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Office of the State Engineer discontinues the Industrial Water Use In Lieu of Irrigation Program (ILOP)

The office of the State Engineer has decided to discontinue the Industrial Water Use In Lieu of Irrigation program (ILOP) that has been in effect since 2011. The program was available to irrigation water permit holders, allowing them to suspend their irrigation use for a season and use that water for hydraulic fracturing in the oil industry. The "In-Lieu-Of" program was implemented as an emergency measure to provide water to the industry during the initial high-stress phase of oil-field development because water supplies were not well developed or well distributed and long distance water hauling was causing serious public safety and infrastructure damage concerns.

"We were seeing increased numbers of collisions and road damage from the thousands of trips water-haulers were making to deliver water from the source to the site. The emergency authority of the State Engineer was warranted to help alleviate those conditions," said Jon Patch, Director of the Water Appropriations Division of the Office of the State Engineer.

Emergency conditions have subsided with the expansion of available permitted water supplies throughout the Bakken, improved road and water supply infrastructure, and decreased demand.

"When the in-lieu-of program first began in 2011, one out of every four gallons used in the hydraulic fracturing process was provided by program participants. Today the program provides only a small percentage of the water used in the industry," Patch said.

A nine-month transition will be allowed in two of the eight aquifer areas where there are insufficient permitted industrial water supplies available.

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