

SENATE BILL NO. 154

INTRODUCED BY NATHE, COBB

BY REQUEST OF THE DEPARTMENT OF STATE LANDS

IN THE SENATE

JANUARY 16, 1989

INTRODUCED AND REFERRED TO COMMITTEE  
ON NATURAL RESOURCES.

FIRST READING.

JANUARY 27, 1989

COMMITTEE RECOMMEND BILL  
DO PASS AS AMENDED. REPORT ADOPTED.  
STATEMENT OF INTENT ADOPTED.

JANUARY 28, 1989

PRINTING REPORT.

JANUARY 31, 1989

SECOND READING, DO PASS.

FEBRUARY 1, 1989

ENGROSSING REPORT.

FEBRUARY 2, 1989

THIRD READING, PASSED.  
AYES, 49; NOES, 0.

TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 2, 1989

INTRODUCED AND REFERRED TO COMMITTEE  
ON NATURAL RESOURCES.

FEBRUARY 20, 1989

FIRST READING.

MARCH 2, 1989

COMMITTEE RECOMMEND BILL BE  
CONCURRED IN. REPORT ADOPTED.

MARCH 4, 1989

SECOND READING, CONCURRED IN.

MARCH 6, 1989

THIRD READING, CONCURRED IN.  
AYES, 92; NOES, 3.

RETURNED TO SENATE.

IN THE SENATE

MARCH 7, 1989

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Sen. NATHAN* BILL NO. 154  
2 INTRODUCED BY NATHAN  
3 BY REQUEST OF THE DEPARTMENT OF STATE LANDS  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT THE  
6 DEPARTMENT OF STATE LANDS MAY KEEP CONFIDENTIAL CERTAIN  
7 GEOLOGIC INFORMATION RECEIVED FROM LESSEES."  
8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 **Section 1. Limitation on public inspection rights.** The  
11 department may withhold from public inspection any  
12 information obtained from a mining lessee or permittee under  
13 this part if the information relates to the geology of the  
14 mining lease or permit. The withholding is effective for as  
15 long as the department considers it necessary either to  
16 protect the mining lessee's or permittee's economic interest  
17 in the geologic information against unwarranted injury or to  
18 protect the public's best interest.

19 **Section 2. Limitation on public inspection rights.** The  
20 department may withhold from public inspection any  
21 information obtained from a lessee under this part if the  
22 information relates to the geology of the mining lease. The  
23 withholding is effective for as long as the department  
24 considers it necessary either to protect the lessee's  
25 economic interest in the geologic information against

1 unwarranted injury or to protect the public's best interest.

2 **Section 3. Limitation on public inspection rights.** The  
3 department may withhold from public inspection any  
4 information obtained from a coal mining lessee or permittee  
5 under this part if the information relates to the geology of  
6 the mining lease or permit. The withholding is effective for  
7 as long as the department considers it necessary either to  
8 protect the lessee's or permittee's economic interest in the  
9 geologic information against unwarranted injury or to  
10 protect the public's best interest.

11 **Section 4. Limitation on public inspection rights.** The  
12 department may withhold from public inspection any  
13 information obtained from an oil or gas lessee under this  
14 part if the information, including drill logs, seismic data,  
15 and lithographic descriptions, relates to the geology of the  
16 oil or gas lease. The withholding is effective for as long  
17 as the department considers it necessary either to protect  
18 the lessee's economic interest in the geologic information  
19 against unwarranted injury or to protect the public's best  
20 interest.

21 **Section 5. Codification instruction.** (1) [Section 1]  
22 is intended to be codified as an integral part of Title 77,  
23 chapter 3, part 1, and the provisions of Title 77, chapter  
24 3, part 1, apply to [section 1].

25 (2) [Section 2] is intended to be codified as an

LC 0206/01

1 integral part of Title 77, chapter 3, part 2, and the  
2 provisions of Title 77, chapter 3, part 2, apply to [section  
3 2].

4 (3) [Section 3] is intended to be codified as an  
5 integral part of Title 77, chapter 3, part 3, and the  
6 provisions of Title 77, chapter 3, part 3, apply to [section  
7 3].

8 (4) [Section 4] is intended to be codified as an  
9 integral part of Title 77, chapter 3, part 4, and the  
10 provisions of Title 77, chapter 3, part 4, apply to [section  
11 4].

12 **Section 6. Extension of authority.** Any existing  
13 authority to make rules on the subject of the provisions of  
14 [this act] is extended to the provisions of [this act].

-End-

APPROVED BY COMM. ON  
NATURAL RESOURCES

## SENATE BILL NO. 154

INTRODUCED BY NATHE, COBB

BY REQUEST OF THE DEPARTMENT OF STATE LANDS

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT THE DEPARTMENT OF STATE LANDS MAY KEEP CONFIDENTIAL CERTAIN GEOLOGIC INFORMATION RECEIVED FROM LESSEES."

## STATEMENT OF INTENT

The legislature is extending the rulemaking authority of the board of land commissioners to allow the board to amend its existing mineral leasing rules to provide for protection of confidential information. The legislature intends that the rules be written broadly to cover all information that would legitimately be considered confidential by lessees, including, as appropriate, mineral quality and quantity, mineral location, mineral depth, cost of production, and the extent of the reserves. This information may include economic or engineering data. The legislature also intends that the rules establish a procedure whereby the lessee may notify the department of state lands of information it considers to be confidential and to be notified whether the department agrees before the lessee submits the information. Furthermore, the legislature intends that the rules include a process to protect the

lessee's interests if the department considers declassification of the information at a future date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1.** Limitation on public inspection rights. The department may withhold from public inspection any information obtained from a mining lessee or permittee under this part if the information relates to the geology of the mining lease or permit. The withholding is effective for as long as the department considers it necessary either to protect the mining lessee's or permittee's economic interest in the geologic information against unwarranted injury or to protect the public's best interest.

NEW SECTION. **Section 2.** Limitation on public inspection rights. The department may withhold from public inspection any information obtained from a lessee under this part if the information relates to the geology of the mining lease. The withholding is effective for as long as the department considers it necessary either to protect the lessee's economic interest in the geologic information against unwarranted injury or to protect the public's best interest.

NEW SECTION. **Section 3.** Limitation on public inspection rights. The department may withhold from public

1 inspection any information obtained from a coal mining  
 2 lessee or permittee under this part if the information  
 3 relates to the geology of the mining lease or permit. The  
 4 withholding is effective for as long as the department  
 5 considers it necessary either to protect the lessee's or  
 6 permittee's economic interest in the geologic information  
 7 against unwarranted injury or to protect the public's best  
 8 interest.

9 **NEW SECTION. Section 4. Limitation on public**  
 10 **inspection rights.** The department may withhold from public  
 11 inspection any information obtained from an oil or gas  
 12 lessee under this part if the information, including drill  
 13 logs, seismic data, and lithographic descriptions, relates  
 14 to the geology of the oil or gas lease. The withholding is  
 15 effective for as long as the department considers it  
 16 necessary either to protect the lessee's economic interest  
 17 in the geologic information against unwarranted injury or to  
 18 protect the public's best interest.

19 **NEW SECTION. Section 5. Codification instruction.** (1)  
 20 [Section 1] is intended to be codified as an integral part  
 21 of Title 77, chapter 3, part 1, and the provisions of Title  
 22 77, chapter 3, part 1, apply to [section 1].

23 (2) [Section 2] is intended to be codified as an  
 24 integral part of Title 77, chapter 3, part 2, and the  
 25 provisions of Title 77, chapter 3, part 2, apply to [section

1 2].

2 (3) [Section 3] is intended to be codified as an  
 3 integral part of Title 77, chapter 3, part 3, and the  
 4 provisions of Title 77, chapter 3, part 3, apply to [section  
 5 3].

6 (4) [Section 4] is intended to be codified as an  
 7 integral part of Title 77, chapter 3, part 4, and the  
 8 provisions of Title 77, chapter 3, part 4, apply to [section  
 9 4].

10 **NEW SECTION. Section 6. Extension of authority.** Any  
 11 existing authority to make rules on the subject of the  
 12 provisions of [this act] is extended to the provisions of  
 13 [this act].

-End-

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3 BY REQUEST OF THE DEPARTMENT OF STATE LANDS

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5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT THE  
6 DEPARTMENT OF STATE LANDS MAY KEEP CONFIDENTIAL CERTAIN  
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## 9 STATEMENT OF INTENT

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11 of the board of land commissioners to allow the board to  
12 amend its existing mineral leasing rules to provide for  
13 protection of confidential information. The legislature  
14 intends that the rules be written broadly to cover all  
15 information that would legitimately be considered  
16 confidential by lessees, including, as appropriate, mineral  
17 quality and quantity, mineral location, mineral depth, cost  
18 of production, and the extent of the reserves. This  
19 information may include economic or engineering data. The  
20 legislature also intends that the rules establish a  
21 procedure whereby the lessee may notify the department of  
22 state lands of information it considers to be confidential  
23 and to be notified whether the department agrees before the  
24 lessee submits the information. Furthermore, the legislature  
25 intends that the rules include a process to protect the

1 lessee's interests if the department considers  
2 declassification of the information at a future date.

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4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

5 NEW SECTION. Section 1. Limitation on public  
6 inspection rights. The department may withhold from public  
7 inspection any information obtained from a mining lessee or  
8 permittee under this part if the information relates to the  
9 geology of the mining lease or permit. The withholding is  
10 effective for as long as the department considers it  
11 necessary either to protect the mining lessee's or  
12 permittee's economic interest in the geologic information  
13 against unwarranted injury or to protect the public's best  
14 interest.

15 NEW SECTION. Section 2. Limitation on public  
16 inspection rights. The department may withhold from public  
17 inspection any information obtained from a lessee under this  
18 part if the information relates to the geology of the mining  
19 lease. The withholding is effective for as long as the  
20 department considers it necessary either to protect the  
21 lessee's economic interest in the geologic information  
22 against unwarranted injury or to protect the public's best  
23 interest.

24 NEW SECTION. Section 3. Limitation on public  
25 inspection rights. The department may withhold from public

1 inspection any information obtained from a coal mining  
 2 lessee or permittee under this part if the information  
 3 relates to the geology of the mining lease or permit. The  
 4 withholding is effective for as long as the department  
 5 considers it necessary either to protect the lessee's or  
 6 permittee's economic interest in the geologic information  
 7 against unwarranted injury or to protect the public's best  
 8 interest.

9 NEW SECTION. **Section 4.** Limitation on public  
 10 inspection rights. The department may withhold from public  
 11 inspection any information obtained from an oil or gas  
 12 lessee under this part if the information, including drill  
 13 logs, seismic data, and lithographic descriptions, relates  
 14 to the geology of the oil or gas lease. The withholding is  
 15 effective for as long as the department considers it  
 16 necessary either to protect the lessee's economic interest  
 17 in the geologic information against unwarranted injury or to  
 18 protect the public's best interest.

19 NEW SECTION. **Section 5.** Codification instruction. (1)  
 20 [Section 1] is intended to be codified as an integral part  
 21 of Title 77, chapter 3, part 1, and the provisions of Title  
 22 77, chapter 3, part 1, apply to [section 1].

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 24 integral part of Title 77, chapter 3, part 2, and the  
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 4 provisions of Title 77, chapter 3, part 3, apply to [section  
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6 (4) [Section 4] is intended to be codified as an  
 7 integral part of Title 77, chapter 3, part 4, and the  
 8 provisions of Title 77, chapter 3, part 4, apply to [section  
 9 4].

10 NEW SECTION. **Section 6.** Extension of authority. Any  
 11 existing authority to make rules on the subject of the  
 12 provisions of [this act] is extended to the provisions of  
 13 [this act].

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NEW SECTION. Section 2. Limitation on public inspection rights. The department may withhold from public inspection any information obtained from a lessee under this part if the information relates to the geology of the mining lease. The withholding is effective for as long as the department considers it necessary either to protect the lessee's economic interest in the geologic information against unwarranted injury or to protect the public's best interest.

NEW SECTION. Section 3. Limitation on public inspection rights. The department may withhold from public

1 inspection any information obtained from a coal mining  
 2 lessee or permittee under this part if the information  
 3 relates to the geology of the mining lease or permit. The  
 4 withholding is effective for as long as the department  
 5 considers it necessary either to protect the lessee's or  
 6 permittee's economic interest in the geologic information  
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 8 interest.

9 NEW SECTION. Section 4. Limitation on public  
 10 inspection rights. The department may withhold from public  
 11 inspection any information obtained from an oil or gas  
 12 lessee under this part if the information, including drill  
 13 logs, seismic data, and lithographic descriptions, relates  
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 11 existing authority to make rules on the subject of the  
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