MONTANA BOARD OF OIL AND GAS CONSERVATION

POLICY: COMPLIANCE WITH OIL ON EARTHEN PITS AND OPEN VESSELS RULES

This policy establishes enforcement procedures for violations of Board rules regarding the presence of oil in open pits or vessels, to ensure environmental protection and regulatory compliance.

Board rule ARM 36.22.1207 prohibits the storage, disposal, or retention of waste oil, oil sludge, tank bottoms, merchantable oil, petroleum products, hazardous wastes, or hazardous or deleterious substances in earthen storage pits or open vessels.

Board rule ARM 36.22.1223 requires that open storage vessels, earthen pits, or ponds containing oil be fenced, screened, and netted.

Enforcement Procedure:

If an open storage vessel, earthen pit, or pond is found to contain oil and is not properly fenced, screened, and netted as required by ARM 36.22.1223, the operator shall be required to remove the oil within 48 hours of notification by Board staff, unless an extension is granted for good cause.

If the oil is not removed within the approved timeframe, an administrative penalty of $500 shall be assessed. An additional administrative penalty of $100 per day shall be assessed for each day the violation remains unresolved, beginning on the first day after the compliance deadline. Penalties will continue to accrue until compliance is confirmed by inspection.

If the violations remain unresolved at the end of a 10-day period, or the operator has had three or more similar violations on the same pit within a rolling 12-month period, then the matter shall be placed on the next regularly scheduled Board docket for a show cause hearing.

At the hearing, the operator will be required to show cause why further penalties or enforcement actions should not be imposed for failure to comply with the Board's rules.

If the operator fails to appear at the hearing, or if the Board finds continued noncompliance, the Board may impose additional penalties as authorized under § 82-11-147(1)(b), MCA, including but not limited to:

- increased administrative penalties;
- suspension of authorization to produce; or
- other appropriate enforcement measures.

This policy is adopted by the BOGC on October 8, 2025, 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).