



The Montana Department of
**Natural Resources
& Conservation**

Annual Report

Fiscal Year 2026

*Helping ensure that Montana's land and water resources
provide benefits for present and future generations.*

Updated Sept. 25, 2026

The Montana Department of Natural Resources and Conservation

(DNRC) manages natural resources for the benefit of Montanans. DNRC oversees state trust land and protects Montana's natural resources from wildfire. The department also promotes stewardship of the state's water, soil, forest, and rangeland resources; aids conservation districts; provides natural resource conservation education; and provides support to the Board of Oil and Gas Conservation, as well as other commissions and advisory councils. Our vision is to ensure Montana's land and water resources provide benefits for present and future generations.

DNRC has the following divisions:

Board of Oil and Gas Conservation (BOGC)

The Board of Oil and Gas Conservation is responsible for programs operated for the prevention of resource waste through regulation of oil and gas exploration and production. This division supports the quasi-judicial board that is charged with regulation of the industry.

Centralized Services Division (CSD)

The Centralized Services Division provides management and administrative services across the entire department. This includes legal, human resources, financial, information technology, records management, administrative hearings, safety, and communication services.

Conservation and Resource Development Division (CARDD)

The Conservation and Resource Development Division provides administrative, technical assistance and financial grants to conservation districts. The division also manages natural resource conservation and development grant and loan programs for local governments, state agencies, and private individuals. CARDD administers five attached councils and commissions and the Montana Sage Grouse program.

Water Resources Division (WRD)

The Water Resources Division is responsible for the administration of all water use within the state, including maintaining the database for all water rights, providing technical and legal support for implementation of approved water compacts for Indian tribes and federal agencies, managing state water projects, investigating water use act violations, ensuring dam safety compliance, and providing water adjudication support to the Water Court.

Forestry and Trust Lands Division (FTLD)

The Forestry and Trust Lands Division is responsible for planning and implementing forestry programs statewide. Division responsibilities include protecting natural resources from wildfire, regulating forest practices, providing a variety of services to private forest landowners, implementing cross-boundary projects to build resilient forests, sustainable economies, and fire-adapted communities, increasing forest restoration, management, and health on federal lands, and growing and selling seedlings for conservation and reforestation plantings on state and private lands in Montana.

The division also manages 5.2 million surface acres of state trust lands to produce revenues for the trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land. This work is done under the direction of the State Board of Land Commissioners (Land Board) comprised of Governor (Chair), Superintendent of Public Instruction (Vice Chair), State Auditor, Secretary of State, and the Attorney General, who are constitutionally charged to oversee trust resources.

Strategic Outcome #1

Central Services

Enhance agency efficiency by providing consistent central services processes.

Internal inefficiencies lead to increased staff time on administrative tasks which can affect the agency's ability to provide meaningful and timely customer service to constituents.

By standardizing rulemaking processes and streamlining procurement processes, the agency can write more clear and concise rules that are understandable to the public and reduce the amount of time it takes from procurement initiation to contract signatures.

Key Measures

- All new administrative rules must have a maximum readability grade level of 12.
- Train 25 people across the agency on new rulemaking processes and procedures by fiscal year-end.
- Reduce the average time it takes from a requisition to a signed contract by 15 days during Fiscal Year (FY) 26.

FY 26 Performance Report Update

- DNRC has an average reading level across all rules of 19. Of the rules amended during FY 26, the original reading level was 15, and the new average is 11. For new rules published during FY 26, the average reading level was 12.
- Trained six staff on the rulemaking process and procedures.
- The time from requisition to a signed contract was reduced to an average of 15 days in FY 26.



Strategic Outcome #2

Central Services

Proactively tell the agency's story.

Stakeholders, the public, and agency staff don't fully understand the vastness of DNRC's work across the state. By sharing DNRC's mission, vision and priorities more broadly, both internally and externally, the agency can provide increased visibility into on the great work being done across the state every day.

Key Measures

- Launch three) targeted social media campaigns by the end of the fiscal year highlighting agency work in key areas.
- Create a new and robust onboarding process that provides more information on the agency's work by the end of the fiscal year that will be available to all new employees.
- Add program presentations to the agency all-hands meetings during FY 2026 to increase staff awareness of the agency's work.

FY 26 Performance Report Update

- DNRC had more than three targeted social media campaigns highlighting the importance of state trust lands, rangelands awareness month, wildfire awareness month, invasive species awareness and more.
- DNRC launched an improved onboarding program in January of 2026. This live, online session is offered every other week for new employees and supervisors statewide. It provides a brief agency overview, leadership introductions, and key first-week information, tasks, and resources to help new hires quickly get oriented, started in their roles, and provides a forum for supervisors and employees to ask questions and meet one another.
- Program presentations were included in 66 percent of the agency all-hands meetings during FY 26.



Strategic Outcome #3

Board of Oil and Gas Conservation (BOGC)

Ensure drilling permits are processed in a manner that upholds regulatory integrity, environmental protection, and public trust.

Issuing drilling permits promptly once applications are compliant and complete reduces unnecessary rig standby costs and ensures timely development for mineral owners.

This includes conducting Montana Environmental Policy Act (MEPA) reviews promptly and identifying any non-conforming applications, improving workflow efficiency through process updates and staffing enhancements, and providing clear guidance to operators on completeness requirements to prevent delays.

Key Measures

- Compliance technician position trained and conducting MEPA reviews by September 30, 2025.
- ≥ 90 percent of draft environmental assessments completed within 5-10 business days of completeness determination, balancing timeliness with environmental review integrity.
- 100 percent of complete drilling permit applicants processed without agency-caused delays.

FY 26 Performance Report Update

- BOGC trained the compliance technician position to conduct MEPA reviews by September 30, 2025.
- The goal to complete draft environmental assessments within 5-10 business days of completeness determination was established based on permit history over the last 10 years of 50-60 permits received. In FY 26, BOGC received over 600 drilling permits, making this goal unrealistic.
- 100 percent of complete drilling permit applicants were processed without agency-caused delays.



Strategic Outcome #4

Board of Oil and Gas Conservation (BOGC)

Reduce environmental hazards and land use disruptions by strategically prioritizing and managing the orphan well program within available resources.

Plugging and reclaiming orphaned and pre-regulatory wells can eliminate existing or potential environmental threats and potential disruption to surface use.

The Board of Oil and Gas Conservation can ensure public and environmental benefit by maintaining a prioritized inventory of orphan and pre-regulatory wells, developing and executing plugging and reclamation projects based on risk priority, and witnessing orphan well plugging to ensure wells are properly plugged and abandoned.

Key Measures

- Finalize rulemaking to reduce the privilege and license tax rate by April 1, 2026, to enable access to increased orphan well plugging funds authorized by SB 339 passed during the 2025 Legislative Session.
- ≥ 80 percent of available funds used within the biennium.
- Inspectors witness plugged wells.
- Percentage of plugged sites fully reclaimed within 12 months of plugging.

FY 26 Performance Report Update

- BOGC finalized rulemaking to reduce the privilege and license tax rate by April 1, 2026.
- BOGC is on track to use 80 percent of available funds within the biennium.
- 40 orphaned wells plugged in FY 26 with 100 percent witnessed by BOGC field inspectors.
- 95 percent of orphaned wells plugged in FY 26 have been fully reclaimed.



Strategic Outcome #5

Board of Oil and Gas Conservation (BOGC)

Ensure industry compliance with BOGC rules to protect groundwater, prevent waste, and safeguard public health and the environment.

Conduct inspections of oil, gas, and underground injection control (UIC) operations and respond to incidents and complaints to provide early detection of risks will help to resolve violations and maintain public confidence in regulatory oversight.

This includes conducting routine inspections on active wells and drilling locations, witnessing mechanical integrity tests (MIT) to verify well integrity and address non-compliance, responding to citizen complaints and industry-reported incidents in a timely manner, documenting inspection findings and recommending enforcement actions when necessary, and using risk-based prioritization to direct inspection resources toward higher-risk activities or areas.

Key Measures

- ≥ 80 percent of identified violations resolved without requiring formal enforcement, reflecting compliance assistance.
- ≥ 50 percent of MIT's witnessed by inspectors annually, ensuring broad coverage of UIC operations. Inspectors witness plugged wells.
- All wells failing MITs are issued compliance directives within 14 days, with follow-up actions tracked until the well is repaired or plugged.
- Average response time for emergency calls or spill response (< 48 hours), providing assurance of prompt regulatory action.

FY 26 Performance Report Update

- 101 violations written in FY 26 with 85 percent resolved without formal enforcement action.
- 254 mechanical integrity tests (MIT's) in FY 26 with 81 percent witnessed by BOGC inspectors.
- 30 failed MITs in FY 26 with 28 having compliance directives issued within 14 days.
- BOGC responded to emergency calls and spill responses within 48 hours.

Strategic Outcome #6

Conservation and Resource Development Division (CARDD)

Maximize grant and loan funds for on the ground projects.

Improve local capacity to administer projects and funds so that more funds can be utilized to complete projects.

This can be addressed by improving local government's understanding of funding opportunities, using plain language in administrative rules and program guidelines, improving the quality of applications submitted to DNRC through online tools and training, and providing consistency across the entire granting system.

Key Measures

- Create and develop a baseline dataset to track grant/loan status, performance and expenditures. This includes measuring the proportion of grant funds used for administration, planning, engineering or construction, and tracking the project status (planning, design, construction, completion).
- Create online dashboard to display grant/loan data.

FY 26 Performance Report Update

- CARDD launched a pilot in the American Rescue Plan Act program, where a database was built to collect and report grant-by-grant expenditure data. This pilot measures the portion of grant funds spent on administration, planning, engineering, and construction — establishing the data model CARDD intends to scale to other grant and loan programs. The American Rescue Plan Act (ARPA) program pilot is the current proof of concept for expenditure-category and match-leveraged tracking. Once validated, the data model will be extended to the remaining CARDD grant and loan programs (Renewable Resource Grant and Loan, Reclamation Development Grant, Watershed, Rangeland, State Revolving Fund, and others).
- Dashboard development is tied to the ARPA pilot project and depends on consolidating existing program data into a central database. Progress was delayed by DNRC's transition to a new grant and contract management system, which required staff to update tracking processes. DNRC is

developing internal grant-data reporting tools, those data will later support an external dashboard.

Strategic Outcome #7

Conservation and Resource Development Division (CARDD)

Maximize grant and loan funds for on the ground projects.

Prioritize project grant/loan funds for technically feasible projects so more funds can be utilized to complete projects.

This can be done by refining the planning grant structure to result in well-conceived projects for legislative review by restructuring (current) planning grants into two stages: Planning and Design. It can also be accomplished by introducing stakeholders to the newly designed format, providing training and support for local governments to ensure state/federal grant compliance.

Key Measures

- Track design and bidding time in projects funded by grants and loans, including the time in each project phase. Create online dashboard to display grant/loan data.
- Track project status from grant agreement execution to project completion.
- Track actual match leveraged by grants and loans.

FY 26 Performance Report Update

- CARDD is developing an internal reporting tool intended to consolidate this data element across the full range of CARDD grant and loan programs within the grant management database before formal tracking begins.
- The ARPA program pilot is the current proof of concept for expenditure-category and match-leveraged tracking. Once validated, the data model will be extended to the remaining CARDD grant and loan programs (Renewable Resource Grant and Loan, Reclamation Development Grant, Watershed, Rangeland, State Resolving Fund, and others).



Strategic Outcome #8

Water Resources Division (WRD)

Increase stewardship of water resources.

Increase the state's information on stream natural flow and water use to create more effective water management and protection of water users.

Build out the DNRC Montana Stream Gage Network to ensure critical data is available for water management decisions for Montana water users. Maintain the USGS Co-op Stream Gage Network that provides complementary real-time network data for water management throughout the state on larger streams. The 2025 Legislature appropriated funds through DP 24014 and DP 24015 to assist the agency in implementing these strategies.

Key Measures

- Increase the existing Montana Stream Gage Network by 10 gages by fiscal year-end (for a total increase of 24 gages by the end of the biennium to hit the 2015 State Water Plan goal of 100 total gages).
- Maintain the existing USGS Stream Gage Network of 231 gages to prevent further loss of critical data.
- Provide all data to the public through the StAGE portal (ongoing) – <https://gis.dnrc.mt.gov/apps/StAGE/>.

FY 26 Performance Report Update

- DNRC has installed 7 of the 24 gages and is working through the land-access permitting for the remaining sites. Access agreements were recently signed for a number of sites and will be installed later this summer and fall. We are anticipating full build-out by the end of the fiscal year.
- The USGS is currently operating 245 stream gages. No federally funded sites have been decommissioned over the previous year.
- StAGE continues to serve up high-quality, real-time data. Over the winter and spring, DNRC transitioned to cloud data management, reducing our reliance on state IT support. StAGE has also been expanding services to include real-time data reporting for several groundwater wells and state-owned reservoirs. DNRC's goal is to transition all state reservoir water level reporting to the StAGE platform over the coming years.



Strategic Outcome #9

Water Resources Division (WRD)

Improve customer service.

Improve the availability, accuracy, and use of water data for more efficient water management decisions to create better customer services for all water users across the state.

This can be accomplished by developing workflows and data quality assurance checks to improve the reliability of the centralized water rights information system (WRIS), creating a water measurement database to collect and efficiently access water use data, and creating online, database integrated digital forms for water rights applications to increase accuracy and public use.

Key Measures

- Create a water use database and process to upload water use data for use in water modeling by fiscal year end.
- Transition WRD database systems to a cloud-based data management system by fiscal year end.
- Create five water rights digital forms by fiscal year-end.

FY 26 Performance Report Update

- DNRC is working toward creating a water use database for water modeling and continues to work through security and licensing requirements.
- Oracle Cloud Infrastructure (OCI) tenancy is established, but no data has been migrated yet. Work is ongoing. The project remains on track for completion by November 1.
- ServiceNow has been selected as the forms platform. The first few forms have been built in ServiceNow, and DNRC is gathering requirements for related business workflows. The test portal and Form 605 were demonstrated to WRD stakeholders on July 17, 2026, and a feedback mechanism is being developed.



Strategic Outcome #10

Forestry and Trust Lands Division (FTLD)

Implement the DNRC/US Forest Service (USFS) Shared Stewardship Agreement.

In order to assist the USFS in meeting increased timber management goals to address Montana's forest health and wildfire crisis, DNRC will execute a Shared Stewardship Agreement with the USFS and begin implementation of a 200,000-acre landscape using the Good Neighbor Authority (GNA).

This will ensure stability in DNRC's GNA program by finalizing and executing a five-year landscape restoration work plan in collaboration with the USFS.

Key Measures

- Initiate two forest management projects within the Landscape by fiscal year end.
- Use EXPLORE Act authorities to initiate one new recreation-based project by fiscal year end.
- Increase the volume of timber sold under GNA from 25 million board feet (MMBF) to 50 MMBF by the end of calendar year 2026.

Board feet of timber sold is tracked on a calendar year, not a fiscal year

FY 26 Performance Report Update

- Multiple projects have been initiated including projects to protect powerline corridors and reduce fuels in the wildland urban interface, and a total of three landscapes have been identified, totaling over 750,000 acres.
- DNRC has not used the EXPLORE Act on a recreation-based project but will look for opportunities in 2027. DNRC has done projects that benefit recreation.
- DNRC is on track to have approximately 78 MMBF under contract by calendar year end.



Strategic Outcome #11

Forestry and Trust Lands Division (FTLD)

Minimize the size and impact of wildfire incidents.

To meet DNRC's obligation to protect state and private lands from wildfire, the agency will minimize the size and impact of wildfire incidents through rapid detection, coordinated response, and effective initial attack.

To ensure the agency has the most qualified wildland firefighting force possible, DNRC will strengthen rapid initial attack capabilities through training, equipment upgrades, and staffing during peak fire season.

DNRC will also expand fire detection capabilities using aerial patrols, remote sensing, and community reporting networks in order to catch more fires before they become large and costly.

Key Measures

- Contain 95 percent of all reported wildfires to 10 acres or less.

FY 26 Performance Report Update

- Contained 94 percent of fires under DNRC direct protection to 10 acres or less.



Strategic Outcome #12

Forestry and Trust Lands Division (FTLD)

Improve customer service related to recreational use of state trust land.

By simplifying regulations for recreational activities such as hunting, fishing, and camping on state trust lands, engaging more meaningfully with the public and stakeholders on needs and concerns around recreational use, and implementing clear signage, maps, and online resources, the public can understand expectations and recreate more responsibly on state trust lands.

Key Measures

- Increase recreational use licenses issued annually by 2.5 percent per year.
- Increase public and stakeholder participation in regulation review by getting at least 25 percent more public comments on rulemaking.
- Reduce government costs for cleaning up litter, illegal dumping, and abandoned vehicles on state trust land by 5 percent per year.

FY 26 Performance Report Update

- Special recreational use licenses issued increased by 10 percent. Conservation license sales were stable and saw a slight decrease of 0.3 percent from FY 25.
- The department received a total of four public comments in prior regulation review phases for recreational use rules. A total of 1,582 public comments were received in the FY 26 public outreach effort. The resulting percentage increase in public comment for rulemaking is 39,450 percent.
- The amount of government spending for waste disposal on state trust lands was 97.5 percent less in FY 26 than FY 25.