

The
TREASURE STATE
2026
Journal®

Transforming Montana's energy future

**Federal climate policy reforms
affecting oil and gas operations**

**Key drivers of property tax valuations
in Montana's oil and gas industry**

IN THIS ISSUE

Message from the executive director of the MPA, Sonny Capece	4
Message from the MPA president, Steve Durrett	6
Wrong turn and a hockey team	8
The economic contribution of the oil and gas industry to Montana by Bureau of Business and Economic Research, University of Montana	10
Transforming Montana's energy future	14
Built to last: The Phillips 66 Billings Refinery's 75-year legacy	17
Federal climate policy reforms affecting oil and gas operations	22
Electric current on pipelines – good and bad	26
Key drivers of property tax valuations in Montana's oil and gas industry	28
Kansas farm boy to Rocky Mountain geologist: Honoring Keith Mohl	30
Tariffs: A national emergency?	32
Key risk indicators: A proactive approach to risk management	34
How ONEOK builds trust through local engagement	36
Index to advertisers	37
Workforce challenges in Montana	38

The TREASURE STATE Journal®

IS published by

DEL Communications Inc.

Suite 300, 6 Roslyn Road

Winnipeg, MB R3L 0G5

www.delcommunications.com

President & CEO

DAVID LANGSTAFF

Managing Editor

SHAYNA WIWIERSKI

shayna@delcommunications.com

Director of Sales & Marketing

DAYNA OULION

dayna@delcommunications.com

Advertising Sales

JENNIFER HEBERT

ROSS JAMES

MICHELLE RAIKE

Creative Director / Design

KATHLEEN CABLE

Contributing Writers

KE ANDREWS | KELLY COLEMAN

JANET HARDY | MICHAEL HOWE

TONI FINSTAD | BRET GALLO

LANNI KLASNER | LUKE POTEAT

ROD WEBER

Cover Photo Courtesy of

MONTANA RENEWABLES

© COPYRIGHT 2026

DEL Communications Inc.

All rights reserved.

The contents of this publication may not be reproduced by any means, in whole or in part, without prior written consent of the publisher.

Publications mail agreement #40934510

Return undeliverable Canadian addresses to:

DEL Communications Inc.

Suite 300, 6 Roslyn Road

Winnipeg, MB R3L 0G5

Email: david@delcommunications.com

While every effort has been made to ensure the accuracy of the information contained in and the reliability of the source, the publisher and/or the Vancouver Island Construction Association in no way guarantees nor warrants the information and is not responsible for errors, omissions or statements made by advertisers. Opinions and recommendations made by contributors or advertisers are not necessarily those of the publisher, its directors, officers or employees.

PRINTED IN CANADA | 07/2026





MONTANA Petroleum Association

MEMBER PROGRAM

The Montana Petroleum Association (MPA) is a leading voice in the oil and gas industry representing upstream, midstream, and downstream companies.

MPA provides premier access to the top companies operating in Montana while continually working to address the issues affecting the industry.



Member Benefits:

- Events throughout the year giving you access to MPA members, sponsorship opportunities, and/or vendor booths.
- Communications and advocacy on proposed regulations affecting all aspects of the oil and gas industry.
- A subscription to Heard It Through the Pipeline and MPA Industry Clips
- Opportunities to serve on committees that foster certainty and productivity in the business and legal climate of Montana.
- And so much more....

**For full details and Montana Petroleum Association membership levels,
contact Bobbie Gardner at 406-442-7582 or bobbie@montanapetroleum.org.**

www.montanapetroleum.org

MESSAGE FROM THE EXECUTIVE DIRECTOR OF THE MONTANA PETROLEUM ASSOCIATION

Sonny Capece



As executive director of the Montana Petroleum Association (MPA), I am immensely proud to share that our industry continues to serve as a foundational pillar of Montana's economy. From the Bakken to our state's vital refining operations and distribution networks, the petroleum sector plays an irreplaceable role in powering our state's economic engine. We support thousands of good-paying, family-sustaining jobs, generate critical tax revenue for local infrastructure and schools, and help meet the everyday energy needs of families, businesses, and communities across the Treasure State.

Just as importantly, we are actively ensuring that the voice of Montana's petroleum industry is heard clearly,

consistently, and powerfully in the policy conversations that shape our future.

In an era of rapidly shifting energy narratives, our mission to advocate for reliable, affordable, and secure energy has never been more vital.

Championing responsible development in Helena

Advocacy remains the beating heart of our mission at the MPA. Here in Helena, we continue to engage daily with state lawmakers, agency leaders, and regulators to advance policies that support reliable energy production, cultivate a robust business climate, and promote responsible resource development.

Our work at the state level requires a dual approach. First, we are highly

responsive to immediate policy proposals and regulatory shifts, ensuring our members are protected from unnecessary burdens that stifle innovation or slow production. Second, and perhaps more crucially, we are deeply invested in building long-term, educational relationships with elected officials and decision-makers. With term limits and natural turnover in the legislature, it is our ongoing responsibility to educate new leaders on the sheer scale of our industry's contribution to Montana's economy and way of life. We are working to ensure that every regulator and legislator understands that a strong energy sector is synonymous with a strong Montana.

Elevating Montana's voice: Our inaugural Washington, D.C. fly-in

While our roots are deeply embedded in Montana soil, the policy environment facing our industry is increasingly shaped by decisions made far beyond our state borders. Recognizing this, our federal engagement has grown exponentially in both scope and effectiveness over the past year.

This year marked a historic milestone for our association: the resounding success of our first-ever Washington, D.C., fly-in. Bringing a delegation of Montana industry leaders directly to the nation's capital created an invaluable opportunity to meet face-to-face with members of congress, key congressional staff, and influential federal policymakers.

BALLARD
PETROLEUM HOLDINGS LLC

Even as we celebrate our recent successes, our eyes are fixed firmly on the horizon. Preparation for the 2027 Montana legislative session is already well underway.

During these meetings, we didn't just deal in abstracts; we shared the real-world, on-the-ground impacts of federal energy policy on Montana producers, marketers, workers, and consumers. Our delegation advocated fiercely on several critical fronts:

- **Permitting reform & leasing:**

Highlighting the urgent need for a predictable, timely, and transparent permitting process on federal lands to unlock domestic energy potential.

- **Infrastructure investment:**

Advocating for policies that streamline the construction and maintenance of vital pipeline and transportation infrastructure.

- **Sensible regulatory oversight:** Pushing back against regulatory overreach that threatens to unnecessarily increase the cost of energy for everyday Montanans.

- **Economic competitiveness:** Educating federal leaders on tax policies that encourage domestic investment rather than penalizing American energy producers.

The fly-in was a definitive success not only because of the robust participation and dedication from our members, but because it elevated Montana's unique perspective in a coordinated, impactful way. It proved that when we show up united and prepared, we command attention. This inaugural trip has set a high standard and laid the groundwork for making direct federal advocacy a permanent, recurring cornerstone of our association's work going forward.

Strategic foresight: Preparing for the 2027 legislative session

Even as we celebrate our recent successes, our eyes are fixed firmly on the horizon. Preparation for the 2027 Montana legislative session is already

well underway. As anyone familiar with the political process knows, effective advocacy begins long before the opening gavel falls in January.

During this interim period, we are working closely with our members and allied industry partners to:

1. Identify core priorities: Pinpointing the legislative needs of our upstream, midstream, and downstream sectors.
2. Evaluate emerging challenges: Monitoring interim committee work to anticipate and prepare for potential regulatory hurdles or anti-energy legislation.
3. Develop a proactive agenda: Crafting forward-thinking policies that will incentivize investment, streamline operations, and keep Montana competitive.

We know that success in Helena depends on being organized, credible, and ready to engage from day one.

By putting in the hard work now, we

are ensuring that the MPA will hit the ground running in 2027.

A unified front for Montana energy

The Montana Petroleum Association is fully committed to being the unwavering, consistent voice for our industry both at home in Helena and on Capitol Hill in Washington, D.C. By strengthening our advocacy efforts at every level of government, executing milestone initiatives like our D.C. fly-in, and preparing strategically for the next legislative session, we are positioning our members for long-term prosperity.

I am deeply grateful for the continuous engagement, support, and expertise of our members. Together, we are building a formidable legacy of advocacy, and I remain incredibly optimistic about the work ahead as we continue advancing the policies that keep Montana energy strong. ■



Bridging the gap between idea + achievement

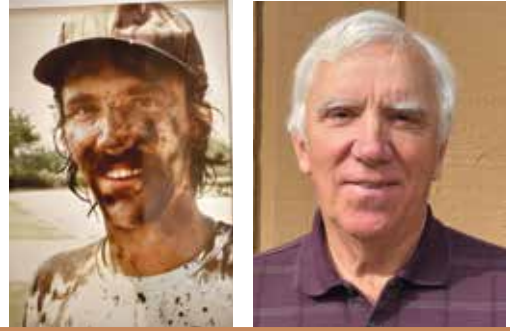
At HDR, we're helping our clients push open the doors to what's possible, every day.

hdrinc.com



FROM THE MPA PRESIDENT'S DESK

Steve Durrett



I'm not sure how this once brash, irreverent punk has (seemingly overnight) been elevated to the position of elder statesman, deemed to be worthy of opining on the weighty matters of the day. Imposter syndrome, anyone? Yet I have been told that it is my responsibility as president to write something, thank you Jack King.

I recently had the opportunity to speak to a group of non-industry people and give them an introduction to our industry. The level of misperception and disinformation out there is a real issue, and the industry undoubtedly suffers because of it. It is unfortunate that much of the public doesn't understand and appreciate what it takes to produce, transport, refine, and bring to market those products which make modern civilization so comfortable, and they just take it all for granted. We clearly have an image problem.

I used to say that most people got their image of the industry by watching J.R. Ewing and Jed Clampett (I suppose that dates me), but now I have to add *Landman* to the list. I get asked all the time "is the oilfield really like that?" My reply is that it is about as accurate as *Yellowstone* was in depicting Montana

ranchers. I will admit I have seen many things in my long and checkered career, but I've never been kidnapped by a drug cartel, though I did see the wrong end of a gun once (I was just trying to deliver a check!).

A large part of my career was spent chasing what are now quaintly referred to as conventional oil and gas deposits. This process involved engineers, geologists, geophysicists, seismic surveys, well logs, and other techniques now largely relegated to the scrap heap of history. We used to routinely experience an inconvenient event we called dry holes, something most of today's industry professionals have never seen. It used to be a risky venture exploring for oil and gas, with a 90 percent failure rate considered quite good. Now it's easy to find oil and gas within huge prolific shale deposits now that we have developed the ability to extract it.

The shale revolution of the last 20 years has enabled the U.S. to be independent of imported crude oil for the first time in decades. The technology required to exploit our vast shale deposits is amazing. To be able to drill two miles down and then another two, three, four, or now even five miles

horizontally through a target formation and do it with remarkable accuracy is nothing short of astounding.

I've seen a lot in this business over the last 47 years. I've unfortunately seen people get hurt, I've seen people get wealthy, I've seen people go broke (me for one, once relegated to the graveyard shift at a convenience store), and I've met some legends, both famous and infamous. I've seen cable tool drilling rigs and spinning chains give way to amazingly sophisticated automated drilling rigs. I have seen immense progress in technology, such that drilling two miles down and then four miles horizontally has become almost routine.

And I could fill a book about the characters I've met. I once met a rig hand in Western Kentucky who had all his teeth pulled because "They 'as all rotten" and he told me he was waiting for his new dentures to come in at the undertaker's but "They ain't got nuttin' fits me right now." Yet here he was at work just hours later because he had a job to do.

I've seen a lot of change, but what absolutely has not changed is the caliber of people who work in this industry. People who find a way to get the job

I used to say that most people got their image of the industry by watching J.R. Ewing and Jed Clampett (I suppose that dates me), but now I have to add *Landman* to the list.

done. People who work long hours, days, and weeks at a time in all weather with an almost cult-like compulsion to get the job done.

World events over the last few months remind us how vital our industry is to modern civilization. Although, as of this writing, no major supply disruptions have filtered all the way down to the retail level, price shocks have imparted considerable hardship on consumers and have become a drag on the economy. I am old enough to remember the gas lines of the 1970's and I guarantee no one wants to see that again. So how do we ensure that we, as an industry, can prevent that from happening again? I believe the answer lies in education and engagement.

Politicians, pundits, and bartenders from Brooklyn love to say we need to reduce our use of oil and gas but is our society truly prepared to accept the lifestyle change that comes along with that? I am frequently reminded of how much we take for granted when I walk into my local grocery store in the dead of winter and glance around the produce department. Where did all these fruits and vegetables come from? They certainly weren't grown here, and they didn't get here via wind or solar power. Wind, solar, biofuels, hydro, etc. all have their place but without petroleum, we would be relying on canned or dried foods all winter.

So, if I have a message, it is this: Get out there and talk to people. Every chance you get. As I said earlier, we have an image problem. Seek out Rotary Club lunches, chambers of commerce, teachers' workshops, even Grange Halls. Most of these groups are hungry for content. Show the people how things really are. It doesn't have to be political, just educational. Help change our image to something closer to reality and less like Hollywood. ■

Your Trusted Montana Legal Team

BKBH has provided trusted legal counsel and advocacy for Montana individuals, businesses, and organizations for nearly 30 years.



BROWNING KALECZYC
BERRY & HOVEN
ATTORNEYS

Bozeman | Great Falls | Helena | Missoula

(406) 443-6820 | bkbh@bkbh.com | www.bkbh.com



Powering Rural America

CHS is building a strong future for rural America's energy needs by prioritizing safety, giving back to our communities and powering hometowns and agriculture through the Cenex® brand.

CHS refinery at Laurel, Montana
chsinc.com/refining • chsinc.com/careers

© 2024 CHS Inc. Cenex® is a registered trademark of CHS.



The key to publishing success.

SUITE 300, 6 ROSLYN ROAD, WINNIPEG, MANITOBA, CANADA
www.delcommunications.com

**We offer outstanding personal service
and quality in the areas of:**

- Print and Digital Publications and Directories
- Creative Design • Online Library of DEL Publications
- Qualified and Professional Editorial and Advertising Sales Teams

Wrong turn and a hockey team

By Toni Finstad

J Kenneth Finstad has always trusted his sense of direction. Growing up in the wide-open country of southern Alberta, long before GPS, the Sweet Grass Hills served as his guide. But despite his strong instincts, one wrong turn would change the course of his life.

Finstad was born in 1933 in Medicine Hat, Alberta, into a hardworking Norwegian family. His grandfather began raising Hereford cattle after homesteading in 1909. From the start, life demanded resilience. Finstad grew up learning the value of hard work, responsibility, and independence. He attended a one-room schoolhouse with grades one through eight, located two miles from the ranch. At age 14, like many boys from farm and ranch country, he and his older brother Len left home for a nearby town with a high school, batching there in a small rented house.

Summers were not for resting; they were for working on the ranch and farm. Finstad and his brothers worked full-time through the summer months. Those early years shaped him and instilled discipline and determination. To finish high school, he later moved to Calgary, where he lived at the local YMCA, far from home but steadily building toward his future.

After graduation, Finstad and several friends planned to attend school in Moscow, Idaho, where he intended to study geological engineering. A cousin in Great Falls called to tell him that the same program was offered at the Montana School of Mines in Butte, Montana. Since he had already been accepted in Moscow, Finstad opted to set out for Idaho. There were two routes, and after looking at the map, he decided to go south instead of west and check out Butte.

When he got to Butte, he drove up East Park Street, stopped, and took a look around. He got back in his car intending to continue on to Missoula and then Moscow. But as he drove



*Ken Finstad and his wife
Joann "Babe" Tomich.*

Park Street, he missed the turn at Park and Excelsior accidentally ending up on the Montana School of Mines campus. He was making a U-turn around the Marcus Daly statue when he heard someone call his name. It was a friend he had played hockey with in Calgary. The friend asked where he was headed, and Finstad replied he was headed to Moscow, Idaho. His friend said, "Stay here. They have a hockey team!" That was all it took. That wrong turn and a hockey team changed everything.

It was at the Montana School of Mines that Finstad met his wife, Joann "Babe" Tomich. It was also where he began a 66-year and ongoing career in the oil and gas fields. In 1960, Finstad began working for Montana Power in the Gas Department in Canada, living at a plant site in a company house they rented for \$20 a month, utilities included. It was here their two sons were born.

In 1967, Finstad was transferred to Cut Bank, Montana, where he worked for R.B. Rhodes and Jay Johnson in drilling and completion. He spent much of his time on the road supervising drilling and completion work in southern Alberta, Saskatchewan, Wyoming, and Montana in areas such as Havre and Cut Bank, including the redevelopment of the Dry Creek field for gas storage. He recalls starting the project in the spring and working seven days a week until fall.

He credits these breakthroughs to working with experienced men who worked in the oil and gas fields for many years, those that provided oilfield services and the people at Montana Power that trusted his abilities.

During his time with Montana Power, he recalls three important breakthroughs that were quickly adopted by local industry. The first was a new completion technique that improved low pressure gas recovery. The second was the introduction of 100 mesh sand for fluid loss control in sand fracking operations. And lastly, he introduced the use of fine mica in cement operations to improve cement bonding. He credits these breakthroughs to working with experienced men who worked in the oil and gas fields for many years, those that provided oilfield services and the people at Montana Power that trusted his abilities.

Montana Power set up a 10-well air drilling program in the partially depleted Cut Bank gas field to improve deliverability. When the sand was penetrated during drilling, the wells would produce outstanding flows. The wells were then mudded up to allow casing to be run and they were cemented. Finstad described a critical moment during the 10-well program. As they began drilling the second well, he suggested completing the first well. The first well was swabbed dry and perforated. However, the production dropped from two-million cubic feet (mcf) per day during air drilling to only 50 mcf per day. Seeking advice, Finstad consulted many local experts. This included Norman Walters, owner of Montana Oil Well Cementers, and Leslie “Red” Ranck, owner of the drilling rig used by Montana Power. Walters suggested that using an external casing packer might work for completing the new wells, if it could be done safely without igniting the rig.

Finstad proposed the new completion technique, and he said they were fortunate. The well was being drilled in January under blizzard conditions. During testing of the second well, the well flowed at 2.2 million cubic feet per day. The external casing packer (ECP) was screwed onto the production casing and the bull plug on the bottom of the ECP.

When they started to run casing, the blind rams were opened which caused the bushings to blow out of the rotary table. Fortunately, there was no spark or fire. The casing was successfully run and the packer was set just above the Cut Bank formation and the packer was inflated with water. For completing the well, the casing was swabbed dry and the shoe was drilled out with air. The well again produced 2.2 million cubic feet per day. A safer method was developed, marking the beginning of a new technique.

After 22 years, Finstad parted ways with the Montana Power Company. He started a consulting business, in addition to launching Blue Jay Petroleum during a difficult economic period in 1982. Despite the downturn, he was hired by The Beren Corporation to help develop Madison Oil in the Landslide Butte area north of Cut Bank. The new company continued to expand with the help of longtime friend, Pat Brown of Brooks, Alta. Blue Jay acquired Front Oil production at Gypsy Basin, Montana and other idle oil and gas properties in the area.

Another major turning point came when Ron Vanderhoef of Sheridan, Wyoming invited Finstad to work on wells in the Devils Basin outside of Roundup, Montana. This collaboration led to the formation of KeeSun Corp. Finstad has been at the helm of KeeSun Corp. since its inception in 1987. He credits much of his success to Vanderhoef’s mentorship and friendship. As the small oil and gas production company grew, it truly became a family business. Finstad hired his son John, a petroleum engineer from Montana Tech, and his wife Toni, a former assistant federal bank examiner and banker, to manage finances. His wife, Babe, worked in the office until her retirement in 2024.

In 1997, Finstad experienced another major change. A Calgary-based company who had acquired Marathon Petroleum assets in Tunisia invited him to serve as the general manager. Finstad worked in Tunisia from 1997 to 2000. He often reflects on how different life was—living in a home on the Mediterranean with a maid, gardener, and a driver—compared to life on the ranch along the Milk River. After returning home, he has remained active, working at his desk each day directing the operations of KeeSun Corp.

Over his career, he has overseen the drilling and workover of thousands of wells across Montana, Alberta, and internationally in Tunisia. Finstad fondly reflects on the mentors, colorful oilfield personalities, and lasting friendships he built throughout his 66-year career. However, Finstad says his greatest joy in life has been his three grandchildren. He and Babe spent most weekends attending their activities and, while they were growing up, hosted them each July at their cabin at Elkwater Lake in Alberta. Finstad says he has been truly blessed and “it’s been a great ride.” ■

The economic contribution of the oil and gas industry to Montana by Bureau of Business and Economic Research, University of Montana

The importance of oil and gas in Montana's economy

Montana's businesses and households continue to require a substantial amount of energy. Montana consistently ranks in the top quarter of states in total energy consumption per capita, reflecting the state's large open spaces, low population density, extreme temperature variations, and an economy rooted in energy-intensive industries.

Industrial activities alone account for 30 percent of the state's energy consumption, and when combined with commercial uses, these sectors comprise 46 percent of total energy usage. The state's economy heavily relies on mining, petroleum and coal products, manufacturing, and agriculture, while commercial energy consumption is also significant, driven partly by tourism, healthcare, and education.

Transportation accounts for about 31 percent of the state's energy consumption, a share that reflects Montana's vast geography and lower population density. Montana ranks seventh among U.S. states in total petroleum products consumption per capita (EIA SEDS, 2024), and the energy required to move goods within and outside the state is substantial. Petroleum-based fuels continue to dominate the transportation sector.

Residential energy consumption makes up the remaining 17 percent of the state's total. Only Alaska and North Dakota have more days below 65 degrees. About half of occupied homes

use utility gas as their primary heating source, and another 14 percent use propane. These shares have declined gradually as electric heating increased from 23 percent to 28 percent between 2014 and 2024 (ACS 1-year estimates).

On the supply side, Montana produced significantly less natural gas than it consumed in 2024, generating 47.6 billion cubic feet against consumption of 89.2 billion cubic feet, covering just over half of its own demand. The Bakken region dominates in-state production and is home to the largest natural gas storage facility in the U.S.

Montana is also a crude oil producer, contributing about one barrel for every 170 produced nationally. In 2025, the state produced 78,000 barrels per day, or about 28.5 million barrels for the year. The price of crude oil, set by global markets, has an outsized influence on what Montana households and businesses pay for fuel, accounting for roughly 50 to 60 percent of the final cost of petroleum products. That exposure became especially apparent in 2026 when the closure of the Strait of Hormuz sent crude prices upward though global supply disruptions remain outside the state's control. Montana hosts several small refineries with a combined capacity to process over 200,000 barrels of crude per day, most of which arrives via pipeline from Canada.

The current contribution of the oil and gas industry to the Montana economy is

substantial. In 2025, the industry directly supported 6,913 jobs. When indirect and induced effects are included, the total contribution reaches over 25,435 jobs and \$5.3 billion in value added.

Tracking the impacts of oil and gas activity in Montana

The oil and gas industry continues to play an outsized role in the Montana economy. Its footprint spans multiple activities and sectors:

- Oil and gas production in Montana, including extraction and the drilling and completion of new wells, supports a broad spectrum of industry jobs and vendors and suppliers.
- The transportation of oil and gas at various stages of production through pipelines, rail, trucks, and other means, whether sourced from Montana wells or facilities or otherwise, provides services that support employment and the state and local tax base.
- The oil refineries in Billings, Laurel, and Black Eagle are highly capitalized, high-value-added facilities that pay wages substantially above the state average.
- The services and intermediate goods provided by Montana-based firms both within and outside the oil industry, in support of oil and gas production in Montana, Wyoming, North Dakota, and elsewhere, broaden the industry's footprint beyond production and transportation.

Table 1: Annual salaries of oil and gas occupations in Montana, 2024

Occupation	Average Annual Salary
Petroleum Engineers	\$103,570
Geological and Petroleum Technicians	\$63,030
Service Unit Operators, Oil and Gas	\$71,840
Roustabouts, Oil and Gas	\$57,210
Helpers – Extraction Workers	\$49,120
Petroleum Pump System Operators, Refinery Operators, and Gaugers	\$97,030
Pump Operators, Except Wellhead Pumpers	\$ 70,700
Wellhead Pumpers	\$ 65,240
Average Wage	\$79,141

Source: Montana Department of Labor and Industry - Informational Wage Rates by Occupation
https://lmi.mt.gov/_docs/Publications/LMI-Pubs/Labor-Market-Publications/OEWS-Pub-2024-060425.pdf

The higher wages earned by oil and gas workers amplify the industry’s economic influence. The average annual salary for oil and gas occupations in Montana was \$79,141 in 2024, well above the statewide average of \$58,160, broken down in Table 1.

Ultimately, the contribution made by Montana’s oil and gas activity to the state economy produces further impacts as the employment, wages, investment, and spending by companies and workers propagate through the rest of the economy. The total impact is estimated using IMPLAN to quantify those interactions.

Oil and gas production in Montana

Montana remains a significant oil and gas producer. In 2025, Montana produced 28 million barrels of oil, a significant increase from 22.5 million barrels in 2023. Operators extracted 93 percent of the state’s oil in Richland, Roosevelt, Fallon, Sheridan, and Powder River counties along the eastern border, where the Williston Basin drives production. Montana natural gas production increased to 51 billion cubic feet in 2025, much larger than the 20 billion cubic feet produced in 2023. Gas

production now reflects two distinct geographies. Conventional natural gas production along the Hi-Line in north-central Montana, centered in Phillips, Blaine, Hill, and Toole counties, has declined for two decades. Associated gas produced from Bakken oil wells in Richland and Roosevelt counties has grown sharply since 2022. Richland and Roosevelt counties now account for 62 percent of statewide gas production.

Table 2 presents the county breakdown.

Montana producers reported \$1.59 billion in oil and \$86.1 million in natural gas gross value at the wellhead in fiscal year 2024, the most recent year for which the Montana Department of Revenue has published figures.

The fiscal impact of oil and gas production

State and county tax collections reflect the ups and downs of the value of oil and gas production. In 2025, oil and gas production tax collections totaled \$118 million, a substantial decline from the \$157 million reported in 2023, which was the highest revenue total since 2015. Of total state revenue collections, about 43 percent went to the Montana general fund, five percent to various other state funds, and about 52 percent went to local distributions. Table 3 shows how communities with significant oil and natural gas operations benefit from these collections.

The economic contribution of oil and gas activity in Montana

We consider the economic contribution of the oil and gas industry to consist of three components:

- Direct effects capture jobs and income generated by oil and gas firms themselves, such as drilling

Table 2: Montana oil and natural gas production, 2025

Oil			Gas		
County	Oil (Barrels)	Percent of Total	County	All Gas (MCF)	Percent of Total
Richland	16,501,173	58%	Richland	23,387,735	46%
Roosevelt	6,454,669	23%	Roosevelt	8,408,072	16%
Fallon	2,147,764	8%	Phillips	5,524,006	11%
Powder River	990,157	3%	Fallon	3,977,064	8%
Sheridan	380,472	1%	Blaine	2,227,268	4%
Rest of State	1,970,024	7%	Rest of State	7,447,934	15%
Total Production	28,444,259	100%	Total Production	50,972,079	100%

Source: Montana Board of Oil and Gas, Production volumes reflect gross wellhead reporting, not marketed production.

crews, refinery workers, and pipeline operators.

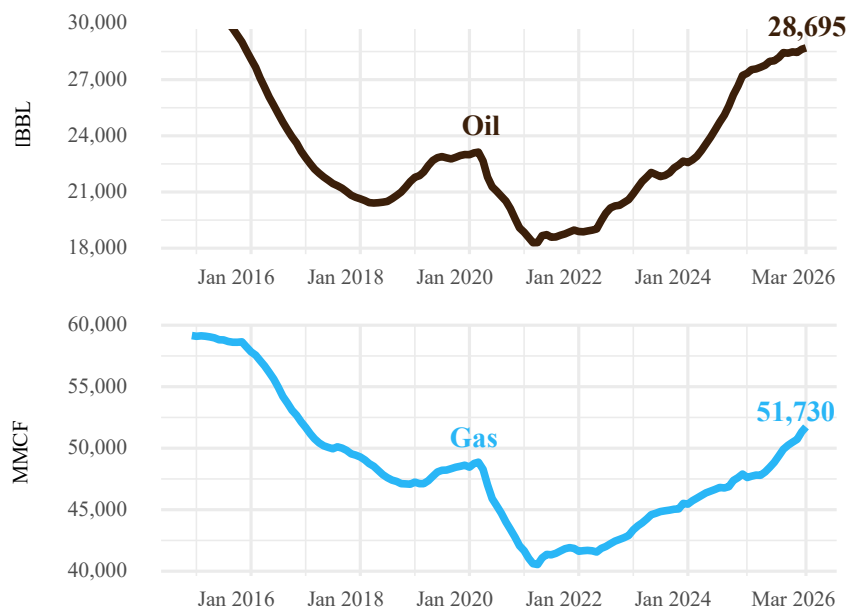
- Indirect effects reflect the spending those firms direct toward their Montana suppliers, such as a drilling company purchasing equipment from a Billings supplier or a refinery contracting local maintenance and repair services.
- Induced effects capture the broader household spending that follows when workers and suppliers spend their paychecks at local grocery stores, restaurants, and healthcare providers, supporting additional jobs and income throughout the state economy.

To define the direct contribution, we adopt a narrow industry definition limiting the analysis to firms in oil and gas extraction, drilling, refining, and distribution, shown in Table 4. This approach ensures the estimates are grounded in industries with a clear and direct tie to oil and gas operations rather than broader energy-adjacent sectors. Together, these industries span the supply chain, from extracting crude oil and natural gas at the wellhead, to processing and refining, and delivery.

The direct economic footprint of the oil and gas industry in Montana is substantial. In 2025, direct operations supported 6,913 jobs, generated \$938 million in labor income, and contributed \$3 billion in value added to the state economy, summarized in Table 5. Labor income here refers to all compensation paid to workers, including wages, salaries, and benefits. Value-added measures the industry's net contribution to gross state product, capturing what the industry produces beyond the cost of its inputs.

Adding indirect and induced effects

Figure 1: Montana Oil and Natural Gas Production, 12-Month Total, 2014-March 2026



Source: U.S. Energy Information Administration: Montana Field Production of Crude Oil, Montana Natural Gas Gross Withdrawals, BBER Analysis

Table 3: Oil and gas production tax collections, 2025

County	Revenue	County Distributions
Richland	\$63,750,004	\$30,262,124
Roosevelt	\$18,598,619	\$8,501,429
Fallon	\$15,063,807	\$6,293,658
Powder River	\$6,008,292	\$3,659,050
Sheridan	\$2,807,684	\$1,347,407
Rest of State	\$11,744,781	\$6,051,758
Total	\$117,973,187	\$56,115,427

Source: Montana Department of Revenue

Table 4: Oil and gas industries included

NAICS 2022	IMPLAN Sector	Description
211**	20	Oil and gas extraction (including NGL extraction)
213111**	30	Drilling oil and gas wells
213112**	31	Support activities for oil and gas operations
2212	43	Natural gas distribution (private and public)
32411	146	Petroleum refineries
486	401	Pipeline transportation

Source: IMPLAN 2024

Table 5: Direct economic contribution of oil and gas operations in Montana, 2025.

Category	Units	Direct Impact
Total Employment	Jobs	6,913
Labor Income	\$ Millions	\$938
Value Added	\$ Millions	\$3,009

Source: IMPLAN, BLS, BBER Analysis

Table 6: Total economic contribution of oil and gas operations in Montana, 2025

Category	Units	Direct	Indirect	Induced	Total
Total Employment	Jobs	6,913	10,856	7,666	25,435
Labor Income	\$ Millions	\$938	\$858	\$440	\$2,235
Value Added	\$ Millions	\$3,009	\$1,538	\$809	\$5,355

Source: IMPLAN, BLS, BBER Analysis

reveals a considerably larger total contribution. The re-spending of oil and gas income through Montana supply chains and households more than doubles the industry's direct footprint, supporting 25,435 total jobs, \$2.2 billion in total labor income, and \$5.3 billion in total value added summarized in Table 6 by impact type.

The oil and gas industry remains one of Montana's most significant economic sectors. Its influence extends well beyond the wellhead. Montana's energy-intensive economy, shaped by its geography, climate, and industrial base, continues to depend on oil and gas for transportation, heating, and industrial production. ■



At ONEOK, we deliver energy products that help advance the communities we serve. And we're committed to supporting those who put their energy to work, making the future bright and prosperous for all.

CORE VALUE: SAFETY & ENVIRONMENTAL

We commit to a zero-incident culture for the well-being of our employees, contractors and communities and to operate in an environmentally responsible manner.





Transforming Montana's energy future

Montana Renewables, a subsidiary of Calumet, has emerged as a national leader in renewable fuel production.

The rise of Montana renewables

By Lanni Klasner, Communications Manager, Calumet/Montana Renewables



MONTANA RENEWABLES™



In the heart of Great Falls, energy innovation is reshaping Montana's landscape and positioning the state as a leader in lower-emissions solutions. Montana Renewables, a subsidiary of Calumet, has emerged as a national leader in renewable fuel production, demonstrating how legacy energy infrastructure can be reimagined to meet evolving market demands, strengthen rural economies, and support American energy security.

From traditional refining to renewable leadership

For over a century, Calumet Montana played a critical role in supplying traditional petroleum products to the region. In recent years, the facility has undergone a strategic evolution. Through significant investment and innovation, part of the refinery has been converted into Montana Renewables, now one of North America's largest producers of renewable fuels.

This transformation reflects a broader

shift within the energy industry: leveraging existing assets, workforce expertise, and logistics networks to convert low-carbon feedstocks into high-value fuel products. Rather than replacing the past, Montana Renewables builds on it, preserving jobs and infrastructure while opening new opportunities.

Today, the operation produces renewable diesel, sustainable aviation fuel (SAF), renewable naphtha, and renewable hydrogen, critical products



Through significant investment and innovation, part of the Calumet Montana refinery has been converted into Montana Renewables, now one of North America's largest producers of renewable fuels.



Today, the operation produces renewable diesel, sustainable aviation fuel (SAF), renewable naphtha, and renewable hydrogen, critical products for sectors like aviation, where scalable alternatives are essential.

for sectors like aviation, where scalable alternatives are essential.

A strategic advantage: Location and feedstocks

Montana Renewables holds a unique competitive advantage rooted in geography and agriculture. Located in a state rich with oilseed crops and agricultural production, the facility benefits from proximity to key low-carbon feedstocks such as beef tallow, canola, and other vegetable oils.

This connection strengthens regional supply chains and creates new markets for Montana farmers. By anchoring renewable fuels production in an agricultural state, Montana Renewables is helping bridge two foundational sectors of the economy: energy and agriculture.

Supporting aviation's next chapter

One of the most compelling aspects of Montana Renewables' growth is its leadership in sustainable aviation fuel. SAF is widely recognized as one of the most viable lower-emissions solutions for aviation, where electrification remains limited in the near term.

Montana Renewables' MaxSAF® has

already reached commercial markets, supporting airlines and federal partners working toward emissions-reduction goals. The company's inaugural SAF blend marked a key milestone, signaling both operational capability and market readiness.

With continued expansion, the facility is positioned to play a critical role in building out a domestic SAF supply, supporting energy security while reinforcing Montana's role in the national fuel mix.

Economic impact in Great Falls and beyond

Beyond its production capabilities, Montana Renewables delivers substantial economic value to Great Falls and the surrounding region. The project has preserved and created high-quality jobs across operations, skilled trades, and engineering roles, while also supporting indirect employment through construction, transportation, and agriculture.

Capital investment tied to the facility's conversion has brought significant resources into the local economy, and ongoing operations contribute to the tax base that supports schools, infrastructure, and public safety.

Equally important is the company's commitment to community engagement. Through partnerships with local schools, workforce programs, and civic organizations, Montana Renewables continues to invest in the region's future, demonstrating that energy development and community strength go hand in hand.

Innovation anchored in practicality

What sets Montana Renewables apart is its pragmatic approach to innovation. The facility focuses on technologies that can be deployed today on a commercial scale using existing infrastructure.

Renewable diesel and SAF are fully compatible with today's engines and fuel distribution systems, enabling adoption without major system changes. This makes them practical, near-term lower-emissions solutions that can be scaled quickly. Our fuels are measurable lower in life-cycle emissions of sulfur, nitrogen, particulates, CO₂, and aircraft contrails.

Additionally, the ability to process a variety of low-carbon feedstocks, including lower-value byproducts, provides flexibility in sourcing and enhances resilience in a dynamic global market.



Montana Renewables' MaxSAF® has already reached commercial markets, supporting airlines and federal partners working toward emissions-reduction goals.



Beyond its production capabilities, Montana Renewables delivers substantial economic value to Great Falls and the surrounding region.

A model for the industry

Montana Renewables offers a compelling case study for the petroleum industry as it continues to evolve. It demonstrates that traditional energy companies can lead in developing lower-emissions solutions while leveraging their existing strengths.

Key elements of this model include:

- Repurposing existing infrastructure to accelerate deployment
- Leveraging workforce expertise to maintain operational excellence
- Integrating with local economies to create shared value
- Focusing on scalable, market-ready technologies

This approach reinforces the importance of an “all-of-the-above” energy strategy—one that supports innovation while maintaining reliability.

Looking ahead

As demand for lower-emissions solutions continues to grow, Montana Renewables is well positioned for the MaxSAF® expansion. Increased capacity and continued investment in SAF production could further strengthen its role in both national and global energy markets.

At the same time, the company remains firmly rooted in Montana, showing that the future of energy can be built alongside, and in partnership with, rural communities.

Montana Renewables represents more than a single facility; it reflects a forward-looking vision for the petroleum industry. By combining legacy expertise with modern innovation and the use of low-carbon feedstocks, it is helping redefine energy development in the 21st century.

For the Montana Petroleum Association, this story highlights how Montana continues to meet energy needs while advancing practical, scalable lower-emissions solutions—fueling progress locally and across the nation. ■



Air Permitting/Compliance

Carbon Management

www.gallo-solutions.com

Built to last

The Phillips 66 Billings Refinery's 75-year legacy

By Janet Hardy, Phillips 66,
Public Affairs



BILLINGS REFINERY



Top: The refinery's company lineage connects Billings to a deeper Western energy history. Inset: When the Billings Refinery was built in 1949, Montana and the broader Rocky Mountain region were in a time of post-war growth.

For more than 75 years, the Phillips 66 Billings Refinery has been part of Montana's industrial backbone, helping supply the fuels that keep the state moving while growing alongside the community it calls home. Built in 1949 by Continental Oil and Transportation Co., the refinery began as a modest 7,500-barrel-per-day facility. Today, it is a modern energy manufacturing site in Billings with a much broader reach, connected to terminals, pipelines, and branded retail stations across Montana and the surrounding region. In many ways, that legacy reflects Phillips 66's mission of "Providing Energy. Improving Lives." and its vision to be the leading integrated downstream energy provider.

That long history matters in Montana, where distance, weather and geography make dependable fuel supply more than a convenience. It is a necessity for agriculture, industry, emergency response, aviation and the daily routines of families and businesses. The Billings Refinery has evolved over time to meet those needs, and its story is also the story of a company that has maintained a visible presence in the state not only through refining and transportation infrastructure, but also through the familiar Conoco brand seen at retail locations across the state.

Built in Billings, built to grow

When the Billings Refinery was built in 1949, Montana and the broader

Rocky Mountain region were in a time of post-war growth. The original plant was designed for 7,500 barrels per day, but it did not stay small for long. In 1956, a gasoline catalytic reformer was added and capacity expanded to 10,000 barrels per day. In 1963, the addition of further gasoline-producing units with a new reformer and HF alkylation unit increased crude capacity to 32,000 barrels per day. Four short years later, crude capacity had expanded again, reaching 52,000 barrels per day. Further growth periods include the Coking unit in 1992, which allows the refinery to process heavy crude oil and numerous investments over the last 20 years to remove sulfur from the gasoline and diesel to meet ever-changing production,



Inset: The Billings Refinery is the center of Phillips 66 operations in Montana, but it is not the whole story.

Currently, the plant averages a total throughput at 71,000 barrels per day, with a gasoline capacity at 37,000 barrels per day and distillate capacity at 31,000 barrels per day.

as well as increasing environmental standards.

Those milestones reflect more than engineering upgrades. They show how the refinery adapted as fuel demand increased and transportation systems became more complex. What began as a local refinery grew into a strategic asset for the region, one capable of serving Montana while also reaching Washington, Idaho, Wyoming, Colorado, and Utah through pipeline and terminal connections.

The refinery's company lineage also connects Billings to a deeper Western energy history. Continental Oil and Transportation Co., founded in 1875 in Ogden, Utah, later became Continental Oil Co., or Conoco, after a 1929 merger with Marland Oil. Decades later, the 2002 merger of Conoco and Phillips Petroleum formed ConocoPhillips, and in 2012, Phillips 66 began trading as an independent energy manufacturing company with leading businesses in refining, midstream, chemicals, marketing, and specialties. That lineage helps explain why the Conoco brand still carries strong recognition today, including in Montana.

A modern refinery on the Yellowstone

Today, the Phillips 66 Billings Refinery sits on about 270 acres along the Yellowstone River. It processes primarily high-sulfur Canadian crude delivered by pipeline, with smaller volumes of local crude brought in by truck and field butane arriving by truck and rail. The refinery's process units include crude units, a vacuum unit, a fluid catalytic cracker, an alkylation unit, hydrogen plants, reformers, hydrotreating units, and a coking unit.

The refinery primarily makes gasoline and diesel, while also producing jet fuel, avgas, propane, and fuel-grade petroleum coke. Currently, the plant averages a total throughput at 71,000 barrels per day, with a gasoline capacity at 37,000 barrels per day and distillate capacity at 31,000 barrels per day.

The facility is also home to Jupiter Sulphur, a joint venture that manufactures fertilizers and mining from byproducts of the refining process. It is another way the Billings site supports other businesses and makes use of more than one part of its operation.

Beyond the refinery fenceline

The Billings Refinery is the center of Phillips 66 operations in Montana, but it is not the whole story. Its Montana footprint as spanning refining and midstream, with assets that include crude and refined-product terminals, as well as pipeline infrastructure that helps move energy safely and efficiently across long distances.

The company has finished product terminals in Billings, Bozeman, Helena, Great Falls, Missoula, and Thompson Falls, along with crude terminals in Cutbank, Buffalo, Roundup, and Billings. These terminals support deliveries to retail stations, airports, and connecting pipelines, while also providing feedstock flexibility and storage that help keep the refinery system running reliably.

Pipelines are an equally important part of the Montana network. The Glacier Pipeline, operated by Phillips 66 as majority owner, originates in Canada and delivers up to 105,000 barrels per day of crude, primarily to Phillips 66 and third-party shippers, with connections to terminals in Cutbank, Buffalo, Roundup, and Billings. The Yellowstone Pipeline, in which Phillips 66 holds a majority



Refinery employees logged 4,600 volunteer hours in the community in 2025, \$590,000 in matching grants and charitable contributions to non-profits, and \$82,000 in United Way of Yellowstone County contributions.

The refinery's community role also shows up in education, giving, and volunteerism. Phillips 66 focuses its giving in four key areas: Education Equity, Safety and Well-Being, Environment, and Social Advancement. Refinery employees logged 4,600 volunteer hours in the community in 2025, \$590,000 in matching grants and charitable contributions to non-profits, and \$82,000 in United Way of Yellowstone County contributions.

Safety is another point of pride. The plant received AFPM Elite Silver Safety Awards in 2016, 2018, 2020, and 2024, as well as the Elite Gold Safety Award in 2021 and 2025, recognition reserved for the top five percent to 10 percent of facilities in the United States. The site is also recognized by OSHA as a Voluntary Protection Program site.

The Conoco brand and Montana's retail connection

For many Montanans, Phillips 66 is not encountered first through a refinery gate or a pipeline map. It is met at a retail fuel station. That is where the company's marketing presence under the Conoco brand becomes especially visible.

Currently the company has 364 branded stores in the state, representing 34 percent of Montana's branded total and ranking number-one in branded market share. Those stores account for 220-million gallons in branded store sales, while terminals handled 350-million total gallons sold. In other words, the company's Montana footprint does not end when fuels leave Billings. It continues all the way to the consumer-facing forecourt through a broad branded network under the Conoco

ownership position, moves gasoline, diesel, and jet fuel from the Billings Refinery west through Montana and on to Moses Lake, Washington. The Seminole Pipeline, fully owned by Phillips 66, carries gasoline and diesel from Billings to Sinclair, Wyoming, with access to the Salt Lake City and Denver markets.

Together, those assets make the Montana operation much more than a single manufacturing site. They form an integrated system that supplies local markets, supports regional logistics, and strengthens energy reliability for communities across the state. Pipelines are the safest and most efficient way to transport energy products and help reduce truck traffic and emissions compared with moving equivalent volumes over the road.

The scale of Phillips 66's Montana presence is significant. With nearly 415 employees across Billings refinery, midstream and corporate functions, along with 150 contractors, \$64 million in annual payroll, \$38 million in property taxes and nearly \$749,000 in charitable contributions in 2025. Additionally, they have \$1.2 billion in annual sales value flowing through Montana.

Rooted in the Billings community

The Billings Refinery has also spent decades building relationships beyond its operations. One of the clearest examples is the Citizens Advisory Committee, or CAC, which was established in 1990 to foster communication and understanding between the refinery and the community. The CAC is a forum where citizens and company representatives can discuss plant operations, community concerns, current business conditions, and opportunities for collaboration.

Over time, that commitment to dialogue has shaped both community engagement and practical outcomes. The CAC also provided feedback on risk management communications and community-wide planning efforts, reinforcing the idea that industrial operations and community trust must go hand-in-hand. A highlight of this relationship is the annual Meet in the Park event, held each September at South Park in Billings. The event brings together about 600 community members and refinery representatives for food, fun, and camaraderie.



logo. There is also an emerging presence of the companies Phillips 66 and 76 brands.

This marketing presence translates industrial scale into everyday reliability. The refinery produces fuel. The pipeline and terminal system moves it. The branded retail network makes it accessible to drivers, families, farm operators, commercial fleets, and travelers crossing Montana's wide-open spaces. It is an integrated chain, and the gas station brand is the part most visible to the public.

The brand itself also has deep historical roots. Conoco's predecessor traces back to the 19th century, and by the early 1920s, more than 250 service stations sold Continental gasoline. That long evolution helps explain why the Conoco name still resonates in the West. In Montana, it represents not just a retail banner, but the downstream face

of a broader network that begins with crude supply, runs through Billings, and reaches customers statewide.

Still making Montana history

The most useful way to think about the Phillips 66 Billings Refinery is this: it is both historic and current at the same time. Its origins go back to 1949 and a very different era in Montana industry. Yet its present-day role is defined by modern processing units, pipeline connectivity, community partnerships, evolving safety standards, and a statewide-branded marketing presence that keeps the company visible to consumers every day.

More than 75 years after the first barrels were processed in Billings, the refinery remains a valuable asset to Phillips 66 and to Montana. It supports jobs, tax base, regional fuel supply,

and charitable investment. It links Montana production and transportation systems to a larger Rocky Mountain and Northwest market. And under the Conoco brand, it continues to meet Montanans where they live and drive, extending the company's presence well beyond the refinery fence line.

That combination of history, scale, and local connection is what gives the Billings Refinery its enduring significance. It is a story of continuity, adaptation, and service to a state that still depends on strong infrastructure and reliable energy. In that sense, the Phillips 66 Billings Refinery is not just part of Montana's past. It is still helping shape Montana's future while carrying forward the company's mission of Providing Energy. Improving Lives., and its vision to be the leading integrated downstream energy provider. ■



Petro-Hunt, L.L.C. Oil and Gas

Exploration and Production
400 E. Broadway, Suite 414
Bismarck, ND 58501
701-258-1557

*Grounded in the past,
Focused on the future,
Committed to responsible energy development.*

Petro-Hunt, L.L.C. has been active in Williston Basin oil and gas exploration and production for over 70 years. We are proud to support MPA and all they do to support and defend the oil and gas industry.



HydroSolutions

Consulting Scientists and Engineers

WATER RESOURCES | HYDROLOGY | WATER RIGHTS

PRACTICAL ENVIRONMENTAL SOLUTIONS FOR MONTANA



SERVICES



HYDROGEOLOGY



GROUNDWATER MODELING



WATER RIGHTS



SOIL & WATER SAMPLING



MONITORING WELLS



ENVIRONMENTAL COMPLIANCE

HELENA | BILLINGS, MONTANA



406-443-6169



hydrosi.com



Communications Inc.

THE KEY TO PUBLISHING SUCCESS.

SUITE 300, 6 ROSLYN ROAD, WINNIPEG, MANITOBA, CANADA

www.delcommunications.com

WE OFFER OUTSTANDING PERSONAL SERVICE AND QUALITY IN THE AREAS OF:

- Trade Publications (Magazines & Directories)
- Qualified Sales & Editorial Team
- E-Newsletters • Websites
- Online Directories
- Creative Design • Advertising Sales



Federal climate policy reforms affecting oil and gas operations



By Bret Gallo, Gallo Solutions, LLC

Federal climate policy affecting the oil and gas industry is entering another period of transition during the second Trump administration. While the core federal environmental statutes governing energy development remain unchanged, federal agencies retain substantial discretion in how those statutes are interpreted, implemented, and enforced.

As a result, changes in administration priorities can significantly influence environmental review procedures, permitting timelines, infrastructure approvals, and implementation of climate-related regulatory programs affecting the oil and gas industry.

These policy shifts may affect the industry across the entire value chain, including upstream production, midstream transportation infrastructure, and downstream refining and processing operations.

At the same time, federal policy changes do not occur in isolation. State governments continue to play a significant role in environmental regulation, and litigation frequently determines whether federal regulatory changes ultimately remain in effect.

For stakeholders across Montana and the broader western United States, understanding the current policy landscape requires examining not only recent federal actions, but also the legal and political uncertainty surrounding those actions.

Federal environmental statutes remain in place

Although federal administrations can change regulatory priorities, the primary environmental statutes governing oil and gas development remain established in federal law unless congress amends them.

These statutes include the Clean Air Act, Clean Water Act, and National Environmental Policy Act (NEPA). These laws establish the framework for federal environmental regulation, including air emissions controls, water protection requirements, and environmental review of major federal actions.

Because these statutes were enacted by congress, the

executive branch generally cannot eliminate them through executive action alone. Instead, policy changes typically occur through agency rulemaking, guidance documents, enforcement priorities, and administrative interpretation of statutory authority.

This distinction is important when evaluating climate policy changes. Even where agencies revise or reconsider regulatory programs, the underlying statutory authority generally remains in place unless congress acts.

Executive actions and federal climate policy

The second Trump administration has pursued a series of policy initiatives intended to reshape federal climate and energy policy. Many of these initiatives have emphasized domestic energy production, infrastructure development, and permitting efficiency.

Several federal agencies have initiated reviews of climate-related regulatory programs developed during prior administrations. These efforts have included reconsideration of greenhouse gas (GHG) regulations, climate-related permitting analysis, and broader federal energy policy initiatives.

One of the most consequential actions occurred in 2026 when the EPA finalized rescission of the 2009 GHG Endangerment Finding for motor vehicles and motor vehicle engines under Clean Air Act section 202(a). That finding had previously served as a legal prerequisite for the EPA regulation of GHG emissions from new motor vehicles and engines under that section of the Clean Air Act.

Supporters of the rescission argued that the action would reduce regulatory burdens and restore regulatory authority to congress and the states. Critics argued that the rescission conflicts with established scientific findings and undermines long-standing federal climate programs.

Regardless of perspective, the action represents one of the most significant shifts in federal climate policy in more than a decade and is expected to remain subject to legal challenge.

NEPA, permitting, and infrastructure development

One of the most significant areas of policy change affecting the energy industry involves environmental review under NEPA.

NEPA requires federal agencies to evaluate environmental impacts before approving major federal actions. This requirement often applies to projects involving oil and gas development on federal lands, interstate pipelines, rights-of-way across federal property, export infrastructure, and certain energy infrastructure permits.

In recent years, some environmental reviews expanded to include broader climate considerations, including lifecycle GHG emissions and cumulative climate impacts associated with energy development. Critics of expanded climate analysis requirements have argued that increasingly complex environmental reviews have contributed to longer permitting timelines for some energy and infrastructure projects, sometimes extending project review over multiple years. Supporters contend that broader climate review is necessary to fully evaluate long-term environmental impacts before federal approvals are issued.

The current administration has moved to streamline federal permitting and narrow the scope of climate-related analysis used in some federal reviews. For example, the Council on Environmental Quality (CEQ) withdrew its 2023 interim NEPA guidance on consideration of GHG emissions and climate change in 2025. In 2026, the CEQ also finalized removal of its NEPA implementing regulations, placing greater responsibility on individual federal agencies to implement NEPA consistent with the statute and applicable court decisions.

The U.S. Supreme Court has also recently addressed NEPA scope. In *Seven County Infrastructure Coalition v. Eagle County*, the court concluded that NEPA requires agencies to focus on the environmental effects of the project at issue and rejected a requirement that the agency analyze upstream and downstream projects that are separate in time or place from the project under review. That decision may affect how federal agencies and courts evaluate climate-related arguments in future infrastructure reviews.

For Montana and neighboring states, permitting timelines remain an important issue because many projects involve federal lands, federal mineral ownership, federal rights-of-way, or interstate and international infrastructure approvals.

Recent regional infrastructure developments illustrate the continuing importance of federal permitting authority. In 2026, a proposed cross-border crude oil pipeline project involving facilities at the U.S.-Canada boundary in Phillips County, Montana received a presidential permit. That example

highlights the role federal approvals can play in regional energy transportation infrastructure, even where additional federal, state, or local approvals may still be required before construction or operation.

Methane regulation continues to evolve

While much public attention has focused on potential regulatory rollbacks, several climate-related regulatory programs affecting the oil and gas industry remain in place and continue to be implemented by federal agencies.

One example is the EPA's April 2026 guidance memorandum addressing implementation of the New Source Performance Standards for Crude Oil and Natural Gas Facilities under NSPS Subpart OOOOb. The memorandum provided clarification regarding the EPA's interpretation of associated gas and routine flaring provisions contained within the rule framework.

Among other issues, the guidance discussed circumstances in which flaring may result from conditions outside an operator's direct control, including disruptions or limitations affecting downstream gas gathering, processing, or transportation infrastructure. The EPA described the guidance as clarifying that current federal regulations allow routine flaring of associated gas at new oil wells in limited circumstances after the May 7, 2026 phase-out deadline.

The memorandum illustrates a broader characteristic of federal climate and methane policy. While much attention is often focused on whether regulations are expanded or reduced, agency guidance can significantly influence how existing regulations are implemented in practice.

As a result, the practical impact of climate-related regulations is often shaped not only by the text of the regulations themselves, but also by subsequent agency guidance, implementation memoranda, enforcement priorities, and judicial review.

Federal lands and western energy development

Federal land policy remains especially important across many western energy-producing states, including Montana.

The Bureau of Land Management manages extensive federal mineral acreage and oversees oil and gas leasing and development on federal lands. Policy changes affecting lease sales, permitting procedures, and environmental review can directly influence future development opportunities.

Recent federal policy discussions have emphasized increasing domestic energy production and reducing barriers to infrastructure development. However, federal land management decisions frequently remain subject to litigation and judicial review, particularly where environmental review and climate impacts are involved.

For Montana stakeholders, these issues intersect with broader state-level discussions regarding environmental review, climate policy, infrastructure development, and natural resource production.

Montana-specific considerations

Montana has become increasingly visible in national climate policy discussions following the *Held v. Montana* litigation.

In 2024, the Montana Supreme Court affirmed a lower court decision concluding that Montana statutory limitations that prevented agencies from considering GHG emissions in environmental reviews violated the Montana Constitution's right to a clean and healthful environment. The court affirmed an injunction against the unconstitutional provisions.

Although *Held* involved state constitutional law rather than federal climate policy, the case demonstrates how climate-related litigation can influence permitting and environmental review requirements independent of federal action. As a result, regulatory and permitting obligations may continue to evolve even if federal climate policy shifts in a different direction.

At the same time, Montana continues to play an important role in regional energy transportation infrastructure, including crude oil pipelines and interstate energy systems that require coordination among state, federal, and international regulatory authorities.

Climate litigation and federal versus local authority

In addition to federal regulatory changes, courts across the United States are increasingly being asked to determine the extent to which states and local governments may pursue climate-related actions affecting the oil and gas industry.

Several of the most closely watched cases involve lawsuits brought by local governments seeking damages from oil and gas companies for alleged climate-related impacts. These cases have raised broader legal questions regarding whether climate change and GHG emissions should be addressed primarily through federal law and national policy, or whether state and local governments may pursue their own legal remedies under state law.

The resulting judicial decisions have been mixed.

In *Board of County Commissioners of Boulder County v. Suncor Energy USA, Inc.*, Boulder County and the City of Boulder brought climate-related claims against several oil companies under Colorado state law. The defendants argued that climate change involves interstate and international emissions issues that fall under federal authority and are

therefore preempted by federal law. However, the Colorado Supreme Court allowed the lawsuit to proceed in state court, concluding that the plaintiffs were pursuing state-law tort claims rather than directly regulating GHG emissions. In 2026, the U.S. Supreme Court agreed to review the case, making it potentially significant for similar climate litigation nationwide.

Similarly, in *Sunoco LP v. City and County of Honolulu*, Hawaii courts allowed climate-related claims filed by Honolulu to continue under state-law theories. The U.S. Supreme Court denied certiorari in January 2025, leaving the Hawaii Supreme Court's decision in place and allowing the Honolulu litigation to proceed.

By contrast, the outcome in Maryland differed substantially. In climate-related lawsuits brought by Baltimore, Annapolis, and Anne Arundel County, the Supreme Court of Maryland concluded that federal law preempted state-law claims involving interstate GHG emissions and global climate impacts. The court reasoned that applying Maryland law to injuries allegedly caused by global emissions would exceed the state's authority and intrude into matters governed by federal law.

Collectively, these cases highlight a fundamental unresolved question in U.S. climate policy: whether climate change should primarily be addressed through national regulatory programs established by congress and federal agencies, or whether states and local governments may pursue independent legal remedies through their own courts.

For stakeholders across the energy sector, the litigation highlights an additional layer of uncertainty beyond federal rulemaking itself. Regulatory expectations may continue to evolve not only through agency actions and future administrations, but also through ongoing judicial decisions regarding the proper role of federal, state, and local authority in addressing climate-related issues.

Litigation and regulatory uncertainty

One of the most significant factors affecting the future of federal climate policy is litigation.

Many climate-related regulatory changes implemented by prior administrations were challenged in federal court, and current policy revisions are expected to follow a similar path. Environmental organizations, states, local governments, and industry groups may all challenge agency actions depending on the direction of the policy change.

These legal challenges may ultimately determine whether some federal regulatory changes remain in place, are modified, or are reversed. As a result, regulatory certainty may remain limited for both industry participants and regulators while courts evaluate the legality of agency actions.

State climate policies continue to evolve

Even if federal climate policy priorities change, states continue to maintain substantial authority over environmental regulation.

Under the Clean Air Act, many air quality programs are implemented by state regulatory agencies operating under federally approved State Implementation Plans. States may also adopt requirements that exceed federal minimum requirements, provided they remain consistent with applicable law.

Some states have adopted climate-related policies that exceed federal minimum requirements, including methane regulations, GHG reporting programs, and broader climate planning initiatives.

Consequently, regulatory requirements affecting the oil and gas industry may increasingly vary between states, even when federal policies shift. This divergence may create a more complex regulatory environment for companies operating across multiple jurisdictions.

Policy uncertainty beyond the current administration

Another factor shaping federal climate policy is the limited time horizon associated with presidential administrations.

With less than three years remaining in the current presidential term, future administrations may revisit or reverse current regulatory actions. Judicial decisions, congressional action, and future agency rulemakings may also alter the direction of federal climate policy.

Many recent climate policy initiatives, across multiple administrations, have been implemented through executive orders, agency rulemakings, and administrative guidance rather than through legislation enacted by congress.

Policies implemented primarily through executive authority can often be advanced more quickly than legislation, but they may also be more vulnerable to reversal by subsequent administrations. Because executive orders and administrative policies generally do not require congressional approval, future administrations may also modify or rescind them using similar executive authorities.

As a result, federal climate policy in the United States has frequently evolved through cycles in which policies are adopted, revised, rescinded, and sometimes reinstated by later administrations.

Long-term regulatory stability generally occurs when policies are enacted through legislation passed by congress, because statutory changes typically require new legislation to reverse.

For stakeholders across the energy sector, including industry participants, regulators, environmental organizations,

contractors, and communities, this dynamic can create uncertainty regarding long-term regulatory expectations and infrastructure planning.

Investment certainty and long-term planning

For capital-intensive industries such as oil and gas production, pipelines, gas processing facilities, and refining operations, regulatory certainty often plays a significant role in long-term investment decisions.

Many energy projects are planned and financed over periods measured in decades rather than election cycles. As a result, companies frequently evaluate not only current regulatory requirements, but also the potential for future policy changes that could affect project economics, permitting requirements, or operating costs.

The uncertainty created by ongoing litigation, evolving agency interpretations, and changing administrative priorities can influence investment decisions regardless of the specific policy direction being pursued. While stakeholders may disagree about particular climate policies, most share an interest in predictable regulatory frameworks that allow long-term planning and informed decision-making.

For Montana and other energy-producing states, the ability to balance environmental protection, regulatory certainty, and economic development will likely remain an important consideration as climate policy continues to evolve.

Conclusion

Federal climate policy affecting the oil and gas industry is continuing to evolve during the second Trump administration. Recent actions involving permitting reform, GHG regulation, methane implementation guidance, and energy infrastructure policy may significantly influence how projects are reviewed and developed across the upstream, midstream, and downstream sectors.

At the same time, existing environmental statutes remain in place, state-level climate policies continue to develop, and many federal policy changes are expected to face litigation and judicial review.

For Montana stakeholders, the intersection of federal policy shifts, state environmental litigation, federal lands management, and energy infrastructure development will likely continue shaping the regulatory landscape affecting the oil and gas industry in the years ahead.

While the direction of federal climate policy may continue to shift between administrations, the broader legal, regulatory, and political debates surrounding energy development and climate policy are likely to remain central issues for both industry and regulators for the foreseeable future. ■

Electric current on pipelines – good and bad

By Rod Weber, AMPP CP4, Cathodic Protection Specialist, CHS Pipelines & Terminals



Pipeline rectifier.



Graphite anodes ready for installation.



Above-grade enclosures of AC mitigation PCR and RMU.

Direct current (DC) is used to cathodically protect pipelines in order to control corrosion for two important reasons.

1. Cathodic protection is a best practice that extends the useful life of the pipeline by significantly reducing corrosion on the external surface of buried or submerged steel pipe and steel-tank bottoms in contact with soil. Cathodic protection DC is the good current when it comes to pipelines.
2. Cathodic protection is required by code of federal regulations, CFR 195, Subpart H for regulated hazardous liquids pipelines and CFR 192, Subpart I for natural gas pipelines.

Alternating current (AC) is the all-important energy that powers practically everything and makes our modern lifestyles possible. For all the good things it does for society, AC serves no useful purpose when flowing on a pipeline and in fact can cause corrosion of the pipe, as well as pose a safety hazard to pipeline personnel. Where pipelines are concerned, AC is the bad electric current.

The purpose of this article is to give a brief introduction to cathodic protection and discuss how AC can find its way onto pipelines and how pipeline operators mitigate AC.

Cathodic Protection (CP)

Pipelines, or any steel, buried in soil or submerged in water corrode due to current flow from electrochemically active areas (anodic areas) to less active (cathodic) areas. Galvanic CP uses galvanic anodes made of materials such as magnesium or zinc which are more electrochemically active than steel. The galvanic anodes are buried in proximity to the pipeline and connected to the pipeline by wire. Direct current flows through the anode wire to the pipeline providing the steel atoms of the pipe wall with a surplus of electrons which make the entire pipe surface in the area a cathode, thereby stopping the corrosion process. The pipeline is protected and the galvanic anode is sacrificed over time.

Impressed current CP differs from galvanic CP in that a DC power source, typically a rectifier, is used to power or impress the current onto a string of conventional or deep anodes. Impressed current anodes are made of materials such as graphite, high-silicon iron, and other alloys that have the ability to discharge current for long periods of time before being fully consumed. Impressed current systems are most often used for pipelines with a higher CP current demand than what galvanic anodes can provide.

Rectifiers are square-shaped, painted, or galvanized boxes or cabinets often mounted on poles underneath or near powerlines. We often drive past rectifiers on highways and county roads without noticing them or what they do. When you see one you can bet that there is a pipeline or other underground steel structure being protected in the area. What rectifiers do is take AC from commercial power and being true to their name, rectify the AC turning it into DC (the good pipeline current), which powers the anodes and provides cathodic protection to the pipe.

AC on pipelines

There are three ways that AC finds its way on to pipelines:

- Inductive coupling occurs when an underground pipeline is parallel to an overhead high-voltage AC power transmission line. The magnetic field that radiates outward from the transmission line cuts across the buried pipeline and induces an AC voltage onto it. The most common way for AC to get on pipelines is inductive coupling.
- Capacitive coupling occurs when pipe is welded and strung above ground on skids in AC transmission corridors. In this case, the coated pipe acts like a capacitor storing the voltage from the transmission line magnetic field.
- Resistive coupling is a rare event caused by fault currents on the AC transmission line traveling to ground and directly affecting the pipeline. High AC voltages can stress and damage the pipeline coating and cause severe damage to the pipe wall.

The first concern with AC on pipelines is the safety of operating personnel. Industry has established a maximum safe touch potential of 15 volts. This level of voltage has been rare on our pipeline system. 15 volts and more can be induced when several factors are met or exceeded. Powerline phase to

ground maximum fault current, phase-to-phase voltage and load current, shorter distance between pipe and overhead conductors, coating quality of the pipeline, resistivity of the soil between the pipeline and the powerline towers.

AC pipeline corrosion can occur at voltages less than 15 volts. Many factors are computer modeled to establish where and how much mitigation will be required to bring down the AC voltage levels on the pipeline. The goal is to achieve both a safe AC voltage and minimize the potential for AC current to cause pipe wall loss or coating damage.

Mitigation of pipeline AC

The challenge is to give the induced AC a path to ground or a return path back to the transmission powerline it originated from without losing the protective DC cathodic protection that the pipeline must have. This is done by trenching or plowing in a copper or zinc mitigation cable parallel to the pipeline and normally between the pipeline and overhead AC powerline.

A solid state device known as a decoupler or PCR is connected between the pipeline and the mitigation cable. The PCR provides a low impedance path for the AC current to flow off the pipeline and out through the mitigation cable while simultaneously blocking the DC cathodic protection current from leaving the pipeline. Remote monitoring units (RMUs) can be setup to ensure pipeline AC current densities are minimized and will not lead to corrosion and that safe pipeline touch potentials are present.

Pipelines will continue to add AC mitigation systems due to increasing demand on the electrical grid with new transmission systems being built or capacity expanded. Shared utility corridors with pipelines and overhead power transmission lines will continue to be a challenge for operators. ■



MPA

montanapetroleum.org

Montana Petroleum Association Annual Meeting, Golf Tournament (members only), Fishing Tournament (members only), and Petroleum Industry Appreciation Day Luncheon August 31, September 1-2, 2026, Doubletree Hotel in Billings, MT.

The Montana Petroleum Association, Inc. is an expanding non-profit, voluntary trade association, made up of more than 150 diverse members; including upstream, midstream, and downstream companies.

Key drivers of property tax valuations in Montana's oil and gas industry

By KE Andrews

Most equipment in Montana's oil patch is valued using what is called the cost approach.

In Montana, the property tax that oil and gas operators pay lands mostly on equipment. Production itself runs through the state's oil and gas production tax, so what's left on the property tax side is the tangible iron in the field: pumping units, tanks, separators, compressors, and everything else it takes to keep a lease running.

Valuing that equipment is one of the trickier corners of property tax, and the methodology can leave operators paying more than the economics of a property would suggest. Here's a look at why equipment valuation is so hard to get right, and where the gaps tend to show up.

How the cost approach works

Most equipment in Montana's oil patch is valued using what is called the cost approach. The logic runs like this:

calculate what it would cost to put the equipment in place today, then reduce that figure for wear and age. The working formula is as follows:

Assessed value = Historical cost × trending factor × percent good

Historical cost is the original installed cost, or what the operator actually paid to put the equipment in service. The trending factor updates that older cost into today's dollars, since a tank installed in 2012 would cost more to install now. Percent good accounts for depreciation, the share of value that's left after years of use.

Multiply the three together and the result is the assessed value. While the math is quite simple, the complexity is that each input carries judgment calls, and a small choice in any of them can

swing the final value in a meaningful way.

What counts and what doesn't

One of the first challenges shows up before any math happens: deciding what's even taxable. Not everything on a site belongs on the tax roll. Some equipment qualifies for exemptions, such as pollution control property. Other value isn't tangible equipment at all. It's intangible, tied to things like contracts or the going concern of the business, and intangible value generally shouldn't be taxed as equipment.

Drawing those lines is harder than it sounds. The same dollar of value can look taxable to an assessor and exempt or intangible to an operator, and the categories blur. When intangible value gets folded into the equipment figure, or when an exemption gets missed, the

What an operator paid to install equipment years ago doesn't always reflect what that equipment is worth today, especially for specialized gear or assets in a field that's past its prime.

assessment climbs without anything physical changing on the property.

Historical cost versus what it's worth today

The cost approach leans heavily on historical cost, but historical cost and current market value are two separate measures. What an operator paid to install equipment years ago doesn't always reflect what that equipment is worth today, especially for specialized gear or assets in a field that's past its prime.

Trending factors are meant to bridge that gap by updating old costs to current dollars. What trending factors don't capture is whether the equipment is still worth that much in the real market. A trending factor will faithfully inflate the cost of a piece of equipment that, in practice, no buyer would pay much for. The number on paper keeps rising even as the actual value drifts the other direction. This is where obsolescence adjustments come into play.

Obsolescence, the adjustment that gets shortchanged

The cost approach is intended to include adjustments for obsolescence, the loss in value that comes from more than physical wear. There are generally two categories of obsolescence:

- Functional obsolescence covers equipment that's outdated or no longer efficient.
- Economic obsolescence (sometimes called external obsolescence) covers value lost to forces outside the equipment itself: weak commodity

prices, declining production, or a market that no longer supports what the asset was built to do.

Economic obsolescence is often understated in oil and gas assessments. It's harder to measure than physical wear, and it entails looking past the equipment to the economics of the property it serves. When prices are soft and a field is winding down, the equipment is worth less than its age alone would suggest. If that reality isn't built into the value, the assessment stays high while the property's actual worth falls, and operators end up taxed on a value the market wouldn't pay.

The depreciation and reserve depletion mismatch

This leads to one of the most overlooked problems in oil and gas equipment valuation: a mismatch between how equipment depreciates on paper and how fast the reserves underneath it actually run out.

Percent good schedules often assume equipment retains significant value for a decade or more, with some Montana oil and gas machinery schedules extending to roughly 15 years before reaching a residual value floor. That's a fair assumption for a lot of industrial gear, but it's a poor one for equipment tied to a depleting resource. The pumping unit and tanks on a well only hold value as long as the well keeps producing. If the reserves deplete in, say, eight or 10 years, the equipment is effectively stranded long before the depreciation schedule says it should lose its value.

In some mature or rapidly declining

fields, reserve depletion may occur faster than standard depreciation schedules would imply. The result is a value that holds up on paper well after the economics have moved on. The schedule keeps the assessment high, while the asset that justified it is already on its way out.

When the tax outpaces the revenue

Stack these issues together and a pattern emerges. Intangibles that creep onto the roll, historical costs that outrun market value, understated obsolescence, and depreciation schedules that ignore how fast reserves run dry all push in the same direction: assessments that stay higher than the property can support.

For a producing asset, that creates real pressure. Production declines over the life of a well and revenue declines with it. If the assessed value and the tax bill don't fall in step, the tax burden starts to outpace what the property brings in. A well that paid its tax comfortably in its early years can find that tax taking a bigger bite as production fades.

Understanding the cost approach means understanding the inputs that drive the value. It takes a team that handles these valuations year after year and recognizes where the methodology tends to overstate the value.

KE Andrews has spent years helping oil and gas operators work through equipment valuations like these, catching the adjustments that get overlooked and keeping assessments in line with the real economics of a property. ■

Kansas farm boy to Rocky Mountain geologist

Honoring Keith Mohl

By Kelly Coleman, Hancock Enterprises, and
Greg Mohl, Independent Geologist/Geophysicist



Keith Mohl.



Keith and Marlene.

Keith Mohl grew up in Russell, Kansas, in an era of party-line telephones where everyone knew everyone's business.

"Our number was 671," Keith remembers with a smile. "Every time you picked it up, somebody was already on the line."

An only child raised on a small farm, he moved into town for kindergarten, attended the local six-grade school near the Union Pacific Railway, and later played football, basketball, track, and American Legion baseball. A good student (roughly 14th to 15th in a class of about 400), he received a football scholarship to Kansas State University.

His college studies began in

engineering but switched to geology after taking a historical geology class that ignited a lifelong passion. Keith graduated in 1956 from Kansas State University in Geology and Earth Science. He married his high school sweetheart, Marlene, on June 1, 1955. He had been in Air Force ROTC, switched to Army ROTC, then dropped out and received a draft notice. Fortunately, Marlene was expecting their first son, Jim (born 1957), which earned him a deferment.

His career launched with characteristic serendipity. Driving his new 1955 Ford to Tulsa, Oklahoma, he parked on the street, entered the first bank building he saw, and spotted Amerada Petroleum Corporation at the top of the directory.

After a two-hour interview with the chief geologist, he was hired on the spot. Amerada had just discovered oil in the Williston Basin, North Dakota, and needed someone immediately when their geologist took family leave. After changing a flat tire in the June Tulsa heat in the wool suit he got married in, Keith and Marlene consulted a library map to locate Williston before making the adventure to North Dakota finding it just miles from the Canadian border. Marlene's only question being "do they have doctors there?"

He spent 11 years with Amerada; just under four in North Dakota, four in Billings, Montana; and four in Casper, Wyoming. The primary function

was well-site geology on the Nesson Anticline and later with the moves on various projects in Montana, South Dakota, and Wyoming. Companies moved people often in those days to combat turnover; in Casper he was offered transfers to Corpus Christi and Lafayette, Louisiana. Having established his career in the Rocky Mountains region, Keith chose to leave Amerada rather than move the family to such a foreign place. He joined Northern Pacific Railway's oil development program for eight years mostly reviewing submittals generating prospects and the occasional well sitting.

In the mid-1970's, he established his practice as an independent consultant. He was working extensively with Bob Nance (Nance Resources), landman Dave Schaenen, and partners Frank Radella and Alvin Artis, focusing on Montana, Wyoming, North Dakota, and South Dakota.

Keith was responsible for several discoveries while with Nance and his partners, including his first as an independent in the Powder River Basin. Other notable successes include discoveries in the Green River Basin, and western North Dakota/South Dakota, many of which are still producing oil and gas nearly 50 years later. Yet, when asked what he valued most, he consistently pointed to friendships formed through the Wyoming Oil and Gas Commission, Wyoming Geological Association, and Billings Geological Society (later becoming the Montana Geological Society), which held weekly and later monthly meetings (often on Fridays) and featured technical talks and hosted annual field conferences. That camaraderie sustained him even as meetings grew smaller and the industry changed. In an honor not afforded to many, Keith was recently recognized as a 50-year member of the Wyoming

Geological Association.

Major companies gradually left the Rocky Mountain region for Denver and places south. Independents became fewer and smaller. Keith consulted for Hancock Enterprises for many years, where he became a beloved mentor and teacher.

I asked Keith for a memory or highlight perhaps the "good ol' days stories" and he mentioned his love for geology sparked from a six-week field conference near Colorado Springs in the Spanish Peaks area involving intensive surface mapping and his first experience in Montana, where on relieving a geologist on a Sunday at the Outlook field near Plentywood, he found a town where restaurants accepted only silver dollars—no paper bills—and the only businesses open were bars and churches. Later, reflecting about Casper on his free weekends, they were often consumed by loading his three sons—Jim, Greg, and Doug—into the car to explore Wyoming's basins and mountains. Those adventures, along with the many nights and weekends spent preparing prospects, helped inspire Greg to follow in his father's footsteps as an independent geologist/geophysicist. Greg remembered fondly being given the option to "color" or "fold maps" as his introduction to his life's profession. Later that developed into an opportunity to work alongside Keith during his time at Hancock, something both enjoyed tremendously.

Keith has remained active and engaged throughout his life. He built a cherished rock collection featuring core samples, drill bits, and specimens from across the Rockies and wherever his adventures took him. At age 92, he is still tinkering with geology, answering Greg's questions about random wells and "where did this sand come from," sharing stories, and enjoying memories of times

spent fishing on the East Rosebud and Madison River. He and Marlene recently celebrated 71 years of marriage with a partnership built on loyalty, patience, and unwavering commitment. Their relationship formed the steady foundation for a life centered on family, hard work, faith, and resilience. Together, they raised three sons and enjoy the blessing of five grandchildren, and two great-grandchildren.

Keith is not a man who seeks recognition or attention. Quiet and humble by nature, he carries himself with steady confidence earned through decades of hard work, integrity, and perseverance. Those who know him best describe him as dependable, honest, and perhaps as solid as a rock. The kind of man who shows up, works hard, keeps his word, and never asks for praise in return.

Keith often reflected that he would never have traded the Rocky Mountains for the Gulf Coast.

"You've got outdoor geology here," he said. "You can see the formations, stop and examine them, pick up rocks, and visit the mountains."

He is proud of his life and the journey from a Kansas farm to the Williston Basin, Billings, Casper, and back to Billings. Along the way, meeting good people, building prospects, and enjoying the land he studied. Through his long career, quiet wisdom, and generous mentorship, Keith Mohl leaves a lasting legacy in Montana's oil and gas community. He will be remembered not only for the prospects he developed, discoveries, and near misses, but for the passion, integrity, and love of the earth he passed onto those fortunate enough to work with him. His legacy extends far beyond geology or the oil fields; it lives in the countless people who have been shaped by his character, generosity, and quiet strength. ■

Tariffs: A national emergency?



By Luke Poteat, Associate, Crowley Fleck PLLP

In his inaugural address, President Trump promised to “tariff and tax foreign countries to enrich our citizens,” and the tariffs began to flow shortly thereafter. Trump imposed tariffs on virtually all imported goods, including steel, critical minerals, coal, oil and gas, and other natural resources. First came a 25 percent tariff on a swath of Canadian imports, along with an additional 10 percent tariff on all Canadian energy imports. These duties were rationalized as a way to protect the American people from “the sustained influx of illicit opioids and other drugs [that have had] profound consequences on our Nation.” In the months that followed, some tariffs were imposed directly on specific countries, while others were imposed against the whole world for specific products, including steel and aluminum, oil, and coal.

These tariffs resulted in retaliatory measures. Take coal, for instance. In the first three months of his second administration, Trump imposed a series of escalating tariffs on Chinese imports. In response, China imposed retaliatory tariffs on U.S. exports, including a 15 percent tariff on metallurgical (met) coal, of which China is the world’s number-one importer and consumer. From there, it was a race to the bottom, and by mid-May 2025, China had imposed cumulative tariffs on U.S. met

coal exports of 140 percent. Negotiation ended the death spiral, but China still imposes a 25 percent tariff on U.S. met coal exports. An apparent casualty of retaliatory tariffs, American coal exports decreased 14 percent between January and September of 2025.

Oil and gas production and investment across the western U.S. saw steady declines following the imposition of tariffs on foreign steel and other essential products for drilling and development. Especially concerning for Montana were tariffs imposed on imports from Canada, who in 2025 supplied almost 90 percent of the state’s total imports, two-thirds of which were crude petroleum. Luckily, the retaliatory tariffs instituted by Canada, many of which are still in force, did not target the industries driving Montana’s major exports, though the potential there could also have been disastrous, as almost half of Montana’s total exports in 2025 were sent to Canada.

Legal basis for the early tariffs

The first wave of Trump tariffs were imposed or threatened under the International Emergency Economic Powers Act (IEEPA). Passed in 1977, the IEEPA has been modified many times since then to allow for the use of economic-based sanctions to address “national emergencies.” As of June 2025,

and including his first term, President Trump had declared some 21 national emergencies, all those to which tariffs were attached declared under IEEPA. IEEPA’s predecessor, the Trading with the Enemy Act of 1917 (TWEA), was used extensively to impose tariffs during wartime, and in 1933, it was amended to allow President Roosevelt to impose tariffs during “any other period of national emergency,” in that case, the Great Depression. President Nixon brought about the beginning of the end of TWEA in 1971 when he “temporarily suspend[ed] existing tariff agreements,” adding a 10 percent duty “on all dutiable articles imported into the United States.” When a Japanese zipper manufacturer, Yoshida International, sued to challenge the validity of Nixon’s proclamation, the U.S. Court of Customs and Patent Appeals found that TWEA did grant the president the authority to regulate or prohibit importation of goods during “national emergencies.” However, congress felt that Nixon exposed the relative ease with which TWEA allowed national emergencies to be declared, so it passed the National Emergencies Act (NEA), placing new restrictions on the declaration and termination of future national emergencies, and, ultimately, IEEPA, attempting to limit what tax and tariff powers a president could wield if a national emergency was properly

declared under NEA. The Trump administration's tariffs, while based in IEEPA, looked much the same as the heavily-questioned blanket import duty imposed by President Nixon, so it did not take long for the Trump tariffs to be challenged in court.

The Supreme Court responds

The undoing of Trump's early tariffs came in *Learning Resources, Inc. v. Trump*, a six-three decision from the U.S. Supreme Court in February 2026. This case involved Executive Orders 14194 and 14257, which purported to impose tariffs for the purpose of addressing the "public health crisis" created by the importation of illegal drugs into the United States and the "hollowing out" of American manufacturing due to the national trade deficit. The executive orders were challenged on grounds that IEEPA did not authorize the president to impose tariffs. The federal government argued that IEEPA gave the president authority to impose tariffs "of unlimited amount and duration, on any product from any country." Writing for the majority, Chief Justice John Roberts disagreed, finding that the government's view "would represent a transformative expansion of the President's authority over tariff policy," and that even under his own championed "major questions doctrine," there is no authority from congress to allow the president such authority. The court ruled that IEEPA

allows the executive to "investigate, block during the pendency of an investigation, regulate, direct and compel, nullify, void, prevent or prohibit . . . importation or exportation," but that it does not even mention tariffs or duties, let alone provide unfettered authorization to impose them. Tariffs were found to be "different in kind, not degree," from the authorities granted to the executive by IEEPA, and that their direct impact on importers to raise revenue for the treasury was an exercise of the taxing power. The "national emergency" argument received no favor from the court either. The government argued its position under cases dealing with the president's wartime authority to say that a national emergency authorized him to impose tariffs. "Those precedents are facially inapposite, [however,] as all agree the President lacks inherent peacetime authority to impose tariffs."

All that said, the Supreme Court noted that Section 232 of the Trade Expansion Act contains the "sweeping, discretion-conferring language" that IEEPA did not, finding the government's reliance on case law supporting Section 232 tariffs to be an "attenuated chain" of arguments that could not be transformed to allow IEEPA to be read to include "the distinct power to impose tariffs." The dissent and – as will be discussed below – the Trump administration, made note of this point, stating that the majority's decision "might not prevent presidents from

imposing most if not all of these same sorts of tariffs under other statutory authorities," including Section 232.

Now what?

The *Learning Resources* decision put an end to all tariffs Trump had issued under authority of the IEEPA. Trump's administration moved quickly, though, and many tariffs are now back in effect under Sections 122 and 232 of the Trade Expansion Act of 1962. The Trade Expansion Act allows for tariffs to be imposed for reasons of "national security." Where the Secretary of Commerce determines that the quantity or other circumstances of imported goods "threaten[s] to impair" national security, the Trade Expansion Act allows the president to impose restrictions on those goods. Utilizing the Trade Expansion Act, Trump has now imposed new tariffs on imported aluminum, copper, and steel. To date, these tariffs have fared better than those which relied on IEEPA, in the sense that they have yet to be seriously limited by the courts and even are "supported" by the decision in *Learning Resources*. The International Court of Trade, however, recently invalidated Section 122 tariffs as to three specific plaintiffs. The ultimate impact of that decision is yet unclear, but it seems likely that more challenges to the Trade Expansion Act tariffs will be brought in the months ahead. ■

Especially concerning for Montana were tariffs imposed on imports from Canada, who in 2025 supplied almost 90 percent of the state's total imports, two-thirds of which were crude petroleum.

Key risk indicators: A proactive approach to risk management



By Eide Bailly

A version of this article originally appeared on the Eide Bailly website.

Key risk indicators (KRIs) are warning signs to help you spot potential problems before they become real threats.

We've broken down everything you need to know about KRIs — what they are, why they matter, and how to leverage them to protect your organization and optimize performance.

KRIs vs. KPIs: What's the difference?

Unlike key performance indicators (KPIs), which help show how well things are going, KRIs highlight where things can go wrong. Here are some key differences between the two metrics:

- **Focus:** KPIs measure performance, while KRIs measure potential risks.
- **Perspective:** KPIs look at past and current performance, while KRIs look anticipate potential risks.
- **Objective:** KPIs aim to improve performance, while KRIs aim to mitigate risks and prevent adverse outcomes.

Benefits of tracking KRIs

By incorporating KRIs into risk management strategies, you can achieve your goals while minimizing losses and maintaining a competitive advantage.

Proactive risk mitigation

KRIs help organizations identify and understand the risks they face, making them more likely to detect threats earlier on. This way, they can take proactive measures before risks escalate into more significant issues.

Informed decision making

With access to relevant risk data and insights, leaders can make more informed strategic choices, allocate resources effectively, and prioritize risk management efforts.

Regulatory compliance

Many industries and regulatory bodies require organizations

to implement risk management frameworks. Tracking KRIs can help organizations maintain compliance with industry regulations.

How to determine relevant KRIs

Tracking the right KRIs can help organizations manage operational, compliance, financial, strategic, and reputational risks.

Conduct a risk assessment

The first step in identifying relevant KRIs is to conduct a comprehensive risk assessment. A SWOT (strengths, weaknesses, opportunities, threats) analysis can help you find the areas that require the most attention. Do this across each of the organization's core areas.

Align with business objectives

There should be a clear connection between your KRIs and your organization's goals. Identify the activities and processes that are key to meeting your targets and focus on eliminating threats that might get in their way.

Assess data availability and quality

You can't track risk without reliable, high-quality data. Poor data quality can lead to inaccurate insights and flawed decision-making.

To maintain data quality, organizations should:

- **Establish data governance:** Implement policies and procedures for data management, including data collection, storage, and processing.
- **Ensure data accuracy:** Implement checks and validations to ensure the accuracy of data inputs and calculations.
- **Maintain data consistency:** Ensure consistent definitions and formats across different systems and departments.
- **Regularly audit data:** Conduct regular audits and data quality checks to identify and address any issues or inconsistencies.

Action plans for KRI breaches

Establishing acceptable risk levels and defining clear thresholds for each KRI is crucial for effective risk management. When a KRI breaches its defined threshold, it's crucial to have an established action plan in place. This plan should outline the necessary steps to address the identified risk promptly and effectively.

1. Have a clear escalation path

Determine who needs to be looped in, how they should communicate, and when they should act. Escalation procedures should be tailored to the severity of the breach, ensuring that more critical issues are addressed with greater urgency and involvement from higher levels of management.

2. Analyze root causes

Once the right people have been notified, conduct a root cause analysis to identify the underlying factors that led to the breach. This involves gathering data, reviewing processes, and examining potential vulnerabilities or weaknesses in the organization's risk management practices. By understanding the root cause, you can develop targeted solutions to address the issue effectively.

3. Establish mitigation strategies

Once you've analyzed the root causes, it's time to act. Mitigation strategies may include process improvements, policy updates, additional controls, or resource allocation adjustments. The goal is to minimize the likelihood of similar KRI breaches occurring in the future and to strengthen the organization's overall risk management framework.

Moving forward with confidence

Risk mitigation isn't "set it and forget it." As your business grows and changes, your KRIs should evolve too. This may involve refining KRI thresholds, modifying action plans, or introducing new KRIs to address emerging risks.

It's also important to note that not every risk can be predicted by a metric. KRIs, while useful, could lead to an overreliance on quantitative metrics that may not capture the full scope of risks. That's why it's important to leave space for human judgment and plan for unexpected events.

At Eide Bailly, our advisors work with teams to identify the KRIs that matter most, improve data quality, and build action plans that work in the real world. ■



How ONEOK builds trust through local engagement

From the Bakken to local communities, ONEOK integrates engagement into project planning and operations to build trust, strengthen connections, and support responsible energy development



ONEOK employees participate annually in Refresh Richland, a community cleanup event held around Earth Day and during National Volunteer Month in Sidney.



ONEOK employees participate in the 2026 Ice Warrior Plunge at Lake Sakakawea in New Town, North Dakota. This 10th annual event raised money for the Mandan, Hidatsa, and Arikara (MHA) Nation Cancer Fund and the American Indian Cancer Foundation.

In Montana and across the midstream sector, trust is built over time through safe operations, consistent communication, and visible local commitment. As demand for reliable energy infrastructure continues to grow, so do expectations for companies to operate responsibly and create long-term value in the communities where they work.

At ONEOK, that work begins well before construction and continues throughout the life of an asset. The company's approach is grounded in responsible operations, ethical conduct, and ongoing dialogue with the people, communities, and governments connected to its projects.

In practice, that means engaging early, listening carefully, and maintaining communication to better understand local priorities, identify concerns, and improve outcomes over time.

"Our approach is rooted in the communities where we operate," said Darren Wallis, senior vice president, communications and community relations. "It's about understanding local priorities and building relationships that support long-term success."

ONEOK's local engagement efforts are carried out through three connected areas: community investments, community relations, and government relations, including work with sovereign tribal nations. Together, these efforts help

the company maintain a consistent local presence and strengthen relationships with landowners, emergency responders, schools, local leaders, regulators, and tribal governments.

In Montana and the broader Bakken region, that presence matters. Community investments are guided by local priorities and supported by regional committees and employees who live and work in the areas they serve. Community relations team members help maintain open lines of communication with local stakeholders, while government and tribal government relations provide a framework for coordination, dialogue, and long-term alignment.

"Our goal is to understand what

matters most in each community and support those priorities in a way that is practical and lasting,” said Heather Steffes, community relations coordinator, who supports ONEOK’s northern region, including Montana operations. “Because many of us live and work in these regions, we bring local perspective and a strong sense of accountability to the people and places we serve.”

In 2025, ONEOK contributed \$9.5 million to more than 500 organizations and recorded more than 27,000 volunteer hours in support of initiatives aligned with local needs. These efforts include advancing STEM education through partnerships with schools and regional organizations, employee volunteerism, and targeted programming designed to expand access to learning opportunities. Supported by regional investment committees and local engagement teams, this approach helps strengthen community partnerships and align local investment with

priorities identified by the communities themselves. In the Bakken region, these investments focus on education, community programs, essential services, and emergency responder grants, all identified by local stakeholders.

ONEOK’s tribal government relations work reflects the company’s commitment to respectful, direct, and sustained dialogue with sovereign tribal nations across its operating footprint. Formalized in 2022 with the addition of a dedicated tribal government relations role, this work helps inform project planning by creating space for discussion around cultural, community, and regional priorities. In some cases, those conversations have influenced project design and routing to avoid areas of cultural significance or support tribal objectives.

That approach is especially important in a region where responsible development depends on trust, consistency, and a willingness to listen.

“Our focus is on building relationships and making sure the perspectives of tribal nations are considered in our work,” said Wes Pebsworth, director, tribal government relations. “That requires listening, consistency, and a long-term commitment to collaboration.”

For Montana’s oil and gas industry, long-term success depends not only on the infrastructure companies build but also on the trust they build alongside it. At ONEOK, local engagement is part of how the company plans, operates, and invests in the communities connected to its work.

“Because our employees live and work in many of the communities we serve, we bring a strong sense of responsibility to that work,” said Randy Lentz, executive vice president and chief operating officer. “Our infrastructure may run through a community, but our reputation lives there.” ■

INDEX TO ADVERTISERS

Ballard Petroleum Holdings LLC	4
Browning, Kaleczyc, Berry & Hoven, P.C.	7
Chord Energy.....	OBC
CHS Inc.....	7
Gallo Solutions, LLC	16
HDR Inc.....	5
HydroSolutions, Inc.	21
Oneok Inc.....	13
Petro Hunt.....	21

Workforce challenges in Montana

By Michael Howe, MPA Contributing Writer

Imagine you are in business and you have everything you need to achieve success. Now imagine you have everything except for the skilled workers you need. That's the challenge facing the oil and gas industry, as well as other industries in Montana and across the country. While workforce challenges aren't necessarily unique to Montana, they are somewhat amplified due to Montana's rural geography, aging workforce, and competition for the limited skilled labor that does exist.

Taking a closer look at some of the challenges, the aging workforce is one of the bigger issues facing the oil and gas industry. A large share of employees are over 45 years old, with many quickly approaching retirement age. This means that unless companies can attract younger workers, the industry will face the very real problem of a lack of institutional knowledge in key positions. And, as it stands right now, employers are regularly facing challenges finding qualified welders, electricians, heavy equipment operators, diesel mechanics, and field technicians. Essentially, those in the trades are in high demand for the oil and gas industry.

Even when potential new hires are identified in those key areas, the rural nature of Montana offers unique challenges. Limited housing availability, long commuting distances, harsh winter conditions, fewer amenities than large cities all can be factors that work against employers in Montana. Then, with the workers that want to be in rural Montana, there are multiple industries

competing for the limited number of workers. Oil and gas competes with construction, mining, manufacturing, transportation, and more. The skills needed by each industry are similar.

As a whole, Montana is experiencing a tight labor market with strong competition across industries for the limited number of available workers. Skilled workers are needed most in the oil and gas industry. There is demand for workers who possess traditional field experience and modern technical skills. Some of those skills can be taught on site, but others require more of a trades background, especially when it comes to data analytics, digital monitoring systems, automation, artificial intelligence, and other areas. Montana policymakers have recognized the workforce challenges as a problem and have launched initiatives to increase labor-force participation and skills training – is it enough though?

Montana's efforts to address the workforce challenges is a multi-pronged approach. The Montana Registered Apprenticeship Program allows workers to earn in an on-the-job training program, which also allows the industry to develop current employees. This can add more pressure to industry though as an employee hired for one job is now also being trained for another. Montana also has "406 JOBS", an initiative designed to align education, workforce development, and industry needs. There are also apprenticeship tax credits, partnerships with local educational

institutions, training grants, and just a greater understanding of the workforce challenges.

While many of Montana's general programs can certainly help to some degree by expanding the potential workforce pool for all industries, the oil and gas industry is largely left to address most issues themselves. The challenges oil and gas must address directly include competition from other industries, an aging workforce, housing shortages, and the rural nature of the oil and gas industry.

There is another aspect to the workforce challenge that makes it even more difficult to overcome for the oil and gas industry too. Montana's oil and gas industry does not exist in a silo, it competes within the region and nation as well, and often for the same employees. Surrounding states, like North Dakota and Wyoming, have strong energy industry sectors with similar workforce challenges, so it is not uncommon for those states to pull workers away from Montana.

The skilled workforce challenge isn't one that will be overcome easily, and it is one that will likely exist for years to come. An aging population and the focus on four-year degrees instead of the trades, in addition to the other continuing issues already discussed, make this a very real concern for the oil and gas industry. Given the oil and gas industry is a significant contributor to Montana's economy, it's an issue that should be of concern to all. ■

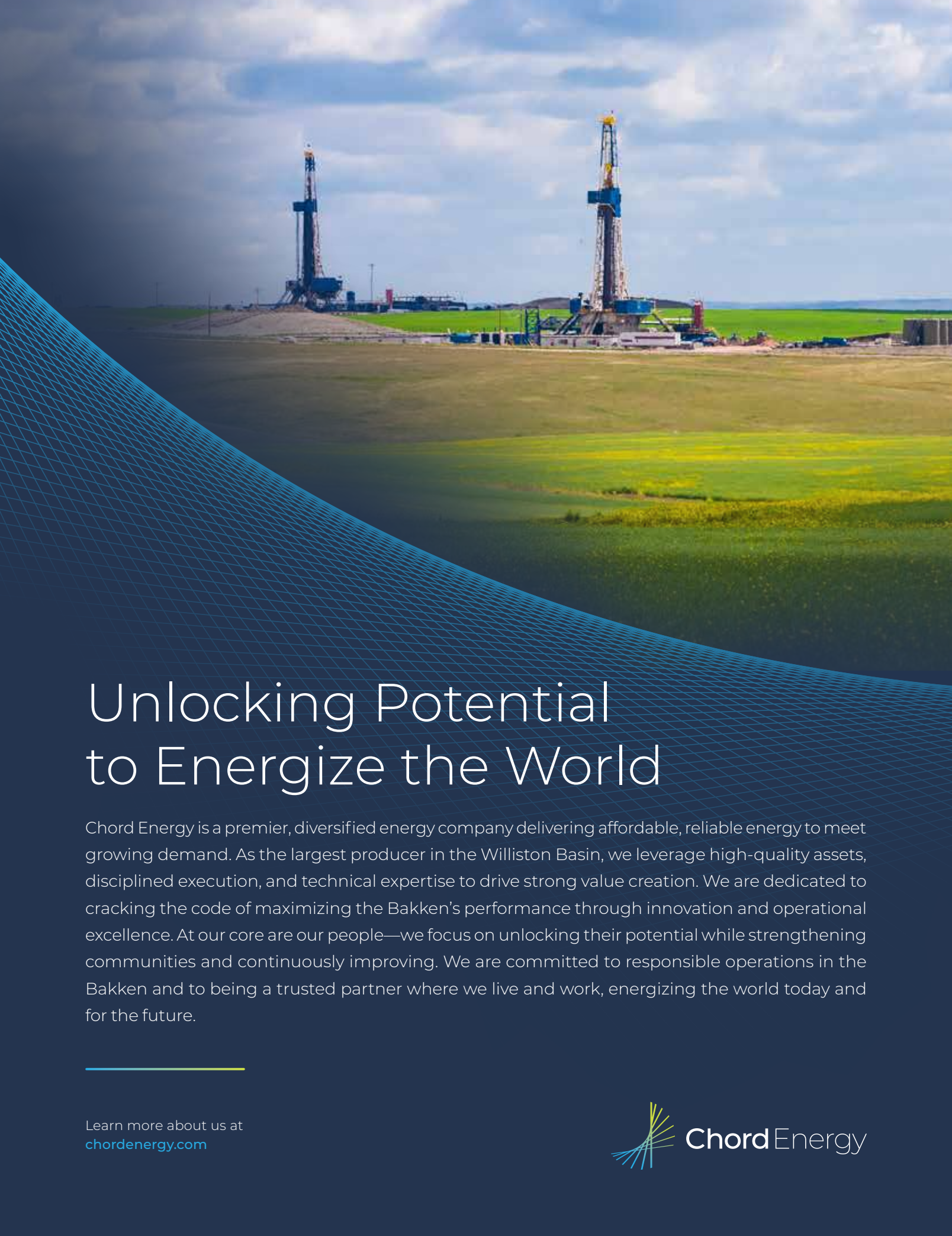


www.delcommunications.com

The key to publishing success.

We offer outstanding personal service and quality in the areas of:

- Print and digital publications and directories
- Qualified and professional editorial and advertising sales teams
- Online library of DEL publications
- Creative design



Unlocking Potential to Energize the World

Chord Energy is a premier, diversified energy company delivering affordable, reliable energy to meet growing demand. As the largest producer in the Williston Basin, we leverage high-quality assets, disciplined execution, and technical expertise to drive strong value creation. We are dedicated to cracking the code of maximizing the Bakken's performance through innovation and operational excellence. At our core are our people—we focus on unlocking their potential while strengthening communities and continuously improving. We are committed to responsible operations in the Bakken and to being a trusted partner where we live and work, energizing the world today and for the future.

Learn more about us at
chordenergy.com

