



Utah Division of Oil, Gas and Mining Proposes Rules on Administrative Penalties

By: [David Bolda](#)

The Utah Division of Oil, Gas and Mining (DOGGM) published [proposed rules](#) relating to administrative penalties for violations of the rules by operators. The Division will accept public comments until May 17, 2021. The proposed rules are significant to industry because they establish criteria for assessing penalties and establish violation classifications and corresponding penalty amounts.

The most significant change is the addition of a new rule, R649-11, creating a process for DOGM to assess and levy fines for violations of the rules where none existed before. The new rule creates classes of violations (Class I, II or III), criteria for how the penalties shall be assessed, and penalty amounts ranging from \$750 a day up to \$10,000 a day depending on the class and the severity of violation within that class (“minor” or “major” which is determined by aggravating and mitigating factors also outlined in the rule). Previously, there was no set penalty amount for violations, classes of violations, or a defined process in the rules for imposing penalties.

The proposed rule changes are a result of an audit by Utah legislators of DOGM’s past use of penalties against operators for violations of the rules. After Utah legislators found inadequate use of penalties and the lack of a defined process for imposing penalties on operators, they enacted S.B. 148 during the 2020 session requiring the Utah Board of Oil, Gas and Mining and DOGM to modify and create new rules establishing “a standardized violation schedule to set the violations and the associated administrative penalty for each violation,” (*see* Utah Code Ann. § 40-6-11).

A proposed formal rule to implement the changes was initially published in the Utah State Bulletin on February 15, 2021, but, after receiving numerous comments, additional changes were necessary. The Utah Petroleum Association submitted many comments and proposed edits to DOGM related the rule changes throughout the informal rulemaking process and supports the changes as published in this Bulletin.

For further information or assistance drafting comments on this proposed rule, please contact [David Bolda](#).