

Attachment 3

Add an Entity to the 17(g) List

The Bureau of Land Management (BLM) provides the following guidance on adding an entity to the List of Entities in Noncompliance with Reclamation Requirements of Section 17(g) of the Mineral Leasing Act.

Section 17(g) of the Mineral Leasing Act of 1920 as amended (MLA), 30 U.S.C. § 226(g), provides: “The Secretary shall not issue a lease or leases or approve the assignment of any lease or leases under the terms of this section to any person, association, corporation, or any subsidiary, affiliate, or person controlled by or under common control with such person, association, or corporation, during any period in which, as determined by the Secretary of the Interior or Secretary of Agriculture, such entity has failed or refused to comply in any material respect with the reclamation requirements and other standards established under this section for any prior lease to which such requirements and standards applied.”

The regulations at 43 CFR § 3102.5-1(f) provide in part: “Noncompliance with section 17(g) of the Act begins on the effective date of the imposition of a civil penalty by the authorized officer under §3163.2 of this title, or when the bond is attached by the authorized officer for reclamation purposes, whichever comes first.” The 17(g) List prevents the BLM from approving the assignment of record title, transfer of operating rights, or issuance of a lease to any entity or its officers on the 17(g) List. The BLM must add any entity that fails to address its outstanding remediation to the 17(g) List.

Field Office (FO)

When 60 calendar days have passed since the notice of proposed civil penalties without compliance from an entity, the FO will inform the SO of the noncompliance with Section 17(g) of the MLA. The FO will complete a memorandum to the State Office (SO), which includes all documentation regarding the civil penalty for noncompliance with the reclamation requirements. Please see the example memorandum on the following page for additional details.

State Office (SO)

Upon receipt of the FO’s memorandum, the SO will follow the process detailed in Appendix 4 of the BLM’s *Competitive Leases Handbook* ([H-3120-1](#)), *Entities in Noncompliance with Section 17(g) of the Mineral Leasing Act of 1920*, to add the entity and its officers to the 17(g) List.

Example of Memorandum to State Office Regarding Noncompliance with 17(g)

Memorandum

To: State Director, (Fluid Minerals Adjudication Code)

From: Fluid Minerals Field Office Operations

Subject: Entities in Noncompliance with Reclamation Requirements in Section 17(g) of the Mineral Leasing Act

The regulations at 43 CFR § 3102.5-1(f) state that an entity is in noncompliance with the reclamation provisions of the Mineral Leasing Act, 30 U.S.C. § 226(g), beginning on the date the Bureau of Land Management (BLM) imposes a civil penalty under 43 CFR § 3163.2 or attaches a bond for reclamation purposes.

On _____, the BLM made a demand against _____ and assessed civil penalties for failure to plug _____ on oil and gas lease _____. Officers of _____ include _____ as the Chief Executive Officer (*or President*), _____ as the Chief Operating Officer, _____ as the Chief Financial Officer (*or Treasurer*), and _____ as the Secretary. (*In some instances, one individual will serve as all officers of a corporation; therefore, modify this memo as appropriate for the entity.*)

This office recommends that the BLM add _____ and its officers to the list of Entities in Noncompliance with Reclamation Requirements of Section 17(g) of the Mineral Leasing Act.

Please direct any questions regarding this memorandum to _____ at _____ or email _____.

3 Attachments

- 1 – Documentation of Original Order, 1st & 2nd INC, Notice of Proposed Civil Penalties, any other Letters or Correspondence
- 2 – Documentation of Civil Penalties
- 3 – Documentation Identifying Entity's Officers