(5) We reassign a well on a pre-Act, eligible, or royalty suspension lease from field A to field B. The past production from the well counts toward the royalty suspension volume that we grant under §203.69 to field B. For any field based relief, the past production from that well will count toward the royalty suspension volume that we grant under §203.69 to field A. Moreover, past production from that well will count toward the royalty suspension volume applicable for the lease under §260.114 if the well is on an eligible lease or under §260.124 if the well is on a royalty suspension lease.

(b) When a project has more than one lease, the royalty suspension volume for each lease equals that lease’s actual production from the project (or production allocated under an approved unit agreement) until total production for all leases in the project equals the project’s approved royalty suspension volume.

(c) You may receive a royalty-suspension volume only if your entire lease is west of 87 degrees, 30 minutes West longitude. If the field lies on both sides of this meridian, only leases located entirely west of the meridian will receive a royalty-suspension volume.


§203.72 Can my lease receive more than one suspension volume?

Yes. You may apply for royalty relief that involves more than one suspension volume under §203.62 in two circumstances.

(a) Each field that includes your lease may receive a separate royalty-suspension volume, if it meets the evaluation criteria of §203.67.

(b) An expansion project on your lease may receive a separate royalty-suspension volume, even if we have already granted a royalty-suspension volume to the field that encompasses the project. But the reserves associated with the project must not have been part of our original determination, and the project must meet the evaluation criteria of §203.67.

§203.73 How do suspension volumes apply to natural gas?

You must measure natural gas production under the royalty-suspension volume as follows: 5.62 thousand cubic feet of natural gas, measured in accordance with 30 CFR part 250, subpart L, equals one barrel of oil equivalent.

§203.74 When will MMS reconsider its determination?

You may request a redetermination after we withdraw approval or after you renounce royalty relief, unless we withdraw approval due to your providing false or intentionally inaccurate information. Under certain conditions you may also request a redetermination if we deny your application or if you want your approved royalty suspension volume to change. In these instances, to be eligible for a redetermination, at least one of the following four conditions must occur.

(a) You have significant new G&G data and you previously have not either requested a redetermination or re-applied for relief after we withdrew approval or you relinquished royalty relief. “Significant” means that the new G&G data:

(1) Results from drilling new wells or getting new three-dimensional seismic data and information (but not reinterpreting old data);

(2) Did not exist at the time of the earlier application; and

(3) Changes your estimates of gross resource size, quality, or projected flow rates enough to materially affect the results of our earlier determination.

(b) You demonstrate in your new application that the technology that most efficiently develops this field or lease was not considered or deemed feasible in the original application. Your newly proposed technology must improve the profitability, under equivalent market conditions, of the field or lease relative to the development system proposed in the prior application.