

U.S. House of Representatives
Committee on Natural Resources
ESA Hearing, Billings, Montana
September 4th 2013

TESTIMONY of David A. Galt
Executive Director, Montana Petroleum Association

Welcome to Montana. Thank you for the time and the huge effort to hold a series of meetings in the west to learn more about sage grouse and other potential endangered species.

Chairman Hastings, members of the committee; I am Dave Galt, executive director of the Montana Petroleum Association (MPA). MPA's members include companies involved in the exploration, drilling production, transporting and refining of oil and natural gas. Montana has a long history of oil and gas production. Our first commercial was drilled in Elk Basin in 1915.

Montana State University- Billings has done extensive analysis of the economic impact of the oil and gas industry in Montana. Here are a few facts from their 2012 update published in the Treasure State Journal:

- Direct and indirect jobs supported by the industry exceed 20,000 jobs
- Total economic output from the oil and gas industry in Montana is in excess of \$10 billion dollars.
- Firms, investors, and employees of Montana's oil and gas industry paid an estimated \$440 million dollars in state and local taxes in 2011 -- Tax revenue that supports education, protective services, roads and a host of services.

Montana was one of only a few states that maintained a positive budget balance through the recent great recession. Montana is in the black because of the active petroleum industry. New wells, expanding refinery capacity and new pipeline systems all contribute to a robust economy in Montana. A 5% industry expansion would result in over 1000 new jobs in Montana.

I have attached three charts to help you visualize oil and gas production in Montana. The map shows oil producing areas in green, gas in red and sage grouse core areas in purple. The black dots represent wells drilled in Montana since 1915. While the purple areas represent sage grouse core areas; when you

include the rest of the sage habitat, it covers most of the eastern half of Montana except the extreme north east corner. Sage grouse management proposed by the BLM with the blessing of the US FWS is going to have a debilitating impact on Montana's oil and gas production. The other two slides illustrate oil and gas production by county in Montana. The point is that there is production and potential across Montana, not just in the "Bakken."

The potential listing of sage grouse and the Sprague's pipit pose huge problems not just for the oil and gas industry in Montana, but for all multiple-use activities, including mining and grazing. We are seeing states in the west develop plans to provide conservation measures for sage grouse that place huge tracts of land off limits to nearly all revenue-generating activities. The determination of the need to list the sage grouse has been a topic of litigation and debate for the last decade. Law suits by environmental groups have led to a "closed door" settlement by the Federal government to decide the status of many species, the sage grouse being one, petitioned for listing as threatened or endangered species. The US Fish and Wildlife Service must decide by July of 2015 if the sage grouse is endangered. In the meantime; Western States, led by Wyoming, are developing conservation plans for the grouse. At the same time the Bureau of Land Management, BLM is rushing to release revised resource plans, or amend existing plans, which contain draconian stipulations for resource development. The ink wasn't dry on Montana's 2005 conservation plan, when academics and environmental groups said the restrictions in that plan were inadequate. Wyoming took the lead to identify core areas and protect them with very strict stipulations. And now the BLM's National Technical Team (NTT) on sage grouse recommends even more stringent stipulations, despite the fact that none of the existing stipulations have any science behind them to suggest they are inadequate.

Of particular concern is that the Department of Interior, particularly the US Fish and Wildlife Service, US Geological Survey and Bureau of Land Management, have failed to utilize any type of systematic cataloging and quantitative evaluation to determine the type, extent and effectiveness of mitigation measures that have been employed by the oil and gas industry in areas where it operates. That the agencies have very little useful and site-specific data upon which to base its land management decisions, particularly with respect to oil and gas exploration and development activities, is egregious when one views the protections measure proposed by BLM in its RMP revisions and amendments. DOI is relying upon flawed data perpetuated by its National Technical Team on Sage Grouse which is highly problematic.

Studies relied upon by the NTT were significantly and scientifically flawed. Just a few of these problems are:

The Cooper Ornithological Society's Monograph: Studies in Avian Biology (monograph), used as a primary source of information by the NTT, was reviewed by the Center for Environmental Science, Accuracy and Reliability (CESAR) in a paper¹ which found that the monograph relied upon:

- Significant mischaracterization of previous research;
- Substantial errors and omissions;
- Lack of independent authorship and peer review (3 of the authors of the NTT are also the authors, researchers, and editors on 3 of the most cited sources in the NTT.)
- Methodological bias;
- A lack of reproducibility;
- Invalid assumptions and analysis; and
- Inadequate data.

The NTT also insisted upon repeatedly citing Holloran's 2005 dissertation² as gospel despite the fact that it failed to acknowledge the countless stipulations and mitigation measures utilized by the oil and gas industry throughout sage grouse habitat. It is critically important to recognize that the focus of this study was limited to an unmitigated control area which was to be used as a basis for comparison to areas where mitigation was being employed. Not surprisingly, Holloran's predictions of catastrophic population decline have been clearly refuted by the data. Specifically, he predicted population declines of between negative 8.7 percent to negative 24.4 percent annually in Pinedale (page 82, Table 2). However, those doom and gloom population predictions have simply failed to come true. Instead sage grouse populations in these areas have been continually increasing, and are well above statewide averages.

Analyses of lek count data by the State of Wyoming show that lek-attendance trends have been increasing since 1990 and their densities are the highest in the state. In fact, a separate analysis by

¹ Science or Advocacy? Ecology and Conservation of Greater Sage-Grouse: A Landscape Species and its Habitats: An Analysis of the four most influential chapters of the monograph

² (Holloran, M. J. 2005. Greater sage-grouse (*Centrocercus urophasianus*) population response to natural gas field development in western Wyoming. PhD Dissertation. University of Wyoming. Laramie, Wyoming.)

Renee Taylor of Taylor Environmental Inc. has shown that there is no statistically significant difference between the average number of male sage grouse in areas affected by oil and gas in both the Pinedale and control areas. If Holloran's predictions were true, there would only be a handful of birds left around Pinedale. Clearly, Holloran and his approach were wrong.

A report³ prepared using Wyoming Game and Fish sage-grouse data clearly demonstrates the significance of precipitation levels with respect to sage-grouse population arcs. While weather and precipitation levels cannot be controlled by the federal government, they are clearly tied to sage-grouse survival and population and must be acknowledged. Also, numerous published reports and papers have identified the significant role predation has on the survival of the sage-grouse which have not been taken into full account by the Department of Interior so that reasonable and effective measures to reduce predation can be formulated and adopted.

When BLM prepared its RMP revisions for Montana, no site-specific sage-grouse data relating to the actual study areas was used. Rather, BLM relied upon information based on studies of Sage Grouse Management Zone 1 (MZ1) as described in the NTT Report, which includes northeastern Wyoming and far western North and South Dakota. In so doing, BLM failed to ensure the accuracy needed upon which to base informed land use decisions. Although analysis of MZ1 would be appropriate as a study area for analysis of cumulative impacts to sage-grouse nation-wide, potential direct and indirect impacts to sage-grouse and sage-grouse habitat resulting from implementation of the RMP must address only those conditions and potential direct and indirect impacts specific to the specific planning areas. Consequently, MPA has asked for a redraft of all these RMP Revisions in which sage-grouse data directly applicable to the planning areas in Montana would be utilized.

It is also important to note that the NTT Report is not even supported by the Western Association of Fish and Wildlife Agencies (WAFWA) as DOI's sole source of Sage-grouse management direction. In a letter sent to the Interior Secretary on May 16, 2013 WAFWA member states made it clear that they never endorsed the sole use of the NTT or any other scientific publication. Rather, they believe that a variety of peer-reviewed publications which collectively provide the best available science for sage-grouse should have been used by BLM as the basis for conserving the Sage-grouse, thereby avoiding a listing under the Endangered Species Act (ESA). WAFWA went on to recommend that management and

³ Draught and Wildlife Survival – Wyoming Game and Fish Department, Sage Grouse Precipitation Drought Index

regulatory mechanisms should be based upon the best available science which would provide the best strategy for near- and long-term management of sage-grouse and provides the best opportunity for precluding the need to list the species under the ESA.

We point out that the International Research Center for Energy and Economic Development (ICEED peer reviewed a paper entitled "Oil and Gas Development and Greater Sage Grouse (*Centrocercus urophasianus*): A Review of Threats and Mitigation Measures," Volume 35, Number 1, which was published by The Journal of Energy and Development. The paper pointed out that:

"Current stipulations and regulations for oil and gas development in sage grouse habitat are largely based on studies from the Jonah Gas Field and Pinedale anticline. These fields, and their effect on sage grouse, are not necessarily representative of sage grouse responses to less intensive energy development. Recent environmental regulations and newer technologies have lessened the threats to sage grouse."

As a result of BLM's reliance upon the NTT Report and its recommendations, new oil and gas leasing, exploration and development in Montana will be essentially terminated in areas within sage grouse habitat if the measures proposed by BLM in its RMP revisions are adopted. Specifically, BLM has proposed the use of new No Surface Occupancy (NSO) stipulations on millions of acres of public lands as well as private surface/federal minerals ostensibly to protect sage grouse and its habitat. NSO stipulations, which prevent the use of the surface area of the lease, would be imposed on 50 percent of the public lands in the Miles City FO, 70 percent in the HiLine FO and 60 percent in the Billings FO. Added to that, in the Billing Field Office, BLM is attempting to force the use of the same stipulations upon federal minerals under private surface. We expect similar constraints to be used in the other field offices as well. BLM also proposes to make sizeable portions of these areas off-limits to new right-of-way construction and even goes so far as considering forcing the removal and replacement of existing rights-of-way to areas outside sage grouse habitat.

In conclusion, while we support efforts to avoid a listing of the Greater Sage-grouse as a threatened or endangered species, we are disturbed that the DOI has embraced the notion that habitat destruction is the single most important factor impacting the sage-grouse, particularly that from oil and gas development, which as pointed out earlier in this testimony has been proven to be a fallacy. While we acknowledge that unmitigated habitat destruction may play a role, albeit much more limited than

acknowledged by the agencies, in the survival of the sage-grouse, weather and predation are extremely important factors that have been essentially ignored by the agencies when determining how best to manage habitat. To date, DOI's focus has been to find ways to prevent or minimize human uses of habitat based upon flawed studies and reviews contained in the NTT Report. Nevertheless, it is patently obvious that DOI's tunnel vision will not result in essential improvements to the widespread degraded habitat managed by federal agencies nor will it address the significant problem of extensive predation throughout the Western states. Instead, it will shift DOI's burden and responsibilities to public land users in discrete areas where they have activities while failing to address the problem as a whole. Nevertheless, the Greater Sage-grouse will continue to survive to the best of its ability while the economy of the public lands states will suffer draconian declines due to unjustified limits on multiple-use and revenue generating activities.

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Name of the organization

Supplemental Financial Statements

Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12. Attach to Form 990. See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Employer identification number

MONTANA PETROLEUM ASSOCIATION

81-0525334

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors... Yes/No, 6 Did the organization inform all grantees... Yes/No.

Part II Conservation Easements. Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements (checkboxes for public use, natural habitat, open space, historic area, historic structure), 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution... 2a Total number of conservation easements, 2b Total acreage restricted by conservation easements, 2c Number of conservation easements on a certified historic structure included in (a), 2d Number of conservation easements included in (c) acquired after 8/17/06... 3 Number of conservation easements modified, transferred, released, extinguished, or terminated... 4 Number of states where property subject to conservation easement is located... 5 Does the organization have a written policy regarding the periodic monitoring... Yes/No, 6 Staff and volunteer hours devoted to monitoring... 7 Amount of expenses incurred in monitoring... \$, 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes/No, 9 In Part XIV, describe how the organization reports conservation easements...

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

Table with 2 columns: Amounts. Rows include: 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items. b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1. \$, (ii) Assets included in Form 990, Part X. \$, 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenues included in Form 990, Part VIII, line 1. \$, b Assets included in Form 990, Part X. \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If 'Yes,' explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If 'Yes,' explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ▶ _____ %
- b Permanent endowment ▶ _____ %
- c Term endowment ▶ _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		48,594.	42,540.	6,054.
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				6,054.

Part VII Investments—Other Securities. See Form 990, Part X, line 12. N/A

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
Total. (Column (b) must equal Form 990 Part X, column (B) line 12.) ▶		

Part VIII Investments—Program Related. (See Form 990, Part X, line 13) N/A

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, column (B) line 13.) ▶		

Part IX Other Assets. (See Form 990, Part X, line 15) N/A

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column (B), line 15.) ▶	

Part X Other Liabilities. (See Form 990, Part X, line 25)

(a) Description of liability	(b) Amount
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25) ▶	

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements		N/A
1	Total revenue (Form 990, Part VIII, column (A), line 12)	
2	Total expenses (Form 990, Part IX, column (A), line 25)	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	
4	Net unrealized gains (losses) on investments	
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV)	
9	Total adjustments (net). Add lines 4 through 8	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return		N/A
1	Total revenue, gains, and other support per audited financial statements	1
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:	
a	Net unrealized gains on investments	2a
b	Donated services and use of facilities	2b
c	Recoveries of prior year grants	2c
d	Other (Describe in Part XIV)	2d
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:	
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return		N/A
1	Total expenses and losses per audited financial statements	1
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:	
a	Donated services and use of facilities	2a
b	Prior year adjustments	2b
c	Other losses	2c
d	Other (Describe in Part XIV)	2d
e	Add lines 2a through 2d	2e
3	Subtract line 2e from line 1	3
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investments expenses not included on Form 990, Part VIII, line 7b	4a
b	Other (Describe in Part XIV)	4b
c	Add lines 4a and 4b	4c
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XIV Supplemental Information *(continued)*

Department of the Treasury
Internal Revenue Service

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

Name of the organization

MONTANA PETROLEUM ASSOCIATION

Employer identification number

81-0525334

Form 990, Part VI, Line 2 - Business or Family Relationship of Officers, Directors, Etc.

DAVE BALLARD IS BILL BALLARD'S SON

Form 990, Part VI, Line 6 - Explanation of Classes of Members or Shareholder

MEMBERS INCLUDE OIL AND NATURAL GAS PRODUCERS, GATHERING AND PIPELINE COMPANIES,
PETROLEUM REFINERIES AND SERVICE PROVIDERS AND CONSULTANTS

Form 990, Part VI, Line 11b - Form 990 Review Process

No review was or will be conducted.

Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available

No documents available to the public.

Form 990, Part XII, Line 1 - Other Accounting Method

MODIFIED ACC.

Other Revenue
Related or exempt function income

MEETING INCOME.....	\$	72,244.
ADVERTISING INCOME.....		5,838.
	Total	<u>\$ 78,082.</u>

Return of Organization Exempt From Income Tax

2010

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2010 calendar year, or tax year beginning , 2010, and ending

B Check if applicable:

- Address change
- Name change
- Initial return
- Terminated
- Amended return
- Application pending

MONTANA PETROLEUM ASSOCIATION
PO BOX 1186
HELENA, MT 59624-1186

COPY

D Employer Identification Number

81-0525334

E Telephone number

406-442-7582

G Gross receipts \$ 646,206.

F Name and address of principal officer:

Same As C Above

H(a) Is this a group return for affiliates? Yes No

H(b) Are all affiliates included? Yes No
If 'No,' attach a list (see instructions)

I Tax-exempt status 501(c)(3) 501(c) (6) (insert no.) 4947(a)(1) or 527

J Website: N/A

H(c) Group exemption number

K Form of organization: Corporation Trust Association Other

L Year of Formation: 1999

M State of legal domicile: MT

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>To maintain a positive business climate for the petroleum industry in Montana and foster public awareness of the industry's contributions to the state and nation.</u>			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
	3	Number of voting members of the governing body (Part VI, line 1a).....		
	4	Number of independent voting members of the governing body (Part VI, line 1b).....		
	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a).....		
	6	Total number of volunteers (estimate if necessary).....		
	7a	Total unrelated business revenue from Part VIII, column (C), line 12.....		
7b	Net unrelated business taxable income from Form 990-T, line 34.....			
Revenue	8	Contributions and grants (Part VIII, line 1h).....	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g).....	291,646.	281,584.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d).....	15,181.	14,418.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e).....	58,493.	78,082.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12).....	365,320.	374,084.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3).....		
	14	Benefits paid to or for members (Part IX, column (A), line 4).....		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10).....	159,299.	156,345.
	16a	Professional fundraising fees (Part IX, column (A), line 11e).....		
	16b	Total fundraising expenses (Part IX, column (D), line 25) ▶		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f).....	192,085.	192,506.	
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25).....	351,384.	348,851.	
19	Revenue less expenses. Subtract line 18 from line 12.....	13,936.	25,233.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16).....	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26).....	488,163.	529,537.
	22	Net assets or fund balances. Subtract line 21 from line 20.....	24,274.	40,415.
			463,889.	489,122.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer
DAVE GALT
Type or print name and title.

Date

Executive Director

COPY

Paid Preparer Use Only

Print/Type preparer's name
TERRY ALBORN

Preparer's signature

Date

Check if self-employed PTIN
P00090981

Firm's name ▶ **Junkermier Clark Campanella Stevens P.C.**

Firm's address ▶ **220 West Lamme, Suite 3-A
Bozeman, MT 59715**

Firm's EIN ▶ **81-0348775**

Phone no. **(406) 587-1277**

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III. []

1 Briefly describe the organization's mission:

To maintain a positive business climate for the petroleum industry in Montana and foster public awareness of the industry's contributions to the state and nation.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

If 'Yes,' describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: []) (Expenses \$ 348,851. including grants of \$ []) (Revenue \$ [])

THE ORGANIZATION CONDUCTED SERVICES FOR THE PURPOSE OF PROMOTING THE EXPLORATION, PRODUCTION, TRANSPORTATION, AND CONSERVATION OF OIL AND NATURAL GAS IN MONTANA

4b (Code: []) (Expenses \$ [] including grants of \$ []) (Revenue \$ [])

4c (Code: []) (Expenses \$ [] including grants of \$ []) (Revenue \$ [])

4d Other program services. (Describe in Schedule O.)

(Expenses \$ [] including grants of \$ []) (Revenue \$ [])

4e Total program service expenses ▶ 348,851.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A.		X
2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions).		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I.		X
4 Section 501(c)(3) organizations Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II.		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If 'Yes,' complete Schedule C, Part III.		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I.		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II.		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III.		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV.		X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V.		X
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI.	X	
b Did the organization report an amount for investments— other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII.		X
c Did the organization report an amount for investments— program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII.		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX.		X
e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X.		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If 'Yes,' complete Schedule D, Part X.		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII.		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E.		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If 'Yes,' complete Schedule F, Parts I and IV.		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Parts II and IV.		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Parts III and IV.		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule F, Part I (see instructions).		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II.		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III.		X
20 a Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H.		X
b If 'Yes' to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions).		

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II.</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III.</i>		X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If 'Yes,' complete Schedule J.</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? <i>If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25.</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I.</i>		
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If 'Yes,' complete Schedule L, Part I.</i>		
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If 'Yes,' complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If 'Yes,' complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If 'Yes,' complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M.</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II.</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I.</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1.</i>		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?		X
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>		
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI.</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V.

		Yes	No
1 a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 1 a 6		
1 b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 1 b 0		
1 c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? 1 c		X
2 a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. 2 a 3		
2 b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? 2 b X	X	
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. (see instructions)			
3 a	Did the organization have unrelated business gross income of \$1,000 or more during the year? 3 a		X
3 b	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O. 3 b		
4 a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 4 a		X
4 b	If 'Yes,' enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5 a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? 5 a		X
5 b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? 5 b		X
5 c	If 'Yes,' to line 5a or 5b, did the organization file Form 8886-T? 5 c		
6 a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? 6 a		X
6 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? 6 b		
7	Organizations that may receive deductible contributions under section 170(c).		
7 a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? 7 a		
7 b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided? 7 b		
7 c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? 7 c		
7 d	If 'Yes,' indicate the number of Forms 8282 filed during the year. 7 d		
7 e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? 7 e		
7 f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 7 f		
7 g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required? 7 g		
7 h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C? 7 h		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? 8		
9	Sponsoring organizations maintaining donor advised funds.		
9 a	Did the organization make any taxable distributions under section 4966? 9 a		
9 b	Did the organization make a distribution to a donor, donor advisor, or related person? 9 b		
10	Section 501(c)(7) organizations. Enter:		
10 a	Initiation fees and capital contributions included on Part VIII, line 12. 10 a		
10 b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. 10 b		
11	Section 501(c)(12) organizations. Enter:		
11 a	Gross income from members or shareholders. 11 a		
11 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11 b		
12 a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? 12 a		
12 b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year. 12 b		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13 a	Is the organization licensed to issue qualified health plans in more than one state? 13 a		
Note. See the instructions for additional information the organization must report on Schedule O.			
13 b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans. 13 b		
13 c	Enter the amount of reserves on hand. 13 c		
14 a	Did the organization receive any payments for indoor tanning services during the tax year? 14 a		X
14 b	If 'Yes,' has it filed a Form 720 to report these payments? If 'No,' provide an explanation in Schedule O. 14 b		

Part VI Governance, Management and Disclosure For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI. X

Section A. Governing Body and Management

	Yes	No
1 a Enter the number of voting members of the governing body at the end of the tax year.		
1 a	29	
b Enter the number of voting members included in line 1a, above, who are independent		
1 b	29	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee? See Schedule O	X	
2		
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
3		
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
4		
5 Did the organization become aware during the year of a significant diversion of the organization's assets?		X
5		
6 Does the organization have members or stockholders? See Schedule O	X	
6		
7 a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7 a		
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
7 b		
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?		X
8 a		
b Each committee with authority to act on behalf of the governing body?		X
8 b		
9 Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O		X
9		

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10 a Does the organization have local chapters, branches, or affiliates?		X
10 a		
b If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10 b		
11 a Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?		X
11 a		
b Describe in Schedule O the process, if any, used by the organization to review this Form 990. See Schedule O		
12 a Does the organization have a written conflict of interest policy? If 'No,' go to line 13.	X	
12 a		
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		X
12 b		
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done		X
12 c		
13 Does the organization have a written whistleblower policy?		X
13		
14 Does the organization have a written document retention and destruction policy?		X
14		
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official		X
15 a		
b Other officers of key employees of the organization.		X
15 b		
If 'Yes' to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16 a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16 a		
b If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		
16 b		

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed ▶ None
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Schedule O
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization:
 ▶ BOBBIE GARDNER PO BOX 1186 HELENA MT 59624 406-442-7582

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII.

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee.'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) BILL BALLARD Director	0						0.	0.	0.	
(2) DAVE BALLARD Director	0						0.	0.	0.	
(3) COLBY BRANCH Director	0						0.	0.	0.	
(4) COLE CHANDLER Director	0						0.	0.	0.	
(5) GREG DOVER Director	0						0.	0.	0.	
(6) JOHN EVANS Director	0						0.	0.	0.	
(7) ROBERT W. FISHER Director	0						0.	0.	0.	
(8) LEO HEATH Director	0						0.	0.	0.	
(9) DAN HICKMAN Director	0						0.	0.	0.	
(10) TERRY HOLZWARTH Director	0						0.	0.	0.	
(11) PAT KIMMET Director	0						0.	0.	0.	
(12) JACK E. KING Director	0						0.	0.	0.	
(13) DANA LEACH Director	0						0.	0.	0.	
(14) PERRY PEARCE Director	0						0.	0.	0.	
(15) DAVID RAMSDEN-WOOD Director	0						0.	0.	0.	
(16) RON SANTI Director	0						0.	0.	0.	
(17) DAVE SCHAENEN Director	0						0.	0.	0.	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (cont)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Sch O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) SAM SITTON Director	0						0.	0.	0.	
(19) JOHN SMITH Director	0						0.	0.	0.	
(20) STEVE STEACH Director	0						0.	0.	0.	
(21) KEITH TIGGELAAR Director	0						0.	0.	0.	
(22) DANA WARR Director	0						0.	0.	0.	
(23) JON WETMORE Director	0						0.	0.	0.	
(24) BRUCE WILLIAMS Director	0						0.	0.	0.	
(25) LISA WINN Director	0						0.	0.	0.	
(26) DAVE GALT Executive Direc	40	X		X	X		0.	0.	0.	
(27) KEVIN SANDSTEAD Vice President	0	X		X			0.	0.	0.	
(28) SHAWN HERINGER Vice President	0	X		X			0.	0.	0.	
(29) CHIP YOULDEN Treasurer	0	X		X			0.	0.	0.	
1 b Sub-total							0.	0.	0.	
c Total from continuation sheets to Part VII, Section A							0.	0.	0.	
d Total (add lines 1b and 1c)							0.	0.	0.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ▶ 0

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If 'Yes,' complete Schedule J for such individual.	3	X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If 'Yes' complete Schedule J for such individual.	4	X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If 'Yes,' complete Schedule J for such person.	5	X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ▶ 0

Department of the Treasury
Internal Revenue Service

Name of the Organization: MONTANA PETROLEUM ASSOCIATION
Employer Identification number: 81-0525334

Part VII Continuation: Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
BRIAN CEBULL President	0	X		X				0.	0.	0.

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1 a Federated campaigns.....	1 a					
	b Membership dues	1 b					
	c Fundraising events	1 c					
	d Related organizations	1 d					
	e Government grants (contributions)	1 e					
	f All other contributions, gifts, grants, and similar amounts not included above.	1 f					
	g Noncash contributions included in lns 1a-1f: \$						
h Total. Add lines 1a-1f.							
PROGRAM SERVICE REVENUE	Business Code						
	2 a Membership Dues & Assessments		281,584.	281,584.			
	b						
	c						
	d						
	e						
	f All other program service revenue						
g Total. Add lines 2a-2f.			281,584.				
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts)		11,790.			11,790.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross Rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)					
		d Net rental income or (loss)					
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
		269,000.	5,750.				
		b Less: cost or other basis and sales expenses					
		269,000.	3,122.				
	c Gain or (loss)						
				2,628.	2,628.		
	d Net gain or (loss)						
	8 a Gross income from fundraising events (not including. \$	of contributions reported on line 1c). See Part IV, line 18					
a							
b Less: direct expenses		b					
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19						
	a						
	b Less: direct expenses	b					
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances						
	a						
	b Less: cost of goods sold	b					
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue		Business Code					
11 a			78,082.	78,082.			
b							
c							
d All other revenue							
e Total. Add lines 11a-11d.			78,082.				
12 Total revenue. See instructions			374,084.	362,294.	0.	11,790.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	87,600.	87,600.	0.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.	0.	0.	0.
7 Other salaries and wages	42,832.	42,832.		
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,605.	3,605.		
9 Other employee benefits	9,516.	9,516.		
10 Payroll taxes	12,792.	12,792.		
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	6,383.	6,383.		
14 Information technology				
15 Royalties				
16 Occupancy	10,472.	10,472.		
17 Travel	15,543.	15,543.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	59,036.	59,036.		
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	7,012.	7,012.		
23 Insurance	1,475.	1,475.		
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a PUBLIC RELATIONS	38,133.	38,133.		
b SPECIAL PROGRAMS	15,184.	15,184.		
c PROFESSIONAL FEES	9,329.	9,329.		
d TELEPHONE	8,483.	8,483.		
e VEHICLE	8,002.	8,002.		
f All other expenses	13,454.	13,454.		
25 Total functional expenses. Add lines 1 through 24f	348,851.	348,851.	0.	0.
26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
ASSETS	1	Cash — non-interest-bearing	451,525.	1	494,362.
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	20,684.	4	29,121.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	1,666.	9	
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	48,594.		
	10a				
	b Less: accumulated depreciation	42,540.	14,288.	10c	6,054.
	10b				
11	Investments — publicly traded securities		11		
12	Investments — other securities. See Part IV, line 11		12		
13	Investments — program-related. See Part IV, line 11		13		
14	Intangible assets		14		
15	Other assets. See Part IV, line 11		15		
16	Total assets. Add lines 1 through 15 (must equal line 34)	488,163.	16	529,537.	
LIABILITIES	17	Accounts payable and accrued expenses	5,499.	17	5,164.
	18	Grants payable		18	
	19	Deferred revenue	18,563.	19	35,251.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	212.	23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
25	Other liabilities. Complete Part X of Schedule D		25		
26	Total liabilities. Add lines 17 through 25	24,274.	26	40,415.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34.				
	27	Unrestricted net assets	463,889.	27	489,122.
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	Total net assets or fund balances.	463,889.	33	489,122.	
34	Total liabilities and net assets/fund balances.	488,163.	34	529,537.	

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Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI.

1	Total revenue (must equal Part VIII, column (A), line 12)	1	374,084.
2	Total expenses (must equal Part IX, column (A), line 25)	2	348,851.
3	Revenue less expenses. Subtract line 2 from line 1	3	25,233.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	463,889.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	489,122.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII.

1 Accounting method used to prepare the Form 990: Cash Accrual Other See Sch. O

If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O.

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If 'Yes' to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:

Separate basis Consolidated basis Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

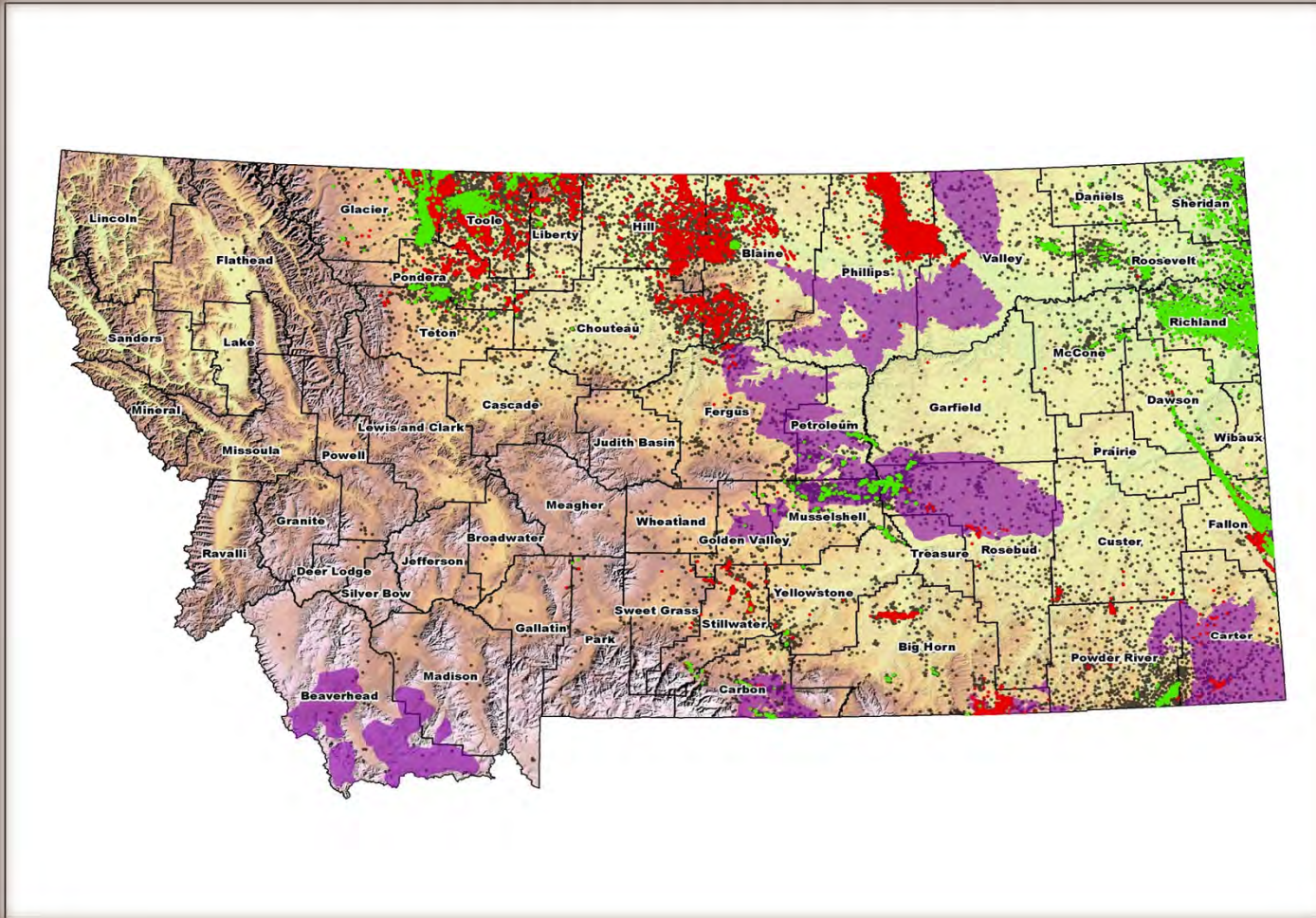
b If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b		X
2c		
3a		X
3b		

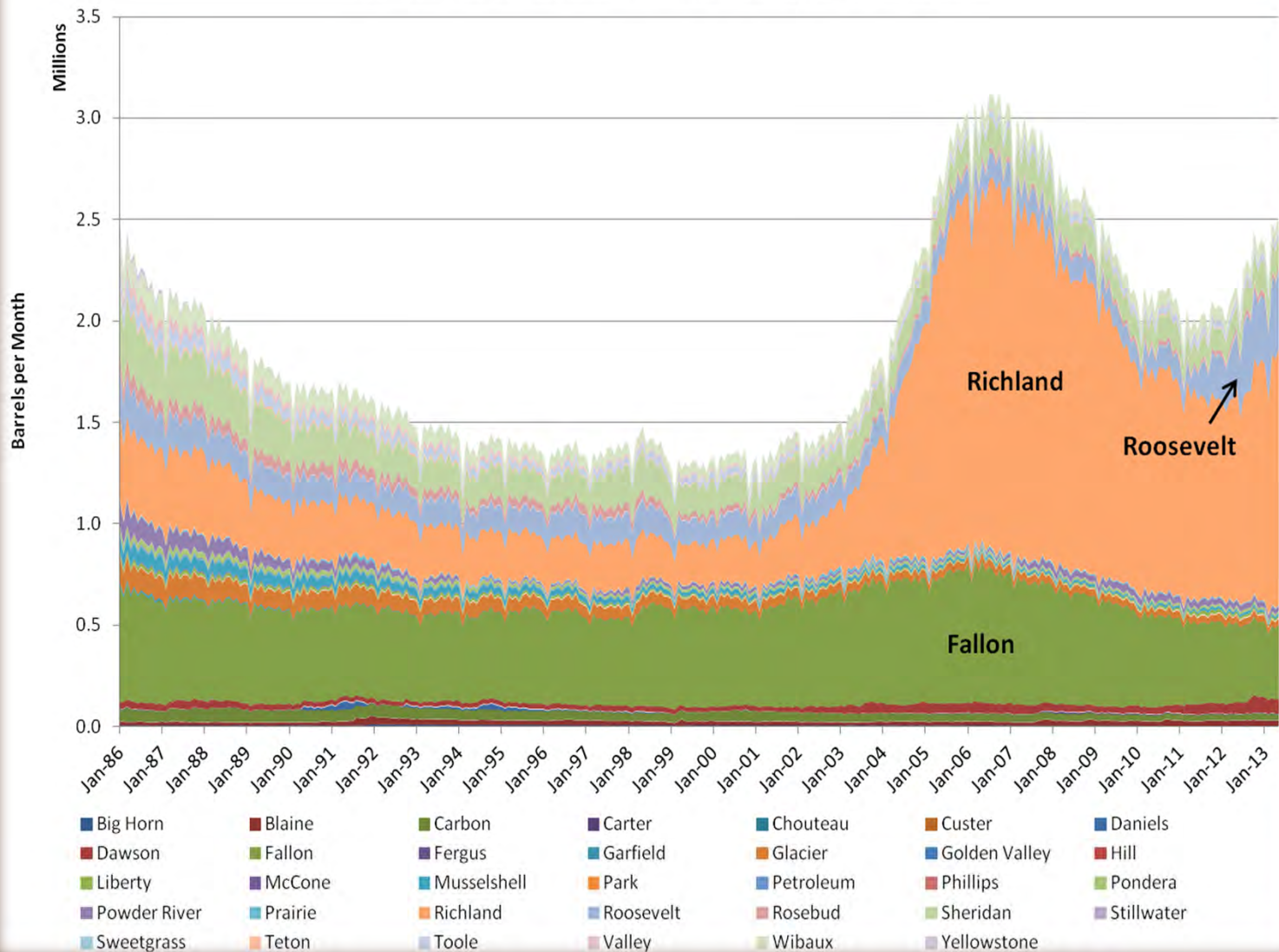
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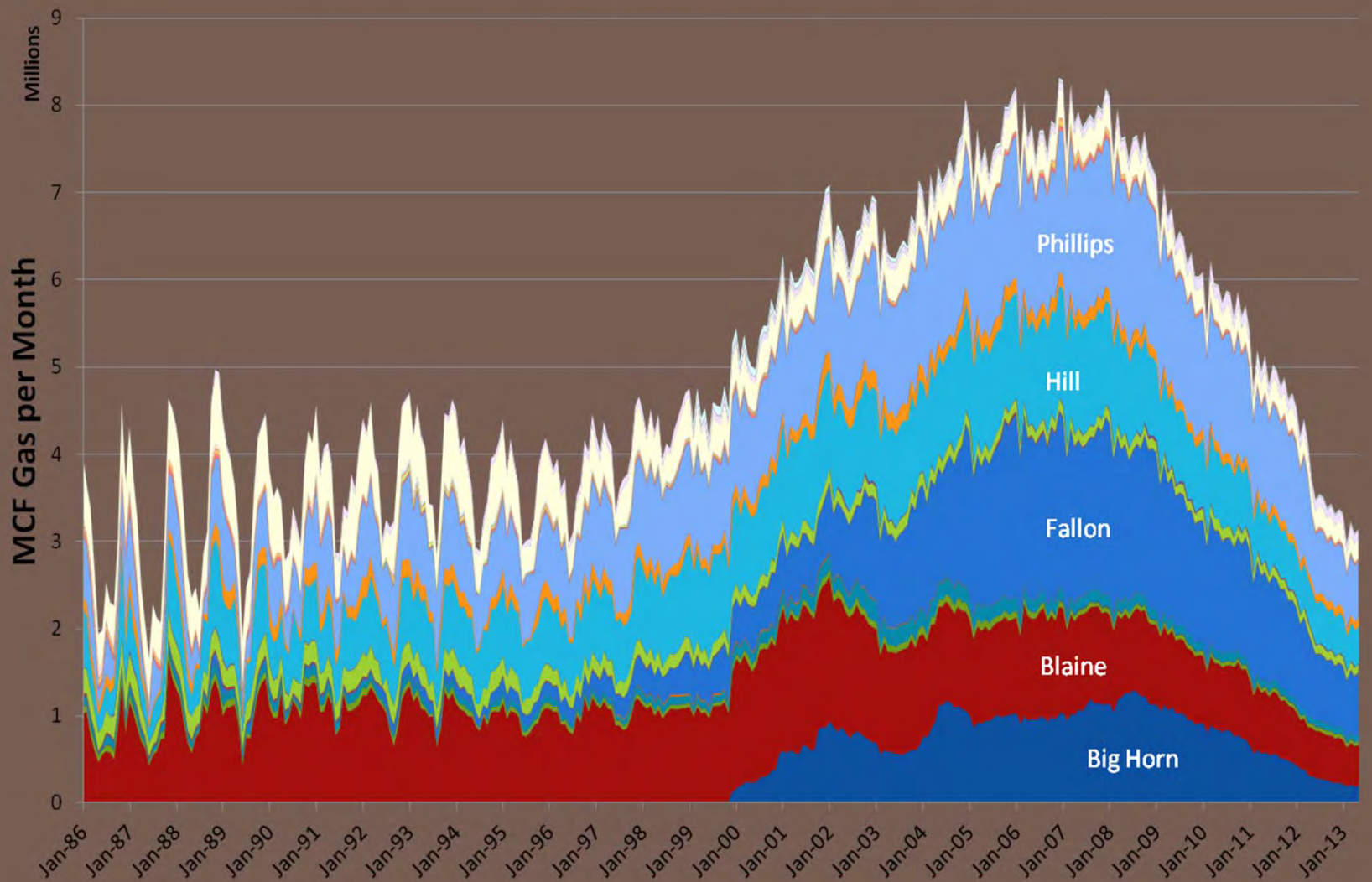
Sage Grouse Core Areas



Montana Oil Production by County



Montana Gas Production by County



- | | | | | | | | |
|------------|-----------------|--------------|-----------|------------|-----------|----------------|-----------|
| ■ Big Horn | ■ Blaine | ■ Carbon | ■ Carter | ■ Chouteau | ■ Custer | ■ Fallon | ■ Fergus |
| ■ Glacier | ■ Golden Valley | ■ Hill | ■ Liberty | ■ Phillips | ■ Pondera | ■ Powder River | ■ Prairie |
| ■ Richland | ■ Stillwater | ■ Sweetgrass | ■ Teton | ■ Toole | ■ Valley | ■ Wibaux | |