

<b>DEQ: O &amp; G Registration</b>		<b>Agency/Program #:</b> 5301-50-I2
		<b>Division:</b> Permitting and Compliance
		<b>Program:</b>
<b>Agency Name:</b>	Department of Environmental Quality	
<b>Agency Contact:</b>	Judy Hanson	444-0496
<b>LFC Contact:</b>	Representative Ripley, Representative Erickson	
<b>LFD Liaison:</b>	Barbara Smith	444-5347
<b>OBPP Liaison:</b>	Eileen Rose	444-1338

**Program or Project Description:**

Appropriation, Expenditure and Source					
Fund Name:	2008		2009		Approp & Expenditure numbers are as of October 31, 2007
	Approp.	Expended	Approp.	Expended	
General Fund					
State Special					
Federal Funds					
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

**Goal(s):**

**Performance Measures :**

1. The department will issue 25 percent of the backlogged permits or registrations each fiscal year
2. The department will conduct compliance determinations on 15 percent of the permitted or registered facilities each fiscal year.

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

**Performance Report:**

See attached report from OBPP

**LFD Narrative:****EXECUTIVE CHANGES:**

- Changes to goals/initiatives: Yes, goal, which is listed as a proposal, now contains an editorial on lack of staff.
- Change to performance measures: Yes, the targets were moved into the milestones.

**LFD ASSESSMENT:**

- Goal is measureable within the biennium: No, lack of viable performance measures.
- Progress towards Goal: **Critical**. The information addresses hiring of employees, but also clearly states that none of the backlog permits have been issued.

**APPROPRIATION ISSUES:**

- Appropriation/Expenditures provided: No
- Other appropriation issues: No

**OPTIONS:**

The legislature may wish to request the status report correspond with the agreed upon measures



Version	Date	Author
5301-50-12-CC-1	12/6/07	Smith

Change Description
Added LFD Narrative



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Goals/Objectives

**Agency Contact:** Judy Hanson/Terry Lazure | **Phone Number:** 444-0496/2855 |  
**Agency Name:** Department of Environmental Quality |  
**Division:** Permitting & Compliance |  
**Program (identify and briefly describe):** DP 5001 Oil & Gas Registration |

### **List a single goal and brief description:**

- The proposal for additional staff is needed because of the recent and dramatic increase in the number of oil and gas well facilities subject to the Montana Air Quality Act and federal Clean Air Act. Implementation of currently applicable requirements is critical as uncontrolled emissions from oil and gas wells can be significant sources of hazardous air pollutants.
- The Department does not currently have sufficient FTE to implement the existing regulatory requirements applicable to conventional oil and gas well facilities or to provide the necessary technical assistance to the BLM. The additional FTE will enable the Department to ensure that these facilities comply with the law in a timely fashion. In doing so, they will avoid the potential to violate air quality standards, an event that would force onerous regulations on the industry.
- The goal of this proposal is to issue currently required permits or registrations in a timely manner, provide compliance assistance to the industry, ensure compliance with all applicable air quality requirements, and protect public health through reduction of emissions of hazardous air pollutants. The Department needs to obtain additional staff to ensure the statutory obligations are fulfilled. Implementation of these requirements will protect public health and reduce public exposure to the hazardous air pollutants and other pollutants associated with conventional oil and gas well facilities.

### **Describe the performance measures related to this goal:**

Progress will be measured by the issuance of permits or registrations, compliance determinations, and the rate of compliance for the industry. The Department is projected to issue 25% of the existing permits or registrations per year over a four-year period to eliminate the backlog of existing facilities. During this time the Department also will process new permits and registrations. Once the backlog is eliminated the Department will be able to focus entirely on issuing permits to new oil and gas well facilities and ensuring compliance by providing compliance assistance and conducting on-site inspections. The Department will then determine a rate of compliance for the industry based on the results of the on-site inspections. The Department's progress can be readily measured through the use of the Department's database.

### **List significant milestones and target dates to be completed in the 2009 Biennium:**

The Department is proposing to issue 25% of the existing permits/registrations per year. This will continue for a period of four years.

### **Describe the current status of the measurements related to the goal:**

The Department has hired three new engineers and opened an office in Butte that will focus on these goals. These staff members have recently begun to categorize the backlog of air quality

permits/registrations and will begin processing these permits/registrations in the near future. While none of the backlogged permits/registrations have been issued, the Department anticipates meeting its goals described above. |