MONTANA BOARD OF OIL AND GAS CONSERVATION

POLICY: COMPLIANCE WITH ASSOCIATED GAS FLARING LIMITATION

Board rule 36.22.1220, ARM requires that an operator that intends to flare more than 100 MCFG per day after the initial 60-day test period request an exception to the rule or limit production to no more than 100 MCFG per day. The rule has specific requirements for what must be included in the request for exception, and the request is presented to the Board by Board staff at its next scheduled business meeting. Wells that require an exception will include both new wells and wells that are approaching the end of a granted extension period.

If a well is found to be flaring over 100 MCFG per day for two or more consecutive months without a complete flaring exception request turned into the Billings office, an immediate administrative penalty of $250.00 will be assessed. A notice of the assessment will be served by mail on the operator, and the operator will be given 30 days from the date of the penalty assessment to comply with the administrative rules of the BOGC.

If at the end of the above 30 day period, the operator still remains out of compliance, the matter will be placed on the next Board docket as a show cause hearing. A notice of the hearing will be sent to the operator. At the specified time the operator must appear and show cause as to why the operator has not complied with the BOGC administrative rules.

If, prior to the show cause hearing scheduled under this policy, the staff of the BOGC has received the required flaring exception request, and the operator has paid the penalties owed, the show cause hearing will be vacated and the operator so notified.

If a show cause hearing is convened and the operator does not appear, the BOGC will impose additional penalties as authorized under §82-11-147 (1) (b). Penalties may include the suspension of authorization to produce until compliance is achieved.

This policy is adopted by the BOGC on October 28, 2015 pursuant to the authority given to the BOGC in §82-11-147 (1) (b); §82-11-149; and as prescribed in Hawley v. BOGC, 2000 MT 2, 297 Mont. 467, 993 P.2s 677 (2000).