

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION



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Environmental Quality Council
Legislative Environmental Policy Office
State Capitol Building
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Helena, Montana 59620-1704

To the Environmental Quality Council:

In accordance with Section 75-1-314, MCA, the Department of Natural Resources and Conservation submits the attached Enforcement and Compliance Report for your review. The report contains information specific to each division in the department with enforcement and compliance responsibilities.

Should you have any questions or comments, please contact our department at (406) 444-2074.

Sincerely,

John E. Tubbs, Director
Department of Natural Resources & Conservation

Enclosures

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**Department of Natural Resources
and Conservation
Enforcement and Compliance Report
Section 75-1-314, MCA**

Trust Land Management Division Enforcement and Compliance Report

DIVISION OVERVIEW

The Trust Land Management Division of DNRC manages approximately 5.1 million surface acres and 6.2 million subsurface acres of state land for 12 trust beneficiaries. We pride ourselves on being good neighbors and good stewards. Our stated Mission is *to manage the State of Montana's trust land resources to produce revenue for the trust beneficiaries while considering environmental factors and protecting the future income-generating capacity of the land.*

The Trust Land Management Division (TLMD) is not a regulatory body, but rather enters into leases and contracts with entities that purchase the use of various natural resources such as forest and agricultural products through timber sales and agriculture/grazing leases, respectively. The Division is organized into four bureaus, each with a specific resource and revenue focus.

Forest Management Bureau

At any one time, the bureau has approximately 50 active timber sale contracts. The program sells approximately 56.9 million board feet (MMbf) of timber annually and approximately 90 to 95 percent of the program's volume is under contract via timber sale contracts. Timber sale contracts represent agreements for volume over 500 thousand board feet (Mbf) of green or salvage timber while timber permits represent agreements under those volume amounts.

Non-compliances

Each timber sale, permit, and procurement contract is administered by Trust Lands staff members who regularly visit sites and completes comprehensive inspections of operator activities using inspection monitoring forms or other quality assurances provided for in the specified contract. Similar to other land management agencies, Trust Land Forest Management Program activities must comply with regulations overseen by other regulatory agencies or divisions including Montana Department of Environmental Quality, Montana Fish Wildlife and Parks, and Montana DNRC Forestry Division. Forest Management Program Administrative Officers inspect compliance not only with Program stipulations and specifications, but also with regulations enforced by the above-mentioned regulatory agencies.

Over the past two years, four violations of the Streamside Management Zone (SMZ) Law enforced by the DNRC Forestry Division were reported on forested state trust lands. One of the reported violations turned out to not be an actual violation once it was investigated. A second reported violation may or may not have been an actual violation. The issue involved logs being placed on the downhill side of a road located in an SMZ. The matter was simply resolved by removing the logs and it was determined that no resource damage had occurred. Another violation occurred when a single tree was inadvertently felled in a stream. The tree was removed and no damage occurred. The final violation occurred when mechanical site preparation for reforestation inadvertently occurred in a small portion of an SMZ. The area was grass seeded and covered with slash to prevent erosion and subsequent sediment delivery to the stream.

In all of these cases the Trust Land Forest Management Program self-reported the violations to the Forestry Division. Forestry Division forest officers investigated and reported on the violations. Trust Land Management Division is committed to ongoing SMZ Law compliance training for all of its foresters.

Over the past two years, no timber sale contracts, timber permits, or forest management related procurement contracts have been terminated because of non-compliance with rules or regulations.

Enforcement Efforts

There are no instances of unresolved non-compliances.

Real Estate Management Bureau

Regulated Community

As noted in the introduction, the Real Estate Management Bureau does not have a regulated community per se, but rather manages a portfolio of leases, easements, and licenses for various uses such as residential and commercial. Other entities responsible for regulating these uses include local government, the Department of Environmental Quality, Department of Fish Wildlife and Parks, and any other agency responsible for the development of land uses and the resultant impacts.

Property Management Section

This Section oversees surface leasing on the 15,152 acres of trust land classified as "Other", in addition to Land Use Licensing secondary uses on other land classifications. Land classified as "Other" is defined as all trust land that is not agricultural, grazing, or forest land. There are two leasing programs for activity on land classified as "Other": the residential leasing program and the commercial leasing program.

I. Residential Leasing Program (Cabin Site and Home Site Leases) Residential leases are typically issued for 15 year terms. As of November 12, 2019, there are currently 617 lots that are designated for residential leasing. Of the 617 lots, 11 have never been leased, and 72 have previously been leased but have been cancelled for non-payment. The resulting vacancy rate is 13.5%.

The Department is actively selling cabin sites through the Land Banking program in accordance with MCA 77-2-308. As cabin sites are sold, the number of lots in the leasing program is reduced, and the vacancy rate fluctuates. Because this is an ongoing program, these inventory numbers often change from month to month.

Non-Compliance – Lease Payment

If a lease invoice is not paid after 30 days delinquency the lease is cancelled. A notice of cancellation is mailed to the lessee via certified mail informing them that the lease has been cancelled for non-payment. The notice of cancellation provides the lessee an opportunity to request a hearing, and the option to reinstate the lease for a \$500 fee, plus outstanding rent, if paid within 30 days.

In FY18, 3 residential leases were cancelled for non-payment. In FY19, 6 residential leases were cancelled for nonpayment.

Non-Compliance – Physical Review

All residential leases receive a physical inspection every 5 years to ensure lease compliance. The inspections are done in person on the lease site. A standard physical inspection form is completed by staff in the field and submitted to the Real Estate Management Bureau. Any

management issues discovered during the physical inspection are addressed by field staff, typically through a letter to the lessee outlining violations and establishing time frames for correction. If a lease is expiring that has had repeated lease violations, the lease may not be renewed, or may be renewed for a shorter term than the typical 15-year renewal. The shorter lease term allows time for the lessee to correct violations and show improvement in the management of the lease before cancellation. In FY18, no residential leases were cancelled for lease violations. In FY19, one lease was cancelled for lease violations.

Enforcement - Improvements Assumption

Improvements upon an active residential lease are owned by the lessee. When a residential lease is cancelled, the former lessee retains ownership of the improvements under certain conditions. All residential leases provide conditions for the improvements upon cancellation, which include retained ownership for a period of time for the former lessee to attempt to sell the improvements to an incoming lessee, after which the State assumes ownership of the improvements on behalf of the trust beneficiary of the underlying land. Leases issued prior to 2010 provide for a two-year period. All leases issued after 2010 provide for a three-year period.

In addition to lease language, Administrative Rules of Montana (ARM) for the cabin site leasing program provide that the former lessee has a limited right to remove the improvements or be compensated for the improvements by a new lessee. Improvements that are not removed or sold in accordance with the ARM result in trust assumption and ownership of all improvements. The ability to remove or seek compensation for improvements is only available if the former lessee has continued to pay all taxes and any other applicable assessments and is limited to a time period of up to three years after the date of cancellation or abandonment. If after three years there is no new lessee and the improvements have not been removed, the department will provide written notice to the former lessee granting 60 days for removal of remaining improvements and an opportunity to request a hearing. After that time, the improvements will become the property of the trust.

In FY18 and FY19, the Bureau sent 8 notices of state assumption to former lessees. Each of the lease sites included a cabin or home structure. In most instances, the remaining improvements had been unattended and unmaintained for over three years.

Of the 8 former lessees that received the notice of state assumption:

- One removed the improvements.
- One requested a hearing that was settled, and subsequently reestablished a compliant lease and retained ownership of the improvements.
- One voluntarily assigned ownership to the State.
- The remaining five did not formally contest the improvements assumption process and the improvements were assumed by the State and documentation was recorded with the applicable County. Since the assumption, two of the assumed improvements were subsequently demolished by the department due to the dilapidated nature of the structures and concern for human safety.

II. Commercial Leasing Program

Commercial leases are issued for up to 99 years and are issued based on a Request for Proposal Process. There are currently 132 active commercial leases. Lease terms are negotiated between field, Bureau, and legal staff to establish lease fees that provide full market value to the trust

beneficiaries. The lease fee may not be less than the amount described in Section 77-1-905 of the Montana Code Annotated (MCA).

Non-Compliance – Lease Payment

If lease fees are not paid, the lease is cancelled. A notice letter is mailed to the lessee, informing them that the lease has been cancelled for non-payment, and offering the lessee an opportunity to have a hearing. This letter also offers an opportunity to reinstate the lease for a \$500.00 fee, if paid within 30 days, unless the lease itself provides for an alternative recourse for non-payment. In FY18 and FY19, 0 commercial leases were cancelled for non-payment.

Non-Compliance – Physical Review

Unless the commercial lease specifies a different physical review schedule, commercial leases receive a physical inspection every 5 years to ensure lease compliance. The inspections are done in person on the lease site. A standard physical inspection form is completed by staff in the field and submitted to the Real Estate Management Bureau. Any management issues discovered in the physical inspection are addressed by field staff, typically through a letter to the lessee outlining any violations and establishing time frames to correct such violations. Depending on the scale of the violations, the Real Estate Management Bureau may cancel the lease, or elect to renew the lease for a shorter-term, or not to renew the lease at all. The lease itself may also provide for remedies for lease violations. In FY18 and FY19, 0 commercial leases were cancelled for lease violations.

RIGHTS-OF-WAY/EASEMENTS

Upon approval by the State Board of Land Commissioners (the Land Board) the Department of Natural Resources and Conservation (DNRC) has authority to process, issue, and reciprocate easements across State trust lands for a variety of uses, pursuant to §77-1-130, MCA (Historic Rights of Way), §77-1-617, MCA (Reciprocal Access), and §77-2-101, MCA. Legal documents issued by DNRC contain special provisions and conditions for use, including but not limited to, reclamation after initial construction is completed, weed control, road maintenance, and compliance with any other permits that may be required by other State or federal agencies. Easements are also subject to a reversionary clause, under which they may be terminated if the legal easement holder has not utilized the easement for its granted use within a period of 5 years.

In FY18 and FY19, the Land Board approved and DNRC granted 889 easements for a variety of uses, including but not limited to, public recreation trails and fishing access sites, private access roads, county public roads, state highway projects, new utility installations, new water, oil, and gas pipelines, and existing (historic) private access roads and utility lines. Prior to receiving approval from the Land Board, DNRC staff inspected and prepared environmental analysis documents associated with new installations and construction. Existing (historic) structures are excluded from environmental analysis by statute.

Compliance – Physical Review

Easements located across State land are periodically inspected by local field office staff in conjunction with their surface lease management inspections or timber sale related activities. Easements are also reviewed based upon receipt of requests for assignment of rights associated with easements. Common examples of possible enforcement actions resulting from these inspections are reclamation and re-seeding of a buried utility facility and weed control measures on access roads.

Compliance – Enforcement

In FY18 and FY19, no easement holders were found to be in violation of any conditions or provisions of their legal easement document, and therefore no enforcement actions were undertaken.

Agriculture and Grazing Management Bureau

Regulated Community

As said in the introduction, we do not have a regulated community per se, but rather entities with which we have leases. The program is responsible for managing the agriculture and grazing resources on approximately 4.7 million acres of trust lands statewide. Currently there are 8,739 leases covering 4.1 million acres of grazing lands and 589,000 acres of agricultural lands, which includes cropland, hayland and lands enrolled into the Conservation Reserve Program (CRP). In addition, the program manages 196 grazing licenses on classified forest lands covering nearly 156,000 acres. Leases are typically issued for ten-year terms.

Non-compliance - Physical Review

As required by law (§77-6-101 and §77-6-201, MCA), leases are inspected once during the lease term, normally the year prior to expiration.

Non-compliance – Enforcement

Any management issues identified during the lease inspection are addressed through a shortened term for the new lease, special lease conditions or lease non-renewal. In FY18, 893 leases with 1,362 tracts covering 485,334 acres were inspected for lease renewal. Of those leases, 18 were renewed with 5-year terms and 87 had special lease conditions to address identified issues. The most common special lease conditions required development and implementation of either a cropland, grazing land, or weed management plan. In FY19, 887 leases with 1,456 tracts covering 454,059 acres were inspected for lease renewal. Of those leases, 15 were renewed with 5-year terms and 52 had special lease conditions to address identified issues. As with FY18 leases, the most common special lease conditions required development and implementation of cropland, grazing land, or a weed management plan.

Recreational Use Program

Recreational use on trust lands is permitted by purchasing either a conservation license or a state land general recreational use license. In FY18, 470,452 Conservation Licenses and 7,347 general recreational use licenses were sold. In FY19, 499,969 conservation licenses and 13,879 general recreational use licenses. Additionally, outfitting is authorized under Special Recreational Use Licenses. Currently, there are 164 SRUL's for outfitting containing 1,263 tracts on approximately 579,895 acres. Enforcement of recreational use laws is conducted by Department of Fish, Wildlife & Parks Game Wardens. Criminal violations are handled directly by the warden through the county court system. Civil violations are sent to DNRC to process.

In FY18, 2 civil violations were issued and fines totaling \$235.00 were collected.
In FY19, 6 civil violations were issued and fines totaling \$585.00 were collected.

Minerals Management Bureau

The State School Trust owns 6.2 million acres of mineral estate lands. However, mineral production occurs only on a small fraction, currently 231,500 acres. These are managed through the issuance of mineral leases, primarily for oil, gas and coal. Producing leases currently total 612 for oil and gas, and 6 for coal. All operations on these leases are regulated by the Board of Oil and Gas Conservation (BOGC) and the Department of Environmental Quality (DEQ). They inspect and take enforcement actions on state-owned lands in the same manner as for private and/or federal lands that are under their regulatory jurisdiction. TLMD staff also inspect state trust lands with active operations, though our role is that of a "landowner" and not in a strict regulatory capacity. TLMD activity is summarized below.

Oil and Gas

New Wells

New activity encompasses both wells and related infrastructure. In fiscal years 2018 and 2019, there were no new wells drilled on state trust lands.

Existing Wells

As of March 2013, there were 269 oil and 389 gas wells producing on state trust lands. There were also 62 active water injection wells (9 disposal and 53 enhanced recovery). These wells are located within 6 TLMD field office management areas across central and eastern Montana. BOGC staff inspect wells as appropriate pursuant to their regulatory oversight authority. TLMD staff inspect these wells on a periodic basis, primarily in conjunction with their surface lease management inspections. The number inspected varies with their surface inspection schedule. Wells are also targeted for TLMD staff inspection based on information gathered during routine inspections and/or information provided by BOGC inspectors. Common examples of possible enforcement actions arising from TLMD inspections are weed control, reclamation status, or revegetation success.

Coal

New Operations – None

Existing Operations

Ongoing surface mining operations are being conducted on six state leases. These operations are closely monitored by the DEQ Coal Bureau's field staff. DEQ staff contacts TLMD whenever a change in operational status occurs. TLMD staff typically inspect operations as needed in conjunction with DEQ staff when operations on state lands advance into final reclamation activities. Because DEQ regulatory encompasses all lands disturbed by coal operations, no enforcement actions by TLMD staff are required.

Other Minerals

There are currently 42 gravel permits on state trust land. These operations are closely monitored by DEQ Opencut Section field staff. DEQ staff contacts TLMD if issues arise during operations and when site closure and reclamation is commenced. TLMD field staff visit all gravel permit

areas prior to commencement of operations and during reclamation. Some gravel operations are longer term, and TLMD site visits during operations are conducted on a periodic basis as needed.

Current Plans

Over the last three years TLMD has implemented a field well inspection application used on electronic tablets that aid field staff in digitally filling out, submitting, and tracking oil and gas well inspections as part of the continually developing risk-based inspection program for oil and gas operations on state trust lands. This application has been successful in providing a framework for more efficient and effective site inspections by TLMD staff. Between fiscal year 2018 and 2019, field staff have filled out 306 field inspection forms for oil and gas wells. Eventually, all TLMD oil and gas wells will have been inspected and will be on a regular inspection cycle. Currently these digital inspection forms can be viewed by TLMD managers or field staff to recall a specific inspection for any of the inspected wells. Given the success of the oil and gas inspection application, a similar version was created, and is being tested for the inspection of TLMD gravel operations. With the rollout of a new TLMD data management system, it is the hope of MMB to be able to easily pull up inspection statistics and status reports on any of the oil, gas, or gravel operations occurring on state lands.

Water Resources Division Enforcement and Compliance Report

Montana Water Measurement Program

The Montana Water Measurement program was created to identify chronically dewatered watercourses. The program provides water and snowpack data and water measurement expertise to watershed groups and user groups to improve local management of water resources. The program seeks to reduce adverse impacts to beneficial uses, such as agriculture, municipal, fisheries and recreational uses, and reduce conflicts between competing uses.

The Musselshell River and Mill Creek, a tributary of the Yellowstone River, are the two watercourses formally regulated by the program. Compliance and enforcement efforts in the Musselshell basin have improved with the creation of the "Musselshell River Distribution Project", and involvement of the District Court. As a result, compliance is nearly 100 percent.

In Mill Creek, interest has been focused on finding a sustainable solution to the dewatering of the lower reaches of Mill Creek in late summer. The program continues to work with FWP to operate a gaging station near the mouth of Mill Creek.

The program continues to work in the Wise River basin with the Big Hole Watershed Committee. Working with the DNRC stream gaging program, a real-time gage is now operating on Wise River near the mouth. Flow data is being collected for possible use in a Wise River Drought Management Plan.

The program continues to analyze and model Georgetown Lake water supply for the benefit of Granite County, Flint Creek Dam Advisory Committee, FWP, irrigator groups, and other interested parties. The program also processes occasional water measurement grant applications throughout the state.

BOARD OF WATER WELL CONTRACTORS

The Board of Water Well Contractors program is designed to reduce and minimize the waste and contamination of ground water resources within this state by reasonable regulation and licensing of drillers and constructors of water wells and monitoring of wells. Water well construction standards are set in the administrative rules and enforced to ensure compliance with water well and monitoring well construction.

The Board directs investigations of complaints of unlicensed drillers and violations of water well construction standards submitted by the public, regulatory agencies, and other drillers. The Board holds hearings on complaints and, as warranted, prescribes education, remedial action, bond forfeiture, license suspension, and license revocation to enforce state law and regulations. The program manager administers training, testing, licensing, and annual training and re-licensing of 218 Water Well Drillers, Monitoring Well Constructors, Water Well Contractors, and Inactive Licenses in Montana.

Complaints to the Board are analyzed and field investigated. There were 2 complaints filed formally in written complaints and 3 complaints were verbal. Of those 2 formal complaints; 1 decision favored the driller; 1 complaint is scheduled for review by the Board at its January 2020 Board meeting. The 3 verbal complaints were resolved without the Board taking action. Typically, there is voluntary compliance or correction of a construction standard based on the finding of the field investigator. Complaints that result in some remedial action by the driller have occurred on less than 1% of all water wells drilled in a year.

DAM SAFETY REGULATORY PROGRAM

The Dam Safety Regulatory Program (DSP) is designed to ensure that dams with potential for loss of life downstream are operated and maintained in a safe manner. A dam with potential for loss of life downstream is classified as a “high hazard” dam. This classification reflects what is located downstream of the dam and is not a description of the dam condition. Primary regulatory responsibilities include issuing operation permits and construction permits on high hazard dams and conducting downstream dam hazard evaluations to determine if a dam has loss of life potential. When the DSP issues an operation permit, it is an assurance to the public that the dam meets appropriate standards. Secondary regulatory responsibilities include: assistance to owners with program compliance and responding to complaints on non-high hazard dams. Permitted dam owners include irrigation districts, private irrigation companies, cities, counties, State of Montana, and private individuals. Dams under federal jurisdiction are exempt from regulation. For a brochure that provides a variety of information on dams in Montana, please refer to the following link: <http://dnrc.mt.gov/divisions/water/operations/dam-safety/DamsinMontana12282018.pdf>

The DSP uses education and outreach to promote safe dams and encourage compliance. The DSP works with the Montana Association of Dam and Canal Systems (MADCS) to host annual dam owner workshops targeted towards permitted dams. Key recent efforts to promote compliance include:

Emergency Action Plan (EAP) and Dam Owner Training Workshops. These workshops are targeted towards specific high-hazard dams with a deficiency or operation challenge. Dam owners and county emergency managers are led through a mock dam incident. Discussions are focused on activities that should occur to respond to the incident and prevent the incident from becoming more serious.

Expert External Review: Funding was provided to the DSP in the 2019 legislative session to hire an expert external engineering firm to assist with reviews of advanced designs.

The DSP also utilizes a compliance tracking program that keeps track of all permitting deadlines. Weekly automated reminders are sent to staff.

Non-compliance with Annual Requirements:

Dam owners are required by their operation permit to complete an annual “owners” inspection. It is a constant challenge to get these completed, often requiring multiple reminders from dam safety staff.

The DSP offers periodic dam owner bulletins to remind dam owners of their responsibilities and encourage them to be proactive in responsible ownership. The bulletins discuss owner

inspections and other dam owner responsibilities. Other key information such as upcoming training opportunities are included in the bulletins.

Administrative rules require that Emergency Action Plans (EAPs) be updated annually. This is not being done by all dam owners despite frequent reminders. An analysis by DSP staff has concluded the reason for the poor compliance is the requirement that EAPs have written statements of agreement by county disaster emergency coordinators, county sheriff, city police, engineer, and others. Obtaining multiple signatures for EAP updates is time consuming and unbeneficial. Thus, the DSP is proposing a rule change to eliminate the requirement for signatures on the plans.

Non-Compliance with Permit Conditions

Permit conditions are issued during the operation permitting process when a dam has a potential problem that can impact the overall safety of the structure. Conditions can include implementing a reservoir level restriction, requiring an exercise of an emergency action plan, conducting additional analysis or monitoring, or completing a repair. Failure to complete a permit condition can result in revocation of the Operation Permit. Revocation of an Operation Permit can result in the reservoir being drained or restricted, notification of the downstream public and/or a civil penalty.

The DSP issued two non-compliance with Permit Conditions letters in 2019. In both cases the dam owners immediately responded and worked to address overdue permit conditions and have been in full compliance since.

Non-Compliance with Standards: There are eight non-permitted privately-owned small high-hazard dams. These dams have deficiencies that prevent the DSP from issuing an operation permit. These dams are all making progress to address deficiencies as described in Table 1. In the interim, the DSP asks the dam owners to conduct inspections, develop emergency action plans and take other actions to prevent dam failure. Table 2 summarizes permitted dams with engineering analysis, investigations or rehabilitation underway or planned. Where necessary, the DSP works with the dam owners to implement risk reduction measures while efforts to rehabilitate or investigate the dam are underway. Risk reduction measures include reservoir level restrictions, additional monitoring requirements and emergency planning exercises with affected communities.

Table 1. Summary of High Hazard dams with Operation Permits Pending

Dam	County	Activities
Surprise Creek Dam	Judith Basin	A construction permit has been issued to rehabilitate the dam. Rehabilitation will begin as soon as reservoir can be drawn down in 2020. The Operation Permit will be issued upon completion
Blixit Creek Dam	Missoula	Construction underway. The Operation Permit will be issued upon completion.
Jordan Dam	Park	A construction permit has been issued to repair the dam. Construction is delayed while owners determine if the outlet should be rehabilitated at same time. Owners are operating reservoir at a reduced level. Permit Pending upon construction completion
Davis Dam	Powell	Operation Permit pending, inspection scheduled.
Beaver Dam	Madison	Construction underway to repair dam that failed in 2017. The Operation Permit will be issued upon completion of repairs.
Jackson Dam	Madison	A construction permit has been issued. Rehabilitation is on hold while owner is pursuing funding. Reservoir is maintained empty. An Operation Permit will be issued upon completion of rehabilitation.
Stiles Dam	Custer	Reservoir empty, gate removed, working on decommissioning dam for minimal storage. Will no longer be high hazard following reconstruction.
Lakeside Dam	Yellowstone	Plans underway to abandon or reline deteriorated CMP. Permit Pending upon construction completion

Table 2. Summary of Permitted High Hazard dams with engineering design, investigation and rehabilitation underway or planned.

Dam	County	Activities
Lower Willow Creek Dam	Granite	Plans underway to install access to keep an eye on a CMP drain. Drain is in relatively good condition, but beyond its design life. Planning on applying for a DNRC Renewable Resource Grant (RRGL) to help with costs associated installing drain access. Permitted with Conditions.
Powell Dam	Powell	Engineers are working to better understand foundation seepage. Planning on applying for a DNRC Renewable Resource Grant (RRGL) and a FEMA High Hazard Potential Dam Grant to assist with design and construction of repairs found to be necessary (following investigation). Permitted with Conditions.
Eureka Dam	Teton	An expert geotechnical firm has been hired to try to understand the foundation seepage. Plans are to drill exploration wells this winter. The Conservation District plans to apply for a DNRC Renewable Resource Grant (RRGL) and a FEMA High Hazard Potential Dam Grant, to assist with design and construction of repairs found to be necessary (following investigation). Permitted with Conditions.
Willow Creek Dam	Madison	Currently investigating voids under the concrete spillway. A reservoir level restriction is in place to prevent a high depth of water over spillway. Permitted with Conditions.
Kootenai Development Impoundment Dam	Lincoln	Evaluation of embankment seepage is underway. Construction of a replacement spillway is planned for 2020. This dam is on a superfund site and under multiple agency review. Permitted with Conditions.
Basin #1	Butte Silver Bow	Deterioration of concrete in the upper 10 feet of the dam is being evaluated by a structural concrete expert. Planning on applying for a DNRC Renewable Resource Grant (RRGL) and a FEMA High Hazard Potential Dam Grant to assist with design and construction of a repair. Permitted with Conditions.
Glen Lake	Lincoln	Deterioration of upstream face of dam reported to be caused by recreational boating use on the reservoir. Voluntary reservoir level restriction in place. Planning on applying for a DNRC Renewable Resource Grant (RRGL) and a FEMA High Hazard Potential Dam Grant to assist with repair.

Non-Compliance with Construction Permitting Requirements

A dam in Madison County was found to be in violation of the State law that requires all construction with potential to impact the safety of the dam be done under oversight of a licensed engineer and be issued a construction permit by the DSP. The same dam is in violation of a Permit Condition and annual owner requirements. The DSP is currently is working on a response.

STATE FLOODPLAIN PROGRAM

The primary objective of the Floodplain Mapping Program is to develop and implement a comprehensive mapping plan of the state's rivers, waterbodies, and drain ways for the delineation of designation of floodplains and floodways, as prescribed in MCA 76-5-201.

DNRC's floodplain mapping section has been partnering with FEMA and interested stakeholders to accomplish its mission of identifying and mapping flood risk in order to alleviate flooding threats to life and health and reduce private and public economic losses. It is currently estimated that roughly 12,00 miles of the state's 73,000 miles of rivers and streams have regulatory mapped floodplains. Twenty-two (22) counties and two (2) reservations have had their paper Flood Insurance Rate Maps (FIRM) converted to a modernized digital format. Modernizations for seven (7) additional counties are underway along with several floodplain study updates.

The Floodplain Management Community Assistance Program (CAP) is tasked with reviewing and approving local proposed regulations to assure minimum state and federal standards are met. CAP is also tasked with reviewing community administrative and enforcement procedures for continued compliance with local regulations. The National Flood Insurance Program (NFIP) provides CAP program funding for community oversight, outreach activities, training events, technical reviews and administrative assistance to 136 local governments. Participating NFIP communities have adopted and are regulating building and development within the Special Flood Hazard Area (SFHA) and/or the Regulated Flood Hazard Area (RFHA) as prescribed in local regulations.

Program staff conduct approximately 45 community audits annually to verify compliance with the NFIP and state minimum standards. Each participating community is also contacted annually to verify community information and needs. FEMA administers the NFIP and has the authority to put communities on probation or sanction for failure to implement and enforce local regulations. If a community is sanctioned, federally backed flood insurance is no longer available to residents within the community. Disaster and federally backed grant assistance may be significantly reduced or unavailable for sanctioned communities. Such action by FEMA would result in the inability of banks or other lending institutions to sell home mortgages on the secondary market.

**Board of Oil and Gas Conservation
Oil and Gas Conservation Division
Enforcement and Compliance Report**

Program Description

The Board of Oil and Gas Conservation (Board) is composed of seven members appointed by the Governor for four-year terms to act and enforce the Board's oil and gas conservation statutes (Title 82, Chapter 11, MCA) and when necessary, rule-making authority (Title 36, Chapter 22, ARM). The Board is attached to the Department of Natural Resources and Conservation (DNRC) for administrative purposes.

The Oil and Gas Conservation Division (Division) is the attachment to DNRC and serves as the staff for the Board. The Division is responsible for the prevention of resource waste through regulation of oil and gas exploration and production. It is made up of 19.5 FTE located across the state: at the headquarters in Billings; an administrative office in Helena; a field office in Shelby; and inspectors located in Roundup, Plentywood, Sidney, and Plevna.

PROMOTING COMPLIANCE, INFORMATION, EDUCATION, TECHNICAL ASSISTANCE

Members of the Board include industry members and land and mineral owners who participate in various organizations and societies, which provide opportunities for outreach activity to the regulated community. Industry members participate in professional societies such as the Society of Exploration Geophysicists, American Institute of Petroleum Geologists, Montana Petroleum Association, and the Northern Montana Oil & Gas Association. Land and mineral owner members typically participate in the two active land and mineral owner associations in the state: the Northeastern Montana Land & Mineral Owners Association and the Montana Land & Mineral Owners Association.

The Board's four professional staff members also participate in similar organizations and societies.

The entire field inspection process provides transparency to the oil and gas inspection program and a consistency in field inspections and enforcement processes.

The Board has 8.0 FTE (chief field inspector, compliance office, and six field inspectors) assigned to inspection and enforcement activities. These individuals participate in annual safety training.

Field inspectors perform routine visits to well sites, provide information and advice to operators about regulatory and/or compliance requirements, listen to and look at surface owner concerns, investigate complaints, witness mechanical integrity tests and the plugging of wells, supervise the plugging and abandonment of orphan wells, etc.

The compliance officer monitors all compliance activity, regardless of the source, through final resolution. This includes any necessary board action.

There has been an increase in show-cause hearings as a result of the implemented procedures currently in place.

REGULATED COMMUNITY

There are approximately 340 active oil and gas operators in Montana. They operate over 7,000 oil wells and 7,000 gas wells, and 1,100 injection wells.

In **2017**, 16 operators had non-compliance issues brought before the Board.

12 were resolved in 2017

2 were resolved in 2018

2 are ongoing

In **2018**, 22 operators had non-compliance issues brought before the Board.

19 were resolved in 2018

1 was resolved in 2019

2 are ongoing

In the following tables, each order issued is the result of a hearing before the Board. Numerous orders issued for a particular operator indicates the Board and operator continued their attempt(s) to resolve the matter.

Enforcement Tables – please see excel spreadsheets

ENFORCEMENT EFFORTS

Field non-compliance issues are generally initiated by inspectors at the location with the operator or the operator's agent. Most non-compliance issues are resolved there. If not, the compliance officer becomes involved and makes further attempts to achieve compliance by contacting operator representatives and setting final deadlines. When all attempts have been deemed unsuccessful, the matter is considered a significant non-compliance issue. At this time, the matter is taken to the Board and docketed as a "Show-Cause" hearing.

Production and injection reporting non-compliance is identified by administrative staff and multiple attempts to resolve the matter are made prior to docketing the operator for a Show-Cause hearing before the Board. Compliance prior to the hearing will get the docket dismissed.

The Board is the final authority for enforcement actions. Decisions made by the Board may be appealed to District Court.

TREND INFORMATION

As oil and gas prices decrease, the number of operators that are not in compliance with the Board's rules and regulations increase.

Forestry Division

Forestry Assistance Program

Montana DNRC's (DNRC) forest practices regulatory programs promote information, education, and technical assistance, and ensure compliance with applicable laws to protect Montana's water quality, reduce fire risk, and promote sustainable forest management and stewardship on state and private lands in Montana.

Executive Summary

Montana's Forest Practices regulations exist to protect the state's forest, soil, and water resources. The DNRC administers several laws as they pertain to Forest Practices: the Streamside Management Zone Law & Rules, the Control of Timber Slash and Debris Law & Rules, and the voluntary Montana Forestry Water Best Management Practices Program. These regulations are essential in aiding the DNRC with fire hazard reduction, protecting riparian areas, minimizing non-point source water pollution from forest practices, and the overall promotion of effective, sustainable forest management and resource protection.

The DNRC is required to prepare a compliance report pursuant to House Bill 132, passed by the Montana Legislature in 1997, which requires Montana agencies with natural resource and environmental programs to biennially report to the Environmental Quality Council (EQC) on the status of compliance with and enforcement of Montana's natural resource and environmental laws and programs.

Key findings with this year's compliance report are:

- The DNRC has seen a relatively consistent number of open Hazard Reduction Agreements (HRAs), but there has been higher harvest activity associated with them. The HRA is designed to ensure that the fire hazard created through timber harvest – primarily forest residues (slash) left on-site – is mitigated per the guidelines of Montana's Timber Slash and Debris Law & Rules. Incidents of non-compliance – where DNRC has taken over an agreement and, thus, the responsibility for hazard mitigation, has increased in 2019 due to efforts to clear older HRAs and treat the associated slash.
- Over the past year, violations of the Streamside Management Zone Law occurred on less than 1% of logging operations. There were 10 such violations in 2017, ranging from minimal to significant.
- Montana's voluntary Best Management Practices program continues to show compliance rates approaching 100% for both application and effectiveness, due largely to self-regulating by forest owners and operators as well as extensive training and outreach by DNRC and its industry partners.

I. REGULATED PROGRAMS

- a. **Control of Timber Slash and Debris Law (HRA)** (76-13-401 through 415 MCA) requires a Hazard Reduction Agreement (HRA) to be in place to ensure the slash generated from any commercial timber harvest operation is treated to minimize the resulting fire hazard. Landowners, loggers, and/or other forest operators are subject to this law and must enter into a Hazard Reduction Agreement with DNRC. The HRA requires a performance bond be held by the DNRC until a certificate of clearance is issued.
- b. **Forestry Best Management Practices (BMP)** (76-13-101 (2) & 76-13-420 through 76-13-424 MCA) is a non-regulatory program that uses education and monitoring to minimize soil and water effects from timber harvest and associated forest management operations. This program provides operators and landowners practical guidelines and technical assistance to protect soil and water resources while they conduct forest management operations and enables biennial field reviews to monitor and report compliance.
- c. **Streamside Management Zone Law (SMZ)** (77-5-301 through 307 MCA) protects streams and adjacent lands during timber harvest activities. The SMZ law establishes buffers along streams where activity is regulated, yet limited timber harvesting is permitted.



II. PROMOTING COMPLIANCE, INFORMATION, EDUCATION, TECHNICAL ASSISTANCE

- *a. **BMP Audits (Field Reviews):** The DNRC Forestry Division coordinates field reviews every other year on Forestry Best Management Practices in Montana. The field reviews evaluate how well BMPs are at protecting soil and water resources. The results also represent how effective DNRC's educational efforts are. The 2018 Field Reviews were at a 98% for effectively implementing BMPs and 98% for effectively implementing the SMZ Law and Rules compliance level.
- *b. **Other workshops/training:** Every year DNRC partners with the Montana Logging Association (MLA) to train logging professionals, forest landowners, and others about BMPs and SMZs. Attendance continues to be high. Completion of this class is a requirement to maintain Accredited Logging Professional (ALP) status.

BMP/SMZ	2011	2012	2013	2014	2015	2016	2017	2018	2019
# Workshops	5	5	4	4	4	4	4	4	4
# Participants	182	158	184	160	108	198	140	141	161

- c. **Alternative Practices:** The SMZ law allows for activities that are prohibited by the SMZ law but meet the intent of the law. Requests for Alternative Practices ("Alternative" to management standards stated in 77-5-303(1) MCA) are given site visits, technical review, and MEPA review. If a request is granted, the Alternative Practice contains required mitigation measures to protect the SMZ.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Alternative Practices Approved	9	23	40	22	25	21	30	19	19	12

III. THE REGULATED COMMUNITY – COMPLIANCE

a. The regulated community under the **Control of Slash and Debris (HRA) Law**

- i. The regulated community under the Hazard Reduction Act includes anyone clearing rights of way, cutting forest products, building forest roads, and/or carrying out timber stand improvement activities on private lands. Purchasers of such forest products are also part of the regulated community in that they must ensure the entities they are purchasing forest products from have complied with hazard reduction regulations.



- ii. HRA Agreement Summary

Active Fire Hazard Reduction Agreements

	FY 09	FY 10	FY 11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Open HRAs	2324	1896	1638	1407	1441	1,568	1,615	2,104	2,020	2,031	2,063

Purchasers Listed on HRAs

	FY09	FY10	FY11	F12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
# of Mills Reporting	60	50	43	42	48	42	43	51	44	53	51

IV. THE REGULATED COMMUNITY – NON-COMPLIANCE

a. **HRA:** The measure of hazard reduction non-compliance is the number of agreements the Department must take over because the responsible party has not complied with the terms of the HRA. This number has increased in 2019 due to efforts to clear old HRAs.

I. Individual HRAs:

	FY14	FY15	FY16	FY17	FY18	FY19
HRAs Take Over	0	4	7	6	2	11

II. Mills: No formal mill audits were conducted during FY 2018 or 2019.

b. **BMP:** Forestry BMP compliance is monitored every 2 years by conducting field reviews on 45 sites across Federal, State, Industrial and Non-industrial private lands. Forest practices are rated for the Application and Effectiveness of BMPs. Results over 10 cycles show consistently high scores.

Comparison of BMP Audit Results

Category	2000	2002	2004	2006	2008	2010	2012	2014	2016	2018
Application	96%	96%	97%	96%	97%	97%	98%	97%	98%	97%
Effectiveness	98%	97%	99%	97%	97%	98%	99%	98%	99%	98%

c. **SMZ:** Non-compliance is enforced with either a Warning or a Repair Order (penalty), depending on the severity of the violation.

Number of SMZ Violations

FY	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Warning	4	2	3	6	3	6	4	3	2	6	8
Orders	1	4	1	4	0	1	2	0	1	1	2

Since the law’s adoption, the number of SMZ violations/warnings has averaged well under 1% of all logging operations covered by an HRA agreement.

2017

Operator	Order #	Summary	Outcome
Antelope Resources, Inc.		Show Cause: failure to pay administrative fees assessed for delinquent reporting.	Dismissed.
Augusta Exploration, LLC	7-2017	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to provide a plan and timeline of its Krone-Augusta 31-32 well, API # 25-049-21111, located in Section 32, T18N-R5W, Lewis and Clark County, Montana.	Continued.
	16-2017	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to provide a plan and timeline of its Krone-Augusta 31-32 well, API # 25-049-21111, located in Section 32, T18N-R5W, Lewis and Clark County, Montana.	Forfeit bond. Board staff has the authority to proceed with the plugging of the Krone-Augusta 31-32 well.
Bensun Energy, LLC		Show Cause: failure to file production reports.	Dismissed.
	65-2017	Show Cause: failure to file production reports and pay administrative fees.	Fined \$1,000 for failure to appear. Appear at the December 14, 2017, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production reports, failure to pay the penalty assessed for delinquent reporting, and for failure to appear at the October 26, 2017, public hearing. Provide to the Board a progress update of its efforts to come into full compliance with field violations.
	72-2017	Show Cause: provide to the Board a progress update of its efforts to come into full compliance with field violations and show-cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production reports, failure to pay the penalty assessed for delinquent reporting, and for failure to appear at the October 26, 2017, public hearing.	Immediately cease operation of its six wells until violations are remedied and authorization to resume production is granted by the Board's administrator. Fined \$1,000 for failure to appear. Continued.
Black Gold Energy Resource Development, LLC	32-2017	Show Cause: why additional penalties should not be imposed for failure to clean up a spill at the Indian Mound 1 well located in the SW¼SW¼ of Section 15, T23N-R55E, Richland County, Montana.	Suspend injection permit for the Indian Mound 1 well until further order of the Board and that no additional waste or materials be transported to or stored at the wellsite. Submit a written plan of its action to remedy the violation within 15 days of the June 15, 2017, order and must remedy the violations on or before August 10, 2017, public hearing. The \$250 fine for each day after December 1, 2016, that the violations remain unresolved will remain in effect until compliance is confirmed by inspection.
	45-2017	Show Cause: why additional penalties should not be assessed for failure to pay the outstanding fine and for failure to submit a written plan of its proposed action to remedy the violation at the the Indian Mound 1 well located in the SW¼SW¼ of Section 15, T23N-R55E, Richland County, Montana within 15 days of the June 15, 2017, public hearing.	Begin to plug and abandon and reclaim the well location or provide an alternative remedy to present to the Board for the Indian Mound 1 SWD well prior to the October 26, 2017, public hearing. The failure to begin to plug and abandon and reclaim the well or provide an alternative remedy as required by this order may result in forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA. Fined \$2,000 for failure to appear at the June 15, 2017, and August 10, 2017, public hearings. The \$250 fine for each day after December 1, 2016, that the violations remain unresolved will be increased to a \$500 fine for each day after August 10, 2017. The fine will remain in effect until compliance is confirmed by inspection.
	63-2017	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon its Indian Mound 1 SWD well located in the NE¼SW¼SW¼ of Section 15, T23N, R55E, Richland County, Montana as required by Board Order 45-2017, in accordance with § 82-11-123(5), MCA.	Continued. Submit a written plan of action to remedy the violations at the Indian Mound 1 well within one week of the order. If staff deems the plan acceptable, the daily fine will be suspended.
	74-2017	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to begin to plug and abandon its Indian Mound 1 SWD well located in the NE¼SW¼SW¼ of Section 15, T23N, R55E, Richland County, Montana as required by Board Order 45-2017, in accordance with § 82-11-123(5), MCA.	The injection permit for the Indian Mound 1 SWD well is temporarily reinstated for a year for disposal of fluid on location. Commercial injection into the well is not permitted. Submit an updated written plan of action to remedy the violations at the Indian Mound 1 well within one week of this order. Continued.
Hinto Energy, LLC		Show Cause: failure to file production reports and pay administrative fees.	Dismissed.
	73-2017	Show Cause: failure to file production reports and pay administrative fees.	Continued.
Hofland, James D.		Show Cause: failure to file production reports and pay administrative fees.	Dismissed.

Operator	Order #	Summary	Outcome
K2 America Corporation	33-2017	Show Cause: why its bond should not be forfeited for failure to provide a plan and timeline for plugging its wells. [Continued from 6/25/2015 & 6/16/2016.]	Continued. Submit a satisfactory plan of its intent to plug and abandon or transfer its wells and must submit the minutes from its Board of Director's meeting that discussed its plan for its wells prior to the August 10, 2017, public hearing.
	47-2017	Show Cause: why its bond should not be forfeited for failure to provide a plan and timeline for plugging its wells. [Continued from 6/25/2015, 6/16/2016, & 6/15/17.]	Continued.
	66-2017	Show Cause: why its bond should not be forfeited for failure to provide a plan and timeline for plugging its wells. [Continued from 6/25/2015, 6/16/2016, 6/15/17 & 8/10/17.]	Forfeited bond.
Kykuit Resources, LLC	6-2017	Show Cause: failure to pay administrative fees assessed for delinquent reporting.	Fined \$1,000 for failure to appear. Appear at the April 6, 2017, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to pay the penalty assessed for delinquent reporting and to appear at the February 2, 2017, public hearing.
	15-2017	Show Cause: why additional penalties should not be imposed for failure to pay the \$520 administrative penalty assessed for delinquent reporting and for failure to pay the \$1,000 fine assessed for not appearing at the February 2, 2017, public hearing.	Vacate Board Order 6-2017.
Montana Land & Mineral Co.		Show Cause: failure to file production reports and pay administrative fees.	Dismissed.
Montana Oil Field Acquisition I, LLC	2-2017	Show cause: why additional penalties should not be imposed for failure to address violations at several of the producing leases and pay the penalty of \$34,000, and to file production reports.	Appear at the April 6, 2017, public hearing and show-cause, if any it has, why its wells should not be plugged and abandoned and why additional penalties should not be assessed for failure to file production reports, to pay the outstanding fine, and to appear at the February 2, 2017, public hearing.
	13-2017	Show Cause: why its wells should not be plugged and abandoned and why additional penalties should not be assessed for failure to file production reports, to pay the outstanding fine of \$34,000, and to appear at the February 2, 2017, public hearing.	Appear at the June 15, 2017, public hearing to show cause why its plugging and reclamation bond should not be forfeited for failure to plug its wells or to provide a plan for plugging its wells.
	30-2017	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to plug its wells or to provide a plan for plugging its wells.	Forfeited bond.
Mountain Pacific General Inc.	3-2017	Show cause: why it should not immediately increase its plugging and reclamation bond to \$250,000 and pay the \$1,000 penalty for failure to appear at the December hearing.	Provide a plan for the plugging and abandonment of its wells at the Board's April 6, 2017, public hearing.
	14-2017	Show Cause: appear and provide a plan for the plugging and abandonment of its wells at the Board's April 6, 2017, public hearing.	Appear at the June 15, 2017, public hearing to show cause why its plugging and reclamation bond should not be forfeited for failure to plug its wells or to provide a plan for plugging its wells.
	31-2017	Show Cause: why its plugging and reclamation bond should not be forfeited for failure to plug its wells or to provide a plan for plugging its wells.	Forfeited bond.
Seymour, James & Lorraine	5-2017	Show cause: why additional penalties should not be imposed for failure to pay the administrative penalty assessed for delinquent reporting and for failure to pay the \$1,000 fine assessed for not appearing at the December 15, 2016, public hearing.	Dismissed.
Seymour, James G.	4-2017	Show cause: why additional penalties should not be imposed for failure to pay the administrative penalty assessed for delinquent reporting and for failure to pay the \$1,000 fine assessed for not appearing at the December 15, 2016, public hearing.	Dismissed.
Shadwell Resources Group, LLC	17-2017	Show Cause: why it should not have to complete or plug and abandon the Ft. Gilbert 3 SWD well (API # 25-083-21074) located in the SW NE of Section 32, T24N-R59E, Richland County, Montana prior to the April 6, 2017, public hearing and why it should not pay the \$2,000 fine for failure to complete or plug the well prior to the October 27, 2016, public hearing.	Dismissed.
Stealth Energy USA, Inc.	46-2017	Show Cause: failure to file production reports and pay administrative fees.	Fined \$1,000 for failure to appear. Appear at the October 26, 2017, public hearing and show-cause, if any it has, why additional penalties should not be assessed for failure to file delinquent production reports, to pay the penalty assessed for delinquent reporting, and to appear at the August 10, 2017, public hearing.
	64-2017	Show Cause: why additional penalties should not be assessed for failure to file delinquent production reports, for failure to pay the penalty assessed for delinquent reporting, and for failure to pay the \$1,000 fine assessed for not appearing at the August 10, 2017, public hearing.	Appear at the December 14, 2017 public hearing and show-cause, if any it has, why it should not provide a plan and timeline for the plugging and abandonment of its wells, and why additional penalties should not be assessed for failure to pay the penalty assessed for delinquent reporting and to appear at the October 25, 2017, public hearing.
	71-2017	Show Cause: why it should not provide a plan and timeline for the plugging and abandonment of its wells, and why additional penalties should not be assessed for failure to pay the penalty assessed for delinquent reporting and to appear at the October 25, 2017, public hearing.	Begin to plug and abandon its wells prior to the February 15, 2018, public hearing. The failure to begin to plug and abandon the wells as required by this order may result in forfeiture of the plugging and reclamation bond in its entirety, as permitted by § 82-11-123(5), MCA.
	8-2017	Show Cause: why it should not provide a plan and timeline for the plugging and abandonment or transfer of its three wells and why additional penalties should not be assessed for failure to pay the outstanding fine of \$1,340, and appear at the August 11, 2016, public hearing.	Continued.

Operator	Order #	Summary	Outcome
Storm Cat Energy (USA) Operating Corporation	18-2017	Show Cause: why it should not provide a plan and timeline for the plugging and abandonment or transfer of its three wells and why additional penalties should not be assessed for failure to pay the outstanding fine of \$1,340, and appear at the August 11, 2016, public hearing.	Continued.
	34-2017	Show Cause: why it should not provide a plan and timeline for the plugging and abandonment or transfer of its three wells and why additional penalties should not be assessed for failure to pay the outstanding fine of \$1,340, and appear at the August 11, 2016, public hearing.	Continued.
	48-2017	Show Cause: why it should not provide a plan and timeline for the plugging and abandonment or transfer of its three wells and why additional penalties should not be assessed for failure to pay the outstanding fine of \$1,340, and appear at the August 11, 2016, public hearing.	Continued.
	67-2017	Show Cause: why it should not provide a plan and timeline for the plugging and abandonment or transfer of its three wells and why additional penalties should not be assessed for failure to pay the outstanding fine of \$1,340, and appear at the August 11, 2016, public hearing.	Dismissed.