

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON NATURAL RESOURCES**

**Call to Order:** By VICE-CHAIR MARK O'KEEFE, on January 25, 1991,  
at 3:15 pm.

#### **ROLL CALL**

##### **Members Present:**

Bob Raney, Chairman (D)  
Mark O'Keefe, Vice-Chairman (D)  
Beverly Barnhart (D)  
Vivian Brooke (D)  
Ben Cohen (D)  
Ed Dolezal (D)  
Orval Ellison (R)  
Russell Fagg (R)  
Mike Foster (R)  
Bob Gilbert (R)  
David Hoffman (R)  
Dick Knox (R)  
Bruce Measure (D)  
Tom Nelson (R)  
Bob Ream (D)  
Jim Southworth (D)  
Howard Toole (D)  
Dave Wanzenried (D)

**Staff Present:** Gail Kuntz, Environmental Quality Council  
Paul Sihler, Environmental Quality Council  
Lisa Fairman, Committee Secretary

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

##### **Announcements/Discussion:**

**VICE-CHAIR O'KEEFE** stated the Committee hears bills and usually  
takes executive action at a later meeting. He opened the  
hearings with HB 240.

#### **HEARING ON HB 240**

##### **Presentation and Opening Statement by Sponsor:**

**REP. RANEY, HD 82 - Livingston,** stated the main issue of HB 240  
is water. There is great concern surrounding pollution, both  
point and non-point sources. A main cause of non-point water

pollution is agricultural chemicals. This is the reason behind HB 240. Water quality and quantity is a key resource in Montana. Current practices in California, such as the extensive use of chemicals and the reliance on imported water, should scare us. Assistance to learn practices of low chemical agriculture is needed. Using minimal amounts of chemicals results in higher quality food, more productive soils, greater water output and less soil erosion, and less water used by crops. Farmers are and can be convinced of the benefits of low chemical agriculture when given the opportunity to see for themselves. Presently, grant funding for low chemical agriculture projects is limited. Converting to low chemical agriculture is costly in the short term but very beneficial in the long term. Farmers need some monetary relief during the conversion.

#### Proponents' Testimony:

Owen Cox, graduate student in Environmental Studies Program at University of Montana, supported HB 240. He read written testimony by Al Kurki, Alternative Energy Resource Organization, who was not present at the hearing. Mr. Cox stated he supported Mr. Kurki's testimony. EXHIBIT 1.

Chris Kaufmann, Montana Environmental Information Center, supported HB 240 for reasons previously stated. Farmers often develop plans for nonchemical use but need money to implement them. This bill provides them with a method to do that.

Richard Parks, Northern Plains Resource Council, said a large portion of his organization is involved in farming. He supported HB 240.

#### Opponents' Testimony: none

#### Questions From Committee Members:

REP. ORVAL ELLISON asked REP. RANEY if the bill will split up monies currently going to programs into other areas. He said Montana State University has a very good program and does not want to see it divided up. REP. RANEY said that the bill allows groups to apply for grant money. It does not allocate money. The individuals need to come before the Legislature to request the money. He referred to page 3, subsection 3. REP. MIKE FOSTER asked if these projects are currently eligible. REP. RANEY replied possibly but some projects exist that are not currently eligible for grants. The bill highlights the fact the projects are eligible for water development grants. REP. O'KEEFE asked Karen Barclay, Department of Natural Resources and Conservation (DNRC), if there are any programs currently administered by the state or federal government that would provide funding to this type of research. Ms. Barclay said she did not know of any but the Department is developing a proposal to fund this type of program.

Closing by Sponsor:

REP. RANEY stated DNRC is already progressing in this issue. HB 240 goes further by addressing chemicals. He read excerpts from testimony sent to him from Bob Quinn, a Big Sandy farmer. Mr. Quinn wrote pesticide and herbicide costs (including chemical fertilizers) are the highest cost on his farm. He gets a 20-30% premium for grain on the organic market which removes some of the risks. A few bugs and weeds need to be viewed as biodiversity. By rotating crops and having natural predators, he is able to control weeds and insects. By reducing use of chemicals and using only biological inputs, his cost per acre dropped from \$18 to \$4, enabling him to realize a higher profit. More lo-chem agriculture research is needed.

HEARING ON HB 199Presentation and Opening Statement by Sponsor:

REP. BOB GILBERT, House District 22, stated HB 199 changes the name of the Resource Indemnity Trust Tax (RITT). He read page 1 lines 4-17 of the bill. REP. GILBERT said SEN. DELWYN GAGE will present an overview of the bill and provide a historical background.

Proponents' Testimony:

SEN. DELWYN GAGE said there are numerous ground water programs with numerous people looking for funding sources. The name change of RITT would allow others to access funding sources. Diverting monies into other programs now would alleviate the draw that will exist when the cap on the RITT is reached and will provide funding for current problems. Existing caps will remain in place. This bill will direct 60% of the newly named money to the RITT until it reaches \$100,000,000, at which time the additional money will go into a water storage account. The remaining 40% will be split with 20% going to the oil and gas mitigation account and 20% to the ground water programs. When the oil and gas account reaches \$1,000,000 and the ground water account reached \$666,000, the excess will go into the water storage account. Earnings on the investments will stay within the oil and gas account. Currently there are hundreds of oil and gas wells that need to be plugged and reclaimed. Some of these wells were properly plugged originally but for a number of reasons are no longer safe. HB 199 will make money available to take care of problem wells that have no identified responsible party. Programs resulting from passage of this bill will help coordinate the many groundwater studies presently occurring. A needed repository and data base will be developed. He would like to see flexibility in the bill to allow Conservation Districts and private individuals to request grant money for studies. The mechanics of HB 199 was drafted by the Environmental Quality Council (EQC). The bill is not intended to raid any trust funds. It is a progressive bill.

CHAIR RANEY suggested sponsors present HB 215 and 216 at this time since they are all interrelated. Testimony for all three bills will be heard together.

### HEARINGS ON 215 and 216

#### Presentation and Opening Statement by Sponsor:

REP. JERRY DRISCOLL, House District 95 - Billings, said these bills are similar to HB 199 and companion bills to SB 94. The bills change the tax in order to finance the Groundwater Characterization Program and the Groundwater Assessment Program. The bill changes the name of the Resource Indemnity Trust Tax to the Resource Mitigation and Ground Water Assessment Tax and takes 14.1% of the money and places it into the ground water assessment account to pay for the program. If passed the bill needs to go through the Taxation Committee and money needs to be appropriated. The bill does not touch any of the RITT interest with exception of \$666,000 in this biennium and approximately \$1,000,000/biennium in following years. This money is used to fund the program. RITT currently has approximately \$86,000,000 in it and an income of \$5,000,000/year. As a result of this legislation it will take longer to reach the \$100,000,000 threshold. This legislation will not affect the \$6,000,000/biennium that currently goes to DNRC to replace money taken to relieve the General Fund. REP. DRISCOLL submitted a written comparison of the allocation of RITT and interest under current law and under the proposed HB 199, HB 215, and SB 94. EXHIBIT 2.

CHAIR RANEY said we opened on bills that are similar in the issues of groundwater characterization programs, sources of revenue, and name change of RITT.

Informational Testimony: Steve Pilcher, Department of Health and Environmental Sciences (DHES), presented informational testimony for HB 199, HB 215, and HB 216. EXHIBIT 3.

Bonnie Lovelace, Department of State Lands (DSL), presented informational testimony. EXHIBIT 4. She supported Mr. Pilcher's testimony.

#### Proponents' Testimony:

Jim Nelson, Board of Oil and Gas Conservation, supported HB 199. EXHIBIT 5.

Karen Barclay, DNRC, supported concepts of groundwater management and monitoring programs. DNRC is faced with the lack of detailed ground water information. She supports using RITT proceeds to fund the programs. This is an appropriate use of the proceeds. She stated her appreciation of REP. GILBERT and SEN. GAGE for acknowledging the problems associated with the state water rehabilitation projects. To rehabilitate 35 state-owned water

projects, not including water canal projects, is estimated to cost a minimum of \$200,000,000. The full amount is not needed now, however priority projects do exist that need funding now. The Tongue River Dam project, which poses a high hazard threat to lives and property and for which the state may be liable, is one of these priority projects. The problems surrounding state-owned water projects and federally-owned and privately-owned dam or reservoir projects has been studied for the past two years through the state water planning process.

Several differences in the State Water Plan Section and HB 199 exist. These differences will be incorporated into proposed state water storage legislation. The first difference is the state water plan says all dams, regardless of ownership, should be eligible for state monies. The state plan lists the priority projects. These projects are: 1). rehab high hazard facilities (high hazard is defined as posing a potential threat to loss of life); 2). fund other unsafe facilities; and 3). look at new storage projects. HB 199 does allow for this. The second difference is once the RITT reaches the \$100,000,000 cap, 25% of the proceeds goes to the storage account to accomplish the priority projects rather than the 60% in the bill. DNRC could easily use the full 60% but recognizes other important projects that need to be accomplished. Ms. Barclay stated Sen. Gage agrees these differences should be included in the bill.

Edward Ruppel, Montana Bureau of Mines and Geology, supported HB 199, HB 215, and HB 216. EXHIBIT 6.

Janelle Fallan, Montana Petroleum Association, said those who drill the oil and gas wells should be responsible. The problems are often hidden but are very important. Two thirds of the money in RITT is acquired through oil and gas. Approximately 3% goes to oil and gas reclamation. Ms. Fallan supported HB 199.

Al Kurki, Alternative Energy Resource Organization, supported the concept of groundwater monitoring and assessment programs that are addressed in HB 215 and 216.

Peggy Parmelee, Montana Association of Conservation Districts, supported HB 199 and proposed an amendment to add conservation districts. EXHIBIT 7.

Jo Brunner, Montana Water Resources Association, supported HB 199. She supports groundwater development of research and monitoring programs and the financing mechanism as described in the bill.

Doug Abelin, Northern Montana Oil and Gas Association, supported HB 199 in its original form.

#### Opponents' Testimony:

Ellen Pfister, Northern Plains Resource Council and a dryland

farmer, supported SB 94 but opposed HB 215 and HB 216 because of the funding mechanism. EXHIBIT 8 and 9.

Jim Jensen, Montana Environmental Information Center (MEIC), stated the constitutionality of HB 199 needs to be scrutinized. The history of RITT shows it was passed by the legislature and then passed to the people for general vote. Changing the name of RITT and subsequently the application of it, violates the trust of the people. RITT was developed for use in oil and gas programs. It can not be expected that oil and gas industries will continue to financially support a program in which agriculture and water storage programs benefit but do not contribute. The bills address important issues. Appropriations from the General Fund would be an appropriate way to finance the groundwater programs because everyone benefits from them. Mr. Jensen stated in actuality there are no caps.

Questions From Committee Members:

REP. MARK O'KEEFE asked REP. DRISCOLL and SEN. GAGE why SB 94 didn't start together in the House with it's companion funding bill. The committee is considering a funding mechanism for a bill that won't be seen until after Transmittal. REP. DRISCOLL replied that action won't be necessary until around the 70th legislative day. This will allow the committee to see SB 94. REP. O'KEEFE asked about the two LC numbers in the fiscal note. REP. DRISCOLL responded one LC in the bill refers to SB 94 and the other to HB 216. REP. O'KEEFE asked why the fiscal note for HB 199 reflects the impact on RITT so differently than the others. REP. GILBERT said SEN. GAGE is not present to respond to the question. REP. GILBERT said SEN. GAGE's bill extends the capping on the trust fund for six years making less impact on RITT. REP. O'KEEFE asked Mr. Nelson if his testimony reflected the Board's viewpoint. Mr. Nelson said yes. REP. O'KEEFE asked what type of projects would be funded additionally under SEN. GAGE's bill. Mr. Nelson said there is no difference in the types of projects but additional orphaned wells could be capped.

REP. O'KEEFE stated two current funding programs exist which the Board has funding from: the Reclamation and Development Grant Program and the Oil and Gas Damage Mitigation Account. Bond forfeitures and fees add to the Mitigation Account. REP. O'KEEFE asked if the Board only has control over the fee money and if they have considered raising the fees to help fund costs associated with orphan wells. Mr. Nelson replied the Board has control of fee money and some forfeiture money. The cost associated with rehabilitating orphan wells is phenomenal. One of the reasons the Damage Mitigation Account was established was because people were having difficulties acquiring bonds. Currently the Board deals with the forfeiting of \$10,000 blanket bonds that may cover scores of wells. The money generated from bond forfeitures is insignificant when dealing with costs of rehabilitation. It would be difficult to raise more fee money to cover these cost from an already depressed group that currently

pays high taxes. The problems occurred prior to 1954 and were caused by others not presently in the industry. It would be unfair for current industries to bear the burden of the past. **REP. RANEY** asked why were the \$10,000 blanket bonds covering numerous wells accepted when it's unlikely the bond could cover the costs of rehabilitation. **Mr. Nelson** responded up until two years ago the law allowed these \$10,000 blanket bonds to be purchased. **REP. ELLISON** asked **Mr. Nelson** what the average cost of plugging a well is. He responded the costs are variable, dependent upon depth and structure of the well. A well with no associated problems costs, at a minimum, \$2500. A well with problems can cost \$80,000 - \$100,000. **REP. VIVIAN BROOKE** asked **Mr. Nelson**, referring to page 4 of his testimony, the reasons for the other bond forfeitures and if they will be in need of a re-plugging project. He replied the bonds were forfeited because the well could not be plugged. The Department will be addressing these cases. **REP. BROOKE** inquired if the \$10,000 bond will cover the costs. **Mr. Nelson** stated costs to rehabilitate these wells are variable with \$10,000/well being an estimated minimal cost. **CHAIR RANEY** asked what is the current size of a bond. **Mr. Nelson** said blanket bonds still exist. Once a well is out of production, under legislation passed in 1989, they can pay a \$125 petition fee to be released from the bond.

**REP. O'KEEFE** asked if we have access to the hydrological data from oil and gas companies. **Mr. Wayne Van Vost** stated oil and gas exploration data becomes public information after six months from drilling the well. **CHAIR RANEY** asked **REP. GILBERT** if he felt reallocating RITT is morally and constitutional right. **REP. GILBERT** replied the fund has always been abused. It is the way the system works. We may as well all abuse it equally. **CHAIR RANEY** asked if the committee examined other sources of revenue, would **REP. GILBERT** and **REP. DRISCOLL** still support the legislation. **REP. GILBERT** stated he supports all water assessment bills. RITT funding, politically, is the best method to fund the programs. **REP. DRISCOLL** said his support would depend on what the other sources were. He does not support the use of the General Fund. **REP. ELLISON** asked **Ms. Parmelee** what the role of the Conservation Districts would have if they were included. She responded the Conservation Districts could help gather the data, take water tests, and provide a local opinion on problem areas in the district.

**CHAIR RANEY** mentioned **Mr. Jensen** raised the point this legislation would divert money in a manner that the people of Montana did not agree to. He asked **REP. DRISCOLL** how he felt about doing that. **REP. DRISCOLL** responded there is a large difference between the coal tax and the RITT. The constitution says the RITT can not be touched until after it reaches \$100,000,000. A popular vote is needed to take the money after it reaches the \$100,000,000. The Coal Tax Trust Fund allows each house to be able to take the money with a 3/4 majority vote. The process is not easy but is easier than getting money from the RITT. To have the program, funding must be obtained from one of

these places. REP. GILBERT said after the \$100,000,000 is accumulated, the excess money will be available. The proposed process will allow money to be accessed earlier and start accomplishing some of the many needed projects. This process is not violating any rules or the constitution. CHAIR RANEY said many programs may ask for funding via this method, potentially including some obscure unrelated programs. This scenario could lead to the \$100,000,000 cap never being reached. REP. GILBERT responded that the requests need to be kept on track. Obscure, unrelated requests wouldn't be granted. He stated this is a political arena in which politicians are trying to accomplish their goals in a manner that causes as little damage as possible.

Closing by Sponsors:

REP. DRISCOLL asked the committee to kill the bill quickly if they don't like it. If the funding source is unacceptable, the committee needs to propose alternative sources, providing it is not the General Fund. The RITT is not sacred. Spending the money now, as opposed to later, would benefit many programs.

REP. GILBERT stated oil and gas counties have opportunities to apply for grant money but have difficulty writing and receiving grants. RITT was started to provide bonds. Many pressing projects exist that need a funding source now. The RITT money will be accessed at a later date, therefore, it makes sense to begin these projects now and tap into the funding source.

CHAIR RANEY closed hearings on HB 199, HB 215, and HB 216. He called for executive action.

EXECUTIVE ACTION ON HB 189

Motion: REP. BRUCE MEASURE MOVED HB 189 DO PASS.

Amendments, Discussion, and Votes:

REP. RUSSELL FAGG moved the amendments as drafted by Michael Kakuk, EQC staffer. EXHIBIT 10. Motion carried unanimously.

Recommendation and Vote:

REP. GILBERT MOVED HB 189 DO PASS AS AMENDED. Motion carried unanimously.

EXECUTIVE ACTION ON HB 237

Motion: REP. ELLISON MOVED HB 237 DO PASS.

Recommendation and Vote: HB 237 DO PASS. Motion carried

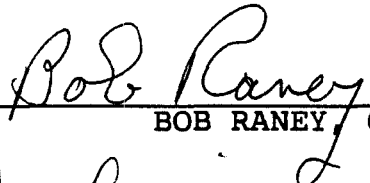
unanimously.


Announcements and Discussion:

REP. FAGG suggested the committee get a legal opinion from the Attorney General to address the constitutionality of redirecting RITT funds. He suggested Mr. Jensen outline his concerns and the committee seek a legal opinion on them. The committee discussed the need to seek the opinion of the Attorney General in light of the fact that an opinion may take several weeks or months and three attorneys have already been consulted. The committee agreed that REP. FAGG with REP. TOOLE will talk with the Attorney General about obtaining an informal opinion. CHAIR RANEY announced executive action on HB 240 will occur on Monday.

ADJOURNMENT

Adjournment: 5:15 pm.

  
\_\_\_\_\_  
BOB RANEY, Chair

  
\_\_\_\_\_  
LISA FAIRMAN, Secretary

BR/lf

**HOUSE OF REPRESENTATIVES**  
**NATURAL RESOURCES COMMITTEE**

**ROLL CALL**

**DATE** Jan 25, 1991

NAME	PRESENT	ABSENT	EXCUSED
REP. MARK O'KEEFE, VICE-CHAIRMAN	✓		
REP. BOB GILBERT	✓		
REP. BEN COHEN	✓		
REP. ORVAL ELLISON	✓		
REP. BOB REAM	✓		
REP. TOM NELSON	✓		
REP. VIVIAN BROOKE	✓		
REP. BEVERLY BARNHART	✓		
REP. ED DOLEZAL	✓		
REP. RUSSELL FAGG	✓		
REP. MIKE FOSTER	✓		
REP. DAVID HOFFMAN	✓		
REP. DICK KNOX	✓		
REP. BRUCE MEASURE	✓		
REP. JIM SOUTHWORTH	✓		
REP. HOWARD TOOLE	✓		
REP. DAVE WANZENRIED	✓		
REP. BOB RANEY, CHAIRMAN	✓		

*Bob Raney*

HOUSE STANDING COMMITTEE REPORT

January 25, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Natural Resources report  
that House Bill 189 (first reading copy -- white) do pass as  
amended .

Signed: \_\_\_\_\_  
Bob Raney, Chairman

And, that such amendments read:

1. Page 1, line 14.  
Strike: "or"

2. Page 1, line 16.  
Following: "basin"  
Strike: "."  
Insert: "; or

(c) in the discretion of the district court having  
jurisdiction."

HOUSE STANDING COMMITTEE REPORT

January 25, 1991

Page 1 of 1

Mr. Speaker: We, the committee on Natural Resources report  
that House Bill 237 (first reading copy -- white) do pass .

Signed: \_\_\_\_\_  
Bob Raney, Chairman

TESTIMONY OF AL KURKI  
FOR THE ALTERNATIVE ENERGY RESOURCES ORGANIZATION  
ON HB 240 BEFORE THE HOUSE NATURAL RESOURCES COMMITTEE  
JANUARY 15, 1991

My name is Al Kurki. I'm the executive director of the Alternative Energy Resources Organization, a membership organization of farmers and ranchers in Montana who are committed to enhancing the productive capacity of their farms and ranches, and necessarily, to resource conservation and community and family economic vitality. I'm here on behalf of AERO to testify in favor of HB 240.

Small research and demonstration projects in sustainable agriculture are a proven approach to helping farmers and ranchers expand their management options. Having more options means relying less on a narrow choice of non-renewable, expensive and potentially contaminating inputs.

Iowa State University just completed an evaluation of its three-year-old farm demonstration program to protect groundwater. They looked at whether the cooperating farmers, and their neighbors, have changed their farming practices and attitudes related to groundwater protection as a result of the farm demonstration program. What they found is that the program IS effective and they intend to expand the program as a result.

The University of California has a four-year-old, \$1.35 million program of sustainable agricultural research and demonstration that has already yielded results useful enough for participating and other interested farmers to change their farming practices.

Probably the most well-know example of effective sustainable agricultural research and demonstration, which has involved 1,860 farmers and ranchers in cooperation with university and other researchers over the last three years, is the federal Low-Input Sustainable Agriculture program. More Montana farmers and ranchers have participated in this program with MSU, research centers, extension agents, and AERO than have farmers from any other state, including places like California and Iowa. In just three years, 244 Montana producers have participated in federal LISA projects. THE INTEREST IN AND NEED FOR SUSTAINABLE AGRICULTURE RESEARCH AND DEMONSTRATION IS HERE!

You might wonder what small, on-farm demonstration projects can accomplish when compared to university experiment station work. They are a very necessary companion to the long-term, statistical research that universities do:

First, demonstration projects can test practices on a particular farm or group of farms, and in a particular community. They enable us to begin to understand the interactions between the physical, chemical, biological and human resources of a given place we're interested in.

Second, they test in realistic settings—where management, economic and weather variables are real—a broad set of agronomic variables that are key to ensuring the permanence of agriculture in Montana: pest resistance, tillage methods and machinery, crop rotations, alternative crops, pest-predator relationships, weed, disease and insect pest control, and nutrient cycling—ALL AT THE SAME TIME.

Third, demonstration projects build relationships among producers, researchers, extension agents, and soil conservationists that enhance the knowledge of everyone involved. Most of what is known about implementing sustainable agricultural practices—practices that protect soil, surface and groundwater quality—is known by farmers and ranchers. The fact that the DNRC programs can accomodate the active participation of farmers and ranchers is one of their greatest strengths, because at this point, learning and knowledge need to flow in many directions.

Fourth, demonstrations can yield immediate results—results that are visible. Experiment station research in sustainable agriculture is critical in the long run, but on-the-ground testing is critical for right now.

The 1990 Montana Farm and Ranch survey confirmed what AERO has learned over the years working directly with Montana farmers and ranchers: They are looking for ways to expand their management options, while protecting the resources on which they depend. These DNRC programs can help in demonstrating ways to do that.

I urge this committee to support this bill. Thank you.



TERESA OLCOTT COHEA  
LEGISLATIVE FISCAL ANALYST

STATE OF MONTANA

*Office of the Legislative Fiscal Analyst*

STATE CAPITOL  
HELENA, MONTANA 59620  
406/444-2986

EXHIBIT 2  
DATE 1-25-91  
HB 199, 215

January 25, 1991

Representative Jerry L. Driscoll  
Montana State House of Representatives  
Seat #58  
Helena, MT 59620

Dear Representative Driscoll:

As you requested, I have prepared the following information comparing the allocation of Resource Indemnity Trust (RIT) tax and interest under current law, House Bill 199, and House Bill 215/Senate Bill 94.

Table 1 shows the allocation of RIT tax under each bill. Section 5 of House Bill 199 provides that the amount of RIT tax allocated to the oil and gas production damage mitigation account is reduced beginning in fiscal 1993, depending on the unobligated balance in the account. In Table 1, it is assumed that all funds deposited in the account during fiscal 1992 will be spent or obligated, leaving a \$0 unobligated balance. Similarly, section 4 of Senate Bill 94 provides that the percentage of RIT tax allocated to the ground water assessment account will be reduced beginning in fiscal 1993, depending on the unobligated balance in the account. In Table 1, it is assumed that all funds deposited in the account in fiscal 1992 will be spent or obligated, leaving a \$0 unobligated balance in the account at the beginning of fiscal 1993.

Table 2 shows the impact of the two bills on the interest earned from the Resource Indemnity Trust during the next biennium. While less RIT tax is deposited in the Resource Indemnity Trust under House Bill 199, it also eliminates the \$50,000 biennial allocation of interest to the oil and gas production damage mitigation account (section 4). Therefore, all other accounts receive a larger amount of trust interest in fiscal 1992.

Under current law, the Resource Indemnity Trust balance is anticipated to reach \$100 million in fiscal 1996. Under House Bill 199, the trust is anticipated to reach this level in fiscal 1999. Under Senate Bill/House Bill 215, the trust balance is anticipated to reach \$100 million in fiscal 1997.

Please contact me if I can provide further assistance.

Sincerely,

James E. Standaert  
Associate Fiscal Analyst

JES3:pe:RD1-25.ltr  
Enclosures

1-25-91  
HB 199, 215

TABLE 1  
Allocation of RIT Tax

	- - Current Law - -		- House Bill 199 -		- - SB94/HB215 - -	
Account	FY92	FY93	FY92	FY93	FY92	FY93
RIT Trust	\$5,160,677	\$4,885,063	\$3,096,407	\$2,931,038	\$4,433,022	\$4,196,269
Oil & Gas Account	0	0	1,032,135	977,013	0	0
Groundwater	0	0	1,032,135	977,013	727,655	688,794
Total	\$5,160,677	\$4,885,063	\$5,160,677	\$4,885,063	\$5,160,677	\$4,885,063

TABLE 2  
Impact of HB199 and SB94/HB215 on Resource Indemnity Trust  
Interest Earnings by Account  
Fiscal 1992 and Fiscal 1993

	- - Current Law - -		- House Bill 199 -		- - SB94/HB215 - -	
Interest Income Into	FY92	FY93	FY92	FY93	FY92	FY93
Water Development	\$2,441,124	\$2,609,562	\$2,442,737	\$2,552,014	\$2,439,225	\$2,588,439
Hazardous Waste	976,450	1,043,825	977,095	1,020,805	975,690	1,035,376
Renewable Resource	650,966	695,883	651,397	680,537	650,460	690,250
Reclamation & Development	3,743,057	4,001,328	3,745,531	3,913,088	3,740,145	3,968,939
Environmental Quality	325,483	347,942	325,698	340,269	324,230	345,125
Environmental Contingency	50,000	0	50,000	0	50,000	0
Oil & Gas Damage Mitigation	50,000	0	0	0	50,000	0
Total	\$8,237,080	\$8,698,540	\$8,192,458	\$8,506,713	\$8,229,750	\$8,628,129

INFORMATIONAL TESTIMONY - HB 199 - HB 215 - HB 216  
HOUSE NATURAL RESOURCES COMMITTEE

Presented by  
Steven L. Pilcher, Adm.  
Environmental Sciences Division  
Montana Dept. of Health and Env. Sciences

I welcome this opportunity to provide you with informational testimony regarding the establishment of a coordinated ground water assessment program. Our agency participated in the Interim Study of Ground water Quality Protection and Management required under SJR 22. That effort produced a recommendation for an assessment program and I would like to express our agency support for the same.

The time has come to quit taking groundwater for granted. We have become heavily dependent on a resource that we really know little about. In most areas of the state an abundance of good quality ground water has lulled us into a false sense of security. Approximately 95% of our public water supplies rely on groundwater and nearly all domestic needs in rural areas are met with groundwater. In addition, groundwater irrigates our crops, waters our livestock, cools our industrial equipment among its other uses. Unfortunately, man's activities have had an adverse impact on groundwater quality in many areas but the extent of such impact is not completely known due to a serious lack of data. Collecting ground water information in a state covering nearly 150,000 square miles where depth to ground water ranges from a few feet to more than a thousand feet is no easy or inexpensive task.

I am sure I don't need to remind you that good decisions can only be made when based on good information. I appear before you today as a representative of an agency charged with making a wide variety of natural resource decisions impacting groundwater and doing so, in many cases, without the benefit of good groundwater information. Currently, ground water data collection is fragmented as is the storage of the collected information. Most information is quite site specific and is collected by a variety of local state and federal agencies. Figure 1 of the ground water report indicates the sparse coverage of ground water studies within our state. A person may currently find it necessary to seek groundwater information from a half dozen or more sources.

This situation significantly limits our ability to manage this valuable resources and creates delays in making decisions until adequate ground water information can be collected. In many cases, mines and other activities requiring permits or approvals from natural resource agencies must spend several years collecting site specific information to be used by those agencies. In addition to our permitting responsibilities, our agency has been involved in responding to a variety of ground

water contamination problems such as leaking underground storage tanks, cyanide leaks from mines, landfill leachate, and industrial pollution sites such as the Burlington Northern - Livingston. A common theme underlying most of these issues is the lack of basic information about aquifer characteristics and quality.

I have spent enough time talking about the problems in this area, now I would like to switch and talk a little about a possible solution to our dilemma, a ground water assessment program. Such a program would contain several elements. First, it would establish a monitoring program to record water chemistry and water level information on a long-term basis through a statewide network of observation wells. A total of approximately 700 wells would be identified for this purpose. New wells would only be drilled if no existing wells could be found in a critical area. Quarterly water level measurements would be taken on each well with continuous water level recorders installed on 10% of the wells. Water quality samples would also be collected from 10% of the wells annually.

The second element of the effort would be a ground water characterization program. The goal of the program would be to study all of Montana's aquifers over the next twenty-one years and to provide data that would be useful to all agencies with groundwater protection and management responsibilities and to the public. Figure 2 of the report depicts 21 potential study areas to be evaluated. The proposed characterization program would focus on the collection of basic hydrogeological, water quality, water use and land use data in order to determine such things as flow direction, recharge patterns and other data used by ground water management agencies. Each characterization effort would require approximately three years to complete and would require a team of hydrogeologists, water quality specialists and data managers. After the initial start-up, one ground water characterization could be completed each year.

The last element of the program would be the creation of an interagency steering committee to guide the total effort and ensure that work performed is coordinated with the activities of individual agencies.

The Montana Bureau of Mines and Geology would be assigned the primary administrative responsibilities for the program, subject to guidance from the steering committee. All data collected would be entered into a geographic information system (GIS) to provide a reliable data base for all to use.

I have intentionally avoided reference to either the program budget or the options for funding the program. There are others present who are in a better position to address those issues. I am fully aware of the costs of implementing a program such as this but would close by asking you to consider this cost as an investment in Montana's future.

DATE 1-25-91

HB2 199 & 215

Testimony of Bonnie Lovelace, Chief,  
Coal and Uranium Bureau, Department of State Lands  
House Natural Resources Committee  
January 25, 1991

The Department of State Lands has a great need for sound information regarding the water resources of the State in two of its functions. Those functions are: (1) management of lands held by the State of Montana in trust for the support of the common schools and other institutions and (2) regulation of mining conducted on private, state, and federal lands.

Decisions made by the Department regarding any development or use of the land's surface or mineral resources can have both short and long term impacts on the water resources. The Department is responsible to perform an environmental analysis of the proposed actions as mandated by the Montana Environmental Policy Act and various statutes addressing specific actions such as licensing a surface disturbance or issuing a mine permit.

Further, in areas of multiple use lands where many uses may be impacting the water resources, no single group or agency is responsible for assessing cumulative or regional conditions or impacts to the hydrology. A multiple use area can be found in and near any town; there are municipal uses of water resources, domestic uses, landfills, stock yards, agricultural developments, and mine areas all in close proximity throughout Montana.

In areas where few uses of the water resources are occurring, the wrong kind of development could have serious impacts: prospecting or exploration drilling could mix contaminated ground water with clean water, landfill siting in sensitive areas could likewise cause contamination, agricultural developments which allow erosion or washing of chemicals into the surface and ground waters of the State could contaminate water resources. The list of potential impacts is extensive.

In spite of the need for water resources information, little or no water resource information is available for many areas of the state. While the Department is not taking a position on any groundwater bill, we do want the committee to know of our need for water resource information and the fact that it is currently unavailable for much of the state.

Date Submitted: January 25, 1991

Bill: HB199

Submitted By: James C. Nelson, Member  
Board of Oil and Gas Conservation

The Board of Oil and Gas Conservation is attached to the Department of Natural Resources and Conservation for administrative purposes only and is charged with the responsibility of regulating oil and gas exploration and production activities on state-owned and privately owned lands in the State of Montana. The regulatory system under which the Board now functions has existed in substantially the same form since 1953. Only a few inadequate laws and regulations governed oil and gas exploration activities prior to 1953. The Board presently has strict rules to require that a plugging and surface restoration bond be posted before a well is drilled and to require that a well be plugged and restored after it ceases to produce oil or gas.

Recent research indicates that there are potentially 2,390 or more unplugged and unrestored oil and gas wells in the State that were drilled prior to 1954. Few records exist for these pre-1954 wells and most, if not all, of the wells are not bonded under the Board's current plugging and surface restoration bond requirements. These wells are commonly referred to as "orphan wells" because the owner of the well has long since ceased to exist and no financially responsible party can be found. Several of the wells flow oil, gas, water, or a combination thereof to the surface. These flows may threaten human health or the quality of nearby aquifers and watercourses. Still other pre-1954 wells have caused extensive erosion or salt water contamination of soils.

The Montana Legislature attempted to address the problems associated with these pre-1954 "orphan wells" in 1989 when it enacted legislation to create an "Oil and Gas Production Damage Mitigation Account" to be administered by the Board of Oil and Gas Conservation. Briefly stated, the Production Damage Mitigation Account was created to provide the Board with funds "to pay the reasonable costs of properly plugging a well if the board determines that the well, sump, or hole has been abandoned and the responsible person cannot be identified or located or the responsible person does not have sufficient funds to pay the costs" of plugging and restoring the well. The Legislature authorized

\$50,000 per biennium to be allocated to the Account from the interest income of the resource indemnity trust fund beginning on July 1, 1991. Funds received by the Board from the forfeiture of plugging and restoration bonds and certain other Board collected fees are also to be allocated to the Account. The unobligated cash balance of the Account is not to exceed \$200,000. (NOTE: The statutes pertaining to the Account can be found at Section 82-11-161, 162, 163, and 164, MCA.)

On July 1, 1989, the beginning balance of the Oil and Gas Production Damage Mitigation Account was \$51,721. This money pre-existed the Account and was obtained primarily through bond forfeitures. Since July 1, 1989, the Board has allocated an additional \$40,000 to the Account from bond forfeitures. Interest on invested funds has accrued to the Account in the amount of \$11,006. As statutorily authorized, the Board has expended \$21,229 since July 1, 1989, on projects to plug and restore abandoned wells. As of December 31, 1990, the Account balance is \$81,498. A more detailed "Statement of Income and Expenditures" relating to the Oil and Gas Production Damage Mitigation Account is attached to this report.

The remaining funds in the Account (\$81,498) are committed to a major plugging and restoration project on a well located near Broadview, Montana. This well is referred to as the "Broadview Well." The Broadview well was drilled in the 1920's and was never properly plugged or restored. Salt water flows from the well have significantly eroded and contaminated soils and have contaminated nearby water sources. No records exist for the well and it is impossible to predict in advance what amount of work will be necessary to control, plug, and restore the well. In 1987 the Board received a grant from the Montana Department of Natural Resources and Conservation under the Resource and Development Grant Program (RDGP) to plug and restore the Broadview Well. The RDGP grant monies were made available to the Board in 1990. However, because of extensive soil and water damage from the well, and because of uncertain down-hole conditions, it is expected that most, if not all, of the remaining \$81,498 in the Account will be needed in addition to the RDGP grant to properly control, plug, and restore the Broadview Well. The contract documents for the Broadview Well Project are drafted and a Request for Proposals will soon be advertised. The project should be completed in May 1991.

It should be noted that the Board has applied to the 1991 Legislature for three RDGP grants to plug and restore abandoned wells. The total of the three grant proposals is approximately \$774,000. The grants, if awarded to the Board, will be used to control, plug and restore thirteen abandoned wells which present an immediate and substantial threat to the environment and human health. By the terms of the grant, any monies awarded will be reduced by monies subsequently made available for these grant projects from other sources. Therefore, the grant monies, if awarded, will be reduced by any money made available to the Board under House Bill Number 199 or a similar bill. The purpose of pointing this out is to assure the Legislature that no "double dipping" will occur in the event the Board receives both this year's RDGP grants and the allocations proposed under House Bill Number 199. In the future, direct allocations to the Oil and Gas Production Damage Mitigation Account would be preferable to future RDGP grant awards because the lengthy RDGP grant process does not allow timely responses to environmental threats from unplugged and unrestored wells. Passage of HB199 will not reduce the availability of RDGP grant funds, as the proposed funding source in the bill is different from the RDGP grant program source. In fact, more funds would be available to RDGP grant participants since the Board of Oil and Gas would not be requesting grant money for project covered by the Production Damage Mitigation Account.

The funds presently allocated to the Oil and Gas Production Damage Mitigation Account by the Board through bond forfeitures and the collection of fees are insufficient to address the problems with unplugged and unrestored wells in this State. House Bill Number 199 provides a means by which the Oil and Gas Production Damage Mitigation Account can be adequately funded on an ongoing and reliable basis.

BOARD OF OIL AND GAS CONSERVATION

Oil and Gas Production Damage Mitigation Account

Statement of Income and Expenditures  
July 1, 1989 through December 31, 1990

BALANCE JULY 1, 1989		\$51,721
INCOME BY BOND FORFEITURES		
Walter A. Hale	\$ 5,000	
King Oil Co.	5,000	
Longstring Energy	10,000	
Smoky Hill Exploration Co.	10,000	
Aberdeen Resources	<u>10,000</u>	40,000
INTEREST ON INVESTED FUNDS		<u>11,006</u>
TOTAL FUNDS AVAILABLE		\$102,727
EXPENDITURES (by project)		
Grand Prix	\$ 709	
King Oil Co.	4,771	
Walter Hale	2,600	
Century	1,789	
Frazee #1 & 2 Wells	9,000	
Havre Drilling	<u>2,360</u>	21,229
BALANCE DECEMBER 31, 1990		<u>\$81,498</u>

APPROXIMATE WELL PLUGGING  
AND  
SURFACE RESTORATION COSTS

January 1990

Prepared by  
Floyd Podoll, Chief Inspector, BOGC  
Alan Olson, Field Inspector, BOGC

<u>Depth of Well</u>	<u>Estimated Cost of Plugging &amp; Surface Restoration</u>
0 to 2,000 feet	\$5,000 to \$7,500
2,000 to 7,000 feet	\$7,500 to \$20,000
7,000 to 11,000 feet	\$20,000 to \$30,000

All costs are approximate and may dramatically increase depending on unexpected downhole problems or complicated surface contours, drainages, etc.

Testimony  
concerning

**The Groundwater Characterization and  
Groundwater Monitoring Programs  
(SB 94; HB 199, 215, 216)**

Edward T. Ruppel  
Director and State Geologist  
Montana Bureau of Mines and Geology

Senate Bill 94 (with funding options from House Bill 199, or House Bills 215, and 216) proposes two programs for the protection and wise use of Montana groundwater, and suggest possible ways of funding these programs. Recognizing that groundwater is a critical resource for more than half of all Montana citizens, the Environmental Quality Council has carefully and thoughtfully designed the two groundwater programs to provide reliable and scientifically sound information on water quality, availability, and aquifer characteristics, information that is needed now to guide decisions on groundwater use. The groundwater programs address these needs systematically, provide for program guidance and oversight through a steering committee, and provide flexibility on that committee to accommodate both local and regional concerns.

The Bureau of Mines and Geology has been the principal source of groundwater information in Montana for many years, and with the support of past legislatures has established the Ground Water Information Center, with logs of more than 100,000 water wells and water quality data for more than 6,000 wells. Bureau hydrogeologists have completed hundreds of studies on saline seeps, coal hydrology, artificial recharge, hazardous substances, and other groundwater problems. Most of these studies have been site specific and problem-oriented, and although they do not in themselves permit characterization of groundwater resources, they do provide an excellent base for regional characterization.

The systematic, long-term groundwater appraisal and monitoring programs proposed by the Environmental Quality Council in SB 94 with funding options from HB 199, or HB 215, and 216, will provide for confident and cost-effective resource protection and use. Similar programs that have been completed in all of the states adjacent to Montana demonstrate how effective the Montana programs will be. The Bureau of Mines and Geology can only emphasize the need and recommendations as given in Section 1 of the Environmental Quality Council report to the 52nd Montana State Legislature, and strongly support the proposed programs.



EXHIBIT 7  
DATE 1-25-91  
HB 199

**Association of Conservation Districts**  
501 North Sanders  
Helena, MT 59601  
(406) 443-5711

HB 199  
January 25, 1991

The Montana Association of Conservation Districts (MACD), which represents the 59 conservation districts in Montana, supports HB 199.

Repair and maintenance of our water storage projects is a must. During the years standards have become more strict, money has been scarce and now the need is there to get busy and start upgrading these facilities. We would recommend that private water storage projects also be able to apply for these funds. The private storage projects are of as great a benefit to Montana as others.

Ground water assessment in Montana is approximately 20 years behind some of our neighbor states. If we do not know the quality of our ground water, we will never know if there is or is not a problem. We need data. Conservation districts are now in the process of studying groundwater in several areas around Montana. Conservation districts have been active in saline seep reclamation for many years, working to clean up surface and ground water in those areas. The Lewis and Clark Conservation District is working on a groundwater assessment project at this time.

MACD has been concerned about the effects some of the old abandoned oil and gas lines, which have not been properly sealed, have on the groundwater in Montana. The Glacier County CD is proposing a study to examine the extend of groundwater contamination due to oil field and agricultural activities in the 55,000 acres surrounding the Red River drainage.

Conservation districts believe that local understanding of environmental problems can be a strong and lasting incentive to prevent pollution. Conservation districts have also been identified as the lead local agency to work with the Federal government's nonpoint source pollution (section 319) program and have selected several sites around Montana to work at improving surface water quality, with also improves groundwater.

At this time I am going to offer several amendments to HB 199.

Conservation districts are sub-divisions of state government and have been in existence since the late 1930's. The 59 conservation districts cover the entire state of Montana except for some of the cities early boundaries. Conservation districts are governed by a board of five

Ex. 7

1-25-91

HB 199

Page 2

January 25, 1991

HB 199

supervisors elected by the public and two urban supervisors appointed by the governing bodies of the portions of cities within the districts, who we say are "elected volunteers."

The State law they work under (reference MCA 76-15-102) instructs them to work with soil, water, storage, wildlife, public lands, protect Montana's tax base, and to promote the health, safety, and general welfare of the people of Montana. They are local grass roots government charges with coordinating state and federal agencies to working for the landusers of Montana. As state and federal laws and programs increase, it is important to have effective representation at the local level.

The conservation districts in the 1990's are working on not only surface water projects, but ground water projects. They provide technical expertise, through the USDA Soil Conservation Service and state agencies, on storage facilities.

MACD suggests that this committee amend HB 199 to specifically name conservation districts as a key partner in this program and to provide them adequate funding so they can be an effective partner.

It would be folly to instigate a new program without thought of just how it will be worked at the local level. Conservation districts are out there, they are working, and they will continue to work in the future. Use them. Fund them.

Our recommended amendments are attached.

Thank you for listening to my comments and I urge you to consider and adopt the Montana Association of Conservation Districts recommendations. By forming an strong partnership we will have a strong balanced program.

Peggy L. Parmelee  
Executive Vice President

2X. /  
1-25-91  
HB 199

HB 199  
January 25, 1991

Amendments offered by the Montana Association of Conservation Districts

. Section 3, page 3, line 7

Delete: (a) 60% in the resource indemnity trust fund of the

Add: (a) 50% in the resource indemnity trust fund of the

. Section 3, page 3, line 15

Add: (d) 10% to the state special revenue fund for conservation \_\_\_\_\_  
districts (MCA 76-15-530).

. Section 11, page 13, line 17

Add: (3) The bureau shall work with conservation districts and other  
units of local government,

. Section 11, page 14, line 24

Add: (a) representatives of conservation districts and other local  
governments

. New Section 12, page 15, line 5

Add: collection by conservation districts and other local  
governments. Conservation districts and other units of local  
government

. New Section 13, page 16, line 2

Add: (vi) conservation districts

# Northern Plains Resource Council

**TESTIMONY OF THE NORTHERN PLAINS RESOURCE COUNCIL  
BEFORE THE HOUSE NATURAL RESOURCES COMMITTEE ON  
HOUSE BILLS 215 & 216  
Friday, January 25, 1991**

Mr. Chairman, members of the Committee, my name is Ellen Pfister, and I am a member of the Bull Mountain Landowners Association, an affiliate of the Northern Plains Resource Council, a grassroots citizens' organization which addresses natural resource development and agricultural issues. I am testifying today in opposition to HB 215 & HB 216 as a financing mechanism for SB 94, the EQC's ground water monitoring and characterization program.

However, I would like to start by saying that NPRC fully supports the Environmental Quality Council's proposed ground water program embodied in SB 94 for following reasons:

- 1) SB 94 would provide valuable information for the citizens of the state;
- 2) It would give us a timeframe on how our under ground water resources are being depleted or recharged;
- 3) It would provide information on ground water quality and quantity, including possible contamination problems;
- 4) It would provide a mechanism by which to provide citizens with water information.

We support this overall program as an important step in the right direction for the conservation and protection of ground water resources in Montana.

However, NPRC cannot support raiding the principal of the Resource Indemnity Trust fund to support this program, although we could support partial funding through RIT interest. We would urge the legislature to consider some or a combination of the following funding options:

- The Environmental Quality Council looked at several other funding options this summer that included user fees on cyanide, agricultural chemicals and a filing fee on new wells.

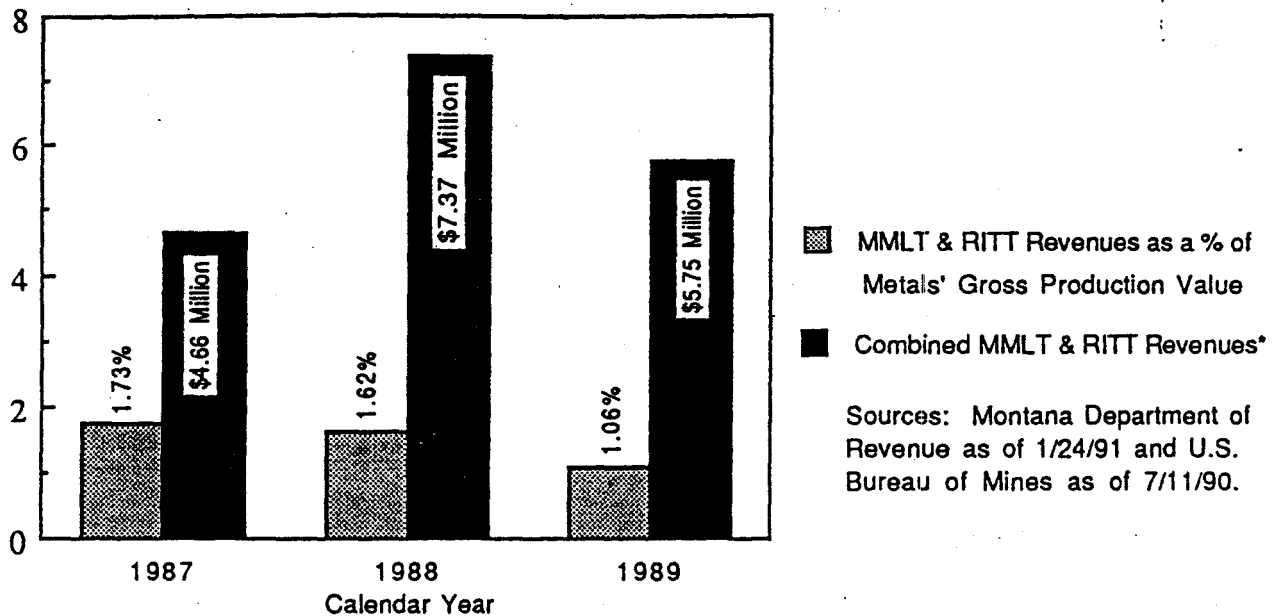
- Another possibility could be a small fee on each ground water well or spring in use in the state of Montana, including all ground water sources required to file in the water adjudication system, as well as those that are not required to file. This program would protect all of these users.

- Finally, included in with my testimony are two graphs showing a significant tax reduction of over \$1,500,000 received by the metal mining industry as a result of SB 410 passed during the last session. Part of that bill eliminated the .5% RIT Tax on metal mines. Restoring the Metal Mines License Tax to truly be revenue neutral, including restoring the RIT Tax, would be another appropriate place to look for funding this program.

# Northern Plains Resource Council

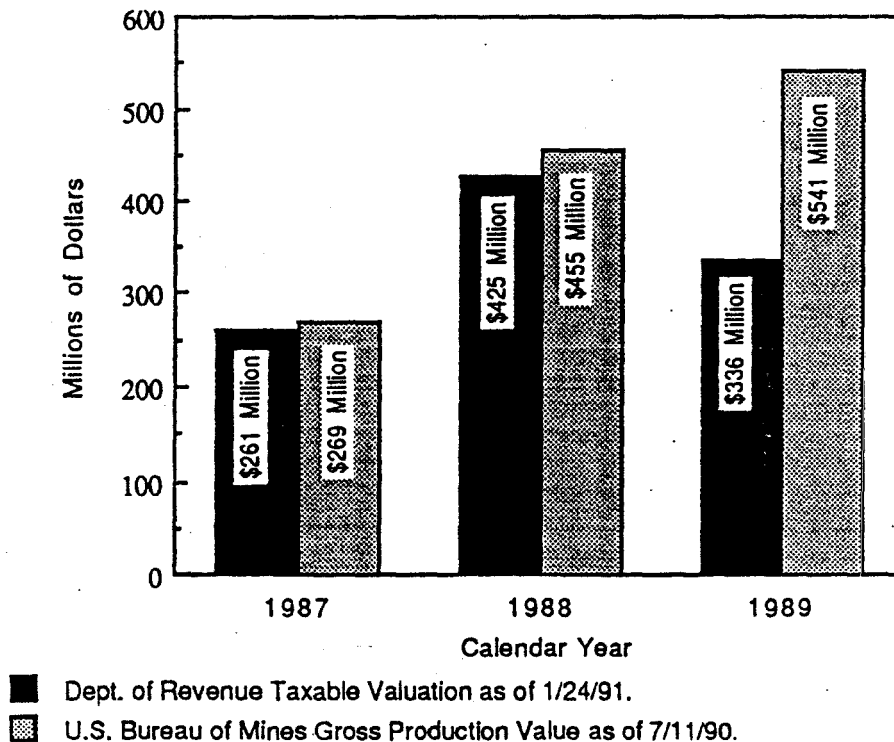
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1-25-9  
HB 215, 21

## Montana Metal Mines Tax Revenues



\* SB 410 eliminated the 0.5% RITT tax on metal mines beginning in calendar year 1989.

## Montana Metal Mines Gross Production Values



# Groundwater In Montana: What We Know and What We Need To Know

## A Northern Plains Resource Council Factsheet

January 1991

Groundwater constitutes 97% of all the fresh water on earth. In the United States, an estimated 80-90% of the total water available for use is groundwater. It is one of the least understood, yet most important of our natural resources. This valuable resource was once considered invulnerable to most sources of pollution; however, where recent testing has occurred, contamination of groundwater has been discovered throughout the United States. It is important that Montanans assess what is known about their groundwater, and develop a comprehensive management approach to protect it for present and future generations.

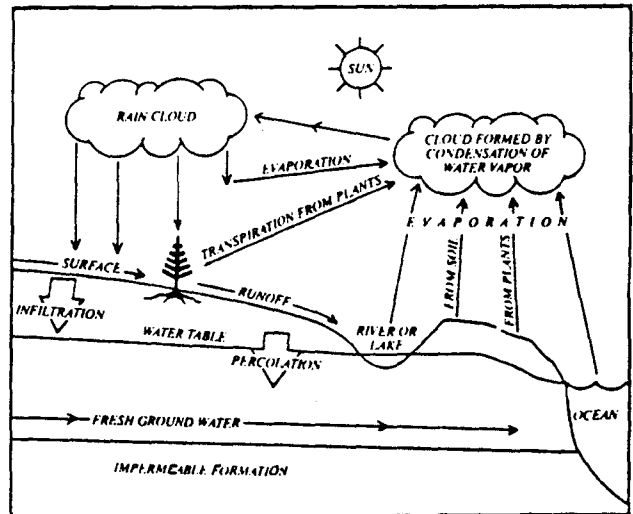
### GROUNDWATER: ITS DEFINITION AND PROPERTIES

**Groundwater** is water that is beneath the earth's surface. The term generally refers only to water in fully saturated soils and geologic formations, that is, water that can flow through pores and cracks). Less saturated occurrences of water constitute soil moisture, but are not referred to as groundwater.

Groundwater is created (and replenished) when surface water from wetlands, lakes, streams, and precipitation soaks into the ground and percolates down through unsaturated soil and geologic formations to a saturated zone. This process is known as **recharge**. Groundwater can move in such a way that it eventually returns to the earth's surface, discharging into springs or streams. On the average, 30% of water flowing in the nation's streams and rivers comes from groundwater.

Groundwater is thus a critical component of the **hydrologic cycle**, (see Figure 1) in which water moves from the atmosphere to the earth's surface (through precipitation), down to the subsurface (through percolation), back to the surface (through groundwater discharges), and back to the atmosphere (through evaporation and transpiration). The interconnection between ground and surface water is impor-

Figure 1: A sketch of the earth's hydrologic cycle.



Adapted from "Groundwater: Understanding Our Hidden Resource," Minnesota Department of Natural Resources et al.

tant, since it means that contamination of either one can result in contamination of both.

A groundwater source is called an **aquifer** if it is capable of providing a good supply of water to a well or spring. The rate at which water moves in an aquifer depends on gravity, pressure and friction, and largely upon the permeability of the aquifer. Aquifers can vary greatly in terms of depth, volume of water, permeability, interconnectedness, and velocity of waterflow. However, they almost always consist of fully saturated soil or rock; only rarely are they actual underground lakes or streams (as is commonly thought).

Aquifers are characterized as either confined or unconfined. **Confined aquifers** are those overlain by an impermeable layer (e.g., clay or shale). Their recharge can only occur if there are breaks in the confining layer. **Unconfined aquifers** are those overlain with a relatively permeable layer. They are recharged when water percolates down from the surface. Unconfined aquifers are also called "water table

Amendments to House Bill No. 189  
First Reading Copy

Requested by Rep. Thoft  
For the Committee on Natural Resources

Prepared by Michael S. Kakuk  
January 23, 1991

1. Page 1, line 14.  
Strike: "or"

2. Page 1, line 16.  
Following: "basin"  
Strike: "."  
Insert: "; or

(c) in the discretion of the district court having  
jurisdiction."

**HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER**

## Natural Resources

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Natural Resources

COMMITTEE

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
John Brooke	MT Stockgrowers Woolgrowers	✓	
James C Nelson	Board of Oil & Gas	✓	
Janille Tallan	MT Petroleum	✓	
Karen Barclay	DNRTC	✓	
Colburne	MT WRA	✓	
Doug Steths	Northern Montana M&B Gas	✓	
Stephen Cravens	Pegasus Gold		
Gerard Smith	Montana Rural Water Systems	✓	
Peggy Parmelee	MT Assoc. of Cons. Dist.	✓	
Jim Jensen	MEIC		✓
Stan Bradshaw	T.U.		✓
Kellen Pfister	NPRC/BMLD		✓
Ellis Hagen	MT Assoc. of Conservationists	✓	

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Natural Resources

COMMITTEE

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Karen Barclay	DNRTC	✓	
Bonnie Lovelace	DSL		
Peter Langdon	NRIS/MSL		
Jim Hinson	NRIS/MSL		
Donald Smith	Montana Rural Water Systems		
Edward T. Huppel	Mont Brw Pipes	✓	
Jim Jensen	MEIC		✓
Ellen Dwyer	NPRC		X
Stan Bradshaw	T.U.		X
Dennis Olson	NPRC		X
Al Kurki	AERO	X	

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Natural Resources

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BILL NO. 216

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
<i>David Smith</i>	<i>Montana Rural Water Systems</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Stan Bradshaw</i>	<i>MTU</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Edna Plister</i>	<i>NPRC</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Al Kurki</i>	<i>AERO</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.