

Land Management. Copies of the exploration plan are available for review during normal business hours in the following offices (serialized under number WYW136447): Bureau of Land Management, Wyoming State Office, 2515 Warren Avenue, P.O. Box 1828, Cheyenne, Wyoming 82003; and, Bureau of Land Management, Casper District Office, 1701 East 'E' Street, Casper, Wyoming 82601.

SUPPLEMENTARY INFORMATION: This notice of invitation will be published in the *The News-Record* of Gillette, Wyoming, Once each week for two consecutive weeks beginning the week of May 22, 1995, and in the **Federal Register**. Any party electing to participate in this exploration program must send written notice to both the Bureau of Land Management and Antelope Coal Company no later than thirty days after publication of this invitation in the **Federal Register**. The written notice should be sent to the following addresses: Antelope Coal Company, Attn: Tom Suchomel, Caller Box 3009, Gillette, Wyoming 82717, and the Bureau of Land Management, Wyoming State Office, Home Base Chief, Minerals and Lands Authorization Group, P.O. Box 1828, Cheyenne, WY 82003.

The foregoing is published in the **Federal Register** pursuant to Title 43 Code of Federal Regulations, Section 3410.2-1(c)(1).

Michael J. Madrid,

Chief, Minerals/Lands Authorization Group, Wyoming State Office.

[FR Doc. 95-12701 Filed 5-23-95; 8:45 am]

BILLING CODE 4310-22-M

[WY-920-05-1320-10; WYW136504]

Invitation for Coal Exploration License; Campbell County, WY

AGENCY: Bureau of Land Management, Interior.

ACTION: Invitation for Coal Exploration License.

SUMMARY: Cordero Mining Co., a wholly owned subsidiary of Kennecott Energy and Coal Company, hereby invites all interested parties to participate on a pro rata cost sharing basis in its coal exploration program concerning federally-owned coal underlying the following described land in Campbell County, Wyoming:

- T. 46 N., R. 71 W., 6th P.M., Wyoming,
- Sec. 1: Lots 5 thru 20;
- Sec. 11: Lot 16;
- Sec. 12: Lots 4, 5, and 9 thru 16;
- Sec. 13: Lots 1 thru 4, 7 and 8;
- Sec. 14: Lot 1.

Containing 1,376.20 acres.

All of the coal in the above land consists of unleased Federal coal within the Powder River Basin Known Coal Resource Area. The purpose of the exploration program is to conduct exploration drilling on the above listed land.

ADDRESSES: A detailed description of the proposed drilling program is available for review during normal business hours in the following offices (under serial number WYW136504): Bureau of Land Management, Wyoming State Office, 4th Floor Public Room, 2515 Warren Avenue, P.O. Box 1828, Cheyenne, Wyoming 82003; and, Bureau of Land Management, Casper District Office, Branch of Solid Minerals, 1701 East "E" Street, Casper, Wyoming 82601.

SUPPLEMENTARY INFORMATION: This notice of invitation will be published in the *News-Record* of Gillette, Wyoming, once each week for two (2) consecutive weeks and is expected to be published beginning no later than the week of May 22, 1995, and in the **Federal Register**. Any party electing to participate in this exploration program must send written notice to both the Bureau of Land Management and the Cordero Mining Co., no later than thirty (30) days after publication of this invitation in the **Federal Register**. The written notice should be sent to the following addresses: Bureau of Land Management, Wyoming State Office (WSO 925-9), Home Base Chief, Mineral/Lands Authorization Group, Division of Land and Minerals Authorization, P.O. Box 1828, Cheyenne, WY 82003-1828 and to Cordero Mining Co., Attn: Mr. John Trummel, Kennecott Energy Co., 505 S. Gillette Avenue, Gillette, WY 82716.

The foregoing is published in the **Federal Register** pursuant to Title 43 Code of Federal Regulations, Section 3410.2-1(c)(1).

Pamela J. Lewis,

Supervisory Land Law Examiner, Wyoming State Office.

[FR Doc. 95-12702 Filed 5-23-95; 8:45 am]

BILLING CODE 4310-22-M

DEPARTMENT OF THE INTERIOR

Minerals Management Service

DEPARTMENT OF TRANSPORTATION

Research and Special Programs Administration

Offshore Pipelines

AGENCIES: Minerals Management Service (MMS), Interior. Research and Special

Programs Administration (RSPA), Transportation.

ACTION: Notice of proposed revision of memorandum of understanding (MOU) and public meeting.

SUMMARY: The Department of the Interior (DOI) and the Department of Transportation (DOT) are proposing to revise their May 6, 1976, MOU on their respective responsibilities concerning offshore pipelines. This action will redefine the boundary lines over which MMS and RSPA exercise their inspection and enforcement roles, giving MMS greater inspection responsibilities over offshore pipelines previously inspected by RSPA. The intent of the new MOU is to put, to the extent practicable, all flowlines and gathering lines under DOI responsibility, while transmission lines remain under DOT responsibility. This will result in more efficient utilization of government resources for offshore pipeline inspection. DOI and DOT will hold a public meeting on this proposed revision in New Orleans, Louisiana, on August 1, 1995.

DATES: Comments must be submitted on or before August 22, 1995.

ADDRESSES: Written comments should be directed concurrently to: (a) Department of the Interior; Minerals Management Service; Mail Stop 4700; 381 Elden Street; Herndon, Virginia 22070-4817; Attention: Chief, Engineering and Standards Branch, and (b) Department of Transportation; Office of Pipeline Safety Regulatory Programs, Research and Special Programs Administration; 400 Seventh Street SW.; Room 2335; Washington, D.C. 20590; Attention: L.E. Herrick.

PUBLIC MEETING: DOI and DOT will hold a public meeting to receive comments and to discuss the proposed MOU on August 1, 1995, 8:30 a.m. to 5:00 p.m., Room 111; Minerals Management Service; Gulf of Mexico Outer Continental Shelf Region; 1201 Elmwood Park Boulevard; New Orleans, Louisiana 70123-2394.

FOR FURTHER INFORMATION CONTACT: Carl W. Anderson, Engineering and Standards Branch, MMS; telephone (703) 787-1600; or L.E. Herrick, Office of Pipeline Safety Regulatory Programs; telephone (202) 366-5523.

SUPPLEMENTARY INFORMATION:

Introduction

There are about 18,300 miles of active Outer Continental Shelf (OCS) oil and gas pipelines jointly regulated by DOI and DOT under an MOU agreed upon in 1976 (41 FR 23746; June 11, 1976). Under the existing MOU, DOI has

primary responsibility for about 4,500 miles of these pipelines delegated to the Minerals Management Service (MMS). DOT has primary responsibility for about 13,800 miles of these pipelines delegated to RSPA. The MMS regulations for pipelines in the OCS are in 30 CFR part 250, Subpart J. The RSPA pipeline safety regulations are in 49 CFR parts 190-199.

The primary concerns with operating pipelines offshore include protecting life and property offshore, and protecting the OCS from environmental damage resulting from pipeline spills. These issues are of paramount importance to both MMS and RSPA. The National Academy of Sciences reported that while offshore oil and gas production operations contribute less than 2 percent by volume of the oil that is spilled into the sea, pipelines accounted for over 97 percent by volume of that oil spilled from OCS operations. These spills resulted almost entirely from anchors, construction operations, or fishing trawls that struck the pipelines and caused them to rupture.

Corrosion-related pipeline spills tend to be minor compared to spills resulting from external damage; however, because the pipeline system is extensive and aging, MMS and RSPA are also concerned about oil spills resulting from corrosion.

Separate MOU on Oil-Spill Response

Under a separate MOU among DOI, DOT, and the U.S. Environmental Protection Agency pursuant to the Oil Pollution Act of 1990, the agencies have divided their respective responsibilities for oil-spill prevention and response according to the definition of "coast line" contained in the Submerged Lands Act, 43 U.S.C. 1301(c). (See 59 FR 9494; February 28, 1994.) Nothing herein is intended to affect the implementation or administration of that MOU.

Background

The DOT and DOI are proposing to revise the current MOU that delineates DOI's and DOT's respective boundaries with respect to inspection of offshore pipelines in the OCS. The MOU has never been updated, even though there have been many legislative, regulatory, and administrative changes during the past 19 years affecting the respective inspection responsibilities that each agency performs. These changes, coupled with the differing regulatory priorities and operating responsibilities of the two organizations (MMS and RSPA) charged with promulgating and enforcing regulation over pipeline safety and environmental protection in the

OCS, have rendered the MOU outdated. For example, the current MOU predates the following legislative and regulatory developments:

- (1) The formation of RSPA in 1977,
- (2) The 1978 OCS Lands Act Amendments,
- (3) The formation of MMS in 1982,
- (4) Amendments to the pipeline safety laws (see 49 U.S.C. 60101 et seq.), and
- (5) The Federal Water Pollution Control Act as amended by the Oil Pollution Act of 1990 and implemented under Executive order 12777 of October 1991.

Under the current MOU, RSPA is responsible for enforcing its design, construction, operation, and maintenance requirements on pipelines transporting hazardous liquids and natural gas "to the shore from the outlet flange at—

- (i) Each OCS facility where hydrocarbons are produced, or
- (ii) Each OCS facility where produced hydrocarbons are first separated, dehydrated, or otherwise processed, whichever facility is farther downstream, including subsequent on-line transmission equipment but not including any subsequent production equipment."

Also under the current MOU, MMS is responsible for enforcing its design, construction, operation, and maintenance regulations on offshore pipelines extending upstream from the outlet flange described above into each production well in the OCS. In this regard, MMS has responsibilities for promulgating and enforcing regulations for the prevention of waste, protection of the environment, conservation of natural resources, production measurement, and safety of OCS lessee and right-of-way holder activities.

MMS has regulatory responsibilities relating to activities performed in the OCS. RSPA has responsibilities for inspecting and enforcing its regulations over all onshore pipeline systems in the country. The revised MOU would result in MMS assuming a greater inspection responsibility for pipelines currently under DOT responsibility. MMS would integrate these additional pipelines into its current inspection program.

Because the revised MOU would shift the boundaries being used by MMS and RSPA in inspecting under their regulations, some OCS pipelines that are currently subject to DOT regulations governing their design, construction, maintenance, and operations, would become subject to DOI regulations governing such requirements. This shift in boundary for areas of responsibility—generally from the *first* OCS facility

where hydrocarbons are produced, separated, dehydrated, or otherwise processed to the *last* such facility—will require subsequent public rulemaking changes by both DOT and DOI. Following the final approval and signing of the revised MOU, DOT and DOI will separately propose changes to their respective regulations to reflect the new regulatory boundaries. The principal regulations that would be affected are found at 49 CFR parts 191.1, 192.1, 195.1 and 199 for DOT and at 30 CFR part 250.150 for DOI.

DOI anticipates that existing offshore pipelines that shift from DOT to DOI responsibility will not be immediately subject to MMS design and construction requirements unless: (1) those requirements were a condition of MMS approval for the right-of-way on which the pipelines are located, or (2) the pipeline undergoes major repair or modification. Design and construction requirements are those requirements that are established when the pipeline is initially designed and constructed, such as pipe specifications, design of pipeline components, and welding procedures. Retrofitting existing pipelines to conform to different design and construction standards can involve considerable risk to personnel and be extremely costly. Therefore, DOI will be cautious in imposing changes of this type on pipeline operators heretofore operating under DOT design and construction requirements. On the other hand, DOI operation and maintenance regulations, such as corrosion protection, operation and maintenance plans, periodic inspections, and periodic tests are requirements that can be applied to pipelines any time after construction. There are differences between DOT and DOI regulations with respect to these types of requirements and their compliance costs. Therefore, any operator currently under DOT responsibility who is shifted to DOI responsibility—after implementation of the revised MOU and appropriate changes are promulgated for 30 CFR part 250.150—will immediately become subject to DOI operation, maintenance, and inspection requirements.

Operators of pipelines that will become subject to MMS regulatory responsibility are reminded that MMS has regulatory procedures under which departures from its requirements may be granted on a case-by-case basis, provided there is sound engineering analysis that shows the operation, practice, or situation will provide an equal or greater level of operational safety or of environmental protection.

Comments are invited concerning (1) the effect that the new MOU will have

on offshore oil and gas lessees and pipeline operators, (2) the time required for operations currently operating under DOT regulations to come into compliance with DOI regulations, (3) regulatory difficulties that may be involved in complying with new regulations, and (4) changes to the proposed MOU that would facilitate the implementation of the MOU.

Upon signing the proposed revised MOU by both the Secretary of the Interior and Secretary of Transportation, the 1976 MOU will be terminated and revised MOU will become effective. The revised MOU will be published final in a subsequent **Federal Register** Notice.

Dated: April 4, 1995.

Cynthia Quarterman,
Director, MMS.

Dated: May 16, 1995.

D.K. Sharma,
Administrator, RSPA.

The proposed revised MOU is as follows:

**Memorandum of Understanding
Between the Department of
Transportation and the Department of
the Interior Regarding Offshore
Pipelines**

I. Introduction

This memorandum of Understanding (MOU) replaces the MOU between the Department of Transportation (DOT) and the Department of the Interior (DOI) regarding offshore pipelines which was signed and became effective May 6, 1976, and which terminates as of the effective date of this MOU. Nothing in this MOU relieves an offshore pipeline owner or operator from complying with the regulations of any State or Federal agency.

In recognition of each of the parties' respective regulatory responsibilities, DOI and DOT agree that an MOU is needed to assure coordination and consultation during the development and implementation of regulatory requirements and to facilitate comparable regulatory requirements for all offshore pipelines whether under DOI or DOT jurisdiction.

II. Legislative and Regulatory Responsibilities of the Parties

The DOT has the responsibility for promulgating and enforcing regulations for the safe and environmentally sound transportation of gases and hazardous liquids by pipeline. DOT administers the following laws as they relate to pipelines: (1) the pipeline safety laws (49 U.S.C. 60101 *et seq.*), (2) the Deepwater Port Act of 1974 (33 U.S.C. 1501-1524), and (3) the Federal Water

Pollution Control Act (FWPCA) (33 U.S.C. 1251-1375), as amended by the Oil Pollution Act of 1990 (OPA) (Pub. L. 101-380) and implemented under Executive Order (E.O.) 12777.

The DOI has responsibilities for promulgating and enforcing regulations for the prevention of waste, protection of the environment, and conservation of the natural resources of the Outer Continental Shelf (OCS) as that area is defined in the OCS Lands Act (OCSLA) (43 U.S.C. 1331 *et seq.*). These responsibilities include production measurement and safety of OCS lessee and right-of-way holder activities, including transportation of oil and natural gas by pipeline. DOI also has certain responsibilities for granting rights-of-way and rights of use and easement for the construction of pipelines and associated facilities in the OCS. DOI administers the following laws as they relate to offshore pipelines: (1) the OCSLA for the production of minerals which includes their transportation to shore, (2) the Federal Oil and Gas Royalty Management Act of 1982 for oil and gas production measurement, and (3) the FWPCA, as amended by OPA and implemented under E.O. 12777.

Under a separate MOU pursuant to the OPA, DOI and DOT have divided their respective responsibilities for oil-spill prevention and response according to the definition of "coast line" contained in the Submerged Lands Act, 43 U.S.C. 1301(c).

III. Division of Responsibilities

DOI and DOT agree to the following division of off shore pipeline regulatory responsibilities with respect to design, construction, operations, and maintenance regulations for all pipelines in the OCS pursuant to OCSLA. The Appendix contains nine hypothetical cases to illustrate how this MOU would be interpreted in practice.

DOI Responsibilities

1. DOI will establish and enforce design, construction, operation, and maintenance and regulations and investigate significant accidents pursuant to the OCSLA for all pipelines that connect to downstream production or processing facilities in the OCS. The DOI area of responsibility will extend from producing wells to 50 meters (164 feet) downstream from the base of the departing pipeline riser on the last OCS production or processing facility (Cases 1, 7, and 9). Additionally, DOI will have responsibility for the following pipelines:

a. That portion of a pipeline otherwise subject to DOT responsibility that

crosses an OCS production or processing facility from 50 meters upstream of the base of the incoming riser to 50 meters downstream of the base of the department riser (Case 2).

b. A pipeline from an OCS producing well or production or processing facility to the first subsea tie-in with a larger-diameter pipeline in the OCS (Cases 3, 7, and 9). However, if the first subsea tie-in with a larger-diameter pipeline is in State waters, DOI responsibility extends to the Federal-State boundary (Case 6).

c. The OCS portion of a pipeline that connects directly to a production well or a production or processing facility in State waters (Cases 4, 8, and 9).

d. The OCS portion of a pipeline from an OCS producing well that connects directly to production or processing facilities located onshore (Case 5).

e. OCS production service and water lines.

2. DOI will consult with DOT during the development of regulatory requirements and will send a copy of each draft notice of proposed rulemaking (NPR) concerning offshore pipelines to DOT for review at least 30 days before the NPR is published in the **Federal Register**. Publication of the NPR by DOI is not contingent upon the concurrence of DOT with the proposal contained in the NPR.

3. Upon approval of right-of-way applications for pipelines under DOT responsibility, DOI will provide copies of its approval letters to DOT. When DOI grants rights-of-way for pipelines which are under DOT responsibility, DOI will condition its approval on the pipelines being designed, constructed, operated, and maintained in compliance with DOT regulations.

4. The DOI will allow DOT to utilize, on a reimbursable basis, DOI-contracted helicopters for the inspection of offshore pipelines, subject to helicopter availability.

5. For pipelines under DOT responsibility, DOI will report to DOT in writing any apparent violation of DOT regulations that is identified during the course of DOI inspections.

DOT Responsibilities

1. DOT will establish and enforce design, construction, operation, and maintenance regulations and investigate significant accidents for all offshore pipelines beginning 50 meters (164 feet) downstream from the base of the departing pipeline riser on the last OCS production or processing facility, except as provided for in paragraphs 1, 1(a), 1(b), 1(c), 1(d), and 1(e) under "DOI Responsibilities;" and paragraph 7 under "Joint Responsibilities."

2. DOT will consult with DOI during the development of regulatory requirements and will send a copy of each draft NPR concerning offshore pipelines to DOI for review at least 30 days before the NPR is published in the **Federal Register**. Publication of the NPR by DOT is not contingent upon the concurrence of DOI with the proposal contained in the NPR.

3. For pipelines under DOI responsibility, DOT will report to DOI in writing any apparent violation of DOI regulations that is identified during the course of DOT inspections.

Joint Responsibilities

1. DOI and DOT will consult and coordinate all of their respective rulemaking efforts affecting offshore pipelines. Supporting regulatory analyses (e.g., Determination of Effects of Rules, Regulatory Impact Analyses, and information collection burdens, etc.) will also be coordinated, although the analyses will be appropriate for each agency and the industry segments it regulates.

2. DOI and DOT will coordinate all of their respective research and development projects concerning offshore pipelines.

3. DOI and DOT may perform joint inspections of pipeline segments that are subject to both DOI and DOT regulations.

4. DOI and DOT may perform joint or independent investigations of accidents involving offshore pipeline segments

that are subject to either or both DOI and DOT responsibility.

5. DOI and DOT will provide each other with any agreement or MOU with any Federal or State agency concerning offshore pipelines.

6. At least once each calendar year, DOI and DOT will jointly review existing standards, regulations, orders, operating practices, and environmental and safety issues concerning offshore pipelines.

7. The DOI and DOT may, through their enforcement agencies, agree to exceptions to this MOU on a facility by facility or area by area basis. Affected parties shall be notified of such exceptions.

IV. Implementation

Within 120 days of the signing of this MOU, DOI and DOT will develop and initiate a joint implementation plan. The plan will take into account differences in the regulatory requirements of DOI and DOT that could cause regulatory conflicts or incompatible requirements for those offshore pipeline segments that are subject to both DOI and DOT jurisdiction.

The respective points of contact for the provisions of this MOU are:
Associate Administrator for Pipeline Safety, Research and Special Programs Administration, Department of Transportation, 400 7th Street, SW., Washington, D.C. 20590
Associate Director for Offshore Minerals Management, Minerals Management

Service, Mail Stop 4000, 1849 C Street, NW., Washington, D.C. 20240

Thereafter, DOI and DOT will meet periodically to review and update the joint implementation plan and to review this MOU for any needed revisions.

V. Modification

Either party to this agreement may propose modifications by submitting them in writing to the head of the other Department. No modification may be adopted except with the consent of both parties. Both parties shall indicate their consent to or disagreement with any proposed modification within 60 days of receipt. Upon the request of either party, representatives of both parties shall meet for the purpose of considering modifications to this agreement.

VI. Termination

This MOU may be terminated by either party upon 60-day written notice to the other party.

VII. Administration

This MOU will be administered by DOI's Minerals Management Service and DOT's Research and Special Programs Administration or such successor agencies as may be designated by the respective Secretaries.

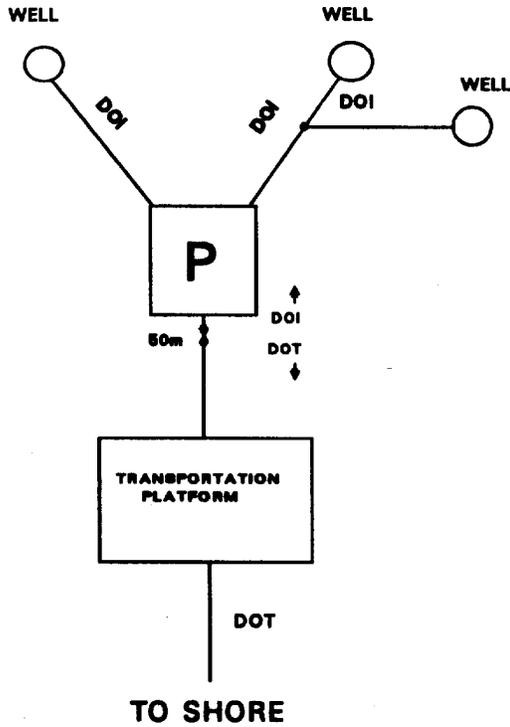
VIII. Effective Date

This MOU is in effect upon signature.

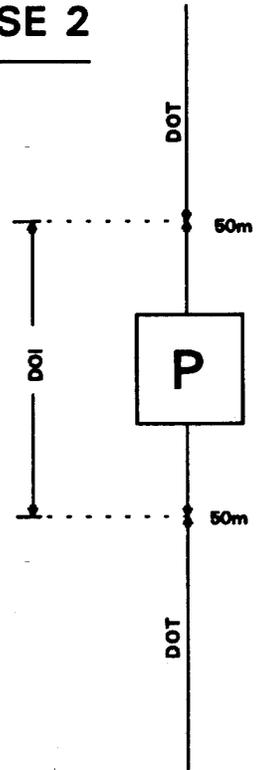
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APPENDIX

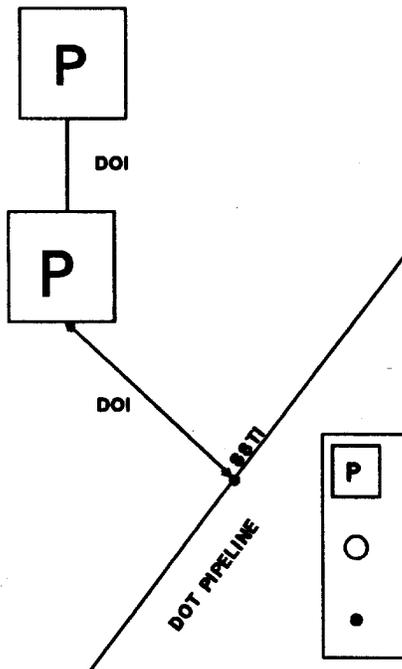
CASE 1



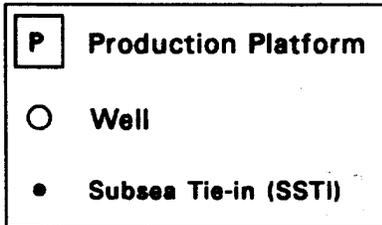
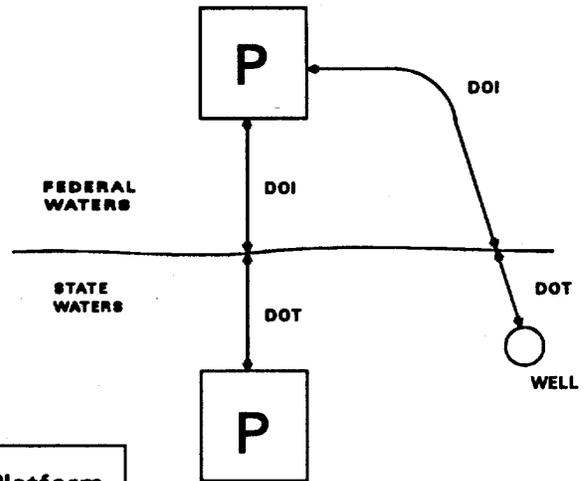
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CASE 3

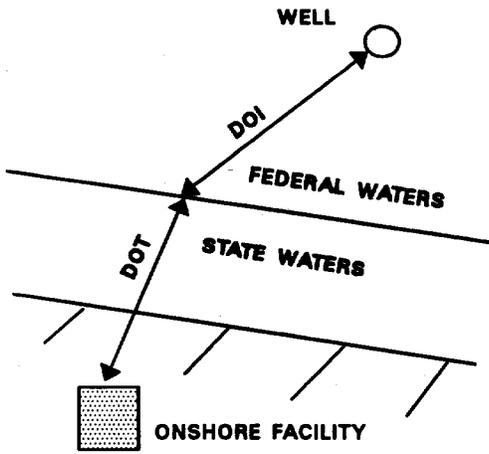


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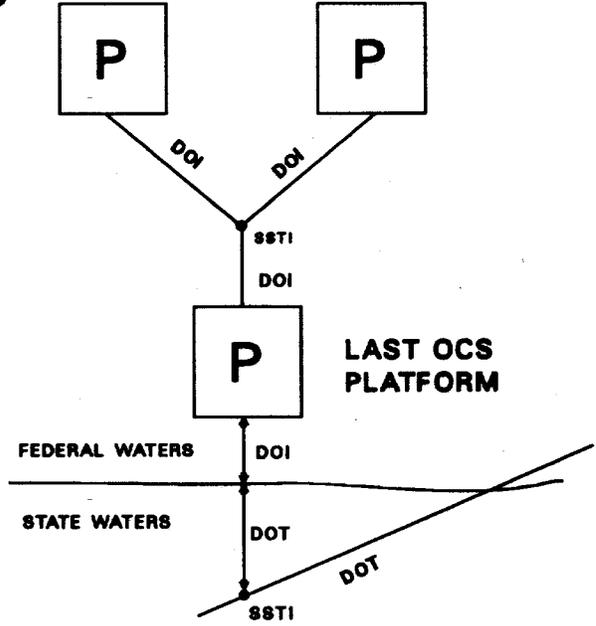


NOTE: DOT PIPELINES IN STATE WATERS MAY BE SUBJECT TO STATE AUTHORITY UNDER A CERTIFICATION OR AGREEMENT.

CASE 5



CASE 6



CASE 7

