Subpart I—OCS Sulfur [Reserved]

PART 204—ALTERNATIVES FOR MARGINAL PROPERTIES

Subpart A—General Provisions

§ 204.1 What is the purpose of this part?

This part explains how you as a lessee or designee of a Federal onshore or Outer Continental Shelf (OCS) oil and gas lease may obtain prepayment or accounting and auditing relief for production from certain marginal properties. This part does not apply to production from Indian leases, even if the Indian lease is within an agreement that qualifies as a marginal property.

§ 204.2 What definitions apply to this part?

Agreement means a federally approved communitization agreement or unit participating area.

Barrels of oil equivalent (BOE) means the combined equivalent production of oil and gas stated in barrels of oil. Each barrel of oil production is equal to one BOE. Also, each 6,000 cubic feet of gas production is equal to one BOE.

Base period means the 12-month period from July 1 through June 30 immediately preceding the calendar year for which you take or request marginal property relief. For example, if you request relief for calendar year 2006, your base period is July 1, 2004, through June 30, 2005.

Combined equivalent production means the total of all oil and gas production for the marginal property, stated in BOE.

Designee means the person designated by a lessee under 30 CFR 218.52 to make all or part of the royalty or other payments due on a lease on the lessee’s behalf.

Producing wells means only those producing oil or gas wells that contribute to the sum of BOE used in the calculation under § 204.4(c). Producing wells do not include injection or water wells. Wells with multiple zones commingled downhole are considered as a single well.

Property means a lease, a portion of a lease, or an agreement that may be a marginal property if it meets the qualification requirements of § 204.4.

State concerned (State) means the State that receives a statutorily prescribed portion of the royalties from a Federal onshore or OCS lease.

Subpart B—Prepayment of Royalty [Reserved]

Subpart C—Accounting and Auditing Relief

§ 204.200 What is the purpose of this subpart?

§ 204.201 Who may obtain accounting and auditing relief?

§ 204.202 What is the cumulative royalty reports and payments relief option?

§ 204.203 What is the other relief option?

§ 204.204 What accounting and auditing relief will MMS not allow?

§ 204.205 How do I obtain accounting and auditing relief?

§ 204.206 What will MMS do when it receives my request for other relief?

§ 204.207 Who will approve, deny, or modify my request for accounting and auditing relief?

§ 204.208 May a State decide that it will or will not allow one or both of the relief options under this subpart?

§ 204.209 What if a property ceases to qualify for relief obtained under this subpart?

§ 204.210 What if a property is approved as part of a nonqualifying agreement?

§ 204.211 When may MMS rescind relief for a property?

§ 204.212 What if I took relief for which I was ineligible?

§ 204.213 May I obtain relief for a property that benefits from other Federal or State incentive programs?

§ 204.214 Is minimum royalty due on a property for which I took relief?

§ 204.215 Are the information collection requirements in this subpart approved by the Office of Management and Budget (OMB)?

Authority: 30 U.S.C. 1701 et seq.

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