott Irvin, water specialist with the Montana Department of Natural Resources and Conservation. "The process includes public comment, and we look at whether a change of use would create an adverse effect downstream," Irvin says. "No matter what, a seller cannot exceed the historical use [of the water right], and the time of use cannot be expanded."

WPIC
July 12, 2012
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