

administrative time limits prescribed in subsection (a)(6) of the FOIA (i.e., twenty working days from receipt of initial requests and twenty working days from receipt of appeals from initial denial, plus permissible extension of these time limits) will begin only after the NMB has received fee payments described above.

(h) *Payment.* Payment of fees shall be made by check or money order payable to the United States Treasury.

Dated: February 1, 1998.

Stephen E. Crable,
Chief of Staff.

[FR Doc. 98-3115 Filed 2-12-98; 8:45 am]

BILLING CODE 7550-01-M

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Parts 218, 250, and 256

RIN 1010-AC32

Postlease Operations Safety

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Proposed rule.

SUMMARY: These proposed revisions update and clarify MMS regulations concerning postlease operations. The revised rule provides authority to MMS to grant an easement and a right-of-use for an outer Continental Shelf (OCS) tract to a State lessee. It also clarifies the distinction between granting and directing a suspension, and the different consequences of each; sets out criteria to disqualify an operator with repeated poor operating performance from acquiring any new leaseholdings; and requires written accident reports.

DATES: MMS will consider all comments we receive by May 14, 1998. We will begin reviewing comments then and may not fully consider comments we receive after May 14, 1998.

ADDRESSES: Mail or hand-carry written comments (3 copies) to the Department of the Interior; Minerals Management Service; Mail Stop 4024; 381 Elden Street; Herndon, Virginia 20170-4817; Attention: Rules Processing Team (Comments).

FOR FURTHER INFORMATION CONTACT: Kumkum Ray, Engineering and Operations Division, at (703) 787-1600.

SUPPLEMENTARY INFORMATION: The proposed revision of 30 CFR part 250, subpart A, is an effort to streamline and organize the various topics that apply in a general sense to all the other subparts under 30 CFR part 250. These postlease

operations regulations would contain requirements as well as useful information and reference materials, with an emphasis on operations performance. We would include a newer edition of a document incorporated by reference (API RP 2A).

Definition of Lessee

We would include an owner of operating rights in the definition of lessee. We would emphasize in § 250.15(d) that, in addition to the lessee and operator, all persons who conduct lease activities on behalf of the lessee or operator must also comply with our regulations. The operator is responsible for the performance of its contractors. MMS will hold the operator accountable for the contractors' performance.

Performance standards

We would revise the regulation addressing crane operations to include certain specifications that apply to platforms in the Pacific OCS Region. Also, we would include two new sections under Performance standards: One on welding procedures and another on electrical equipment requirements. These requirements are repeated under Drilling (subpart D), Well-Completion (subpart E), and Well-Workover (Subpart F). Since the requirements apply to all exploration, development, and production operations, they would be listed in subpart A and would be removed from the various other subparts.

Disqualifying an operator

Safety is MMS's top priority for offshore operations. A new regulation has been proposed to provide criteria that MMS will consider, individually or collectively, in evaluating whether to disqualify operators with repeated poor safety performance from acquiring additional leases. In some particularly serious cases, this could also result in MMS disapproving or revoking a company's status as a designated operator. MMS will hold a meeting in Houston, Texas within the comment period of the rulemaking, to consult with industry before setting up criteria to implement this provision in our rules. We will publish the meeting notice in the **Federal Register**. We recognize that the vast majority of operators are conscientious in their operations. The intention of this provision is to safeguard you from the few that may be in dire non-compliance.

Civil Penalty

The reference related to civil penalty appeals has been deleted from subpart A. On August 8, 1997, MMS published

a revision to subpart N which provides information related to civil penalty appeals.

Granting a right-of-use and easement

In our effort to establish and maintain a cooperative relationship with coastal States, and lessees of State submerged land oil and gas leases adjacent to the OCS, we are proposing to amend our regulations currently in § 250.7. (See proposed § 250.18). The proposed rule further implements the Secretary of the Interior's authority to regulate offshore operations under the OCS Lands Act. The rule would provide specific regulatory authority for Regional Directors to grant an easement and right-of-use on an OCS tract to the State lessee when the lease is near or adjacent to the Federal and State jurisdictional boundary. MMS would require an application processing fee, annual rental payments, and surety bonds from State lessees.

Suspensions

We are proposing to reorganize the section on suspensions to flow better and to distinguish clearly between granting or directing a suspension. A new provision at § 250.19 (l)(5) would authorize suspensions as necessary for the diligent development of marginal reserves that would otherwise not be developed. The proposed revisions to "effect of suspensions on lease terms" appear in § 250.19 and § 256.73.

Accident reports

Recent rapid growth in offshore exploration and production activities in the Gulf of Mexico has led to an attendant increase in accidents and injuries on the OCS related to these activities. Since safety is our top priority, MMS sees a strong need to upgrade our accident investigation functions to ensure the continued safety of OCS operations. The proposed rule adds a new requirement (proposed § 250.20(a)) that OCS operators, lessees, or permit holders provide the MMS District Supervisor with written reports concerning accidents on the OCS. We have provided a table to specify the reports required for different types of accidents. MMS will provide more guidance on thresholds for fires, and factors that impair safety, through Notices to Lessees. Safety concerns also prompted the new requirement in proposed paragraph (b) in this section to require evacuation statistics during natural occurrences such as earthquakes and hurricanes.

Lease term extensions

We are proposing to expand the reporting requirements under § 250.23 to require the lessee/operator to report to MMS when lease production is initiated, resumes before the end of the 180-day period after production ceased, and when leaseholding operations occur during the referenced 180-day interval. MMS needs this information in a timely manner to efficiently maintain the lessee/operator's lease status.

Format of the proposed rule

We have written this proposed rule in a plain English format. We have tried to set out these requirements in a straightforward and uncomplicated manner. The plain English format uses the term "you" which means the lessee, right-of-way holder, or person acting on behalf of a lessee or a right-of-way holder. We emphasize that "you" are responsible for ensuring that all requirements are met. We encourage your comments on our use of the plain English format in this proposed rule as well as future rulemaking.

Executive Order (E.O.) 12866

This rule is not a significant rule under E. O. 12866 and does not require a review by the Office of Management and Budget (OMB). The new or expanded requirements in the rule are designed to safeguard lives, property and the environment. They do not impose extensive burdens. Lessees of a State lease located adjacent to the OCS will have to pay a non-refundable filing fee if they apply for a right-of-use and easement. The economic effects of the rule will be minimal. If there is one application from State lessees per year, MMS will receive a total of approximately \$2,350 in fees and \$5,000 in rental.

There are some additional new or expanded reporting requirements in this rule. They do not impose extensive burdens, yet provide necessary data that MMS will use to safeguard offshore operations. The estimated additional burden for submitting copies of written accident reports is 1 hour. There are an estimated 142 responses and at the rate of \$35 per hour it would cost reporters a total of \$4,970 per year. The estimated burden for evacuation statistics reports is 1 hour. There are an estimated 620 responses and at the rate of \$35 per hour it would cost reporters a total of \$21,700 per year. Since such events are extremely unpredictable, we are estimating that these events could occur once every three years. The estimated burden on lease production status is one-half hour per report on lease

production status. There are an estimated 1,000 responses and at a rate of \$35 per hour it would cost reporters \$17,500 per year.

Regulatory Flexibility Act

The proposed changes to 30 CFR part 250, subpart A will not have a significant economic effect. In general, a company needs large technical and financial resources and experience to safely conduct offshore activities. However, many of the leases and operators have less than 500 employees and are small businesses. It is likely that a State lessee applying for a right-of-use and easement on the OCS may be a small business. The costs associated with obtaining the benefit (right-of-use and easement) would be minimal. The application fee is estimated to be \$2,350 per application and the rental is estimated to be \$5,000. A company is not expected to apply for more than one such application per year. There are some additional new or expanded reporting requirements in this rule but they do not impose extensive burdens. Your comments are important. The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the enforcement actions of MMS, call toll-free (888) 734-3247.

Paperwork Reduction Act

We have examined the proposed changes to 30 CFR part 218; 30 CFR part 250; subparts E and F; and 30 CFR part 256 under the Paperwork Reduction Act of 1995 (PRA). We have determined that no new reporting and information collection requirements are included and the currently approved collections of information for these sections remain unchanged.

With respect to 30 CFR part 250, subpart D, the proposed changes remove sections of the regulations that contain approved collections of information subject to the PRA (OMB control number 1010-0053) and relocate them to 30 CFR 250, subpart A. MMS will submit an inventory correction change to OMB for approval when this rule is published in final.

The proposed changes to 30 CFR 250, subpart A, do contain collections of information subject to the PRA, and MMS has submitted them to OMB for review and approval under section 3507(d) of the PRA.

As part of our continuing effort to reduce paperwork and respondent burdens, MMS invites the public and other Federal agencies to comment on any aspect of the reporting and recordkeeping burden. Submit your comments to the Office of Information and Regulatory Affairs; OMB; Attention: Desk Officer for the Department of the Interior (OMB control number 1010-NEW); 725 17th Street, N.W., Washington, D.C. 20503. Send a copy of your comments to the Rules Processing Team, Attn: Comments; Mail Stop 4020; Minerals Management Service; 381 Elden Street; Herndon, Virginia 20170-4817. You may obtain a copy of the supporting statement for the new collection of information by contacting the Bureau's Information Collection Clearance Officer at (202) 208-7744.

The PRA provides that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. OMB is required to make a decision concerning the collection of information contained in these proposed regulations between 30 to 60 days after publication of this document in the **Federal Register**. Therefore, a comment to OMB is best assured of having its full effect if OMB receives it by March 16, 1998. This does not affect the deadline for the public to comment to MMS on the proposed regulations.

The title of the collection of information for the main portion of this proposed rule is "Proposed Rulemaking—30 CFR 250, Subpart A, General" (OMB control number 1010-NEW). The current subpart A regulations contain approved collections of information (OMB control number 1010-0030) which consist of reporting and recordkeeping requirements on designations of operator; performance capabilities and standards; lease cancellations; suspensions of production or other operations; determinations of well producibility; reinjection and subsurface storage of gas; reimbursements of postlease geological and geophysical data and information reproduction costs; accident reporting; access to facilities; and crane inspection, testing, maintenance and operator qualifications. MMS uses the information to ensure that operations on the OCS are carried out in a manner that is safe, pollution free, and do not interfere with the rights of other users on the OCS.

The proposed rule, rewritten in plain English, restructures the citations containing the information collection requirements approved for the current

30 CFR 250, subpart A, regulations, but they remain unchanged. It also relocates two requirements from other subparts of 30 CFR 250 that also remain unchanged.

The proposed rule contains the following new or expanded information collection requirements:

1. Sections 250.18(c) explains how lessees of a State lease located adjacent to the OCS may apply for a right-of-use and easement on the OCS, and includes a non-refundable filing fee for such applications. MMS will use the information to determine if the right-of-use and easement: serves the purpose specified in the grant when conducting exploration, development, and production activities or other operations on or off the lease; is maintained for such purposes specified; and does not unreasonably interfere with the operations of any other lessee. We estimate that the average burden for this new application process will be 5 hours and a filing fee of approximately \$2,350 per application.

2. Section 250.20(a) expands accident reporting to include the requirement to submit copies of written follow-up reports in addition to oral notifications. MMS will use the information to upgrade the accident investigation functions. We estimate that the average burden for this new reporting requirement will be an additional 1 hour per report.

3. Section 250.20(b) requires reports on evacuation statistics for a natural occurrence (i.e., hurricanes, earthquakes, etc.). MMS will use the information to be informed when there could be a major disruption in the availability and supply of natural gas and oil due to natural occurrences, to advise the Coast Guard of rescue needs, and to alert the news media and interested public entities when production is shut in and when resumed. We estimate that the average burden for this reporting requirement will be 1 hour per report.

4. Sections 250.23(e), (f), and (g) expand the reporting requirements for lease term dependency and operations for respondents to report when lease production is initiated, resumes before the end of the 180-day period after production ceased, and when leaseholding operations occur during the referenced 180-day interval. MMS will use this information to efficiently maintain the lessee/operator's lease status. We estimate that the average burden for this expanded reporting requirement will be one-half hour per report.

Respondents are approximately 130 Federal OCS oil and gas or sulphur lessees and an estimate of one State

lessee each year who will apply for OCS right-of-use and easement. The frequency of response is on occasion or annual. Responses to this collection of information are mandatory or are required to obtain or retain a benefit. MMS will protect proprietary information in accordance with the Freedom of Information Act and 30 CFR 250.18 (renumbered to 30 CFR 250.27 in this proposed rule). Data and information to be made available to the public.

MMS estimates the total annual reporting and recordkeeping "hour" burden for the requirements in this proposed rule to be 10,578 hours. This will reflect an increase of 2,150 hours for the new or expanded requirements described above when this new collection replaces the collection of information approved for the current requirements in 30 CFR 250, subpart A (1010-0030). MMS estimates the total annual reporting and recordkeeping "cost" burden of this proposed rule to be \$2,350 for approximately one application filing fee per year under § 250.18(c).

In calculating the burden, MMS assumed that respondents perform some of the requirements and maintain some of the records in the normal course of their activities. MMS considers these to be usual and customary and did not include them in the burden estimates. You are invited to provide information if you disagree with this assumption.

MMS will summarize written responses to this notice and address them in the final rule. All comments will become a matter of public record.

1. MMS specifically solicits comments on the following questions:

(a) Is the proposed collection of information necessary for MMS to properly perform its functions, and will it be useful?

(b) Are the estimates of the burden hours of the proposed collection reasonable?

(c) Do you have any suggestions that would enhance the quality, clarity, or usefulness of the information to be collected?

(d) Is there a way to minimize the information collection burden on those who are to respond, including the use of appropriate automated electronic, mechanical, or other forms of information technology?

2. In addition, the PRA requires agencies to estimate the total annual cost burden to respondents or recordkeepers resulting from the collection of information. MMS needs your comments on this item. Your response should split the cost estimate into two components: (a) Total capital

and startup cost component, and (b) annual operation, maintenance, and purchase of services component. Your estimates should consider the costs to generate, maintain, and disclose or provide the information. You should describe the methods you use to estimate major cost factors, including system and technology acquisition, expected useful life of capital equipment, discount rate(s), and the period over which you incur costs. Capital and startup costs include, among other items, computers and software you purchase to prepare for collecting information; monitoring, sampling, drilling, and testing equipment; and record storage facilities. Generally, your estimates should not include equipment or services purchased: before October 1, 1995; to comply with requirements not associated with the information collection; for reasons other than to provide information or keep records for the Government; or as part of customary and usual business or private practices.

Takings Implication Assessment

The Department of the Interior (DOI) certifies that this proposed rule does not represent a governmental action capable of interference with constitutionally protected property rights. Thus, MMS did not need to prepare a Takings Implication Assessment pursuant to Executive Order (E.O.) 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights.

Unfunded Mandates Reform Act of 1995

DOI has determined and certifies according to the Unfunded Mandates Reform Act, 2 U.S.C. 1502 *et seq.*, that this rule will not impose a cost of \$100 million or more in any given year on State, local, and tribal governments, or the private sector.

E.O. 12988

DOI has certified to OMB that the rule meets the applicable reform standards provided in sections 3(a) and 3(b)(2) of E.O. 12988, Civil Justice Reform.

National Environmental Policy Act

DOI has also determined that this action does not constitute a major Federal action affecting the quality of the human environment; therefore, an Environmental Impact Statement is not required.

List of Subjects

30 CFR Part 218

Continental shelf, Electronic funds transfers, Geothermal energy,

Government contracts, Indians—lands, Mineral royalties, Oil and gas exploration, Public lands—mineral resources, Reporting and recordkeeping requirements.

30 CFR Part 250

Continental shelf, Environmental impact statements, Environmental protection, Government contracts, Incorporation by reference, Investigations, Mineral royalties, Oil and gas development and production, Oil and gas exploration, Oil and gas reserves, Penalties, Pipelines, Public lands—mineral resources, Public lands—rights-of-way, Reporting and recordkeeping requirements, Sulphur development and production, Sulphur exploration, Surety bonds.

30 CFR Part 256

Administrative practice and procedures, Continental shelf, Environmental Protection, Government contracts, Mineral royalties, Oil and gas exploration, Pipelines, Public lands—mineral resources, Public lands—rights-of-way, Reporting and recordkeeping requirements, Surety bonds.

Dated: February 6, 1998.

Bob Armstrong,

Assistant Secretary, Land and Minerals Management.

For the reasons stated in the preamble, Minerals Management Service (MMS) proposes to amend 30 CFR parts 218, 250, and 256 as follows:

PART 218—COLLECTION OF ROYALTIES, RENTALS, BONUSES AND OTHER MONIES DUE THE FEDERAL GOVERNMENT

1. The authority citation continues to read as follows:

Authority: 25 U.S.C. 396 *et seq.*; 396a *et seq.*; 2101 *et seq.*; 30 U.S.C. 181 *et seq.*; 351 *et seq.*; 1001 *et seq.*; 1701 *et seq.*; 31 U.S.C.A. 3335; 43 U.S.C. 1301 *et seq.*; 1331 *et seq.*; 1801 *et seq.*

2. In § 218.154 paragraphs (a) and (b) are revised to read as follows:

§ 218.154 Effect of suspensions on royalty and rental.

(a) MMS will not require a lessee to pay rental or minimum royalty for or during a period of suspension if the Regional Supervisor:

- (1) Directs the suspension of both operations and production; or
- (2) Directs the suspension of operations on a lease on which there is no producible well under the provisions of 30 CFR 250.19 (j)(1), (j)(2), (j)(4) or (k)(2).

(b) MMS will not relieve the lessee of the obligation to pay rental, minimum

royalty, or royalty for or during the period of suspension if the Regional Supervisor approves a suspension of operations or production, or both, requested by a lessee under the provisions of 30 CFR 250.19 (j)(3), (j)(5), (k), (l) or (m)(1).

* * * * *

PART 250—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

3. The authority citation for part 250 continues to read as follows:

Authority: 43 U.S.C. 1334 *et seq.*

4. 30 CFR Part 250 subpart A is revised to read as follows:

Subpart A—General

Authority and Definition of Terms

Sec.

250.1 Authority and applicability of this part.

250.2 Definitions.

Performance Standards

250.3 Under what standards will the Director regulate lease operations?

250.4 What measures must I take to protect health, safety, property, and the environment?

250.5 What standards must crane operations meet?

250.6 What must a welding, burning, and hot tapping practices and procedures plan contain?

250.7 What requirements apply to electrical equipment?

250.8 When must I use best available and safest technologies (BAST)?

250.9 How do I determine well producibility?

250.10 Under what conditions will MMS approve reinjection and subsurface gas storage?

Inspection of Operations

250.11 How often does MMS conduct inspections?

Disqualification and Appeals

250.12 Under what conditions will MMS disqualify an operator or lessee?

250.13 How can I appeal a decision made under MMS regulations?

Special Types of Approvals

250.14 Under what conditions will MMS give me an oral approval or an approval for alternate procedures and/or departures?

250.15 How do I designate an operator and local agent?

Naming and Identifying Platforms and Wells

250.16 How do I name platforms and wells?

250.17 What identification signs must I display?

Right-Of-Use and Easement

250.18 When will MMS grant a right-of-use and easement?

Suspensions

250.19 Under what conditions can operations or production be suspended?

Reporting Requirements

250.20 What accident reports and evacuation statistics must I submit?

250.21 Reports and investigations of apparent violations.

250.22 What archaeological reports and surveys must I submit?

Lease Term Extensions

250.23 What effect do production, drilling, or well-reworking have on the lease term?

250.24 Under what circumstance may MMS cancel my lease, with or without compensation?

Information: Submission, Reimbursement For, Availability To Public

250.25 What reporting information and report forms must I submit?

250.26 When will MMS reimburse me for reproduction costs?

250.27 Data and information to be made available to the public.

References

250.28 Documents incorporated by reference.

250.29 Paperwork Reduction Act requirements—information collection.

Subpart A—General

Authority and Definition of Terms

§ 250.1 Authority and applicability of this part.

(a) The Secretary of the Interior (Secretary) authorized MMS to regulate oil, gas and sulphur exploration, development, and production operations on the Outer Continental Shelf (OCS). Under this authority, the Director requires that all operations:

(1) Are conducted in accordance with the Act, the regulations in this part, MMS orders, the lease or right-of-way, and other applicable laws, regulations, and amendments; and

(2) Conform to sound conservation practice to preserve, protect, and develop mineral resources of the OCS to:

(i) Make resources available to meet the Nation's energy needs;

(ii) Balance orderly energy resource development with protection of the human, marine, and coastal environments;

(iii) Ensure the public receives a fair and equitable return on the resources of the OCS;

(iv) Preserve and maintain free enterprise competition; and

(v) Minimize or eliminate conflicts between the exploration, development, and production of oil and natural gas and the recovery of other resources.

(b) When you conduct operations on the OCS you will be required to submit requests, applications, and notices, or provide supplemental information, for MMS approval. The table that follows contains general references and the corresponding regulatory section for these processes. MMS will respond with either written or oral approvals. Refer to § 250.14(a) of this part for information on oral approvals.

TABLE—WHERE TO FIND INFORMATION FOR CONDUCTING OPERATIONS

| To get information about | Refer to |
|---|------------|
| Exploration Plans (EP) | § 250.33. |
| Development and Production Plans (DPP) | § 250.34. |
| Applications for Permit to Drill | § 250.64. |
| Oil and gas well-completion operations. | § 250.83. |
| Oil and gas well-workover operations. | § 250.103. |
| Abandonment of wells | § 250.111. |
| Oil and gas production safety systems. | § 250.122. |
| Platforms and structures | § 250.131. |
| Pipelines | § 250.157. |
| Pipeline right-of-way | § 250.160. |
| Flaring | § 250.175. |
| Downhole commingling | § 250.176. |
| Measurement of gas | § 250.181. |
| Unitization | § 250.190. |
| Training | § 250.211. |
| Sulphur operations | § 250.253. |
| Off-lease Geological and Geophysical permits. | Part 251. |
| Oil Spill Response Plans | Part 254. |

§ 250.2 Definitions.

Terms used in this part will have the meanings given in the Act and as defined below:

Act means the OCS Lands Act, as amended (43 U.S.C. 1331 *et seq.*).

Affected State means with respect to any program, plan, lease sale, or other activity proposed, conducted, or approved pursuant to the provisions of the Act, any State:

(1) The laws of which are declared, pursuant to section 4(a)(2) of the Act, to be the law of the United States for the portion of the OCS on which such activity is, or is proposed to be, conducted;

(2) Which is, or is proposed to be, directly connected by transportation facilities to any artificial island or installation or other device permanently or temporarily attached to the seabed;

(3) Which is receiving, or in accordance with the proposed activity will receive, oil for processing, refining, or transshipment which was extracted from the OCS and transported directly to such State by means of vessels or by a combination of means including vessels;

(4) Which is designated by the Secretary of the Interior (Secretary) as a State in which there is a substantial probability of significant impact on or damage to the coastal, marine, or human environment, or a State in which there will be significant changes in the social, governmental, or economic infrastructure, resulting from the exploration, development, and production of oil and gas anywhere on the OCS; or

(5) In which the Secretary finds that because of such activity there is, or will be, a significant risk of serious damage, due to factors such as prevailing winds and currents to the marine or coastal environment in the event of any oil spill, blowout, or release of oil or gas from vessels, pipelines, or other transshipment facilities.

Air pollutant means any airborne agent or combination of agents for which the Environmental Protection Agency (EPA) has established, pursuant to section 109 of the Clean Air Act, national primary or secondary ambient air quality standards.

Analyzed geological information means data collected under a permit or a lease which have been analyzed. Analysis may include, but is not limited to, identification of lithologic and fossil content, core analysis, laboratory analysis of physical and chemical properties, well logs or charts, results from formation fluid tests, and descriptions of hydrocarbon occurrences or hazardous conditions.

Archaeological resource means any material remains of human life or activities that are at least 50 years of age and that are of archaeological interest.

Attainment area means, for any air pollutant, an area which is shown by monitored data or which is calculated by air quality modeling (or other methods determined by the Administrator of EPA to be reliable) not to exceed any primary or secondary ambient air quality standards established by EPA.

Best available control technology (BACT) means an emission limitation based on the maximum degree of reduction for each air pollutant subject to regulation, taking into account energy, environmental and economic impacts, and other costs. The Regional Director will verify the BACT on a case-by-case basis and it may include reductions achieved through the application of processes, systems, and techniques for the control of each air pollutant.

Best available and safest technology (BAST) means the best available and safest technologies which the Secretary determines to be economically feasible

wherever failure of equipment would have a significant effect on safety, health, or the environment.

Coastal environment means the physical, atmospheric, and biological components, conditions, and factors which interactively determine the productivity, state, condition, and quality of the terrestrial ecosystem from the shoreline inward to the boundaries of the coastal zone.

Coastal zone means the coastal waters (including the lands therein and thereunder) and the adjacent shorelands (including the waters therein and thereunder) strongly influenced by each other and in proximity to the shorelands of the several coastal States. The coastal zone includes islands, transition and intertidal areas, salt marshes, wetlands, and beaches. The coastal zone extends seaward to the outer limit of the U.S. territorial sea and extends inland from the shorelines to the extent necessary to control shorelands, the uses of which have a direct and significant impact on the coastal waters, and the inward boundaries of which may be identified by the several coastal States, pursuant to the authority in section 305(b)(1) of the Coastal Zone Management Act (CZMA) of 1972.

Competitive reservoir means a reservoir in which there are one or more well completions on each of two or more leases or portions of leases, with different lease operating interests, from which the lessees plan future production.

Conservation means preservation, economy, and avoidance of waste. It is especially important in the petroleum industry, since oil and gas are irreplaceable.

Correlative rights when used with respect to lessees of adjacent tracts, means the right of each lessee to be afforded an equal opportunity to explore for, develop, and produce, without waste, minerals from a common source.

Data means facts and statistics, measurements, or samples which have not been analyzed or processed.

Departures means approvals granted by the appropriate MMS representative for operating requirements/procedures other than those specified in the regulations found in this part. These requirements/procedures may be necessary to control a well; properly develop a lease; conserve natural resources, or protect life, property, or the marine, coastal, or human environment.

Development means those activities which take place following discovery of minerals in paying quantities, including geophysical activity, drilling, platform construction, and operation of all

onshore support facilities, and which are for the purpose of ultimately producing the minerals discovered.

Director means the Director of the MMS of the U.S. Department of the Interior.

District Supervisor means the MMS officer with authority and responsibility for a district within an MMS Region.

Easement means an authorization for a non-possessory, non-exclusive interest in a portion of an OCS tract, whether leased or unleased, which specifies the rights of the holder to use the area embraced in the easement in a manner consistent with the terms and conditions of the granting authority.

Emission offsets means emission reductions obtained from facilities, either onshore or offshore, other than the facility or facilities covered by the proposed Exploration Plan or Development and Production Plan.

Enhanced recovery operations means pressure maintenance operations, secondary and tertiary recovery, cycling, and similar recovery operations which alter the natural forces in a reservoir to increase the ultimate recovery of oil or gas.

Existing facility, as used in § 250.45, means an OCS facility described in an Exploration Plan or a Development and Production Plan approved before June 2, 1980.

Exploration means the commercial search for oil, gas, and sulphur. Activities classified as exploration include but are not limited to:

(1) Geophysical and geological (G&G) surveys where magnetic, gravity, seismic reflection, seismic refraction, gas sniffers, coring, or other systems are used to detect or imply the presence of oil, gas, or sulphur; and

(2) Any drilling, including the drilling in which a discovery of oil or natural gas in paying quantities or sulphur is made. This includes drilling of any additional well needed to delineate any reservoir and any drilling to enable the lessee to determine whether to proceed with development and production.

Facility, as used in § 250.11 concerning inspections, means any installation permanently or temporarily attached to the seabed (that includes manmade islands, and bottom-sitting structures) and any onshore installation used for oil, gas, or sulphur drilling, production, or related activities. Any group of installations that is interconnected with walkways, or any group of installations that includes a central or primary installation with processing equipment and one or more satellite or secondary installations, is a single facility unless the Regional Supervisor determines that the

complexity of the individual installations justifies their classification as separate facilities.

Facility, as used in § 250.45 concerning air quality, means any installation or device permanently or temporarily attached to the seabed which is used for exploration, development, and production activities for oil, gas, or sulphur and which emits or has the potential to emit any air pollutant from one or more sources. All equipment directly associated with the installation or device is part of a single facility if the equipment is dependent on, or affects the processes of, the installation or device. During production, multiple installations or devices are a single facility if the installations or devices are directly related to the production of oil or gas at a single site. Any vessel used to transfer production from an offshore facility is part of the facility while physically attached to it.

Facility, as used in § 250.67(b) concerning hydrogen sulfide (H₂S), means a vessel, a structure, or an artificial island used for drilling, well-completion, well-workover, and/or production operations.

Gas reservoir means a reservoir that contains hydrocarbons predominantly in a gaseous (single-phase) state.

Gas-well completion means a well completed in a gas reservoir or in the gas-cap of an oil reservoir with an associated gas-cap.

Governor means the Governor of a State, or the person or entity designated by, or pursuant to, State law to exercise the powers granted to such Governor pursuant to the Act.

H₂S absent means:

(1) Drilling, logging, coring, testing, or producing operations have confirmed the absence of H₂S in concentrations that could potentially result in atmospheric concentrations of 20 ppm or more of H₂S; or

(2) Drilling in the surrounding areas and correlation of geological and seismic data with equivalent stratigraphic units have confirmed an absence of H₂S throughout the area to be drilled.

H₂S present means drilling, logging, coring, testing, or producing operations have confirmed the presence of H₂S in concentrations and volumes that could potentially result in atmospheric concentrations of 20 ppm or more of H₂S.

H₂S unknown means the designation of a zone or geologic formation where neither the presence nor absence of H₂S has been confirmed.

Human environment means the physical, social, and economic

components, conditions, and factors which interactively determine the state, condition, and quality of living conditions, employment, and health of those affected, directly or indirectly, by activities occurring on the OCS.

Information when used without an adjective means G&G data that have been analyzed, processed, or interpreted.

Interpreted geological information means geological information, often in the form of schematic cross sections, 3-dimensional representations, and maps, developed by determining the geological significance of data and analyzed geological information.

Interpreted geophysical information means geophysical information, often in the form of seismic cross sections, 3-dimensional representations, and maps, developed by determining the geological significance of geophysical data and processed geophysical information.

Lease means an agreement which is issued under section 8 or maintained under section 6 of the Act and which authorizes exploration for, and development and production of, minerals. The term also means the area covered by that authorization, whichever is required by the context.

Lease term pipelines means those pipelines owned and operated by a lessee or operator that are completely contained within the boundaries of a single lease, unitized leases, or contiguous (not cornering) leases of that lessee or operator.

Lessee means a person who has entered into, or who is the MMS-approved assignee of, a lease with the United States to explore for, develop, and produce the leased minerals. The term *lessee* also includes an owner of operating rights for that lease.

Major Federal action means any action or proposal by the Secretary which is subject to the provisions of section 102(2)(C) of the National Environmental Policy Act of 1969, 42 U.S.C. (2)(C) (i.e., an action which will have a significant impact on the quality of the human environment requiring preparation of an Environmental Impact Statement pursuant to section 102(2)(C) of the National Environmental Policy Act).

Marine environment means the physical, atmospheric, and biological components, conditions, and factors which interactively determine the productivity, state, condition, and quality of the marine ecosystem, including the waters of the high seas, the contiguous zone, transitional and intertidal areas, salt marshes, and wetlands within the coastal zone and on the OCS.

Marine remains means physical evidence of human habitation, occupation, use, or activity, including the site, location, or context in which such evidence is situated.

Maximum production rate (MPR) means the approved maximum daily rate at which oil or gas may be produced from a specified oil-well or gas-well completion.

Minerals includes oil, gas, sulphur, geopressured-geothermal and associated resources, and all other minerals which are authorized by an Act of Congress to be produced from "public lands" as defined in section 103 of the Federal Land Policy and Management Act of 1976, 43 U.S.C. 1331.

Nonattainment area means, for any air pollutant, an area which is shown by monitored data or which is calculated by air quality modeling (or other methods determined by the Administrator of EPA to be reliable) to exceed any primary or secondary ambient air quality standard established by EPA.

Nonsensitive reservoir means a reservoir in which ultimate recovery is not decreased by high reservoir production rates.

Of archaeological interest means capable of providing scientific or humanistic understanding of past human behavior, cultural adaptation, and related topics through the application of scientific or scholarly techniques, such as controlled observation, contextual measurement, controlled collection, analysis, interpretation, and explanation.

Oil reservoir means a reservoir that contains hydrocarbons predominantly in a liquid (single-phase) state.

Oil reservoir with an associated gas cap means a reservoir that contains hydrocarbons in both a liquid and gaseous (two-phase) state.

Oil-well completion means a well completed in an oil reservoir or in the oil accumulation of an oil reservoir with an associated gas cap.

Operating rights means any interest held in a lease with right to explore for, develop, and produce leased substances. Any assignment or transfer of operating rights may specify the depth of the borehole down to which the operating rights extend.

Operator means the person the lessee(s) designates as having control or management of operations on the leased area or a portion thereof.

Outer Continental Shelf (OCS) means all submerged lands lying seaward and outside of the area of lands beneath navigable waters as defined in section 2 of the Submerged Lands Act (43 U.S.C. 1301) and of which the subsoil and

seabed appertain to the United States and are subject to its jurisdiction and control.

Person includes, in addition to a natural person, an association, a State, a political subdivision of a State, or a private, public, or municipal corporation.

Pipelines are the piping, risers, and appurtenances installed for the purpose of transporting oil, gas, sulphur, and produced waters.

Processed geological information means data collected under a permit or a lease which have been processed. Processing involves changing the form of data to facilitate interpretation. Processing operations may include, but are not limited to, applying corrections for known perturbing causes, rearranging or filtering data, and combining or transforming data elements. Reprocessing operations may include varying identified parameters for the detailed study of a specific problem area.

Producing in paying quantities means that a well is able to produce oil, gas, or both in a cost-effective manner. This means that the production quantities must yield a greater return than the total costs, including well-completion costs, of producing the hydrocarbons at the wellhead.

Production means those activities which take place after the successful completion of any means for the removal of minerals, including such removal, field operations, transfer of minerals to shore, operation monitoring, maintenance, and work-over operations.

Projected emissions means emissions, either controlled or uncontrolled, from a source or sources.

Regional Director means the MMS officer with responsibility and authority for a Region within MMS.

Regional Supervisor means the MMS officer with responsibility and authority for operations or other designated program functions within an MMS Region.

Right-of-use means any authorization to use OCS lands issued under this part.

Right-of-way pipelines are those pipelines which: (1) Are contained within the boundaries of a single lease or unitized leases but are not owned and operated by a lessee or operator of that lease or unit, (2) are contained within the boundaries of contiguous (not cornering) leases which do not have a common lessee or operator, (3) are contained within the boundaries of contiguous (not cornering) leases which have a common lessee or operator but are not owned and operated by that common lessee or operator, or (4) are

contained within a block(s) which is unleased.

Routine operations, for the purposes of subpart F, means any of the following operations conducted on a well with the tree installed:

- (1) Cutting paraffin;
- (2) Removing and setting pump-through-type tubing plugs, gas-lift valves, and subsurface safety valves which can be removed by wireline operations;
- (3) Bailing sand;
- (4) Pressure surveys;
- (5) Swabbing;
- (6) Scale or corrosion treatment;
- (7) Caliper and gauge surveys;
- (8) Corrosion inhibitor treatment;
- (9) Removing or replacing subsurface pumps;
- (10) Through-tubing logging (diagnostics);
- (11) Wireline fishing;
- (12) Setting and retrieving other subsurface flow-control devices; and
- (13) Acid treatments.

Sensitive reservoir means a reservoir in which high reservoir production rates will decrease ultimate recovery. Initially, all oil reservoirs with an associated gas cap are classified as sensitive.

Significant archaeological resource means those archaeological resources that meet the criteria of significance for eligibility to the National Register of Historic Places as defined in 36 CFR 60.4.

Suspension means a granted or directed deferral of the requirement to produce (Suspension of Production (SOP)) or to conduct leaseholding operations (Suspension of Operations (SOO)).

Waste of oil, gas, or sulphur means:

- (1) The physical waste of oil, gas, or sulphur;
- (2) The inefficient, excessive, or improper use, or the unnecessary dissipation, of reservoir energy;
- (3) The locating, spacing, drilling, equipping, operating, or producing of any oil, gas, or sulphur well(s) in a manner which causes or tends to cause a reduction in the quantity of oil, gas, or sulphur ultimately recoverable under prudent and proper operations or which causes or tends to cause unnecessary or excessive surface loss or destruction of oil or gas; or
- (4) The inefficient storage of oil.

Well-completion operations means the work conducted to establish production from a well after the production-casing string has been set, cemented, and pressure-tested.

Well-control fluid means drilling mud, completion fluid, or workover fluid as appropriate to the particular operation being conducted.

Workover operations means the work conducted on wells after the initial well-completion operation for the purpose of maintaining or restoring the productivity of a well.

You means the Lessee, right-of-way holder, or person acting on behalf of a lessee or a right-of-way holder.

Performance Standards

§ 250.3 Under what standards will the Director regulate lease operations?

The Director will regulate all operations under a lease, right-of-use and easement, or right-of-way to:

(a) Promote orderly exploration, development, and production of mineral resources;

(b) Prevent damage to or waste of any natural resource, life, property, or the environment; and

(c) Cooperate and consult with affected States, local governments, other interested parties, and relevant Federal agencies.

§ 250.4 What measures must I take to protect health, safety, property, and the environment?

(a) You must protect health, safety, property, and the environment by:

(1) Performing all operations in a safe and workmanlike manner; and

(2) Maintaining all equipment in a safe condition.

(b) You must immediately take all necessary precautions to control, remove, or otherwise correct any hazardous oil and gas accumulation or other health, safety, or fire hazard.

§ 250.5 What standards must crane operations meet?

To ensure the safety of facility operations, you must meet the requirements of paragraph (a) of this section. If your facility is located in the Pacific OCS Region, you must also meet the requirements of paragraph (b) of this section.

(a) In all cases, you must:

(1) Operate and maintain cranes installed on fixed platforms according to the American Petroleum Institute (API) Recommended Practice (RP) for Operation and Maintenance of Offshore Cranes (API RP 2D), and

(2) Keep records of inspection, testing and maintenance, and crane operator qualifications according to the provisions of API RP 2D at your field office nearest the OCS facility for a period of 2 years.

(b) This paragraph applies if your facility is located in the Pacific OCS region. You may use other power-operated load-handling equipment (such as air hoists or jib cranes) that has lower capacities and is generally used

for smaller loads than pedestal-mounted revolving cranes. In this case, you must use such equipment according to specific sections of API RP 2D as follows:

(1) Subsection 3.2 for Handling the Load;

(2) Section 4 for Inspection, Testing and Maintenance (with the exception of 4.2.3, Load Test and 4.5, Crane Rating); and

(3) Section 5 for Wire Rope and Sling Inspection, Requirement and Maintenance.

§ 250.6 What must a welding, burning, and hot tapping practices and procedures plan contain?

In this section, *welding* and *burning* include arc or fuel-gas *welding* and arc or fuel-gas (acetylene or other gas) cutting. The term *welding* includes welding, burning, and hot tapping activities.

(a) You must submit a Welding, Burning, and Hot Tapping Safe Practices and Procedures Plan to the District Supervisor before you begin drilling or production activities on a lease. You may not begin welding activities until the District Supervisor has approved your plan. A copy of the plan and its approval letter must be available at the facility for the life of the facility (platform or drilling rig).

(b) Your plan must include the following:

(1) Standards or requirements for qualifying personnel who conduct welding activities;

(2) Methods to ensure that only qualified personnel will conduct welding activities;

(3) Practices and procedures for safe welding. Practices and procedures must address:

(i) Welding in designated safe areas;

(ii) Welding in undesignated areas, including well bays;

(iii) Fire watches; and

(iv) Maintenance of welding equipment.

(4) Drawings showing any designated safe-welding areas; and

(5) Methods, practices and procedures to preclude spark producing activities (i.e., grinding, abrasive blasting/cutting and arc-welding) from becoming a source of ignition in hazardous locations.

(c) A welding supervisor or a designated person in charge must be thoroughly familiar with your welding plan. This person must ensure that each welder is properly qualified according to the welding plan. This person also must inspect all welding equipment before welding.

(d) Your welding equipment must meet the following requirements:

(1) All engine-driven welding equipment must be equipped with spark arrestors and drip pans;

(2) Welding leads must be completely insulated and in good condition;

(3) Hoses must be leak free and equipped with proper fittings, gauges, and regulators; and

(4) Oxygen and fuel gas bottles must be secured in a safe place.

(e) Before you weld, you must move any equipment containing hydrocarbons or other flammable substances at least 35 feet horizontally from the work site.

You must move similar equipment located on lower decks at least 35 feet from the point of impact where slag, sparks, or other burning materials could fall. If moving this equipment is impractical, you must protect that equipment with flame-proofed covers, shield it with metal or fire-resistant guards or curtains, or render the flammable substances inert.

(f) While you weld, you must monitor all water-discharge-point sources from hydrocarbon-handling vessels. If a discharge of flammable fluids occurs, you must stop welding.

(g) If you cannot weld in an approved safe-welding area, you must meet the following requirements:

(1) You may not begin welding until the designated person-in-charge has authorized in writing that it is safe to proceed with the welding activity.

Before beginning welding, the designated person-in-charge and the welder(s) must inspect the work area and areas below the work area for potential fire and explosion hazards.

(2) During welding, the person-in-charge must designate one or more persons as a fire watch. These persons must have no other duties while actual welding is in progress. The fire watch must have usable firefighting equipment. The fire watch must remain on duty for 30 minutes after welding activities end. If welding occurs in an area not equipped with a gas detector, the fire watch also must maintain a continuous surveillance during the welding and burning operation, with a portable gas detector.

(3) You may not weld piping, containers, tanks, or other vessels that have contained a flammable substance unless you have rendered the contents inert and the designated person-in-charge has determined it is safe to weld. This does not apply to approved hot taps.

(4) You may not weld in, or within 10 feet of, a well-bay or production area unless you have shut in all producing wells in that area.

(5) You may not weld while you drill, complete, workover, or conduct

wireline operations unless the fluids in the well are noncombustible and you have precluded the entry of formation hydrocarbons into the wellbore. This does not apply to welding in an approved safe-welding area.

§ 250.7 What requirements apply to electrical equipment?

The requirements in this section apply to all electrical equipment on all platforms, artificial islands, fixed structures, and their facilities.

(a) You must classify all areas in accordance with API RP 500, Recommended Practice for Classification of Locations for Electrical Installations at Petroleum Facilities.

(b) You must use trained and experienced personnel to maintain your electrical systems. They must have expertise in area classification, distribution system, performance characteristics and operation of electrical equipment, and associated hazards.

(c) You must install all electrical systems in accordance with API RP 14F, Recommended Practice for Design and Installation of Electrical Systems for Offshore Production Platforms. You do not have to comply with Sections 7.4, Emergency Lighting, and 9.4, Aids to Navigation Equipment.

(d) You must use a low-tension ignition system on each engine that has electric ignition. You must design and maintain the ignition system to minimize the release of electrical energy.

§ 250.8 When must I use best available and safest technologies (BAST)?

(a) You must use BAST on all new exploration, development, and production operations.

(b) You must use BAST on existing operations to avoid failure of equipment that would have a significant effect on safety, health, or the environment if the Director determines that:

(1) Using BAST is economically feasible; and

(2) The benefits of using BAST outweigh the costs.

(c) If you comply with the requirements of this part, MMS will consider you to be using BAST.

(d) MMS will analyze specific equipment and procedures or systems not covered by standards, codes, or practices to determine if their failure would have a significant effect on safety, health, or the environment. If MMS identifies significant effects on safety, health, and the environment, the Regional Supervisor may direct you to submit on a case-by-case basis the following analysis:

(1) Information necessary to indicate the use of BAST;

(2) Alternatives you are considering to the specific equipment or procedures;

(3) The rationale as to why you chose one safe alternative technology instead of another; and

(4) A discussion of the costs involved in the use of alternate technologies and the incremental benefits to be gained.

§ 250.9 How do I determine well producibility?

To determine whether a well is capable of producing in paying quantities, submit a written request to the District Supervisor. You must then meet the criteria in paragraphs (a) and (b) of this section. Once a lease has a well that MMS determines is capable of producing in paying quantities, no further determination of well producibility will be made on the lease. A determination of well producibility invokes minimum royalty status on the lease as provided in 30 CFR 202.53. If your well is located in the Gulf of Mexico (GOM), you must also meet the requirements of paragraph (c) of this section.

(a) You must give the District Supervisor a reasonable opportunity to witness each test that you conduct under paragraph (b) of this section. In lieu of witnessing a test, MMS will accept test data with your affidavit, or third-party test data, but you must receive the District Supervisor's approval for this arrangement *before* the test.

(b) You must conduct:

(1) A production test for oil wells that lasts at least 2 hours after flow stabilizes; and

(2) Either:

(i) A deliverability test for gas wells that lasts at least 2 hours after flow stabilizes, or

(ii) A four-point back pressure test.

(c) As evidence that a well in the GOM is capable of producing oil or gas in paying quantities, the GOM OCS Region will also consider the collective results of the following log, core analyses, and test criteria:

(1) Resistivity or induction electric log of the well showing a minimum of 15 feet of producible sand in one section. The producible section must not include any interval which appears to be water saturated. All of the sections you count as producible must exhibit:

(i) Electrical spontaneous potential exceeding 20-negative millivolts beyond the shale base line; or

(ii) Gamma ray log deflection of at least 70 percent of the maximum gamma ray deflection in the nearest clean water-bearing sand—if mud conditions

prevent a 20-negative millivolt reading beyond the shale base line; and

(iii) A minimum true resistivity ratio of the producible section to the nearest clean water-bearing sand of at least 5:1.

(2) A log indicating sufficient porosity in the producible section.

(3) Sidewall cores and core analyses which indicate that the section is capable of producing oil or gas or evidence that an attempt was made to obtain such cores.

(4) A wireline formation test and/or mud-logging analysis which indicates that the section is capable of producing oil or gas.

§ 250.10 Under what conditions will MMS approve reinjection and subsurface gas storage?

(a) The Regional Supervisor may authorize you to reinject gas on the OCS to promote conservation of natural resources and to prevent waste. To receive MMS approval for reinjection, you must:

(1) Show that the reinjection will not result in undue interference with operations under existing leases; and

(2) Submit a written application to the Regional Supervisor for reinjection of gas.

(b) The Regional Supervisor will approve gas reinjection applications that:

(1) Enhance recovery projects;

(2) Prevent flaring of casinghead gas; or

(3) Implement other conservation measures approved by the Regional Supervisor.

(c) The Regional Supervisor may authorize subsurface storage of gas on the OCS for later commercial benefit. To receive MMS approval you must:

(1) Show that the subsurface storage of gas will not result in undue interference with operations under existing leases; and

(2) Sign a storage agreement which includes the required payment amount of a storage fee or rental.

(d) MMS may approve reinjection or storage of gas for locations on- or off-lease.

(1) If you produce gas from an OCS lease and store it in a reservoir on the lease or unit, you are not required to pay royalty until you remove or sell the gas from the storage reservoir.

(2) If you produce gas from an OCS lease and treat it at an off-lease or off-unit location, you must pay royalties when the gas is first produced.

(3) A reservoir on- or off-lease may contain both reinjected or stored gas and gas original to the reservoir. In this case, when you produce gas from the reservoir you must use an MMS-

approved formula to determine the amounts of injected or stored gas and gas original to the reservoir.

(e) Using a lease area for subsurface storage of gas, does not affect the continuance or expiration of the lease.

(f) You may not store gas on unleased lands unless the Regional Supervisor has approved a right-of-use and easement for that purpose, under § 250.18.

(g) To receive the Regional Supervisor's approval of your request to reinject gas into the cap rock of a salt dome containing a sulphur deposit, you must show that the injection:

- (1) Is necessary to recover oil and gas contained in the cap rock; and
- (2) Will not significantly increase potential hazards to present or future sulphur mining operations.

Inspection of Operations

§ 250.11 How often does MMS conduct inspections?

(a) To ensure that you are conducting operations in accordance with the Act, the regulations in this part, the lease or right-of-way, and other applicable laws and regulations, MMS will inspect your OCS facilities, including those facilities under jurisdiction of other Federal agencies that MMS inspects by agreement.

(1) MMS conducts a scheduled onsite inspection of each offshore facility that is subject to environmental or safety regulations under the Act at least once a year. The inspection determines whether environmental protection and safety equipment designed to prevent or ameliorate blowouts, fires, spillages, or other major accidents has been installed and is operating properly.

(2) MMS may also conduct periodic onsite inspection of any of your facilities without advance notice.

(b) When MMS conducts an inspection, you must provide:

(1) Access to all platforms, artificial islands, and other installations located on your leases or associated with your lease, right of easement, or right of way; and

(2) The use of helicopter landing sites and refueling facilities for helicopters used by MMS for regulating offshore operations.

(c) You must make available at all reasonable times for MMS inspection:

(1) The area covered under a lease, easement, right-of-way, or permit;

(2) All improvements, structures, and fixtures on these areas; and

(3) All records of design, construction, operation, maintenance, repairs, or investigations on or related to the area.

(d) Upon request, MMS will reimburse you for food, quarters, and

transportation that you provide for MMS representatives while they inspect lease facilities and operations. You must send MMS your reimbursement request within 90 days of the inspection.

Disqualification and Appeals

§ 250.12 Under what conditions will MMS disqualify an operator or lessee?

MMS may disqualify an operator or lessee from acquiring any new leaseholdings or lease assignments, or disapprove or revoke your designation as operator, if your operating performance is unacceptable. In making this determination, MMS will consider, individually or collectively:

- (a) Accidents and their nature;
- (b) Pollution events, environmental damages and their nature;
- (c) Incidents of non-compliance;
- (d) Civil penalties;
- (e) Failure to adhere to OCS lease obligations; or
- (f) Any other relevant factors.

§ 250.13 How can I appeal a decision made under MMS regulations?

You may appeal orders or decisions issued under MMS regulations in subchapter B (parts 250 to 282) in accordance with part 290 of this title. When you appeal to the Director, you must continue to follow all requirements for compliance with the order or decision you appealed, unless the Secretary of the Interior (Secretary) or the Secretary's designee grants a stay of the request.

Special Types of Approvals

§ 250.14 Under what conditions will MMS give me an oral approval or an approval for alternate procedures and/or a departure?

(a) *Oral approvals.* When you apply for MMS approval of any activity, MMS normally gives you a written approval. However, you may receive oral approval from MMS under certain circumstances:

(1) MMS may give you oral approval to an oral request. You must confirm the oral request by submitting a written request to MMS within 72 hours of the oral approval. Oral approvals for gas flaring do not require a written follow-up request.

(2) MMS may give you oral approval to a written application when quick action is necessary. MMS will follow up its oral approval to your written application by forwarding a written approval to you and will include any conditions placed on the oral approval.

(3) Requests to, and approvals from, MMS for gas flaring are always oral. You are not required to submit a written request to follow-up your oral request. However, when you stop the approved flaring, you must promptly submit a

written letter summarizing the location, dates and hours, and volumes of liquid hydrocarbons produced and gas flared associated with the approved flaring in accordance with 30 CFR part 250, subpart K.

(b) *Approval for alternate procedures.* You may use alternate procedures or equipment as follows:

(1) You may use new or alternate procedures or equipment, not covered in this part, if they provide a level of protection to the environment and ensure a measure of safety that is equal to or surpasses the current MMS requirements.

(2) Before using the new or alternate technique or equipment, you must have written approval from the District or Regional Supervisor, as appropriate.

(3) To receive MMS approval, you must either submit information or give an oral presentation to the District or Regional Supervisor, as appropriate, describing the site-specific application(s), performance characteristics, and safety features of the proposed procedure. The District or Regional Supervisor will respond to each proposal in writing.

(c) *Approval for departures.* If certain aspects of your proposed procedure or equipment deviate from or are not covered by MMS regulations, MMS may prescribe or approve exceptions from the operating requirements of this part.

§ 250.15 How do I designate an operator and local agent?

(a) You must provide the Regional Supervisor an executed Designation of Operator form unless you are the only lessee and are the only person conducting lease operations. When there is more than one lessee then the Regional Supervisor must receive and approve the Designation of Operator form from each lessee before the designated operator may commence operations on the leasehold.

(1) This designation is authority for the designated operator to act on your behalf and to fulfill your obligations under the Act, the lease, and the regulations in this part.

(2) When you are no longer the designated operator, you must immediately provide in writing the termination of your Designation of Operator to the Regional Supervisor. If you are also a designated royalty payor and will not continue to be in the future, you must also notify the Royalty Management Program of the termination of your Designation of Operator.

(3) When a Designation of Operator terminates, the Regional Supervisor must approve a new designated operator

under this paragraph before operator may continue.

(4) If your Designation of Operator is terminated, or a controversy develops between you and your designated operator, you and your designated operator must protect the lessor's interests.

(5) You, or your designated operator, must immediately provide the Regional Supervisor a written notification of any change of address.

(b) When you are not the sole lessee, you and your co-lessee(s) are jointly and severally responsible for fulfilling your obligations under the provisions of this subchapter, unless otherwise provided in the regulations in this subchapter. Should your designated operator fail to fulfill any of your obligations under this subchapter, the Regional Supervisor may require you or any or all of your co-lessee(s) to fulfill those obligations or other operational obligations under the Act, the lease, or the regulations in this subchapter.

(c) You or your designated operator may designate for the Regional Supervisor's approval, or the Regional Director may require you to designate, a local agent empowered to: receive notices, submit requests, applications, notices, or supplemental information; or fulfill your obligations under the Act, the lease, or the regulations in this part.

(d) Whenever the regulations in 30 CFR parts 250 to 282 require the lessee to meet a requirement or perform an action, the lessee, operator (if one has been designated), and the person actually performing the activity to which the requirement applies are jointly and severally responsible for compliance with the regulation.

Naming and Identifying Platforms and Wells

§ 250.16 How do I name platforms and wells?

(a) *In the Gulf of Mexico Region:* (1) Assign each platform a letter designation. For example, A, B, CA, or CB.

(i) After a platform is installed, rename each well that was drilled through a template and was assigned a number. Use a letter and number designation. For example, rename Well No. 1: A-1, B-1, or C-1; and

(ii) When you have more than one platform in a field (excluding complexes), include the designations for the field and use a different letter designation for each platform. For example, EC 221-A, EC 222-B, EC 223-C.

(2) In naming multiple well caissons, you must assign a letter designation.

(3) In naming single well caissons, you must use certain criteria as follows:

(i) For single well caissons that are not attached to a platform with a walkway, use the well designation. For example, Well No. 1;

(ii) For single well caissons that are attached to a platform with a walkway, use the same designation as the platform. For example, rename Well No.10 as A-10; and

(iii) For single well caissons with production equipment, use a letter designation. For example, Well No. 1 as A-1.

(b) *In the Pacific Region,* platforms are assigned a name designation.

(c) *In the Alaska Region,* platforms will be named and identified in accordance with the Regional Director's directions.

§ 250.17 What identification signs must I display?

(a) You must identify all platforms, structures, artificial islands, and mobile drilling units with a sign.

(1) You must display an identification sign that can be viewed from the waterline on at least one side of the platform. The sign must use at least 3-inch letters and figures.

(2) When helicopter landing facilities are present, you must display an additional identification sign that is visible from the air. The sign must use at least 12-inch letters and figures, and must also display the weight capacity of the helipad. If this sign is visible to both helicopter and boat traffic, then the sign in paragraph (a)(1) of this section is not required.

(3) Your identification sign must:

(i) List the name of the lessee or designated operator;

(ii) In the GOM OCS Region, list the area designation or abbreviation and the block number of the platform location as depicted on OCS Official Protraction Diagrams or leasing maps;

(iii) In the Pacific OCS Region, list the lease number on which the facility is located; and

(iv) List the name of the platform, structure, artificial island, or mobile drilling unit.

(b) You must identify singly completed wells and multiple completions as follows:

(1) For each singly completed well, list the lease number and well number on the wellhead or on a sign affixed to the wellhead;

(2) For wells with multiple completions, identify each completion individually at the wellhead; and

(3) For subsea wellheads, affix the required sign on the flowline that connects to the pipeline that connects to

the subsea well at a convenient location on the receiving platform.

(c) Each identifying sign must be visible to approaching traffic and maintained in a legible condition.

Right-of-Use and Easement

§ 250.18 When will MMS grant a right-of-use and easement?

(a) *Granting a right-of-use and easement.* In addition to the rights and privileges granted to you under a lease issued or maintained under the Act, MMS may grant you a right-of-use and easement on the OCS if you meet these requirements:

(1) You must need the right-of-use and easement to construct and maintain off the lease platforms, artificial islands, and installations and other devices that are:

(i) Permanently or temporarily attached to the seabed; and

(ii) Used for conducting exploration, development, and production activities or other operations on your lease;

(2) You must exercise the right-of-use and easement in accordance with the provisions of this part;

(3) If you apply for a right-of-use and easement on a leased area, you must notify the lessee and give her/him an opportunity to comment on your application; and

(4) You must receive MMS approval for all platforms, artificial islands, and installations and other devices permanently or temporarily attached to the seabed.

(b) *Continuation of the right beyond lease termination.*

If your right-of-use and easement is on a lease, you may continue to exercise the right-of-use after the lease on which it is situated terminates. You must only use the right-of-use and easement for the purpose that the grant specifies. All future lessees of that portion of the OCS on which your right-of-use and easement is situated must continue to provide you the right-of-use and easement for the purpose that the grant specifies.

(c) *Granting a right-of-use and easement to adjacent State lessee.* MMS may grant a lessee of a State lease located adjacent to the OCS a right-of-use and easement on the OCS. MMS will require you to pay an application fee (see (c)(4)(i)) to reimburse us for our costs of processing your application. The Independent Offices Appropriations Act (31 U.S.C. 9701), Office of Management and Budget (OMB) Circular A-25, and the Omnibus Appropriations Bill (Pub. L. 104-133, 110 Stat. 1321, April 26, 1996) require us to collect these fees. MMS will

specify the fee and rental payment amounts (under paragraph (c)(3)) of this section in notices to State lessees.

(1) MMS will only grant a right-of-use and easement under this paragraph to enable a State lessee to conduct and maintain a device that is permanently or temporarily attached to the seabed (i.e., a platform, artificial island, or installation). The lessee must use the device to explore for, develop, and produce oil and gas from the adjacent State lease and for other operations that are related to these activities.

(2) A right-of-use and easement granted under this section is subject to the regulations of this part and any terms and conditions that the Regional Director prescribes.

(3) For the whole or fraction of the first calendar year, and annually after that, you must pay to MMS, in advance, an annual rental payment in an amount MMS will establish in accordance with the statutes and OMB Circular A-25, referenced in paragraph (c) of this section.

(4) When you apply for a right-of-use and easement, you must pay:

(i) A non-refundable filing fee; and
(ii) The first year's rental according to paragraph (c)(3) of this section.

(5) With your application, you must describe the proposed use giving:

(i) Details of the proposed uses and activities including access needs and special rights-of-use that you may need;
(ii) A description of all facilities for which you are seeking authorization;
(iii) A map or plat describing primary and alternate project locations; and
(iv) A schedule for constructing any new facilities, drilling or completing any wells, anticipated production rates, and productive life of existing production facilities.

(6) Before MMS issues you a right-of-use and easement on the OCS, you must furnish the Regional Director a surety bond in the amount of \$500,000. The Regional Director may require additional security from you (i.e., security over and above the prescribed \$500,000) to cover additional costs and liabilities for regulatory compliance. This additional surety:

(i) Must be in the form of a supplemental bond or bonds meeting the requirements of § 256.54 or an increase in the amount of coverage of an existing surety bond; and

(ii) Covers additional costs and liabilities for regulatory compliance, including well abandonment, platform and structure removal, and site clearance from the seafloor of the right-of-use and easement.

Suspensions

§ 250.19 Under what conditions can operations or production be suspended?

(a) You may request approval of a suspension, or the Regional Supervisor may direct a suspension (Directed Suspension), for all or any part of a lease. Depending on the nature of the suspended activity, suspensions are labeled either Suspensions of Operations (SOO) or Suspensions of Production (SOP).

(b) A suspension may extend the term of a lease (see 30 CFR 250.23). The extension is equal to the length of time the suspension is in effect, except as provided in paragraph (c).

(c) A Directed Suspension does not extend the term of a lease when the Regional Supervisor directs a suspension because of:

(1) Gross negligence; or
(2) A willful violation of a provision of the lease or governing statutes and regulations.

(d) MMS may issue suspensions for a period of up to 5 years. The Regional Supervisor will set the length of the suspension based on the conditions of the individual case involved. MMS may grant consecutive suspensions.

(e) SOO's end automatically when the suspended operation commences.

(f) SOP's end automatically when production begins.

(g) A Directed Suspension normally terminates as specified in the letter directing the suspension.

(h) MMS may terminate any suspension when the Regional Supervisor determines the circumstances that justified the suspension no longer exist or that other lease conditions warrant termination. The Regional Supervisor will notify you of the reasons for termination and the effective date.

(i) You must submit your request for a suspension to the Regional Supervisor before the 180th day after you stop operations (see 30 CFR 250.23). MMS must receive the request before the lease term ends. The request must include:

(1) The justification for the suspension including the length of suspended period requested; and

(2) A schedule of work leading to the commencement or restoration of the suspended activity.

(j) The Regional Supervisor may grant or direct a suspension under any of the following circumstances:

(1) When necessary to comply with judicial or Congressional decrees prohibiting any activity or the permitting of those activities. The effective date of the suspension will be the effective date required by the action of the court or Congress;

(2) When activities pose a threat of serious, irreparable, or immediate harm. This would include damage to life (including fish and other aquatic life), property, any mineral deposit, or the marine, coastal, or human environment. MMS may require you to do a site-specific study (see § 250.19 (o)(1));

(3) When necessary for the installation of safety or environmental protection equipment;

(4) When necessary to carry out the requirements of the National Environmental Policy Act or to conduct an environmental analysis; or

(5) When necessary to allow for inordinate delays encountered in obtaining required permits or consents, including administrative or judicial challenges or appeals.

(k) The Regional Supervisor may direct a suspension when:

(1) You failed to comply with an applicable law, regulation, order, or provision of a lease or permit; or

(2) The suspension is in the interest of national security or defense.

(l) The Regional Supervisor may grant or direct an SOP when: the suspension is in the national interest; you have exercised diligence in pursuing production; the lease was drilled and a well was determined to be producible in accordance with 30 CFR 250.9 or 250.253; and it is necessary because the suspension will meet one of the following criteria:

(1) It will facilitate the proper development of a lease, including allowing you reasonable time to construct and install production facilities;

(2) It will allow you time to obtain adequate transportation facilities;

(3) It will allow you a reasonable amount of time to enter a sales contract for oil, gas, or sulphur. You must show that you are making a good faith effort to enter into the contract(s);

(4) It will avoid premature abandonment of a producing well(s);

(5) It will allow you to develop marginal reserves that would otherwise not be developed. You must provide a schedule of work commitments, with specific measurable milestones, which would lead to development; or

(6) It will allow you reasonable time to acquire, properly process/reprocess, and evaluate geophysical data or information. You must demonstrate a commitment to developing the lease, and the evaluation program must be designed to efficiently select a location for additional development wells, assist in siting development facilities, or locate an additional well needed to properly size production facilities.

(m) The Regional Supervisor may grant an SOO when necessary to allow you reasonable time to commence drilling or other operations when your good-faith efforts are prevented by reasons beyond your control, such as unexpected weather, unavoidable accidents, or drilling rig delays.

(n) A directed suspension may affect the payment of rental or royalties for the lease as provided in § 218.154.

(o) If MMS grants or directs a suspension under paragraph (j)(2) of this section, the Regional Supervisor may require you to:

- (1) Conduct a site-specific study(s);
- (2) Submit a revised EP (including any required mitigating measures);
- (3) Submit a revised DPP (including any required mitigating measures); or

(4) Submit a revised Development Operations Coordination Document according to § 250.34.

(p) The Regional Supervisor must approve or prescribe the scope for any site-specific study that you perform under § 250.19 (o)(1).

(1) The study must evaluate the cause of the hazard, the potential damage, and the available mitigation measures.

(2) You must pay for the study unless you request, and the Regional Supervisor agrees to arrange, payment by another party.

(3) You must furnish copies and results of the study to the Regional Supervisor.

(4) MMS will make the results available to other interested parties and to the public.

(5) The Regional Supervisor will use the results of the study and any other information that becomes available:

(i) To decide if the suspension can be lifted.

(ii) To determine any actions that you must take to mitigate or avoid any damage to the environment, life, or property.

Reporting Requirements

§ 250.20 What accident reports and evacuation statistics must I submit?

(a) *Accident reports.* You must report accidents in accordance with the accident reporting table in this section. Copies of written company reports may be submitted to fulfill these requirements.

TABLE—ACCIDENT REPORTING

| Type of accident | Reporting requirement |
|--|--|
| Major accidents, including fires, are those which cause (1) any death or serious injury resulting in substantial impairment of any bodily unit or function, or (2) property or equipment damage costing more than \$25,000.. | 1. In the case of death or fire, orally notify the District Supervisor immediately. Otherwise, orally notify the District Supervisor within 24 hours. 2. Follow up with a preliminary written report within 10 days. 3. Submit a final written report in 45 days. 4. In all written reports, differentiate, to the extent practicable, between factual and conjectural or interpretive information. |
| Reportable accidents include (1) all other fires, (2) injuries requiring more than first aid treatment and which prevent the performance of normal work duties, or (3) property or equipment damage costing less than \$25,000 and which impairs safety systems. | 1. Notify the District Supervisor within 72 hours. 2. Follow up with a written report within 10 days. To the extent practicable, differentiate between factual and conjectural or interpretive information. |
| All explosions and blowouts connected with any activities or operations on a lease. | 1. Orally notify the District Supervisor immediately. 2. Follow up with a written report within 10 days. To the extent practicable, differentiate between factual and conjectural or interpretive information. |
| Oil spills | Report all spills of oil in accordance with 30 CFR part 254. |

(1) If you hold an easement, right-of-way, or other permit, you must comply with paragraph (a) of this section by notifying and reporting to the Regional Supervisor any accidents occurring on the area covered by the easement, right-of-way, or other permit.

(2) Investigations that MMS conducts under the authority of sections 22(d) (1) and (2) of the Act 43 U.S.C. 1348 d(1) and (2), are fact-finding proceedings with no adverse parties. The purpose of the investigation is to prepare a public report that determines the cause or causes of the accident. The investigations may involve panel meetings conducted by a chairperson appointed by MMS. The following requirements must be met for any panel meetings involving persons giving testimony:

(i) A person giving testimony may have legal and/or other representative(s)

present to provide advice or counsel while the person is giving testimony. The chairperson may require a verbatim transcript to be made of all oral testimony. The chairperson also may accept a sworn written statement in lieu of oral testimony.

(ii) Only panel members, panel legal advisors, and panel experts may address questions to any person giving testimony.

(iii) The chairperson may issue subpoenas to persons to appear and provide testimony at a panel meeting. A subpoena may not require a person to attend a panel meeting held at a location more than 100 miles from where a subpoena is served.

(iv) Any person giving testimony is entitled to request compensation for mileage and fees for service within 90 days after the panel meeting. The compensated expenses must be similar

to mileage and fees for service that are permitted to be compensated by U. S. District Courts.

(b) *Evacuation statistics for natural occurrences.* You must submit evacuation statistics to the Regional Supervisor for a natural occurrence such as an earthquake or hurricane. MMS will notify local and national authorities and the public, as appropriate. You must:

(1) Submit the statistics by telefax or E-mail as soon as possible when evacuation occurs;

(2) Submit statistics on a daily basis no later than 11 a.m. during the period of shut-in and evacuation;

(3) Inform MMS when you resume production; and

(4) Submit statistics either by MMS district or the total figures for your operations in the Region.

§ 250.21 Reports and investigations of apparent violations.

Any person may report to MMS an apparent violation or failure to comply with any provision of the Act, any provision of a lease, license, or permit issued under the Act, or any provision of any regulation or order issued under the Act. When MMS receives a report of an apparent violation, or when an MMS employee detects an apparent violation, MMS will investigate in accordance with its procedures.

§ 250.22 What archaeological reports and surveys must I submit?

(a) If it is likely that an archaeological resource exists in the lease area, the Regional Director will notify you in writing. You must include an archaeological report in the EP or DPP.

(1) If the archaeological report suggests that an archaeological resource may be present, you must either:

(i) Locate the site of any operation so as not to adversely affect the area where the archaeological resource may be; or

(ii) Establish to the satisfaction of the Regional Director that an archaeological resource does not exist or will not be adversely affected by operations. This requires further archaeological investigation, conducted by an archaeologist and a geophysicist, using survey equipment and techniques the Regional Director considers appropriate. You must submit the investigation report to the Regional Director for review.

(2) If the Regional Director determines that an archaeological resource is likely to be present in the lease area and may be adversely affected by operations, the Regional Director will notify you immediately. You must not take any action that may adversely affect the archaeological resource until the Regional Director has told you how to protect the resource.

(b) If you discover any archaeological resource while conducting operations in the lease area, you must immediately halt operations within the area of the discovery and report the discovery to the Regional Director. If investigations determine that the resource is significant, the Regional Director will tell you how to protect it.

Lease Term Extensions**§ 250.23 What effect do production, drilling, or well-reworking have on the lease term?**

(a) Your lease expires at the end of its primary term unless you are producing in paying quantities or conducting drilling or well-reworking operations on your lease (see 30 CFR part 256). The objective of the drilling or well-

reworking operations must be to establish continuous production on the lease. For purposes of this section, the term *operations* means *continuous* production, drilling, or well-reworking.

(b)(1) If you stop conducting operations during the last 180 days of your primary lease term, your lease will expire at the end of the primary lease term unless by the 180th day after you stop operations you either resume operations, or MMS receives your request for an SOO or an SOP that the Regional Supervisor later grants under § 250.19. If the Regional Supervisor denies your request for an SOO or an SOP and you do not resume operations within 180 days after you stop operations, your lease expires at the end of the primary lease term.

(2) If you extend your lease term under paragraph (b)(1), you must pay rental for each year or part of the year during which your lease continues in force beyond the end of the primary lease term.

(c) If you stop conducting operations on a lease that has continued beyond its primary term, then your lease will expire unless you resume operations or receive an SOO or an SOP from the Regional Supervisor under § 250.19 before the end of the 180th day after you stop operations.

(d) You may ask the Regional Supervisor to allow you more than 180 days to resume operations on a lease continued beyond its primary term when operating conditions warrant. The request must be in writing and explain the operating conditions that warrant a longer period. In allowing additional time, the Regional Supervisor must determine that the longer period is in the national interest and that it conserves resources, prevents waste, or protects correlative rights.

(e) You must immediately notify MMS either orally or by fax or E-mail when you begin operations and follow up with a written report under paragraph (f) of this section.

(f) You must submit a report to the District Supervisor when lease production is initiated, lease production ceases, when production resumes before the end of the 180-day period after production ceased, and when any operations occur during the referenced 180-day interval.

(1) The report must contain:

(i) The lease number;

(ii) The well number(s) involved; and

(iii) The pertinent dates and a description of the operation.

(2) You must submit the report within 30 days after production either commences, resumes, or ceases, as

appropriate, or 30 days after the leaseholding operation is completed.

(g) You must immediately report to the District Supervisor if production does not resume before the end of the 180-day period.

§ 250.24 Under what circumstances may MMS cancel my lease with or without compensation?

If the Secretary cancels your lease under this part or under part 256, you are entitled to compensation under paragraph (d) of this section. Paragraph (e) of this section gives conditions under which you will receive *no* compensation.

(a) *Conditions for canceling a lease with compensation.* The Secretary may cancel a lease after notice and opportunity for a hearing when:

(1) Continued activity on the lease, would probably cause harm or damage to life (including fish and other aquatic life), property, other mineral deposits (in areas leased or not leased), or the marine, coastal, or human environment;

(2) The threat of harm or damage will not disappear or decrease to an acceptable extent within a reasonable period of time;

(3) The advantages of cancellation outweigh the advantages of continuing the lease in force; and

(4) A suspension has been in effect for at least 5 years, or you request termination of the suspension and lease cancellation.

(b) *Canceling a lease at the exploration stage.* MMS may not approve an EP under subpart B of this part if the Regional Supervisor determines that the proposed activities may cause serious harm or damage to life (including fish and other aquatic life), property, any mineral deposits, the national security or defense, or to the marine, coastal, or human environment. When you cannot modify the EP to avoid such conditions and the EP is subsequently disapproved under the regulations in subpart B of this part, the Secretary may cancel the lease if:

(1) The primary lease term has not expired and exploration has been prohibited for 5 years following the disapproval; or

(2) You request cancellation at an earlier time.

(c) *Extending or canceling a lease at development and production stage.* (1) MMS may extend your lease if you submit a DPP and the Regional Supervisor disapproves the plan in accordance with the regulations in subpart B of this part. Following the disapproval:

(i) MMS will allow you to hold the lease for 5 years maximum;

(ii) At any time within 5 years after the disapproval, you may reapply for approval of the same or a modified plan; and

(iii) The Regional Supervisor will approve, disapprove, or require modification of the plan under § 250.34(l).

(2) If the Regional Supervisor has not approved a DPP or required you to submit a DPP for approval or modification, the Secretary will cancel the lease:

(i) When the 5-year period described in paragraph (c)(1) of this section expires; or

(ii) If you request cancellation at an earlier time.

(d) *Amount of compensation for lease cancellation.* When the Secretary cancels a lease under paragraphs (a), (b), or (c) of this section, you are entitled to receive compensation under 43 U.S.C. 1334 (a)(2)(c). You must show the Director that the amount of compensation claimed is the lesser of paragraph (d)(1) or (d)(2) of this section:

(1) The fair value of the cancelled rights as of the date of cancellation, taking into account both:

(i) Anticipated revenues from the lease; and

(ii) Costs reasonably anticipated on the lease, including:

(A) Costs of compliance with all applicable regulations and operating orders; and

(B) Liability for cleanup costs or damages, or both, in the case of an oil spill.

(2) The excess, if any, over your revenues from the lease (plus interest thereon from the date of receipt to date of reimbursement) of:

(i) All consideration paid for the lease; and

(ii) All your direct expenditures:

(A) After the issue date of the lease; and

(B) For exploration or development, or both, under the lease plus interest on the consideration under paragraph (d)(2)(i) of this section and expenditures under paragraph (d)(2)(ii) from date of payment to date of reimbursement.

(3) Compensation for leases issued before September 18, 1978 will be equal to the amount specified in paragraph (d)(1).

(e) *Cancelling a lease without compensation.* You will not receive compensation from MMS for lease cancellation if:

(1) MMS disapproves a DPP because you do not receive concurrence by the State under section 307(c)(3)(B)(i) or (ii) of the CZMA, and the Secretary of Commerce does not make the finding authorized by section 307(c)(3)(B)(iii) of the CZMA;

(2) You do not submit a DPP in accordance with § 250.34 or do not comply with the approved DPP;

(3) As the lessee of a nonproducing lease, you fail to comply with the Act, the lease, or the regulations issued under the Act, and the default continues for a period of 30 days after MMS mails you a notice by overnight mail;

(4) The Regional Supervisor disapproves a DPP because you fail to demonstrate compliance with the requirements of applicable Federal law; or

(5) The Secretary forfeits or cancels a producing lease under section (d) of the Act, 43 U.S.C. 1334(d).

Information: Submission, Reimbursement For, And Availability to Public

§ 250.25 What reporting information and report forms must I submit?

(a) You must submit required information as MMS prescribes.

(1) You may obtain copies of forms from, and submit completed forms to, the Regional or District Supervisor.

(2) Instead of paper copies of forms available from the Regional or District Supervisor, you may use your own computer generated forms which are equal in size to MMS's forms. The data on your form must be arranged in a format identical to the MMS form.

(3) You may submit digital data when the Region/District is equipped to accept it.

(b) You must include, for public information, one copy of any reports submitted on forms as MMS prescribes.

(1) You must mark it *Public Information*.

(2) You must include all required information except information exempt from public disclosure under § 250.27 or otherwise exempt from public disclosure under law or regulation.

§ 250.26 When will MMS reimburse me for reproduction costs?

(a) MMS will reimburse you for reasonable costs of reproduction when you submit geological data, geophysical data, analyzed geological information, processed geological and geophysical information, reprocessed geological and geophysical information, and interpreted geological and geophysical information for the Regional Director to review or select (and whether or not retained) in accordance with this part if:

(1) MMS receives your request for reimbursement within 90 days from the date of delivery and the Regional Supervisor determines that the requested reimbursement is proper; and

(2) The cost is at your lowest rate or at the lowest commercial rate established in the area, whichever is less.

(b) MMS will reimburse you for the reasonable processing costs of geological or geophysical information if:

(1) You processed—at the request of the Regional Supervisor—the geological or geophysical information, in a form or manner other than normally used in conducting business; or

(2) You collected the information under a permit that MMS issued you before October 1, 1985, and the Regional Supervisor requests the information.

(c) When you request reimbursement, you must identify reproduction and processing costs separately from acquisition costs.

(d) MMS will not reimburse you for data acquisition costs or for the costs of analyzing or processing geological information or interpreting geological or geophysical information.

§ 250.27 Data and information to be made available to the public.

MMS will protect data and information you submit under this part, except as described in this section. The tables in paragraphs (a) and (b) of this section describe what data and information will be made available to the public without the consent of the lessee and under what circumstances and in what time period.

(a) MMS will disclose information collected on MMS forms in accordance with the following table:

| Data that you submit on form | In the following items | Will be released | And |
|---|--|-------------------|---|
| MMS-123, Application for Permit to Drill. | All entries except items 17, 24, and 25. | At any time | The data and information in items 17, 24, and 25 will be released according to paragraph (b) of this section or when the well goes on production, whichever is earlier. |

| Data that you submit on form | In the following items | Will be released | And |
|--|---|-----------------------------------|--|
| MMS-124, Sundry Notices and Reports on Wells. | All entries except item 36 | At any time | The data and information in item 36 will be released according to paragraph (b) of this section or when the well goes on production, whichever is earlier. |
| MMS-125, Well Summary Report | All entries except items 17, 24, 34, 37, and 46 through 87. | At any time | The data and information in the excepted items will be released according to paragraph (b) of this section or when the well goes on production, whichever is earlier. However, items 78 and 85 will not be released when the well goes on production unless the period of time in paragraph (b) of this section has expired. |
| MMS-126, Well Potential Test Report and Request for Maximum Production Rate (MPR). | All entries except item 101. | When the well goes on production. | The data and information in item 101 will be released 2 years after you submit it. |
| MMS-127, Request for Reservoir Maximum Efficient Rate (MER). | All entries except items 124 through 168. | At any time | The data and information in items 124 through 168 will be released according to the time periods in paragraph (b) of this section. |
| MMS-128, Semiannual Well Test Report. | All entries | At any time | |

(b) MMS will disclose information not collected on MMS forms in accordance with the following table:

| If | MMS will release | At this time | Additional provisions |
|--|---|--|--|
| The Director determines that data and information are needed to unitize operations on two or more leases, to ensure proper plans of development for competitive reservoirs, or to promote operational safety or protect the environment. | Geophysical data Geological data Reprocessed G&G information. Interpreted geological & geophysical information. Processed geophysical information. Analyzed geological information. | Any time. | Data and information will be shown only to persons with an interest. |
| The Director determines that data and information are needed for specific scientific or research purposes for the Government. | Geophysical data Geological data Reprocessed G&G information Interpreted geological & geophysical information. Processed geophysical information. Analyzed geological information. | Any time. | MMS will release data and information only if release would further the national interest without unduly damaging the competitive position of the lessee. |
| Data or information is collected with high-resolution systems (e.g., bathymetry, side-scan sonar, subbottom profiler, and magnetometer) to comply with safety or environmental protection requirements. | Geophysical data Geological data Processed geological & geophysical information. Interpreted G&G information .. | 60 days after you submit the data or information, if the Regional Supervisor deems it necessary. | MMS will release the data and information earlier than 60 days if the Regional Supervisor determines it is needed by affected States to make decisions under subpart B of this part. The Regional Supervisor will reconsider earlier release if you satisfy him/her that it would unduly damage your competitive position. |

| If | MMS will release | At this time | Additional provisions |
|-------------------------------------|---|--|--|
| Your lease is no longer in effect. | Geophysical data Processed geophysical information. Reprocessed G&G information Interpreted G&G information .. | When your lease terminates or 10 years after the date you submit the data, whichever is earlier. | This release time applies only if the provisions in this table governing high resolution systems and the provisions in §252.7 do not apply. |
| Your lease is no longer in effect. | Geological data Analyzed geological information. | When your lease terminates .. | This release time applies only if the provisions in this table governing high resolution systems and the provisions in §252.7 do not apply. |
| Your lease is still in effect | Geophysical data Processed geophysical information. Reprocessed G&G information Interpreted G&G information .. | 2 years after you submit it or 60 days after a lease sale if any portion of an offered block is within 50 miles of a well, whichever is later. | These release times apply only if the provisions in this table governing high resolution systems and the provisions in §252.7 do not apply. If the primary term specified in the lease is extended under §252.10, the extension applies to this provision. |

| If | MMS will release | At this time | Additional provisions |
|---|-----------------------------------|--|-----------------------|
| Data is released to the owner of an adjacent lease under subpart D of part 250. | Directional survey data | If the lessee from whose lease the directional survey was taken consents.. | |
| Data and information are obtained from beneath unleased land as a result of a well deviation that has not been approved by the Regional or District Supervisor. | Any data or information obtained. | At any time | |

References

§ 250.28 Documents incorporated by reference.

(a) MMS is incorporating by reference the documents listed in the table in paragraph (e) of this section. The Director of the Federal Register has approved this incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51.

(1) MMS will publish any changes to these documents in the **Federal Register**.

(2) The rule change will become effective without prior opportunity to comment when MMS determines that the revisions to a document result in safety improvements or represent new

industry standard technology, and do not impose undue costs on the affected parties.

(b) MMS incorporated each document or specific portion by reference in the sections noted. The entire document is incorporated by reference, unless the text of the corresponding sections in this part calls for compliance with specific portions of the listed documents. In each instance, the applicable document is the specific edition or specific edition and supplement or addendum cited in this section.

(c) In accordance with § 250.14, you may comply with a later edition of a specific document incorporated by reference, provided:

(1) You demonstrate that compliance with the later edition provides a degree of protection, safety, or performance equal to or better than that which would be achieved by compliance with the listed edition; and

(2) You obtain the prior written approval for alternative compliance from the authorized MMS official.

(d) You may inspect these documents at the Minerals Management Service, 381 Elden Street, Room 3313, Herndon, Virginia; or at the Office of the Federal Register, 800 North Capitol Street, N.W., Suite 700, Washington, D.C. You may obtain the documents from the publishing organizations at the addresses given in the following table:

| For | Write to |
|---|---|
| ACI Standards | American Concrete Institute, P.O. Box 19150, Detroit, MI 48219. |
| AISC Standards | American Institute of Steel Construction, Inc., P.O. Box 4588, Chicago, IL 60680. |
| ANSI/ASME Codes | American National Standards Institute, Attention Sales Department, 1430 Broadway, New York, NY 10018; and/or American Society of Mechanical Engineers, United Engineering Center, 345 East 47th Street, New York, NY 10017. |
| API Recommended Practices, Specs, Standards, Manual of Petroleum Measurement Standards (MPMS) chapters. | American Petroleum Institute, 1220 L Street, N.W., Washington, D.C. 20005. |
| ASTM Standards | American Society for Testing and Materials, 1916 Race Street, Philadelphia, PA 19103. |
| AWS Codes | American Welding Society, 550 N.W., LeJeune Road, P.O. Box 351040, Miami, FL 33135. |
| NACE Standards | National Association of Corrosion Engineers, P.O. Box 218340, Houston, TX 77218. |

(e) This paragraph lists documents incorporated by reference. In order to easily reference text of the

corresponding sections with the list of documents incorporated by reference,

the list is in alphanumerical order by organization and document.

| Title of documents | Incorporated by reference at |
|---|---|
| ACI Standard 318-95, Building Code Requirements for Reinforced Concrete, plus Commentary on Building Code Requirements for Reinforced Concrete (ACI 318R-95). | § 250.138(b)(4)(i), (b)(6)(i), (b)(7), (b)(8)(i), (b)(9), (b)(10), (c)(3), (d)(1)(v), (d)(5), (d)(6), (d)(7), (d)(8), (d)(9), (e)(1)(i), (e)(2)(i). |
| ACI Standard 357-R-84, Guide for the Design and Construction of Fixed Offshore Concrete Structures, 1984. | § 250.130(g); § 250.138(c)(2), (c)(3). |
| AISC Standard, Specification for Structural Steel for Buildings, Allowable Stress Design and Plastic Design, June 1, 1989, with Commentary. | § 250.137(b)(1)(ii), (c)(4)(ii), (c)(4)(vii). |
| ANSI/ASME Boiler and Pressure Vessel Code, Section I, Power Boilers including Appendices, 1995 Edition. | § 250.123(b)(1), (b)(1)(i); § 250.292(b)(1), (b)(1)(i). |
| ANSI/ASME Boiler and Pressure Vessel Code, Section IV, Heating Boilers including Nonmandatory Appendices A, B, C, D, E, F, H, I, and J, and the Guide to Manufacturers Data Report Forms, 1995 Edition. | § 250.123(b)(1), (b)(1)(i); § 250.292(b)(1), (b)(1)(i). |
| ANSI/ASME Boiler and Pressure Vessel Code, Section VIII, Pressure Vessels, Divisions 1 and 2, including Nonmandatory Appendices, 1995 Edition. | § 250.123(b)(1), (b)(1)(i); § 250.292(b)(1), (b)(1)(i). |
| ANSI/ASME B 16.5-1988 (including Errata) and B 16.5a-1992 Addenda, Pipe Flanges and Flanged Fittings. | § 250.152(b)(2). |
| ANSI/ASME B 31.8-1995, Gas Transmission and Distribution Piping Systems | § 250.152(a). |

| Title of documents | Incorporated by reference at |
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| ANSI/ASME SPPE-1-1994 and SPPE-1d-1996 ADDENDA, Quality Assurance and Certification of Safety and Pollution Prevention Equipment Used in Offshore Oil and Gas Operations. | § 250.126(a)(2)(i). |
| ANSI Z88.2-1992, American National Standard for Respiratory Protection | § 250.67(g)(4)(iv), (j)(13)(ii). |
| API RP 2A, Recommended Practice for Planning, Designing and Constructing Fixed Offshore Platforms Working Stress Design, Nineteenth Edition, August 1, 1991, API Stock No. 811-00200. | § 250.130(g); § 250.142(a). |
| API RP 2A, Recommended Practice for Planning, Designing and Constructing Fixed Offshore Platforms-Working Stress Design:(RP 2A-WSD) Twentieth Edition, July 1, 1993, API Stock No. 811-00200. | § 250.130(g); § 250.142(a). |
| API RP 2A, Recommended Practice for Planning, Designing and Constructing Fixed Offshore Platforms-Working Stress Design:(RP 2A-WSD) Twentieth Edition, July 1, 1993, Supplement 1, December 1996, Effective Date, February 1, 1997, API Stock No. 811-00200. | § 250.130(g); § 250.142(a). |
| API RP 2D, Recommended Practice for Operation and Maintenance of Offshore Cranes, Third Edition, June 1, 1995, API Stock No. G02D03. | § 250.20(c); § 250.260(g). |
| API RP 14B, Recommended Practice for Design, Installation, Repair and Operation of Sub-surface Safety Valve Systems, Fourth Edition, July 1, 1994, with Errata dated June 1996, API Stock No. § 250.130(g); § 250.142(a) G14B04. | § 250.121(e)(4); § 250.124(a)(1)(i); § 250.126(d). |
| API RP 14C, Recommended Practice for Analysis, Design, Installation and Testing of Basic Surface Safety Systems for Offshore Production Platforms, Fourth Edition, September 1, 1986, API Stock No. 811-07180. | § 250.122(b), (e)(2); § 250.123(a), (b)(2)(i), (b)(4), (b)(5)(i), (b)(7), (b)(9)(v), (c)(2); § 250.124(a), (a)(5); § 250.152(d); § 250.154(b)(9); § 250.291(c), (d)(2); § 250.292(b)(2), (b)(4)(v); § 250.293(a). § 250.122(e)(3); § 250.291(b)(2), (d)(3). |
| API RP 14E, Recommended Practice for Design and Installation of Offshore Production Platform Piping Systems, Fifth Edition, October 1, 1991, API Stock No. G07185. | § 250.53(c); § 250.123(b)(9)(v); § 250.292(b)(4)(v). |
| API RP 14F, Recommended Practice for Design and Installation of Electrical Systems for Offshore Production Platforms, Third Edition, September 1, 1991, API Stock No. G07190. | § 250.123(b)(8), (b)(9)(v); § 250.292(b)(3), (b)(4)(v). |
| API RP 14G, Recommended Practice for Fire Prevention and Control on Open Type Offshore Production Platforms, Third Edition, December 1, 1993, API Stock No. G07194. | § 250.122(d); § 250.126(d). |
| API RP 14H, Recommended Practice for Installation, Maintenance and Repair of Surface Safety Valves and Underwater Safety Valves Offshore, Fourth Edition, July 1, 1994, API Stock No. G14H04. | § 250.53(b); § 250.122(e)(4)(i); § 250.123(b)(9)(i); § 250.291(b)(3); (d)(4)(i); § 250.292(b)(4)(i). |
| API RP 500, Recommended Practice for Classification of Locations for Electrical Installations at Petroleum Facilities, First Edition, June 1, 1991, API Stock No. G06005. | § 250.180(f)(2)(i)(C). |
| API RP 2556, Recommended Practice for Correcting Gauge Tables for Incrustation, Second Edition, August 1993, API Stock No. H25560. | § 250.126(a)(2)(ii). |
| API Spec Q1, Specification for Quality Programs, Fifth Edition, December 1994, API Stock No. 811-00001. | § 250.126(a)(3) § 250.152 (b)(1), (b)(2). |
| API Spec 6A, Specification for Wellhead and Christmas Tree Equipment, Seventeenth Edition, February 1, 1996, API Stock No. G06A17. | § 250.126(a)(3). |
| API Spec 6AV1, Specification for Verification Test of Wellhead Surface Safety Valves and Underwater Safety Valves for Offshore Service, First Edition, February 1, 1996, API Stock No. G06AV1. | § 250.152(b)(1). |
| API Spec 6D, Specification for Pipeline Valves (Gate, Plug, Ball, and Check Valves), Twenty-first Edition, March 31, 1994, API Stock No. G03200. | § 250.126(a)(3). |
| API Spec 14A, Specification for Subsurface Safety Valve Equipment, Ninth Edition, July 1, 1994, API Stock No. G14A09. | § 250.126(a)(3). |
| API Spec 14D, Specification for Wellhead Surface Safety Valves and Underwater Safety Valves for Offshore Service, Ninth Edition, June 1, 1994, with Errata dated August 1, 1994, API Stock No. G07183. | § 250.180 (f)(2)(ii)(C). |
| API Standard 2545, Method of Gaging Petroleum and Petroleum Products, October 1965, reaffirmed October 1992; also available as ANSI/American Society of Testing Materials (ASTM) D 1085-65, API Stock No. H25450. | § 250.180(f)(2)(i)(C). |
| API Standard 2551, Standard Method for Measurement and Calibration of Horizontal Tanks, First Edition, 1965, reaffirmed October 1992; also available as ANSI/ASTM D 1410-65, re-approved 1984, API Stock No. H25510. | § 250.180(f)(2)(i)(C). |
| API Standard 2552, Measurement and Calibration of Spheres and Spheroids, First Edition, 1966, reaffirmed October 1992; also available as ANSI/ASTM D 1408-65, reapproved 1984, API Stock No. H25520. | § 250.180(f)(2)(i)(C). |
| API Standard 2555, Method for Liquid Calibration of Tanks, September 1966, reaffirmed October 1992; also available as ANSI/ASTM D 1406-65, reapproved 1984, API Stock No. H25550. | § 250.180 (f)(2)(i)(A). |
| MPMS, Chapter 2, Tank Calibration, Section 2A, Measurement and Calibration of Upright Cylindrical Tanks by the Manual Strapping Method, First Edition, February 1995, API Stock No. H022A1. | § 250.180 (f)(2)(i)(B). |
| MPMS, Chapter 2, Section 2B, Calibration of Upright Cylindrical Tanks Using the Optical Reference Line Method, First Edition, March 1989; also available as ANSI/ASTM D4738-88, API Stock No. H30023. | § 250.180 (f)(2)(ii)(A). |
| MPMS, Chapter 3, Tank Gauging, Section 1A, Standard Practice for the Manual Gauging of Petroleum and Petroleum Products, First Edition, December 1994, API Stock No. H031A1. | § 250.180 (f)(2)(ii)(B). |
| MPMS, Chapter 3, Section 1B, Standard Practice for Level Measurement of Liquid Hydrocarbons in Stationary Tanks by Automatic Tank Gauging, First Edition, April 1992, API Stock No. H30060. | § 250.180 (f)(2)(ii)(A). |

| Title of documents | Incorporated by reference at |
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| MPMS, Chapter 4, Proving Systems, Section 1, Introduction, First Edition, July 1988, reaffirmed October 1993, API Stock No. H30081. | § 250.180(c)(6)(i), (d)(3)(iv). |
| MPMS, Chapter 4, Section 2, Conventional Pipe Provers, First Edition, October 1988, reaffirmed October 1993, API Stock No. H30082. | § 250.180(c)(6)(i), (d)(3)(iv). |
| MPMS, Chapter 4, Section 3, Small Volume Provers, First Edition, July 1988, reaffirmed October 1993, API Stock No. H30083. | § 250.180(c)(6)(i), (d)(3)(iv). |
| MPMS, Chapter 4, Section 4, Tank Provers, First Edition, October 1988, reaffirmed October 1993, API Stock No. H30084. | § 250.180(c)(6)(i), (d)(3)(iv). |
| MPMS, Chapter 4, Section 5, Master-Meter Provers, First Edition, October 1988, reaffirmed October 1993, API Stock No. H30085. | § 250.180(c)(6)(i), (d)(3)(iv). |
| MPMS, Chapter 4, Section 6, Pulse Interpolation, First Edition, July 1988, reaffirmed October 1993, API Stock No. H30086. | § 250.180(c)(6)(i) and (d)(3)(iv). |
| MPMS, Chapter 4, Section 7, Field-Standard Test Measures, First Edition, October 1988, API Stock No. H30087. | § 250.180(c)(6)(i), (d)(3)(iv). |
| MPMS, Chapter 5, Metering, Section 1, General Considerations for Measurement by Meters, Third Edition, September 1995, API Stock No. H05013. | § 250.180(c)(6)(ii). |
| MPMS, Chapter 5, Section 2, Measurement of Liquid Hydrocarbons by Displacement Meters, Second Edition, November 1987, reaffirmed October 1992, API Stock No. H30102. | § 250.180(c)(6)(ii). |
| MPMS, Chapter 5, Section 3, Measurement of Liquid Hydrocarbons by Turbine Meters, Third Edition, September 1995, API Stock No. H05033. | § 250.180(c)(6)(ii). |
| MPMS, Chapter 5, Section 4, Accessory Equipment for Liquid Meters, Third Edition, September 1995, with Errata, March 1996, API Stock No. H05043. | § 250.180(c)(6)(ii). |
| MPMS, Chapter 5, Section 5, Fidelity and Security of Flow Measurement Pulsed-Data Transmission Systems, First Edition, June 1982, reaffirmed October 1992, API Stock No. H30105. | § 250.180(c)(6)(ii). |
| MPMS, Chapter 6, Metering Assemblies, Section 1, Lease Automatic Custody Transfer (LACT) Systems, Second Edition, May 1991, API Stock No. H30121. | § 250.180(c)(6)(iii)(A). |
| MPMS, Chapter 6, Section 6, Pipeline Metering Systems, Second Edition, May 1991, API Stock No. H30126. | § 250.180(c)(6)(iii)(B) |
| MPMS, Chapter 6, Section 7, Metering Viscous Hydrocarbons, Second Edition, May 1991, API Stock No. H30127. | § 250.180(c)(6)(iii)(C). |
| MPMS, Chapter 7, Temperature Determination, Section 2, Dynamic Temperature Determination, Second Edition, March 1995, API Stock No. H07022. | § 250.180 (c)(6)(iv)(A), (f)(2)(iii)(A). |
| MPMS, Chapter 7, Section 3, Static Temperature Determination Using Portable Electronic Thermometers, First Edition, July 1985, reaffirmed March 1990, API Stock No. H30143. | § 250.180 (c)(6)(iv)(B), (f)(2)(iii)(B) |
| MPMS, Chapter 8, Sampling, Section 1, Standard Practice for Manual Sampling of Petroleum and Petroleum Products, Third Edition, October 1995; also available as ANSI/ASTM D 4057–88, API Stock No. H30161. | § 250.180 (c)(6)(v), (f)(2)(iv). |
| MPMS, Chapter 8, Section 2, Standard Practice for Automatic Sampling of Liquid Petroleum and Petroleum Products, Second Edition, October 1995; also available as ANSI/ASTM D 4177, API Stock No. H30162. | § 250.180 (c)(6)(v), (f)(2)(iv). |
| MPMS, Chapter 9, Density Determination, Section 1, Hydrometer Test Method for Density, Relative Density (Specific Gravity), or API Gravity of Crude Petroleum and Liquid Petroleum Products, First Edition, June 1981, reaffirmed October 1992; also available as ANSI/ASTM D 1298, API Stock No. H30181. | § 250.180(c)(6)(vi)(A), (f)(2)(v)(A). |
| MPMS, Chapter 9, Section 2, Pressure Hydrometer Test Method for Density or Relative Density, First Edition, April 1982, reaffirmed October 1992, API Stock No. H30182. | § 250.180(c)(6)(vi)(B), (f)(2)(v)(B). |
| MPMS, Chapter 10, Sediment and Water, Section 1, Determination of Sediment in Crude Oils and Fuel Oils by the Extraction Method, First Edition, April 1981, reaffirmed December 1993; also available as ANSI/ASTM D 473, API Stock No. H30201. | § 250.180(c)(6)(vii)(A), (f)(2)(vi)(A). |
| MPMS, Chapter 10, Section 2, Determination of Water in Crude Oil by Distillation Method, First Edition, April 1981, reaffirmed December 1993; also available as ANSI/ASTM D 4006, API Stock No. H30202. | § 250.180(c)(6)(vii)(B), (f)(2)(vi)(B). |
| MPMS, Chapter 10, Section 3, Determination of Water and Sediment in Crude Oil by the Centrifuge Method (Laboratory Procedure), First Edition, April 1981, reaffirmed December 1993; also available as ANSI/ASTM D 4007, API Stock No. H30203. | § 250.180(c)(6)(vii)(C), (f)(2)(vi)(C). |
| MPMS, Chapter 10, Section 4, Determination of Sediment and Water in Crude Oil by the Centrifuge Method (Field Procedure), Second Edition, May 1988; also available as ANSI/ASTM D 96, API Stock No. H30204. | § 250.180(c)(6)(vii)(D), (f)(2)(vi)(D). |
| MPMS, Chapter 11.1, Volume Correction Factors, Volume 1, Table 5A—Generalized Crude Oils and JP–4 Correction of Observed API Gravity to API Gravity at 60 °F, and Table 6A—Generalized Crude Oils and JP–4 Correction of Observed API Gravity to API Gravity at 60 °F, First Edition, August 1980, reaffirmed October 1993; also available as ANSI/ASTM D 1250, API Stock No. H27000. | § 250.180(c)(6)(viii)(A), (d)(3)(v)(B), (f)(2)(vii). |
| MPMS, Chapter 11.2.1, Compressibility Factors for Hydrocarbons: 0–90° API Gravity Range, First Edition, August 1984, reaffirmed May 1996, API Stock No. H27300. | § 250.180(c)(6)(viii)(B). |
| MPMS, Chapter 11.2.2, Compressibility Factors for Hydrocarbons: 0.350–0.637 Relative Density (60°F/60°F) and –50°F to 140°F Metering Temperature, Second Edition, October 1986, reaffirmed October 1992; also available as Gas Processors Association (GPA) 8286–86, API Stock No. H27307. | § 250.180(c)(6)(viii)(C). |
| MPMS, Chapter 11, Physical Properties Data, Addendum to Section 2.2, Compressibility Factors for Hydrocarbons, Correlation of Vapor Pressure for Commercial Natural Gas Liquids, First Edition, December 1994; also available as GPA TP–15, API Stock No. H27308. | § 250.180(c)(6)(viii)(D). |
| MPMS, Chapter 11.2.3, Water Calibration of Volumetric Provers, First Edition, August 1984, reaffirmed, May 1996, API Stock No. H27310. | § 250.180 (d)(3)(iv). |

| Title of documents | Incorporated by reference at |
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| MPMS, Chapter 12, Calculation of Petroleum Quantities, Section 2, Calculation of Petroleum Quantities Using Dynamic Measurement Methods and Volumetric Correction Factors, Including Parts 1 and 2, Second Edition, May 1995; also available as ANSI/API MPMS 12.2-1981, API Stock No. H30302. | § 250.180 (c)(6)(ix), (d)(3)(v)(A), (d)(3)(v)(C). |
| MPMS, Chapter 14, Natural Gas Fluids Measurement, Section 3, Concentric Square-Edged Orifice Meters, Part 1, General Equations and Uncertainty Guidelines, Third Edition, September 1990; also available as ANSI/API 2530, Part 1, 1991, API Stock No. H30350. | § 250.181(c)(1). |
| MPMS, Chapter 14, Section 3, Part 2, Specification and Installation Requirements, Third Edition, February 1991; also available as ANSI/API 2530, Part 2, 1991, API Stock No. H30351. | § 250.181(c)(1). |
| MPMS, Chapter 14, Section 3, Part 3, Natural Gas Applications, Third Edition, August 1992; also available as ANSI/API 2530, Part 3, API Stock No. H30353. | § 250.181(c)(1). |
| MPMS, Chapter 14, Section 5, Calculation of Gross Heating Value, Relative Density, and Compressibility Factor for Natural Gas Mixtures From Compositional Analysis, Revised, 1996; also available as ANSI/API MPMS 14.5-1981, order from Gas Processors Association, 6526 East 60th Street, Tulsa, Oklahoma 74145. | § 250.181(c)(1). |
| MPMS, Chapter 14, Section 6, Continuous Density Measurement, Second Edition, April 1991, API Stock No. H30346. | § 250.181(c)(1). |
| MPMS, Chapter 14, Section 8, Liquefied Petroleum Gas Measurement, First Edition, February 1983, reaffirmed May 1996, API Stock No. H30348. | § 250.181(c)(1). |
| ASTM Standard C33-93, Standard Specification for Concrete Aggregates including Nonmandatory Appendix. | § 250.138(b)(4)(i). |
| ASTM Standard C94-96, Standard Specification for Ready-Mixed Concrete | § 250.138(e)(2)(i). |
| ASTM Standard C150-95a, Standard Specification for Portland Cement | § 250.138(b)(2)(i). |
| ASTM Standard C330-89, Standard Specification for Lightweight Aggregates for Structural Concrete. | § 250.138(b)(4)(i). |
| ASTM Standard C595-94, Standard Specification for Blended Hydraulic Cements | § 250.138(b)(2)(i). |
| D1.1-96, Structural Welding Code—Steel, 1996, including Commentary | § 250.137(b)(1)(i). |
| DI.4-79, Structural Welding Code—Reinforcing Steel, 1979 | § 250.138(e)(3)(i). |
| NACE Standard MR-01-75-96, Sulfide Stress Cracking Resistant Metallic Materials for Oil Field Equipment, January 1996. | § 250.67(p)(2). |
| NACE Standard RP 0176-94, Standard Recommended Practice, Corrosion Control of Steel Fixed Offshore Platforms Associated with Petroleum Production. | § 250.137(d). |

§ 250.29 Paperwork Reduction Act requirements—information collection.

(a) OMB has approved the information collection requirements in part 250 under 44 U.S.C. 3501 *et seq.* The table in paragraph (e) of this section lists the subpart in the rule requiring the information and its title, provides the OMB control number, and summarizes the reasons for collecting the information and how MMS uses the information. The associated MMS forms required by this part are listed at the end of this table with the relevant information.

(b) Respondents are OCS oil, gas, and sulphur lessees and operators. The requirement to respond to the information collections in this part are

mandatory under the OCS Lands Act (43 U.S.C. 1331 *et seq.*) and the OCS Lands Act Amendments of 1978 (43 U.S.C. 1801 *et seq.*). Some responses are also required to obtain or retain a benefit. Proprietary information will be protected under § 250.27, Data and information to be made available to the public; parts 251 and 252 of this Chapter; and the Freedom of Information Act (5 U.S.C. 552) and its implementing regulations at 43 CFR part 2.

(c) The Paperwork Reduction Act of 1995 requires us to inform the public that an agency may not conduct or sponsor, and you are not required to respond to a collection of information

unless it displays a currently valid OMB control number.

(d) Send comments regarding any aspect of the collections of information under this part, including suggestions for reducing the burden, to the Information Collection Clearance Officer, Minerals Management Service, Mail Stop 4230, 1849 C Street, N.W., Washington, D.C. 20240; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Attention: Desk Officer for the Department of the Interior (1010-XXXX), Washington, D.C. 20503.

(e) MMS is collecting this information for the reasons given in the following table:

| 30 CFR 250 subpart/title (OMB control No.) | Reasons for collecting information and how used |
|---|---|
| Subpart A General (1010-0030) | To inform MMS of actions taken to comply with general operational requirements on the OCS. To ensure that operations on the OCS meet statutory and regulatory requirements, are safe and protect the environment, and result in diligent exploration, development, and production on OCS leases. |
| Subpart B Exploration and Development and Production Plans (1010-0049). | To inform MMS, States, and the public of planned exploration, development, and production operations on the OCS. To ensure that operations on the OCS are planned to comply with statutory and regulatory requirements, will be safe and protect the human, marine, and coastal environment, and will result in diligent exploration, development and production of leases. |
| Subpart C Pollution Prevention and Control (1010-0057). | To inform MMS of measures to be taken to prevent water and air pollution. To ensure that appropriate measures are taken to prevent water and air pollution. |
| Subpart D Oil and Gas Drilling Operations (1010-0053). | To inform MMS of the equipment and procedures to be used in drilling operations on the OCS. To ensure that drilling operations are safe and protect the human, marine, and coastal environment. |
| Subpart E Oil and Gas Well-Completion Operations (1010-0067). | To inform MMS of the equipment and procedures to be used in well-completion operations on the OCS. To ensure that well-completion operations are safe and protect the human, marine, and coastal environment. |

| 30 CFR 250 subpart/title (OMB control No.) | Reasons for collecting information and how used |
|---|---|
| Subpart F Oil and Gas Well-Workover Operations (1010-0043). | To inform MMS of the equipment and procedures to be used during well-workover operations on the OCS. To ensure that well-workover operations are safe and protect the human, marine, and coastal environment. |
| Subpart G Abandonment of Wells (1010-0079). | To inform MMS of procedures to be used during the temporary and permanent abandonment of wells. To ensure that wells are abandoned in a manner that is safe and minimizes conflicts with other uses of the OCS. |
| Subpart H Oil and Gas Production Safety Systems (1010-0059). | To inform MMS of the equipment and procedures to be used during production operations on the OCS. To ensure that production operations are safe and protect the human, marine, and coastal environment. |
| Subpart I Platforms and Structures (1010-0058). | To inform MMS with information regarding the design, fabrication, and installation of platforms on the OCS. To ensure the structural integrity of platforms installed on the OCS. |
| Subpart J Pipelines and Pipeline Rights-of-Way (1010-0050). | To provide MMS with information regarding the design, installation, and operation of pipelines on the OCS. To ensure that pipeline operations are safe and protect the human, marine, and coastal environment. |
| Subpart K Oil and Gas Production Rates (1010-0041). | To inform MMS of production rates for hydrocarbons produced on the OCS. To ensure that produced hydrocarbons, including those that are commingled, are measured accurately at secure locations for the purpose of determining royalty payments. |
| Subpart L Oil and Gas Production Measurement, Surface Commingling, and Security (1010-0051). | To inform MMS of the measurement of production, commingling of hydrocarbons, and site security plans. To ensure that produced hydrocarbons are measured and commingled to provide for accurate royalty payments and security is maintained. |
| Subpart M Unitization (1010-0068) | To inform MMS of the unitization of leases. To ensure that unitization prevents waste, conserves natural resources, and protects correlative rights. |
| Subpart N Remedies and Penalties (Not applicable). | The requirements in Subpart N are exempt from the Paperwork Reduction Act of 1995 in accordance with 5 CFR 1320.4. |
| Subpart O Training (1010-0078) | To inform MMS of training program curricula, course schedules, and attendance. To ensure that training programs are technically accurate and sufficient to meet safety and environmental requirements, and that workers are properly trained to operate on the OCS. |
| Subpart P Sulphur Operations (1010-0086). | To inform MMS of sulphur exploration and development operations on the OCS. To ensure that OCS sulphur operations are safe; protect the human, marine, and coastal environment; and will result in diligent exploration, development, and production of sulphur leases. |
| Form MMS-123, Application for Permit to Drill Subpart D, E, P (1010-0044). | To inform MMS of the procedures and equipment to be used in drilling operations. To ensure that drilling and well-completion are safe and protect the environment, use adequate equipment, conform with provisions of the lease, and the public is informed. |
| Form MMS-124, Sundry Notices & Reports on Wells Subpart D, E, F, G, P (1010-0045). | To inform MMS of well-completion and well-workover operations, changes to any ongoing well operations, and well abandonment operations. To ensure that MMS has up-to-date and accurate information on OCS drilling and other lease operations; operations are safe and protect the human, marine, and coastal environment; abandoned sites are cleared of obstructions; and the public is informed. |
| Form MMS-125, Well Summary Report Subpart D, E, F, P (1010-0046). | To inform MMS of the results of well-completion or well-workover operations or changes in well status or condition. To ensure that MMS has up-to-date and accurate information on the status and condition of wells. |
| Form MMS-126, Well Potential Test Report & Request for Maximum Production Rate (MPR). Subpart K (1010-0039) | To inform MMS of the production potential of an oil or gas well and to verify a requested production rate. To ensure that production results in ultimate full recovery of hydrocarbons and energy resources are produced at a prudent rate. |
| Form MMS-127, Request for Reservoir Maximum Efficiency Rate (MER) Subpart K (1010-0018). | To inform MMS of data concerning oil and gas well-completion in a rate-sensitive reservoir and to verify requested efficiency rate. To ensure that reservoirs are classified correctly and the requested production rate will not waste oil or gas. |
| Form MMS-128, Semi annual Well Test Report Subpart K (1010-0017). | To inform MMS of the status and capacity of gas wells and verify production capacity. To ensure that depletion of reservoirs results in greatest ultimate recovery of hydrocarbons. |
| Form MMS-132, Evacuation Statistics Subpart A (used in the GOM Region) (1010-0030). | To inform MMS in the event of a major disruption in the availability and supply of natural gas and oil due to natural occurrences/hurricanes. To advise the U.S. Coast Guard of rescue needs, and to alert the news media and interested public entities when production is shut in and when resumed. |

5. Sections 250.52, 250.53, 250.77, 250.78, 250.97 and 250.98 are removed and reserved.

PART 256—LEASING OF SULPHUR OR OIL AND GAS IN THE OUTER CONTINENTAL SHELF

6. The authority citation for part 256 is revised to read as follows:

Authority: 43 U.S.C. 1331 *et seq.*, 42 U.S.C. 6213.

7. Section 256.1, is revised to read as follows:

§ 256.1 Purpose.

The purpose of the regulations in this part is to establish the procedures under which the Secretary of the Interior (Secretary) will exercise the authority to administer a leasing program for oil, gas and sulphur. The procedures under which the Secretary will exercise the authority to administer a program to grant rights-of-way, rights-of-use, and easements are addressed in other parts of this chapter.

8. Section 256.4, Authority, is revised to read as follows:

§ 256.4 Authority.

The Outer Continental Shelf Lands Act (OCSLA) (43 U.S.C. 1331 *et seq.*) authorizes the Secretary of the Interior to issue, on a competitive basis, leases for oil and gas, and sulphur, in submerged lands of the Outer Continental Shelf (OCS). The Act authorizes the Secretary to grant rights-of-way, rights-of-use, and easements through the submerged lands of the OCS. The Energy Policy and Conservation Act of 1975 (42 U.S.C. 6213), prohibits joint bidding by major oil and gas producers.

9. Section 256.35, Qualifications of lessees, is amended by adding paragraph (c) as follows:

§ 256.35 Qualification of lessees.

* * * * *

(c) MMS may disqualify you from acquiring any new leaseholdings or lease assignments if your operating performance is unacceptable according to 30 CFR 250.12.

10. Section 256.73 is revised to read as follows:

§ 256.73 Effect of suspensions on lease term.

(a) Normally, a suspension extends the term of a lease. The extension is equal to the length of time the suspension is in effect. The suspension will not extend the lease term when the Regional Supervisor directs a suspension because of:

(1) Gross negligence; or

(2) A willful violation of a provision of the lease or governing regulations.

(b) MMS issues suspensions for a period of up to 5 years. The Regional Supervisor will set the length of the suspension based on the conditions of the individual case involved. MMS may grant consecutive suspensions. For more information on suspension of operations or production refer to 30 CFR 250.19.

[FR Doc. 98-3533 Filed 2-12-98; 8:45 am]

BILLING CODE 4310-MR-P

DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement

30 CFR Part 943

[SPATS No. TX-040-FOR]

Texas Regulatory Program and Abandoned Mine Land Reclamation Plan

AGENCY: Office of Surface Mining Reclamation and Enforcement (OSM), Interior.

ACTION: Proposed rule; public comment period and opportunity for public hearing.

SUMMARY: OSM is announcing receipt of a proposed amendment to the Texas regulatory program and abandoned mine land plan (hereinafter the "Texas program") under the Surface Mining Control and Reclamation Act of 1977 (SMCRA). The proposed amendment consists of codification of the Texas Coal Mining Regulations in the Texas Administrative Code at Title 16, Economic Regulations, Chapter 12. The amendment is intended to conform the Texas Coal Mining Regulations to Texas

Administrative Code formatting syntax, to correct typographical errors, and to allow for the publication of the rules in the Texas Administrative Code in full text rather than by reference.

This document sets forth the times and locations that the Texas program and proposed amendment to that program are available for public inspection, the comment period during which interested persons may submit written comments on the proposed amendment, and the procedures that will be followed regarding the public hearing, if one is requested.

DATES: Written comments must be received by 4:00 p.m., c.s.t., March 16, 1998. If requested, a public hearing on the proposed amendment will be held on March 10, 1998. Requests to speak at the hearing must be received by 4:00 p.m., c.s.t. on March 2, 1998.

ADDRESSES: Written comments and requests to speak at the hearing should be mailed or hand delivered to Michael C. Wolfrom, Director, Tulsa Field Office, at the address listed below.

Copies of the Texas program, the proposed amendment, a listing of any scheduled public hearings, and all written comments received in response to this document will be available for public review at the addresses listed below during normal business hours, Monday through Friday, excluding holidays. Each requester may receive one free copy of the proposed amendment by contacting OSM's Tulsa Field Office.

Michale C. Wolfrom, Director, Tulsa Field Office, Office of Surface Mining Reclamation and Enforcement, 5100 East Skelly Drive, Suite 470, Tulsa, Oklahoma 74135-6547, Telephone: (918) 581-6430.

Surface Mining and Reclamation Division, Railroad Commission of Texas, 1701 North Congress Avenue, P.O. Box 12967, Austin, Texas 78711-2967, Telephone: (512) 463-6900.

FOR FURTHER INFORMATION CONTACT: Michael C. Wolfrom, Director, Tulsa Field Office, Telephone: (918) 581-6430.

SUPPLEMENTARY INFORMATION:

I. Background on the Texas Program

On February 16, 1980, the Secretary of the Interior conditionally approved the Texas program. General background information on the Texas program, including the Secretary's findings, the disposition of comments, and the conditions of approval can be found in the February 27, 1980, **Federal Register** (45 FR 12998). Subsequent actions concerning the Texas program can be

found at 30 CFR 943.10, 943.15, and 943.16.

II. Description of the Proposed Amendment

By letter dated January 23, 1998, (Administrative Record No. TX-645), Texas submitted a proposed amendment to its program pursuant to SMCRA. Texas submitted the proposed amendment at its own initiative. Texas proposes to codify the Texas Coal Mining Regulations (TCMR) in the Texas Administrative Code (TAC) at Title 16, Chapter 12 in full text rather than by reference.

Specifically, Texas proposes to codify TCMR Parts 700 through 850, pertaining to surface coal mining and reclamation operations, at 16 TAC §§ 12.1 through 12.710. Texas also proposes to codify TCMR §§ 051.800 through 0.51.817, pertaining to the Texas abandoned mine land reclamation program, at 16 TAC §§ 12.800 through 12.817. The codification proposal includes conforming Texas' regulations to the TAC formatting syntax, correcting typographical errors, and making other editorial changes.

III. Public Comment Procedures

In accordance with the provisions of 30 CFR 732.17(h), OSM is seeking comments on whether the proposed amendment satisfies the applicable program approval criteria of 30 CFR 732.15. If the amendment is deemed adequate, it will become part of the Texas program.

Written Comments

Written comments should be specific, pertain only to the issues proposed in this rulemaking, and include explanations in support of the commenter's recommendations. Comments received after the time indicated under **DATES** or at locations other than the Tulsa Field Office will not necessarily be considered in the final rulemaking or included in the Administrative Record.

Public Hearing

Persons wishing to speak at the public hearing should contact the person listed under **FOR FURTHER INFORMATION CONTACT** by 4:00 p.m., c.s.t. on March 2, 1998. The location and time of the hearing will be arranged with those persons requesting the hearing. Any disabled individual who has need for a special accommodation to attend a public hearing should contact the individual listed under **FOR FURTHER INFORMATION CONTACT**. If no one requests an opportunity to speak at the public hearing, the hearing will not be held.