

CERTIFIED MAIL  
No. 03382

RETURN RECEIPT REQUESTED

14-20-0256-3601  
SDR 922-90-10  
3165 (922.L)

August 8, 1990

CERTIFIED--RETURN RECEIPT REQUESTED

DECISION

Mr. Ronald A. Hodge, President )  
Citation Oil and Gas, Ltd. ) SDR No 922-90-10  
P.O. Box 1791 )  
Bismarck, North Dakota 58502 )

AFFIRMED

Citation Oil and Gas, Ltd. (Citation) requested a State Director Review (SDR) (Enclosure 1) of an assessment issued to Citation by the Miles City District Office (MCDO). The assessment was issued to Citation for failure to comply within the 5-day abatement period to remove fluids from the temporary pit on the well location. Citation was notified of the violation under a Notice of Incidents of Noncompliance (INC) No. DH-305, dated June 19, 1990, which was received by Citation on June 21, 1990 (Enclosure 2). The end of the abatement period was June 26, 1990. On July 2, 1990, a second INC, under INC No. DH-309, was issued to Citation for failure to correct the violation within the abatement period and an assessment of \$250 was imposed.

The violation occurred on Indian oil and gas lease No. 14-20-0256-3601, well No. 22-15 Robbins, located in the SW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>, Section 22, T. 29 N., R. 50 E., Roosevelt County, Montana.

Citation states that they did make a good faith effort to have the pit cleaned up. Citation had also enclosed a billing statement from Big Z Trucking dated July 2, 1990 (Enclosure 4), indicating that the fluids from the temporary pit had been sucked out and disposed of in the Goings Disposal facility. Citation also stated that they did not receive notice until June 25, 1990; however, the certified card indicates notice was received on June 21, 1990 (Enclosure 2).

Citation was notified on June 21, 1990, pursuant to the regulations at 43 CFR 3163.1, to remove fluids from the temporary pit within 5 working days upon receipt of the INC. These regulations provide that it is only after the lessee has failed to abate the violation within the time allowed that the authorized officer (AO) may subject the lessee to an assessment.

On July 2, 1990, pursuant to the regulations at 43 CFR 3163.1(a)(2), Citation was assessed \$250 for failure to correct the violation within the timeframe stated in the June 19, 1990, INC. The MCDO is correct in assessing Citation the \$250.

We are, therefore, upholding the decision of the MCDO for assessing Citation \$250 assessment for failure to remove the fluids from the temporary pit on the well location by June 26, 1990, as required by the AO.

Your complaint on racial allegations is not within the scope of this review. The State Director has initiated an administrative investigation to address your concerns and you will be contacted further on this issue.

This Decision may be appealed to the Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR 4.400 and the enclosed Form 1842-1 (Enclosure 5). If an appeal is taken, a Notice of Appeal must be filed in this office at the above address within 30 days from receipt of this Decision. A copy of the Notice of Appeal and of any statement of reasons, written arguments, or briefs must also be served on the Office of the Solicitor at the address shown on Form 1842-1. It is also requested that a copy of any statement of reasons, written arguments, or briefs be sent to this office. The appellant has the burden of showing that the decision appealed from is in error.

/s/ Thomas P. Lonnie

Thomas P. Lonnie  
Deputy State Director  
Division of Mineral Resources

**5 Enclosures**

- 1-SDR dated July 25, 1990 (1 p)
- 2-MCDO INC No. DH 305 dated June 19, 1990 (2 pp)
- 3-MCDO INC NO. DH 309 dated July 2, 1990 (2 pp)
- 4-Billing Statement from Big Z Trucking dated July 2, 1990 (1 p)
- 5-Form 1842-1 (1 p)

cc: (w/o encis)  
DM, Miles City