

SENATE BILL NO. 93

INTRODUCED BY T. RICHMOND

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING OIL AND GAS OPERATIONS' NOTICE REQUIREMENTS; REQUIRING NOTICE BE PROVIDED TO CERTAIN PROPERTY OWNERS; DEFINING TERMS; REQUIRING NOTICE TO ALLOW FOR THE EVALUATION OF DRILLING AND COMPLETION OPERATIONS; AND AMENDING SECTIONS 82-10-502 AND 82-10-503, MCA."

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

Section 1. Section 82-10-502, MCA, is amended to read:

"82-10-502. Definitions. As used in this part, the following definitions apply:

(1) "Agricultural production" means the production of any growing grass, crops, or trees attached to the surface of the land or farm animals with commercial value.

(2) "Lost land value" means the value of the highest and best reasonably available use of the land directly utilized by oil and gas operations and production, other than uses appurtenant to the mineral estate.

(3) "Occupied dwelling" means any permanent structure that is:

(a) designed to be primarily occupied by humans as a dwelling;

(b) being used for human habitation; and

(c) within 660 feet of a wellbore's surface location at a proposed drilling operation.

~~(3)~~(4) "Oil and gas developer or operator" means the person who acquires the oil and gas lease for the purpose of extracting oil and gas.

~~(4)~~(5) "Oil and gas estate" means an estate in or ownership of all or part of the oil and gas underlying a specified tract of land.

~~(5)~~(6) "Oil and gas operations" means the exploration for or drilling of an oil and gas well that requires entry upon the surface estate and is begun subsequent to June 1, 1981, and the production operations directly related to the exploration or drilling.

~~(6)~~(7) "Reasonably available use" means the present use or a future use for which a permit, if necessary, has been issued under applicable law.

~~(7)~~(8) "Surface owner" means the person who holds record title to or has a purchaser's interest in the

1 surface of the land."

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3 **Section 2.** Section 82-10-503, MCA, is amended to read:

4 **"82-10-503. Notice of drilling and completion operations.** (1) In addition to the requirements for
5 geophysical exploration activities governed by Title 82, chapter 1, part 1, the oil and gas developer or operator
6 shall give the surface owner, the owner of an occupied dwelling, and any purchaser under contract for deed
7 written notice of the drilling and completion operations that the oil and gas developer or operator plans to
8 undertake. The notice must be given to the record surface owner, the owner of an occupied dwelling, and any
9 purchaser under contract for deed at their addresses as shown by the records of the county clerk and recorder
10 at the time the notice is given. The notice must include a copy of this part and, if available, a current publication
11 produced by the environmental quality council entitled "A Guide to Split Estates in Oil and Gas Development".
12 The notice must sufficiently disclose the plan of work and operations to enable the surface owner or the owner
13 of an occupied dwelling to evaluate the effect of drilling and completion operations on the surface owner's or the
14 occupied dwelling owner's use of the property. The notice must be given no more than 180 days and no fewer
15 than 20 days before any activity that disturbs the land surface. The surface owner or the owner of an occupied
16 dwelling may waive the notice requirement.

17 (2) The surface owner or the owner of an occupied dwelling is responsible for providing the name and
18 address of the oil and gas developer or operator to any lessees, tenants, or other parties responsible for surface
19 operations on the property.

20 (3) Prior to the oil and gas developer or operator providing the notice required in subsection (1), a person
21 qualified under 70-16-111 may enter the land to investigate and use boundary evidence and perform boundary,
22 well site location, and access road surveys if the notice requirements of 70-16-111 are met. However, the oil and
23 gas developer or operator shall provide the notice required pursuant to subsection (1) prior to any activity that
24 disturbs the land surface."

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