



State of Utah

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Department of Natural Resources
Division of Oil, Gas and Mining

BRIAN C. STEED
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June 3, 2021

NOTICE TO OIL & GAS PRODUCERS

Re: Administrative Penalties

At the Utah Board of Oil, Gas and Mining hearing held on May 26, 2021, rules outlining penalties for oil and gas operations were approved and accepted by the Board. These modifications have an effective date of May 27, 2021. This letter is to notify you of these changes, as well as provide background on why this change occurred.

During the 2020 General Legislative Session, the Utah legislature passed Senate Bill 148, which required the Division of Oil, Gas and Mining (DOGM) to modify the process for imposing and collecting administrative penalties. Since then, Division staff has worked with interested stakeholders to revise the current rules regarding final orders, administrative remedies, and create a new rule establishing rules and procedures for imposing and collecting administrative penalties.


The new rules allow the owner or operator to resolve a violation within the timeframe specified in the Notice of Violation with no administrative penalty assessed. For violations not addressed, this rule outlines a daily penalty schedule that is dependent on the severity of the violation. Senate Bill 148 gives DOGM the authority to initiate an adjudicative proceeding to collect the unpaid penalties. The statute and rule also allow for administrative penalties to be appealed to the Board within 30 days.

The more technical changes include adding definitions for Adjudicative Proceeding, Resource Detriment and Willful Violation to R649-1, Administrative Procedures; clarifying written and final orders and the exhaustion of administrative remedies to R649-10, Administrative Procedures; and establishing a new rule and procedures for imposing and collecting administrative penalties in R649-11, Administrative Penalties.

These rules were published and open for public comments in accordance with the Utah Administrative Rulemaking Act. The revised rules are available at adminrules.utah.gov under 'Current Rules,' 'Natural Resources,' then Oil, Gas and Mining; Oil and Gas (649).

Division staff appreciates stakeholder participation and the public comments received that aided in the development and approval of the rules. If you need more information or clarification, please don't hesitate to contact our office at 801-538-5279.

Thank you,


Bart Kettle, Deputy Director
Oil and Gas Program

