

**Subpart B—Notices of Noncompliance and Civil Penalties****PENALTIES WITH A PERIOD TO CORRECT****§ 1241.50 What may ONRR do if I violate a statute, regulation, order, or lease term relating to a lease subject to this part?**

If we determine that you have not followed any requirement of a statute, regulation, order, or a term of a lease subject to this part, we may serve you with a NONC explaining:

- (a) What the violation is.
- (b) How to correct the violation to avoid a civil penalty.
- (c) That you have 20 days after the date on which you are served the NONC to correct the violation, unless the NONC specifies a longer period.

**§ 1241.51 What if I correct the violation identified in a NONC?**

If you correct all of the violations that we identified in the NONC within 20 days after the date on which you are served the NONC, or any longer period for correction that the NONC specifies, we will close the matter and will not assess a civil penalty. However, we will consider these violations as part of your history of noncompliance for future penalty assessments under § 1241.70(a)(2).

**§ 1241.52 What if I do not correct the violation identified in a NONC?**

(a) If you do not correct all of the violations that we identified in the NONC within 20 days after the date on which you are served the NONC, or any longer period that the NONC specifies for correction, then we may send you an FCCP.

(1) The FCCP will state the amount of the penalty that you must pay. The penalty will:

- (i) Begin to run on the day on which you were served with the NONC.
- (ii) Continue to accrue for each violation identified in the NONC until it is corrected.

(2) The penalty may be up to \$1,474 per day for each violation identified in the NONC that you have not corrected.

(b) If you do not correct all of the violations identified in the NONC within 40 days after you are served the

NONC, or within 20 days following the expiration of any period longer than 20 days that the NONC specifies for correction, then we may increase the penalty to a maximum of \$14,754 per day for each violation identified in the NONC that you have not corrected. The increased penalty will:

(1) Begin to run on the 40th day after the date on which you were served the NONC, or on the 20th day after the expiration of any period longer than 20 days that the NONC specifies for correction.

(2) Continue to accrue for each violation identified in the NONC until it is corrected.

[81 FR 50316, Aug. 1, 2016, as amended at 82 FR 18860, Apr. 24, 2017; 83 FR 2909, Jan. 22, 2018; 84 FR 8418, Mar. 8, 2019; 85 FR 7223, Feb. 7, 2020; 86 FR 7810, Feb. 2, 2021; 87 FR 1673, Jan. 12, 2022; 88 FR 2522, Jan. 17, 2023]

**PENALTIES WITHOUT A PERIOD TO CORRECT****§ 1241.60 Am I subject to a penalty without prior notice and an opportunity to correct?**

(a) We may assess a penalty for a violation identified in paragraph (b) of this section without prior notice or first giving you an opportunity to correct the violation. We will inform you of a violation without a period to correct by issuing an ILCP explaining:

- (1) What the violation is.
- (2) The amount of the civil penalty. The civil penalty for such a violation begins running on the day it was committed.

(b) ONRR may assess a civil penalty of up to:

(1) \$29,505 per day, per violation for each day that the violation continues if you:

- (i) Knowingly or willfully fail to make any royalty payment by the date specified by statute, regulation, order, or a term of the lease.

(ii) Fail or refuse to permit lawful entry, inspection, or audit, including refusal to keep, maintain, or produce documents.

(2) \$73,764 per day, per violation for each day that the violation continues if you knowingly or willfully prepare,