

NE Land Office Staff - Mineral Management		Agency/Program #: 5706-35-I1
		Division: _____
		Program: _____
Agency Name:	Department of Natural Resources and Conservation	
Agency Contact:	Tom Schultz	444-4978
LFC Contact:	Representative Ripley, Representative Erickson	
LFD Liaison:	Barbara Smith	444-5347
OBPP Liaison:	Christine Hultin-Brus	444-3169

Program or Project Description:
 Manage the State of Montana 's trust land resources to produce revenues for the trust beneficiaries while considering environmental factors and protecting the future income-capacity generating capacity of the land.

Fund Name:	Appropriation, Expenditure and Source				Approp & Expenditure numbers are as of April 15, 2008
	2008		2009		
	Approp.	Expended	Approp.	Expended	
General Fund					
State Special					
Federal Funds					<i>Not Provided</i>
Total:	\$0	\$0	\$0	\$0	

Legislative Goal(s):
 Establish an appropriate level of field personnel to maintain a presence and monitor increasing activity related to oil & gas exploration and production.

- Legislative Performance Measures :**
1. Fill position on or about October 1, 2007. [NELO-Lewistown Unit]
 2. Coordinate and review oil & gas lease sale nominations. [FY06 – 112; FY07 – 48; FY08 YTD – 292 (1 of 4 lease sales)]
 3. Review seismic permit applications. [FY06 – 0; FY07 – 3; FY08 est. – 5 (based on increase in leasing in 2. above)]
 4. Review and prepare environmental review on proposed oil & gas and other mineral activities. [FY06 – 4; FY07 – 7; FY08 est. – 15 (based on increase in leasing in 2. above)]

2009 Biennium Significant Milestones:	Completion Dates	
	Target	Actual
1		
2		
3		
4		
5		

Agency Performance Report:

Position hired October 2007 and moved to Lewistown. The Northeastern Area Office in general and the Lewistown Unit Office in particular, is experiencing the anticipated increases in oil & gas activity. The additional FTE has proven to be essential in responding to this activity in a timely manner.

Actual activity levels are dependent upon industry applications for leasing and field operations, but fiscal 2008 year-to-date indicators are as follows:

- 1) OG lease sale nominations: FY07: Glasgow - 79, Lewistown - 57; FY08YTD: (3 of 4 sales) Glasgow 40, Lewistown 305 (Lewistown 435% YTD higher than all FY07)
- 2) Seismic permit applications: FY07: Glasgow - 2, Lewistown - 3; FY08YTD: Glasgow - 4, Lewistown - 0
- 3) Environmental reviews: FY07: Lewistown - 7; FY08YTD Lewistown - 9
(YTD through March 08 represents a 28% increase over FY07 for Lewistown office.

LFD Narrative:

FD ASSESSMENT: Warning

DATA RELEVANCE: The data received does support the performance measures.

APPROPRIATION STATUS: The agency did not provide an estimate of appropriations and expenditures for this goal.

COMMENTS/ISSUE: The report provides an update of mineral activities within the Division. The report demonstrates the use of FTE to deal with increasing workload. A warning is provided due to lack of appropriation information.

OPTIONS for the committee:

- 1) accept the ranking and receive another report, 2) accept and eliminate further follow up; or 3) upgrade to on-track



Version	Date	Author
5706-35-11-CW-1	12/5/07	Smith
5706-35-11-CW-2	5/16/08	Smith

Change Description
No appropriation details.