

Minerals Management Service, Interior

§ 285.600

§ 285.541 What is a qualified project for revenue sharing purposes?

A qualified project for the purpose of revenue sharing with eligible coastal States is one authorized under subsection 8(p) of the OCS Lands Act, which includes acreage within the area extending 3 nautical miles seaward of State submerged lands. A qualified project is subject to revenue sharing with those States that are eligible for revenue sharing under § 285.542. The entire area within a lease or grant for the qualified project, excluding project easements, is considered the qualified project area.

§ 285.542 What makes a State eligible for payment of revenues?

A State is eligible for payment of revenues if any part of the State's coastline is located within 15 miles of the announced geographic center of the project area of a qualified project. A State is not eligible for revenue sharing if all parts of that State's coastline are more than 15 miles from the announced geographic center of the qualified project area. This is the case even if the qualified project area is located wholly or partially within an area extending 3 nautical miles seaward of the submerged lands of that State or if there are no States with a coastline less than 15 miles from the announced geographic center of the qualified project area.

§ 285.543 Example of how the inverse distance formula works.

(a) Assume that the geographic center of the project area lies 12 miles

from the closest coastline point of State A and 4 miles from the closest coastline point of State B. The MMS will round dollar shares to the nearest whole dollar. The proportional share due each State would be calculated as follows:

(1) State A's share = $[(\frac{1}{12}) \div (\frac{1}{12} + \frac{1}{4})]$
= $\frac{1}{4}$.

(2) State B's share = $[\frac{1}{4}) \div (\frac{1}{12} + \frac{1}{4})]$
= $\frac{3}{4}$.

(b) Therefore, State B would receive a share of revenues that is three times as large as that awarded to State A, based on the finding that State B's nearest coastline is one-third the distance to the geographic center of the qualified project area as compared to State A's nearest coastline. Eligible States share the 27 percent of the total revenues from the qualified project as mandated under the OCS Lands Act. Hence, if the qualified project generates \$1,000,000 of Federal revenues in a given year, the Federal Government would distribute the States' 27-percent share as follows:

(1) State A's share = $\$270,000 \times \frac{1}{4} =$
\$67,500.

(2) State B's share = $\$270,000 \times \frac{3}{4} =$
\$202,500.

Subpart F—Plans and Information Requirements

§ 285.600 What plans and information must I submit to MMS before I conduct activities on my lease or grant?

You must submit a SAP, COP, or GAP and receive MMS approval as set forth in the following table:

Before you:	you must:
(a) Conduct any site assessment activities on your commercial lease.	Submit and obtain approval for your SAP according to §§ 285.605 through 285.613.
(b) Conduct any activities pertaining to construction of facilities for commercial operations on your commercial lease,	Submit and obtain approval for your COP, according to §§ 285.620 through 285.629.
(c) Conduct any activities on your limited lease, ROW grant, or RUE grant in any OCS area,	Submit and obtain approval for your GAP according to §§ 285.640 through 285.648.