MONTANA BOARD OF OIL AND GAS CONSERVATION

**POLICY: COMPLIANCE WITH BOARD ORDERS ON PRODUCTION AND INJECTION REPORTING**

The Montana Board of Oil and Gas Conservation (BOGC) collects production and injection information from oil and gas producers and injection well operators. Such information, in the form specified by the BOGC, is to be supplied by the operator to the BOGC on a regular basis pursuant to BOGC administrative rules 36.22.1242 and 36.22.1415.

If the reports are more than 4 months delinquent an immediate administrative penalty of $50.00 plus $10.00 per delinquent production lease-month and $10.00 per delinquent injection well-month 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 delinquent, the penalty will double, and 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 compliance issues beyond delinquent reporting are discovered the automatic scheduling of a show cause hearing may be waived by the staff and the matter discussed with the Board at its next scheduled meeting.

If no later than 10 days prior to the show cause hearing scheduled under this policy, the staff of the BOGC has received the required reports, and the operator has paid the penalties owed, the show cause hearing will be vacated. Reports or penalty payments received later than 10 days prior to the hearing will not be considered, and the operator must appear at the scheduled hearing where additional penalties may be applied.

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 April 1, 2009, amended October 12, 2011 and April 13, 2022, 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).