

BEFORE THE BOARD OF OIL AND GAS CONSERVATION AND  
THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION  
OF THE STATE OF MONTANA

|                                    |   |                       |
|------------------------------------|---|-----------------------|
| In the matter of the proposal of   | ) | NOTICE OF PROPOSAL OF |
| Temporary Rule I to certify carbon | ) | TEMPORARY RULE        |
| sequestration equipment placed in  | ) |                       |
| service after January 1, 2014, and | ) |                       |
| certified by the Department of     | ) |                       |
| Environmental Quality prior to     | ) |                       |
| October 1, 2015                    | ) |                       |

To: All Concerned Persons

1. On July 27, 2015, the Department of Natural Resources and Conservation Montana Board of Oil and Gas Conservation (board) proposes to adopt the above-stated temporary rule because House Bill 156 (2015) amended 15-68-158, MCA, and required the board to provide certification of qualifying carbon sequestration equipment placed in service after January 1, 2014, to the Department of Revenue. Before the effective date of House Bill 156 (2015), but after January 1, 2014, the Department of Environmental Quality issued certifications of carbon sequestration equipment. This temporary rule will ensure that the Department of Environmental Quality's earlier certifications remain valid until a permanent rule can be adopted by October 1, 2015.

2. The board will make reasonable accommodations for persons with disabilities who wish to participate in the rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the board no later than 5:00 p.m. on July 16, 2015, to advise us of the nature of the accommodation that you need. Please contact James Halvorson, Montana Board of Oil and Gas Conservation, 2535 St. Johns Avenue, Billings, Montana, 59102; telephone (406) 656-0040; fax (406) 655-6015; or e-mail [jhalvorson@mt.gov](mailto:jhalvorson@mt.gov).

3. The board held a public meeting and voted to initiate the temporary rulemaking process on Monday, June 15, 2015, at 9:00 a.m. in the conference room at its office at 2535 St. Johns Avenue in Billings, Montana.

4. Written data, views, or arguments regarding the temporary rule may be submitted to: James Halvorson, Montana Board of Oil and Gas Conservation, 2535 St. Johns Avenue, Billings, Montana, 59102; telephone (406) 656-0040; fax (406) 655-6015; or e-mail [jhalvorson@mt.gov](mailto:jhalvorson@mt.gov), and must be received no later than 5:00 p.m., July 23, 2015.

5. The board will hold a public meeting to consider any comments submitted on the temporary rule during the comment period on Monday, July 27, 2015, at 9:00 a.m. in the conference room at its office at 2535 St. Johns Avenue in Billings, Montana.

6. The text of the temporary rule provides as follows:

RULE I CERTIFICATION OF CLASS FIFTEEN PROPERTY ISSUED BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY BEFORE OCTOBER 1, 2015 (1) Carbon sequestration equipment as defined in 15-6-158(2)(c), MCA, placed in service after January 1, 2014, and certified by the Department of Environmental Quality before October 1, 2015, is certified by the Board of Oil and Gas Conservation.

AUTH: 2-4-303, 15-6-158, MCA

IMP: 15-6-158, MCA

7. A standard rulemaking procedure will be undertaken prior to the October 1, 2015, expiration of this temporary rule. Concerned persons are encouraged to submit their comments during the upcoming standard rulemaking process. If concerned persons wish to be personally notified of that rulemaking process, they should submit their name, e-mail, and mailing address to Lucy Richards, P.O. Box 201601, 1625 Eleventh Avenue, Helena, MT 59620; fax (406) 444-2684; e-mail lrichards@mt.gov.

8. The department maintains a list of interested persons who wish to receive notice of rulemaking actions proposed by the board. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies that the person wishes to receive notices regarding conservation districts and resource development, forestry, oil and gas conservation, trust land management, water resources, or a combination thereof. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to Lucy Richards, P.O. Box 201601, 1625 Eleventh Avenue, Helena, MT 59620; fax (406) 444-2684; e-mail lrichards@mt.gov; or may be made by completing a request form at any rules hearing held by the department.

9. An electronic copy of this notice is available through the Secretary of State's web site at <http://sos.mt.gov/ARM/Register> and the department's web site at <http://www.dnrc.mt.gov>. The department strives to make the electronic copy of this notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. In addition, although the Secretary of State works to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems.

10. The bill sponsor contact requirements of 2-4-302, MCA, apply and have been fulfilled. The primary bill sponsor was contacted by telephone and e-mail on June 12, 2015.

11. With regard to the requirements of 2-4-111, MCA, the department has determined that the adoption of the above-referenced temporary rule will not significantly and directly impact small businesses.

/s/ John E. Tubbs

JOHN E. TUBBS

Director

Natural Resources and Conservation

/s/ Anne Yates

ANNE YATES

Rule Reviewer

/s/ Linda Nelson

LINDA NELSON

Board Chair

Montana Board of Oil and Gas Conservation

Certified to the Secretary of State June 15, 2015