

IN THE SENATE

APRIL 3, 1987

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 4, 1987

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

1 *Senate* BILL NO. *184* *John Anderson*
 2 INTRODUCED BY *Trent NATH* *Deanna Beuk* *John Anderson*
 3 *Smith* *Gilbert* *Switzer* *Paterson* *Boyd*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION
 5 75-1-201, MCA, TO DECLARE THAT THE ISSUANCE OF A PERMIT TO
 6 DRILL AN OIL OR GAS WELL IS NOT A MAJOR ACTION OF STATE
 7 GOVERNMENT UNDER THE PROVISIONS OF THE MONTANA ENVIRONMENTAL
 8 POLICY ACT; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
 9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 11 Section 1. Section 75-1-201, MCA, is amended to read:
 12 "75-1-201. General directions -- environmental impact
 13 statements. (1) The legislature authorizes and directs that,
 14 to the fullest extent possible:
 15 (a) the policies, regulations, and laws of the state
 16 shall be interpreted and administered in accordance with the
 17 policies set forth in parts 1 through 3;
 18 (b) all agencies of the state, except as provided in
 19 subsection (2), shall:
 20 (i) utilize a systematic, interdisciplinary approach
 21 which will insure the integrated use of the natural and
 22 social sciences and the environmental design arts in
 23 planning and in decisionmaking which may have an impact on
 24 man's environment;
 25 (ii) identify and develop methods and procedures which

1 will insure that presently unquantified environmental
 2 amenities and values may be given appropriate consideration
 3 in decisionmaking along with economic and technical
 4 considerations;
 5 (iii) include in every recommendation or report on
 6 proposals for projects, programs, legislation, and other
 7 major actions of state government significantly affecting
 8 the quality of the human environment, a detailed statement
 9 on:
 10 (A) the environmental impact of the proposed action;
 11 (B) any adverse environmental effects which cannot be
 12 avoided should the proposal be implemented;
 13 (C) alternatives to the proposed action;
 14 (D) the relationship between local short-term uses of
 15 man's environment and the maintenance and enhancement of
 16 long-term productivity; and
 17 (E) any irreversible and irretrievable commitments of
 18 resources which would be involved in the proposed action
 19 should it be implemented;
 20 (iv) study, develop, and describe appropriate
 21 alternatives to recommend courses of action in any proposal
 22 which involves unresolved conflicts concerning alternative
 23 uses of available resources;
 24 (v) recognize the national and long-range character of
 25 environmental problems and, where consistent with the



1 policies of the state, lend appropriate support to
 2 initiatives, resolutions, and programs designed to maximize
 3 national cooperation in anticipating and preventing a
 4 decline in the quality of mankind's world environment;

5 (vi) make available to counties, municipalities,
 6 institutions, and individuals advice and information useful
 7 in restoring, maintaining, and enhancing the quality of the
 8 environment;

9 (vii) initiate and utilize ecological information in
 10 the planning and development of resource-oriented projects;
 11 and

12 (viii) assist the environmental quality council
 13 established by 5-16-101; and

14 (c) prior to making any detailed statement as provided
 15 in subsection (1)(b)(iii), the responsible state official
 16 shall consult with and obtain the comments of any state
 17 agency which has jurisdiction by law or special expertise
 18 with respect to any environmental impact involved. Copies of
 19 such statement and the comments and views of the appropriate
 20 state, federal, and local agencies which are authorized to
 21 develop and enforce environmental standards shall be made
 22 available to the governor, the environmental quality
 23 council, and the public and shall accompany the proposal
 24 through the existing agency review processes.

25 (2) The department of public service regulation, in

1 the exercise of its regulatory authority over rates and
 2 charges of railroads, motor carriers, and public utilities,
 3 is exempt from the provisions of parts 1 through 3.

4 (3) The issuance of a permit to drill a well for oil
 5 or gas is not a major action of state government as that
 6 term is used in subsection (1)(b)(iii)."

7 NEW SECTION. Section 2. Effective date. This act is
 8 effective on passage and approval.

-End-

NATURAL RESOURCES
WITHOUT RECOMMENDATION
ON MOTION, PRINTED AND
PLACED ON SECOND READING

1 *Senate* BILL NO. *184* *John Anderson*
2 INTRODUCED BY *Frank NATHAN* *Thomas Beck* *Herb*
3 *Smith* *Gilbert* *Prof Switzer* *Pavone* *Boylan*
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 3 *E. Smith* *Gilbert Poff* *Switzer* *Paterson*
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25 (2) The department of public service regulation, in

1 the exercise of its regulatory authority over rates and
 2 charges of railroads, motor carriers, and public utilities,
 3 is exempt from the provisions of parts 1 through 3.

4 (3) The issuance of a permit to drill a well for oil
 5 or gas is not a major action of state government as that
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7 NEW SECTION. Section 2. Effective date. This act is
 8 effective on passage and approval.

-End-

1 SENATE BILL NO. 184

2 INTRODUCED BY TVEIT, NATHE, ABRAMS, MENKE, HIRSCH,
 3 ANDERSON, KOLSTAD, E. SMITH, GAGE, GILBERT, POFF,
 4 SWITZER, PATTERSON, BOYLAN, STIMATZ, LYNCH,
 5 B. WILLIAMS, MCCALLUM, SEVERSON, HOFMAN
 6

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 9 DRILL AN OIL OR GAS WELL IS NOT A MAJOR ACTION OF STATE
 10 GOVERNMENT UNDER THE PROVISIONS OF THE MONTANA ENVIRONMENTAL
 11 POLICY ACT UNTIL A PROGRAMMATIC ENVIRONMENTAL STATEMENT IS
 12 ADOPTED; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
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1 available to the governor, the environmental quality
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3 through the existing agency review processes.

4 (2) The department of public service regulation, in
5 the exercise of its regulatory authority over rates and
6 charges of railroads, motor carriers, and public utilities,
7 is exempt from the provisions of parts 1 through 3.

8 (3) The (A) UNTIL THE BOARD OF OIL AND GAS
9 CONSERVATION ADOPTS A PROGRAMMATIC ENVIRONMENTAL STATEMENT,
10 BUT NO LATER THAN JUNE 30, 1989, THE issuance of a permit to
11 drill a well for oil or gas is not a major action of state
12 government as that term is used in subsection (1)(b)(iii).

13 (B) THE BOARD OF OIL AND GAS CONSERVATION SHALL ADOPT
14 A PROGRAMMATIC STATEMENT BY JUNE 30, 1989, THAT MUST INCLUDE
15 BUT NOT BE LIMITED TO:

16 (I) SUCH ENVIRONMENTAL AND-CUMULATIVE IMPACTS AS MAY
17 BE FOUND TO BE ASSOCIATED WITH THE DRILLING FOR AND
18 PRODUCTION OF OIL AND GAS IN THE MAJOR PRODUCING BASINS AND
19 ECOSYSTEMS IN MONTANA;

20 (II) SUCH METHODS OF ACCOMPLISHING DRILLING AND
21 PRODUCTION OF OIL AND GAS AS MAY BE FOUND TO BE NECESSARY TO
22 AVOID PERMANENT IMPAIRMENT OF THE ENVIRONMENT OR TO MITIGATE
23 LONG-TERM IMPACTS SO THAT THE ENVIRONMENT AND RENEWABLE
24 RESOURCES OF THE ECOSYSTEM MAY EITHER BE RETURNED TO
25 CONDITIONS SIMILAR TO THOSE EXISTING BEFORE DRILLING OR

1 PRODUCTION OCCURS OR CONDITIONS THAT REFLECT A NATURAL
2 PROGRESSION OF ENVIRONMENTAL CHANGE;

3 (III) THE PROCESS THAT WILL BE EMPLOYED BY THE BOARD OF
4 OIL AND GAS CONSERVATION TO EVALUATE SUCH ENVIRONMENTAL
5 IMPACTS OF INDIVIDUAL DRILLING PROPOSALS AS MAY BE FOUND TO
6 EXIST;

7 (IV) AN APPROPRIATE METHOD FOR INCORPORATING SUCH
8 ENVIRONMENTAL REVIEW AS MAY BE FOUND TO BE NECESSARY INTO
9 THE BOARD'S RULES AND DRILL PERMITTING PROCESS AND FOR
10 ACCOMPLISHING THE REVIEW IN AN EXPEDIENT MANNER;

11 (V) THE MAXIMUM TIME PERIODS THAT WILL BE REQUIRED TO
12 COMPLETE THE DRILL PERMITTING PROCESS, INCLUDING ANY
13 ENVIRONMENTAL REVIEW; AND

14 (VI) A RECORD OF INFORMATION AND ANALYSIS FOR THE BOARD
15 OF OIL AND GAS CONSERVATION TO RELY UPON IN RESPONDING TO
16 PUBLIC AND PRIVATE CONCERNS ABOUT DRILLING AND PRODUCTION.

17 (C) THE GOVERNOR SHALL DIRECT AND HAVE MANAGEMENT
18 RESPONSIBILITY FOR THE PREPARATION OF THE PROGRAMMATIC
19 STATEMENT, INCLUDING RESPONSIBILITY ON BEHALF OF THE BOARD
20 OF OIL AND GAS CONSERVATION FOR THE DISBURSEMENT AND
21 EXPENDITURE OF FUNDS NECESSARY TO COMPLETE THE STATEMENT.
22 THE FACILITIES AND PERSONNEL OF APPROPRIATE STATE AGENCIES
23 MUST BE USED TO THE EXTENT THE GOVERNOR DEEMS NECESSARY TO
24 COMPLETE THE STATEMENT. THE GOVERNOR SHALL FORWARD THE
25 COMPLETED DRAFT PROGRAMMATIC STATEMENT TO THE BOARD OF OIL

1 AND GAS CONSERVATION FOR HEARING PURSUANT TO THE PROVISIONS
2 OF THE MONTANA ADMINISTRATIVE PROCEDURE ACT, TITLE 2,
3 CHAPTER 4. FOLLOWING COMPLETION OF A FINAL PROGRAMMATIC
4 STATEMENT, THE GOVERNOR SHALL FORWARD THE STATEMENT TO THE
5 BOARD FOR ADOPTION AND USE IN THE ISSUANCE OF PERMITS TO
6 DRILL FOR OIL AND GAS."

7 NEW SECTION. Section 2. Effective date. This act is
8 effective on passage and approval.

-End-

COMMITTEE OF THE WHOLE AMENDMENT

HOUSE

3-28-87

DATE

12:00

TIME

MR. CHAIRMAN: I MOVE TO AMEND SB 184

3rd reading copy (blue) as follows:
Color

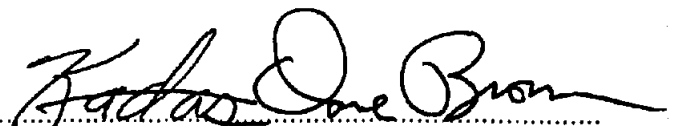
AMENDING THE HOUSE NATURAL RESOURCES STANDING COMMITTEE REPORT
DATED 3-27-87, WHICH AMENDED SB 184

1) Amending Instruction No. 3, line 6 (the inserted material)
Following: "(i) such environmental"
Strike: "and cumulative"

ADOPT

REJECT

3281200T.CW



Rep. ~~Kadas~~

STANDING COMMITTEE REPORT

HOUSE

MARCH 27 19 87

Page 2

MARCH 2 1988

Mr. Speaker: We, the committee on NATURAL RESOURCES report SB 184

- do pass, do not pass, be concurred in, be not concurred in, as amended, statement of intent attached

TOM JONES Chairman

- 1. Title, line 8. Following: "ACT" Insert: ", UNTIL A PROGRAMMATIC ENVIRONMENTAL STATEMENT IS ADOPTED"
2. Page 4, line 4. Following: "(3)" Strike: "The" Insert: "Until the board of oil and gas conservation adopts a programmatic environmental statement, but no later than June 30, 1989, the"
3. Page 4. Following: line 6 Insert: "(a) The board of oil and gas conservation shall adopt a programmatic statement by June 30, 1989, that must include but not be limited to:

- (i) such environmental and cumulative impacts as may be found to be associated with the drilling for and production of oil and gas in the major producing basins and ecosystems in Montana;
(ii) such methods of accomplishing drilling and production of oil and gas as may be found to be necessary to avoid permanent impairment of the environment or to mitigate long-term impacts so that the environment and renewable resources of the ecosystem may either be returned to conditions similar to those existing before drilling or production occurs or conditions that reflect a natural progression of environmental change;
(iii) the process that will be employed by the board of oil and gas conservation to evaluate such environmental impacts of individual drilling proposals as may be found to exist;
(iv) an appropriate method for incorporating such environmental review as may be found to be necessary into the board's rules and drill permitting process and for accomplishing the review in an expedient manner;

- (v) the maximum time periods that will be required to complete the drill permitting process, including any environmental review; and
(vi) a record of information and analysis for the board of oil and gas conservation to rely upon in responding to public and private concerns about drilling and production.

(b) The governor shall direct and have management responsibility for the preparation of the programmatic statement, including responsibility, on behalf of the board of oil and gas conservation, for the disbursement and expenditure of funds necessary to complete the statement. The facilities and personnel of appropriate state agencies must be used to the extent the governor deems necessary to complete the statement. The governor shall forward the completed draft programmatic statement to the board of oil and gas conservation for hearing pursuant to the provisions of the Montana Administrative Procedure Act, Title 2, chapter 4. Following completion of a final programmatic statement, the governor shall forward the statement to the board for adoption and use in the issuance of permits to drill for oil and gas."

THIRD reading copy (BLUE color) Rep. Gilbert will carry!

Chairman