DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 250

RIN 1010–AD09

Oil and Gas and Sulphur Operations on the Outer Continental Shelf (OCS)—Suspension of Operations (SOO) for Ultra-Deep Drilling

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Final rule.

SUMMARY: MMS is modifying its regulations which govern Suspensions of Operations (SOOs) for oil and gas leases on the OCS. The revision will allow MMS to grant an SOO a to lessee or operator to encourage the drilling of ultra-deep wells (*i.e.,* wells below 25,000 feet true vertical depth below the datum at mean sea level). MMS is making this revision because of the added complexity and costs associated with planning and drilling an ultra-deep well. MMS expects that this revision will lead to increased drilling of ultra-deep wells and increased domestic production.

EFFECTIVE DATE: This rule becomes effective on January 17, 2006.

FOR FURTHER INFORMATION CONTACT: Amy C. White, Regulations and Standards Branch at (703) 787–1665.

SUPPLEMENTARY INFORMATION:

Background

When an oil and gas lease is issued on the OCS, the lessee has flexibility to schedule activities during the primary term, the prescribed term of years for which the lease was issued. At the end of the primary term, the lease can continue in force by production, drilling, or well-reworking operations as approved by the Regional Supervisor. When leaseholding operations (production, drilling, or well-reworking operations) are not maintaining the lease at the end of the primary term, if oil or gas was discovered, and if there is a commitment to produce, the operator may request a Suspension of Production (SOP), which stops the running of the lease term and prevents the lease from expiring. Before the discovery of oil or gas on a lease, MMS regulations at 30 CFR 250.172, 250.173, and 250.175 authorize suspensions of operations, but only in limited circumstances. An SOO stops the running of the lease term and prevents the lease from expiring.

Most leases have a primary term of 5 years, although a longer period (10 years) is provided in deep water. Some leases in intermediate depths have primary terms of 8 years, with a requirement to drill an initial well in the first 5 years. Under most circumstances, the primary lease term provides sufficient time to acquire and interpret geophysical information needed to determine the presence of oil or natural gas, drill a well, and for the operator to determine whether or not to continue with development and production. However, there are cases when a company recognizes that there is a potential hydrocarbon reservoir that is below 25,000 feet true vertical depth below the datum at mean sea level (TVD SS). The high cost of drilling an ultra-deep (below 25,000 feet TVD SS) well, along with the associated geologic and mechanical risks, warrants completing additional data analysis before drilling.

In 2002, MMS amended the regulation at 30 CFR 250.175 to provide for an SOO if additional time was needed to allow a lessee to analyze areas beneath or adjacent to salt sheets. MMS added this provision in the belief that when a lessee conducts significant work, additional time may be warranted to allow the lessee to benefit from the work conducted. Lessees used the change to expand their exploration in areas affected by salt sheets. The rule included well-defined, specific criteria for determining when a lease is eligible for a suspension. Vertical depth is not a criteria under the existing rule.

While the rule issued in 2002 encouraged drilling under salt sheets, that rule does not address situations where salt does not exist. Information from industry indicates that large accumulations of hydrocarbons may exist at depths greater than 25,000 feet TVD SS in water depths less than 800 meters. Many companies are reluctant to drill to these depths without additional data analysis.

The current regulations (see 30 CFR 250.175(b)) allow the lessee or operator to request an SOO if: (1) By the end of the third year of the primary term, geophysical information was gathered that indicated the presence of a salt sheet; (2) all or a portion of a hydrocarbon-bearing formation may lie beneath or adjacent to the salt sheet; and (3) the salt sheet interferes with identifying the potential hydrocarbon-bearing formation. In August 2004, MMS issued Notice to Lessee (NTL) No. 2004–G16, providing additional guidance for granting an SOO to lessees or operators who planned to drill a well beneath or adjacent to a salt sheet. The NTL allowed the lessee or operator planning to drill an ultra-deep well to request the SOO if this geophysical information was gathered by the end of the fifth year of the primary term, instead of at the end of the third year. In addition, the operator had to submit a reasonable working schedule leading to the commencement of drilling. This final rule will replace the NTL, and also allow the lessee or operator to request an SOO for ultra-deep exploration in areas where a salt sheet does not exist.

Allowing a lessee additional time for this data analysis encourages companies to consider ultra-deep exploration. A successful development will generate more activity at lease sales and increase drilling on existing leases.

MMS recognizes that a lessee knows the length of the lease term when it obtains a lease. When a lease expires, another lessee can acquire a new lease on the same tract. MMS considered these factors, and believes that the need to encourage drilling to significantly deeper depths warrants the final rule change. Successful wells benefit not only the companies that drilled the wells, but also the public by increasing domestic energy sources. In addition, the drilling of successful wells will encourage other companies to acquire leases and to pursue ultra-deep exploration in United States (U.S.) waters.

Comments on the Rule

MMS published a proposed rule on February 14, 2005 (70 FR 7451). The public comment period ended on March 16, 2005. MMS received ten sets of comments on the proposed rule. The comments came from two private citizens, five oil and natural gas production companies (ExxonMobil, Chevron, Newfield, Murphy, and Shell), and three sets of comments that represent various aspects of the offshore oil and natural gas industry. The International Association of Drilling Contractors (IADC) and the International Association of Geophysical Contractors (IAGC) sent separate comments. The American Petroleum Institute (API), Domestic Petroleum Council (DPC), Independent Petroleum Association of America (IPAA), Offshore Operators Committee (OOC), and U.S. Oil and Gas Association (USOGA) sent one set of comments. Some commenters agreed with the need to encourage ultra-deep drilling and supported the change. Some commenters did not support the proposed change. Some commenters made recommendations about the rule and its implementation. You may view these comments on MMS' Public Connect on-line commenting system at: *https://ocsconnect.mms.gov.*

General Comments

Comment: A private citizen wanted to know how we decided to use 25,000 feet TVD SS as the threshold, and why 20,000 feet TVD SS was not used.

Response: Approximately 4½ times as many wells are drilled to 20,000 feet or greater TVD SS than are drilled to depths of 25,000 feet or greater TVD SS. The drilling of wells to depths of 25,000 feet TVD SS or greater presents a myriad of technological drilling challenges to the operator warranting an SOO.

Comment: A private citizen expressed concern that the rule would allow for lease extensions off the coast of California. The commenter stated that the documentation provided was legally inadequate to determine the location and extent of the proposed activities. The commenter stated opposition to the rule if it involves the California coast.

Response: The rule meets all of the necessary legal requirements. The purpose of this rule is to allow an SOO in very limited circumstances. Currently, the conditions for applying for an SOO under this rule exist only in the Gulf of Mexico (GOM) Region; but the rule is applicable to all areas of the OCS.

Comment: Two of the oil and natural gas production companies suggested that MMS consider longer primary lease terms. One of these comments suggested 10-year lease terms on all new GOM leases. The other suggested that MMS grant an extension to the primary lease term for ultra-deep exploration. This would be done by a process similar to the request for the SOO.

Response: The issue of longer primary lease terms is beyond the scope of this rule. MMS considered issuing longer primary lease terms for ultra-deep exploration, and discussed this option in the preamble of the proposed rule. However, it is not feasible because when leases are issued it is difficult to know which ones may be suitable for ultra-deep drilling. MMS believes that allowing lessees and operators to apply for an SOO adequately addresses the issue.

Comment: Two of the oil and natural gas production companies suggested changes to the wording of the rule to ensure that it is clear that the rule covers hydrocarbon bearing formations when only a portion of the formation lies below 25,000 feet TVD SS. Also, they suggested that the wording is inconsistent between § 250.175(c)(2) and (3).

Response: MMS considered this comment, but we did not change the wording in the final rule. We recognize that a hydrocarbon-bearing formation may lie below 25,000 feet TVD SS and extend to a depth less than 25,000 feet TVD SS. However, the primary focus of this rule is to encourage the drilling of ultra-deep wells below 25,000 feet TVD SS by granting an SOO for additional geological or geophysical analysis before drilling such wells. Although § 250.175(c)(2) allows the required initial seismic work to indicate that ''all or a portion of'' the potential hydrocarbon-bearing formation is below 25,000 feet TVD SS, the objective of granting a suspension is to identify a potential hydrocarbon-bearing geologic structure or stratigraphic trap with a target drilling depth below 25,000 feet TVD SS. New § 250.175(c)(3) states that the objective of additional data processing or interpretation of geophysical information must be to identify a potential hydrocarbon-bearing geologic structure or stratigraphic trap below 25,000 ft. TVDSS. The lessee must demonstrate that it has conducted additional data processing or interpretation with that objective.

Comment: A commenter asked if the rule would allow MMS to grant an SOO on multiple leases that share an individual prospect, geological structure, or stratigraphic trap, without forming units.

Response: MMS may grant an SOO on multiple leases without the leases being unitized if the leases share a common geological structure or stratigraphic trap. Lessees or operators may also request an SOO for units. The lessee or operator must file a separate request for an SOO on each lease or unit, and must meet all other conditions of the regulations.

Comment: One commenter suggested that MMS add the following activities to § 250.175(c)(4) for further clarification: (1) Allow additional time to properly design and plan the well and (2) acquire a suitable drilling rig.

Response: The regulations already allow a reasonable time to begin drilling operations, including time for designing and planning the well and acquiring a drilling rig. We did not make the suggested change.

Comment: One commenter discussed the possible need for additional suspensions after the well is drilled. Additional time would be needed to evaluate these wells before an operator would commit to develop the well as required for an SOP.

Response: Section 250.175(c)(4)(ii), as proposed, allows for an SOO to be granted to ''acquire, process, or interpret new geophysical or geologic data or information.'' Therefore, under this rule additional suspensions could be granted for a reasonable time period to allow geologic well data to be evaluated.

Comment: Two commenters expressed concern about the impact the rule will have on industries that support drilling operations in the GOM. Some support industries rely on regular drilling and lease turnovers. These industries have made investments based on the current regulatory scheme, and by changing these regulations MMS will be impacting drilling activities and lease turnover rates. They contend that MMS should reconsider the rulemaking because of these impacts.

Response: MMS did not change the rule because we do not believe that this rule will have a substantial impact on drilling activities or lease turnover rates. The rule will impact a very small percentage of leases. In the preamble of the proposed rule, MMS estimated that it would receive less than 10 requests for suspensions each year. There are more than 4,300 active leases in the areas that are eligible for suspensions under this rule. This change is expected to affect less than 0.23 percent of leases in the eligible areas. This rule change, combined with any applicable deep-gas royalty relief, is expected to gradually increase drilling activities into areas deeper than 25,000 feet TVD SS.

Comment: There was one suggestion that the rule apply only to leases issued after the effective date of the rule.

Response: In order for the rule to have the maximum impact and help meet current energy demands, the rule will apply to existing and new leases.

Comment: One commenter expressed concern about the length of time for which the SOO would be issued. The commenter suggested that MMS include provisions to ensure that the SOO is issued for the minimum amount of time needed for the lessee or operator to complete the activities.

Response: MMS will require the lessee or operator to submit measurable ''milestones'' to verify that it is completing the work within a reasonable timeframe. We did not change the rule.

Comment: One industry group requested that MMS modify the rule to ''Provide assurance that MMS will rigorously pursue the execution of 30 CFR 250.170(e)'' which sets the terms and condition for terminating suspensions.

Response: MMS did not incorporate the suggested change. We have an effective mechanism in place to monitor all lease suspensions and may terminate any suspension if it determines that the circumstances which justified the suspension no longer exist.

Comment: A commenter requested that MMS ''[E]nsure that the lessee or operator has bona fide plans to drill an

ultra-deep well, by specifying in the rule requirements for evidence such as signed AFEs, signed and binding contracts for drilling rigs or ships capable of drilling to such depths, etc.''

Response: MMS will require specific information, as determined by the Regional Supervisor, which supports the lessee or operator's exploration plans, including any plans to drill an ultra deep well, on a case-by-case basis.

Comment: A commenter requested that MMS limit the number of suspensions of operations that would be available under a given lease or prospect to one extension regardless of the various expiration dates of the adjacent leases covered by the prospect.

Response: MMS does not agree with this suggestion and will not limit the number of suspensions available under a given lease or prospect. However, the lessee or operator must file a separate request for each SOO, and each request must meet all of the criteria to receive approval.

Comment: One commenter suggested that MMS should limit the extent of the area that is subject to the SOO where possible.

Response: The Regional Supervisor will determine the area subject to the SOO on a case-by-case basis.

Comment: One commenter suggested that MMS require the lessee/operator to sever their rights above 25,000 feet TVD to secure the SOO.

Response: The lessee was awarded the lease through a competitive bidding process. Each lessee acquired an interest in the entire property. The lessee or operator may pursue the right to explore, develop, and produce, without waste, anywhere on the lease. MMS will not jeopardize this right.

Comment: One commenter suggested that this rule is in violation of Executive Order 12630—Takings, because of the possible economic impact the rule could have on some businesses associated with the offshore oil and natural gas industry. These companies invested money based on the MMS's regulatory program and this rule represents a change to that program that may slow some activities.

Response: MMS reviewed Executive Order 12630—Takings, and determined that the rule does not violate that order.

Comment: One commenter requested that MMS define the ''SS'' in ''TVD SS'' as ''sub-seafloor,'' so that the water column would not be included in the depth.

Response: TVD SS is ''the true vertical depth below the datum at mean sea level,'' (see regulations at § 203.0). MMS will continue to use the term ''datum at mean sea level'' in this rule, to be consistent with other provisions of existing regulations and common practices of depth measurement.

Comment: One commenter suggested that the wording of the rule is inconsistent and that § 250.175(c)(3) should use ''structure or trap'' instead of ''formation.'' This section requires that the lessee or operator either has conducted or is conducting additional data processing or interpretation of the geophysical information to identify the potential ultra-deep hydrocarbon-bearing formation. The commenter contends that § 250.175(c)(2) already requires that the operator or lessee have the information that indicates there is a potential formation already established.

Response: MMS agrees and changed § 250.175(c)(3) to read ''geophysical information with the objective of identifying a potential hydrocarbon-bearing geologic structure or stratigraphic trap lying below 25,000 feet TVD SS.'' While § 250.175(c)(2) focuses on the type of data required and the initial interpretation of that data, new § 250.175(c)(3) refers to additional information and a more complete interpretation that may lead to the drilling of a well below 25,000 feet TVD SS.

Comment: An industry group expressed concern because drilling contractors must finance their fleets on the basis of reliable government drilling programs which by finite license terms afford the certainty that leases either will be drilled or dropped and re-offered to operators with the appetite and resources to develop them.

Response: Granting an SOO under this rule is only one very small part of the overall scenario. Fleet financing is largely dependent and driven by global competition, market demands, and the aggressiveness of the industry to explore and develop leases. There are more than 4,300 active leases in the areas that are eligible for suspensions under this rule. In any given year, MMS estimates that it will receive no more than 10 requests for suspensions under this rule. This change is expected to affect less than 0.23 percent of leases in the eligible areas.

Comment: A comment from an industry group stated that MMS seems to be accelerating the transformation of OCS leases into virtual long-term purchases. They urged MMS to reconsider this proposal, and to take note of its implications for the economic viability of the offshore contractor infrastructure put at risk by increasingly unreliable primary lease terms.

Response: This is not the case. As appropriate drilling rigs become available and drilling technology advances, the need for this type of suspension will decline. The exploration and development of leases is actively monitored by MMS, and mechanisms are in place to urge the lease operator to either develop the lease or it will expire. There are more than 4,300 active leases in the areas that are eligible for suspensions under this rule. In any given year, MMS estimates it will receive no more than 10 requests for suspensions under this rule. This change is expected to affect less than 0.23 percent of leases in the eligible areas.

Changes Between the Proposed and Final Regulation

MMS made only minor wording changes to the final rule, based on the comments received. In § 250.175(c), the wording was changed from ''for drilling'' to ''conduct additional geological and geophysical (G&G) data analysis which may lead to the drilling.'' This was done to clarify that the SOO can be used for the additional data analysis needed to prepare for the drilling of a well below 25,000 feet TVD SS.

In § 250.175(c)(3) and (4)(iii), MMS changed the word ''formation'' to ''geologic structure or stratigraphic trap.'' Section 250.175(c)(2) requires an initial interpretation of the data that indicates a potential hydrocarbon-bearing formation. Section 250.175(c)(3) requires additional data processing and information interpretation that may lead to drilling a well below 25,000 feet TVD SS. MMS changed the wording in § 250.175(c)(4)(iii) for consistency.

Procedural Matters

Regulatory Planning and Review (Executive Order 12866)

This is not a significant rule as determined and is not subject to review under Executive Order 12866.

The major economic effect of the final rule will involve business decisions made by oil and gas producers. MMS expects that a project to drill an ultra-deep well will need to compete with other high-risk projects in deep water or in other countries. By increasing the potential benefits resulting from drilling high-risk, ultra-deep wells, lessees will be more likely to drill these wells in the U.S. instead of drilling in other high-risk areas.

These decisions are based on marginal cost and benefit differences among projects, and are driven by many factors. This final rule is only one of the factors. Lessees or operators will not request a suspension unless it is in their financial interest. Therefore, this final rule

change will not impose a net cost on the lessee or operator.

There are other financial considerations that will result directly from this final rule. Drilling a well to 25,000 or more feet TVD SS is a significant occurrence, and MMS does not anticipate an immediate drastic increase in drilling to that depth. This rule change, combined with any applicable deep-gas royalty relief, is expected to gradually increase drilling activities into areas deeper than 25,000 feet TVD SS.

MMS estimates that this rule will result in 10 suspension requests per year, averaged over the 5 years following the effective date of a final rule; and that most of the requests will be in water depths of less than 200 meters. MMS' economic analysis assumes that a suspension will result, on average, in each suspended lease remaining active for 2 years longer than without the suspension. Of the leases in water depths of less than 200 meters that expired in 2000, approximately half received new bids within 2 years, with an average high bid of approximately $556,000. The delayed expiration of the leases for which suspensions are requested under this rule will result in a delay in reoffering the tracts. If the anticipated 10 leases that would have expired without a suspension were to be offered in a lease sale, MMS estimates that five would receive bids at an average of $556,000 per lease, for a total of $2,780,000. This final rule is estimated to result in a 2-year delay in the receipt of that $2,780,000 in bonus revenues.

However, this delay in receiving re-leasing revenues will be partially offset by increased government revenue due to the continued collection of rents. The extra rent generated by the anticipated suspended leases will be $500,000 ($5.00 rent per acre × 5,000 acres × 10 leases × 2 years). The greater potential effect of this final rule is the additional royalties collected if large reservoirs of hydrocarbons are discovered in ultra-deep areas, as well as the effect of success on bonuses and rents in future lease sales.

The presently quantifiable effects of this final rule are small compared to the potential for an increase in energy production. There are more than 4,300 active leases in the areas that are eligible for suspensions under this rule. In any given year, MMS estimates that it will receive no more than 10 requests for suspensions under this rule. This change is expected to affect less than 0.23 percent of leases in the eligible areas. The main effect of this final rule is the potential impact on energy and domestic production if a large reservoir of hydrocarbons is discovered.

(1) This final rule will not have an annual effect of $100 million or more on the economy. It will not adversely affect in a material way the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities.

(2) This final rule will not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency. Issuance of a suspension for a lease does not interfere with the ability of other agencies to exercise their authority.

(3) This final rule would not alter the budgetary effects of entitlements, grants, user fees, or loan programs or the rights or obligations of their recipients. This change will have no effect on the rights of the recipients of entitlements, grants, user fees, or loan programs.

(4) This final rule will not raise novel legal or policy issues.

Regulatory Flexibility Act (RFA)

The Department certifies that this final rule will not have a significant economic effect on a substantial number of small entities under the RFA (5 U.S.C. 601 *et seq.*).

This change will affect lessees and operators of leases in the OCS. This includes about 130 different companies. These companies are generally classified under the North American Industry Classification System (NAICS) code 211111, which includes companies that extract crude petroleum and natural gas. For this NAICS code classification, a small company is one with fewer than 500 employees. Based on these criteria, an estimated 70 percent of these companies are considered small. This final rule, therefore, will affect a substantial number of small entities.

This final rule will not create a cost to small companies since it provides a suspension only when one is requested. Small companies could be affected by the delay in the expiration of leases and the availability of the tract to be leased again. As discussed earlier, this is a very small portion of the available leases. The final rule will not affect the ability of a small company to participate in OCS exploration, development, and production.

Comments are important. The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small business 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 actions of MMS, call 1–888–734–3247. You may comment to the Small Business Administration without fear of retaliation. Disciplinary action for retaliation by an MMS employee may include suspension or termination from employment with the Department of the Interior.

Small Business Regulatory Enforcement Fairness Act (SBREFA)

This is not a major rule under the SBREFA (5 U.S.C. 804(2)). This final rule:

(a) Will not have an annual effect on the economy of $100 million or more.

(b) Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions.

(c) Will not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises.

Unfunded Mandates Reform Act (UMRA) of 1995

This final rule will not impose an unfunded mandate on State, local, or tribal governments or the private sector of more than $100 million per year. The final rule will not have a significant or unique effect on State, local, or tribal governments or the private sector. A statement containing the information required by the UMRA (2 U.S.C. 1531 *et seq.*) is not required. This is because the proposal will not affect State, local, or tribal governments, and the effect on the private sector is small.

Takings (Executive Order 12630)

With respect to Executive Order 12630, the final rule will not have takings implications. A Takings Implication Assessment is not required. The rulemaking is not a governmental action capable of interfering with constitutionally protected property rights.

Federalism (Executive Order 13132)

With respect to Executive Order 13132, the final rule will not have federalism implications. It will not substantially and directly affect the relationship between the Federal and state governments. To the extent that state and local governments have a role in OCS activities, this final change will not affect that role.

Civil Justice Reform (Executive Order 12988)

With respect to Executive Order 12988, the Office of the Solicitor has determined that this final rule will not unduly burden the judicial system, and meets the requirements of Sections 3(a) and 3(b)(2) of the Executive Order.

Consultation with Indian tribes (E.O. 13175).

Under the criteria in Executive Order 13175, we have evaluated this rule and determined that it has no potential effects on federally recognized Indian tribes because OCS operations do not take place on or near Indian lands.

Paperwork Reduction Act (PRA) of 1995

The PRA provides that an agency may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. Until OMB approves a collection of information and assigns a control number, you are not required to respond. The revisions to 30 CFR part 250 subpart A refer to, but do not change, information collection requirements in current regulations. OMB has approved the referenced information collection requirements under OMB control number 1010–0114, current expiration date of October 31, 2007. The final rule will impose no new paperwork requirements, and an OMB form 83–I submission to OMB under the PRA is not required.

Clarity of This Regulation

Executive Order 12866 requires each agency to write regulations that are easy to understand. We invite your comments on how to make this rule easier to understand, including answers to questions such as the following:

(1) Are the requirements in the rule clearly stated?

(2) Does the rule contain technical language or jargon that interferes with its clarity?

(3) Does the format of the rule (grouping and order of sections, use of headings, paragraphing, etc.) aid or reduce its clarity?

(4) Is the description of the rule in the **SUPPLEMENTARY INFORMATION** section of this preamble helpful in understanding the rule? What else can we do to make the rule easier to understand?

Send a copy of any comments that concern how we could make this rule easier to understand to: Office of Regulatory Affairs, Department of the Interior, Room 7229, 1849 C Street, NW., Washington, DC 20240. You may also e-mail the comments to this address: *Exsec@ios.doi.gov.*

National Environmental Policy Act (NEPA) of 1969

MMS analyzed this rule using the criteria of the NEPA and 516 Departmental Manual, Chapter 2, and concluded that the preparation of an environmental analysis is not required.

Energy Supply, Distribution, or Use (Executive Order 13211)

This is not a significant rule and is not subject to review by OMB under Executive Order 13211. The final rule may potentially increase energy supplies, but given the uncertainty associated with the drilling of successful wells, the effect on energy supply, distribution, or use is not considered to be significant at this time. Thus, a Statement of Energy Effects is not required.

List of Subjects in 30 CFR Part 250

Continental shelf, Environmental impact statements, Environmental protection, Government contracts, 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—right-of-way, Reporting and recordkeeping requirements, Sulphur development and production, Sulphur exploration, Surety bonds.

Dated: December 2, 2005.

Chad Calvert,

Acting Assistant Secretary—Land and Minerals Management.

■ For the reasons stated in the preamble, MMS amends 30 CFR part 250 as follows:

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

■ 1. The authority citation for Part 250 continues to read as follows:

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

■ 2. In § 250.175, add a new paragraph (c) to read as follows:

§ 250.175 When may the Regional Supervisor grant an SOO?

* * * * *

(c) The Regional Supervisor may grant an SOO to conduct additional geological and geophysical data analysis that may lead to the drilling of a well below 25,000 feet true vertical depth below the datum at mean sea level (TVD SS) when all of the following conditions are met:

(1) The lease was issued with a primary lease term of:

(i) 5 years; or

(ii) 8 years with a requirement to drill within 5 years.

(2) Before the end of the fifth year of the primary term, you or your predecessor in interest must have acquired and interpreted geophysical information that:

(i) Indicates that all or a portion of a potential hydrocarbon-bearing formation lies below 25,000 feet TVD SS; and

(ii) Includes full 3–D depth migration over the entire lease area.

(3) Before requesting the suspension, you have conducted or are conducting additional data processing or interpretation of the geophysical information with the objective of identifying a potential hydrocarbon-bearing geologic structure or stratigraphic trap lying below 25,000 feet TVD SS.

(4) You demonstrate that additional time is necessary to:

(i) Complete current processing or interpretation of existing geophysical data or information;

(ii) Acquire, process, or interpret new geophysical or geological data or information that would affect the decision to drill the same geologic structure or stratigraphic trap, as determined by the Regional Supervisor, identified in paragraphs (c)(2) and (c)(3) of this section; or

(iii) Drill a well below 25,000 feet TVD SS into the geologic structure or stratigraphic trap identified as a result of the activities conducted in paragraphs (c)(2), (c)(3), and (c)(4)(i) and (ii) of this section.

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Parts 104, 105 and 160

[USCG–2004–19963]

RIN 1625–AA93

Notification of Arrival in U.S. Ports; Certain Dangerous Cargoes; Electronic Submission

AGENCY: Coast Guard, Department of Homeland Security.

ACTION: Interim rule; request for comments.

SUMMARY: On August 18, 2004, the Coast Guard published a temporary rule entitled ''Notification of Arrival in U.S. Ports; Certain Dangerous Cargoes; Electronic Submission.'' 69 FR 51176. This temporary rule, which expires March 20, 2006, added ammonium