

DEPARTMENT OF THE INTERIOR**Minerals Management Service****30 CFR Parts 218, 250, 252, 253, 256 and 282**

RIN 1010-AC32

Postlease Operations Safety**AGENCY:** Minerals Management Service (MMS), Interior.**ACTION:** Final rule.

SUMMARY: This rule: Updates and clarifies requirements related to postlease operations and stresses diligence; Allows MMS to grant a right-of-use and easement for an Outer Continental Shelf (OCS) leased or unleased block to a State lessee; Brings uniformity to the public release time for all proprietary geophysical data and information gathered under prelease; Clarifies the distinction between granting and directing a suspension, and the different consequences of each; Requires evacuation statistics for natural occurrences; Sets out criteria to disqualify an operator with repeated poor operating performance from continuing as designated operator; and Allows operators the opportunity to propose alternative regulatory approaches if they can demonstrate an equal or higher level of performance.

EFFECTIVE DATE: The rule is effective on January 27, 2000. The incorporation by reference of certain publications listed in these rules is approved by the Director of the **Federal Register** as of January 27, 2000.

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

SUPPLEMENTARY INFORMATION: On February 13, 1998, we published a Notice of Proposed Rulemaking (63 FR 7335), titled "Postlease Operations Safety," revising the entire 30 CFR part 250, subpart A. The proposed rule was subsequently corrected in a notice on March 9, 1998 (63 FR 11385). We extended the 90-day comment period once (to provide a comment period of 120 days that closed on July 17, 1998). We received 11 responses during the comment period. On March 24, 1998 (during the comment period), we held a public meeting to consult on establishing criteria for the disqualification provision in the rule. This final rule amends the regulations at 30 CFR 218.154; 30 CFR part 250, subpart A; 30 CFR 256.1, 256.4, 256.35, and 256.73; and it corrects regulatory citations throughout the CFR to reflect the new subpart A sections.

Redesignation of 30 CFR Part 250

On May 29, 1998, we published a final rule that redesignated 30 CFR part 250 and assigned new section numbers to each section in part 250. The subpart A proposed rule was published before the redesignation. The redesignation rule allowed us to add more sections to the subpart A final rule and to break down lengthy sections into shorter and clearer sections. In our discussion of comments on the rule, we retained the section numbers from the proposed rule when we referred to the comments that we received. When we refer to the current regulations, we use the redesignated numbers as published in the final rule, published in the **Federal Register** on May 29, 1998 (also in the bound copy of the CFR, dated July 1, 1998).

MMS Position on Incorporated Documents

Incorporation by reference allows Federal agencies to comply with the requirements to publish regulations in the **Federal Register** by referring to materials already published elsewhere. The legal effect of incorporation by reference is that the material is treated as if it were published in the **Federal Register**. This material, like any other properly issued regulation, then has the force and effect of law. We hold operators accountable for complying with the documents incorporated by reference in our regulations.

Differences Between Proposed and Final Rules Not Directly Related to Comments

In addition to changes we made to the final rule in response to comments, we rewrote certain complex sections for further clarity. We also changed the wording/format of several section titles and headings. Although not directly related to public comments on the proposed rule, these changes were often triggered by the comments to other sections because so many of the sections are interrelated. Following are the major changes by section. We emphasize that the wording revisions do not change any requirements. In many instances, the changes improve MMS's internal work processes to better serve its external customers.

- In the table at § 250.102(b), we added a reference to Oil Spill Financial Responsibility coverage.
- We added § 250.103 on issuing Notices to Lessees and Operators (NTLs).
- In § 250.105, we modified the definition of exploration to clarify that exploration is not just any drilling per

se, but are those drilling activities conducted in searching for potential commercial quantities of oil and gas.

- In § 250.105, we removed the definition of "information" as the definition was too narrow and restrictive. In addition to geological and geophysical (G&G) information, we deal with many different kinds of information including archaeological, biological, engineering, environmental, financial, and technical.

- In § 250.105, we expanded definitions of (1) "lessee" to include the MMS-approved assignee of the lease or the operating rights; (2) "operator" to include a designated agent of the lessee(s); and (3) "you" to include a designated agent of the lessee(s) and a pipeline right-of-way holder.

- In § 250.105, for consistency, we used 30 CFR 251 definitions for terms related to G&G.

- In § 250.105, in defining "sensitive reservoirs," we deleted the word "initially" and added the words "for submitting the first MER."

- In § 250.108, we clarified the recordkeeping timeframe for crane operator qualifications to 4 years instead of 2 years. This clarification ensures that the crane operator has completed the appropriate training within the past 4 years. The 4-year timeframe is consistent with the currently incorporated Third Edition of API RP 2D, which says that operator qualifications are to be maintained at a minimum of 4 years through appropriate refresher training.

- In § 250.115, we separated the criteria for determining whether a well was an oil well or a gas well.

- In §§ 250.118 through 250.124, wherever applicable, we changed "reinject" and "re injection" to "inject" and "injection" to denote that the gas is being injected for the first time.

- We revised § 250.120 to read: (a) "If you produce gas from an OCS lease and inject it into a reservoir on the lease or unit according to paragraph § 250.118(b), you are not required to pay royalties until you remove or sell the gas from the reservoir. (b) If you store the gas according to paragraph § 250.119(c), you are required to pay royalty before injecting it into the storage reservoir." The reason is that injection of gas for a commercial storage project is not for the benefit of the lease; therefore, royalties are due before injection. This is consistent with the subsurface storage project approved by the Gulf of Mexico (GOM) Region for Chandeleur Block 29.

- In § 250.140(a) we replaced "written approval" with "written decision" because it is not a foregone

conclusion that the decision will be an approval.

- In the last sentence of § 250.162, we replaced the words "provide you" with the word "recognize." The grant of the right-of-use or easement by MMS "provides" the "rights." The lessee, or any subsequent lessee, simply recognizes those rights.

- We deleted proposed § 250.119(l)(5) which would have allowed us to grant a Suspension of Production (SOP) for exploratory reasons without a commitment to development and production. To give meaning to the primary term, we expect lessees to complete exploration and delineation to commit to production by the end of the lease term. We deleted proposed paragraph § 250.119(l)(6) which would have clarified when geophysical work could be used as a basis for an SOP approval. We deleted it because the regulatory authority provided in § 250.175(b)(1) allows us to grant an SOP when a lessee is committed to production and needs to complete geophysical work. In this section, we also removed the vague phrase "good faith efforts."

- In § 250.180, we inserted a new paragraph (a) to provide for reporting requirements for leases in their primary term and added clarity and specificity to paragraphs (e), (f), and (i).

- In § 250.190, we added a sentence at the end of paragraph (a)(2) to put the responsibility of the contents of a computer-generated form on the lessee/operator who generates the form.

- In the table at § 250.196, we added language to clarify that part 251 determines the public release of all proprietary geophysical data and information acquired under an exploration permit, even when the data and information are later submitted to MMS under part 250 stipulations. These permit data and information are protected under § 251.14 (currently 50 years for data and 25 years for information). The proprietary terms of these permit data and information would be unaffected by lease expiration or relinquishment.

The vast majority of seismic data and information submitted by lessees was originally acquired under exploration permits. The lessees acquired the data and information indirectly on a nonexclusive basis under a license agreement among the permittee, the geophysical contractor who acquired the data and information under part 251, and the lessee, who is a third party to the data and information.

However, part 250 determines the release of proprietary geophysical data and information that were acquired on

a lease exclusively by or for a lessee, under terms of a lease, and submitted to MMS under part 250. These data and information are protected for a period of 10 years, or until the lease is relinquished or expires, whichever is sooner. This would include all seismic data and information acquired exclusively by or for the lessee and submitted for unitization purposes, or in support of exploration or development and production plans.

- In the table at § 250.199(e)(1), we added the following reason for collecting information, specifically G&G data and information under 30 CFR part 250, subpart A: to support the unproved and proved reserve estimation, resource assessment, and fair market value determinations.

Comments on the Rule

We received comments on specific issues from the Trustees for Alaska (Trustees), the International Association of Drilling Contractors (IADC), Newfield Exploration Company, the State of Florida, and the Small Business Administration (SBA). The American Petroleum Institute (API) and Offshore Operator's Committee (OOC), representing the industry, sent a consolidated comments table and clearly depicted their suggested language changes and rationale. The National Ocean Industries Association, the Independent Petroleum Association of America, and some of the large oil companies sent letters endorsing the American Petroleum Institute/Offshore Operator's Committee (API/OOC) consolidated comments. We posted all comments on the MMS internet homepage. We noted a universal comment on the need for a side-by-side comparison of existing regulations and plain language rewrites; we will adopt this suggestion for future rules rewritten in plain language. We have included in this notice our responses to comments other than those included on the table submitted by API/OOC followed by the API/OOC comments in tabular form together with our responses. Some of the comments in the consolidated API/OOC comments table were reiterated by other commenters. Since our response was the same, we have not provided in this notice a separate set of comments and responses for those comments. We organized our responses to comments other than those included in the API/OOC table under the following topics: I. comments and responses to miscellaneous issues; II. disqualifying an operator; III. granting a right-of-use and easement (with detailed responses to the extensive comments we received

on the section); and IV. comments from SBA.

I. Comments and Responses to Miscellaneous Issues

- *Comment:* The reference to conservation, which was under the Director's authority at current § 250.104, was removed.

Response: The reference was never removed and appears at § 250.101(b): Under this authority, the MMS Director requires that all operations conform to *sound conservation practice* to preserve, protect, and develop mineral resources of the OCS to balance orderly energy resource development with protection of the human, marine, and coastal environments.

- *Comment:* Retain wording to the effect that the implementation of the regulation of operations on the OCS remains "subject to the supervisory authority of the Secretary."

Response: The Secretary's authority is stated clearly at § 250.101: "The Secretary of the Interior (Secretary) authorized the Minerals Management Service (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. * * *" To clarify that "this authority" refers to the Secretary's authority, we are changing the words in italics to read "Under the Secretary's authority."

Response: We strengthened the language at § 250.106.

- *Comment:* Include definition for natural resources.

Response: We included the OCS Lands Act (OCSLA) definition for natural resources.

- *Comment:* Provide definitions for Eastern and Western GOM.

Response: We put back a definition for Eastern GOM, which was deleted in the proposed rule. We also included a definition for the Western GOM. In both definitions, we clarify that these areas are not to be confused with the planning areas that we use for lease sales.

- *Comment:* The requirements for cranes at proposed § 250.105 should not apply to mobile offshore drilling units (MODU) or other vessels.

Response: We clarified in § 250.108(a) that the requirements for cranes apply only to fixed platforms.

- *Comment:* Proposed change at § 250.106(g)(5) (italicized): You may not weld while you drill, complete, workover, or conduct wireline operations unless the fluids in the well, (*being drilled, completed, worked over, or having wireline operations conducted*), are noncombustible, and

you have precluded the entry of formation hydrocarbons into the wellbore *either by mechanical means or by a positive overbalance toward the formation*. The intent is to limit welding activities on or near wells that are being serviced or drilled, not limit welding because other wells in the wellbay are live.

Response: We have made the suggested changes at § 250.113(c)(6).

• *Comment:* "You" as used in proposed § 250.13 is too restrictive and should be expanded to include any person an MMS order or decision may adversely impact.

Response: We deleted the reference related to civil penalty appeals from subpart A. On August 8, 1997 (62 FR 42668), we published a final rule revision to subpart N that provides information related to civil penalty appeals. We further shortened § 250.104 on appeals because all appeals will be processed at the Department level and not at the agency level. We expanded the definition of "you" to include an operating rights holder, a designated operator of the lessee(s), a designated agent of the lessee(s), a pipeline right-of-way holder, or a State lessee granted a right-of-use and easement.

• *Comment:* Should the U.S. Coast Guard (USCG), rather than MMS, be the recipient of such reports (Evacuation Statistics at proposed § 250.123(b)).

Response: The requirement at § 250.192 relates to our need to know, for national security reasons, the amount of production shut-in.

• *Comment:* Question duplicative accident reporting to both MMS and USCG.

Response: We deleted the proposed accident reporting table (at proposed § 250.120(a)). We retained the requirement in current regulations (at § 250.119(a)) under § 250.191 in this final rule. We will propose a separate rule to establish a joint MMS-USCG web-based system for reporting incidents to either agency. The rule will also give more guidance on thresholds for fires and factors that impair safety. (See comments and our responses in comment/response table.)

II. Disqualifying an Operator

Industry asked that we delete this new section. Environmental groups supported it. In response to a comment to provide adequate notice before disqualifying an operator, we inserted language in the rule at § 250.135. A commenter wanted to know what would happen if we revoked a company's designation as operator, and it was the sole lessee. If an operator is the sole lessee and designated operator of a

lease, and has been disqualified from operating a facility on that lease, then the onus is on the lessee to find a new and acceptable designated operator and submit the change for our approval.

On March 24, 1998, we held a public meeting to consult on establishing criteria for the disqualification provision in the proposed rule. At the meeting we explained the disqualification process. The principal goal of the disqualification process is to improve performance and operational safety on the OCS by focusing on the designated operators. We analyze performance based on either a periodic assessment of specific measures or because of an event or performance concern.

At a minimum, we will analyze every operator's performance annually. Compliance history and accidents are the two primary areas of measurement we use to determine performance. In addition, we use other information gathered during annual performance reviews to determine an operator's overall performance. Using this information, we decide whether operators are acceptable or unacceptable performers.

We may also assess operator performance through a safety meeting. Several things may trigger a safety meeting—an accident, a bad inspection, failing a 30 CFR 250, subpart O training audit, or a civil penalty. During the meeting, we will discuss the triggering event with the operator and may also review their general performance if the situation warrants. We may issue a directed suspension if we perceive the triggering event as a continued threat to human safety or the environment. The actual event could lead us to determine that the operator is unacceptable.

In general, operators who exhibit unacceptable performance would undergo an incremental approach to improving their overall performance. At the annual performance review meeting, we would take the opportunity to highlight areas of concern regarding an operator's performance. The District Supervisor or Regional Supervisor for Field Operations may make specific recommendations to the operator for improving the safety of its operations.

It may be necessary for us to issue a directed suspension for a given facility because it poses an imminent threat to safety or the environment. A directed suspension or chronic poor performance could lead us to place an operator on probation. Four things then occur:

1. We notify the designated operator and all relevant lessees in writing that the operator is on probation for a

specific period. The Regional Director will determine the length of probation.

2. We prohibit the designated operator from becoming the designated operator on leases during its probation.

3. We require the designated operator to submit a Performance Improvement Plan (PIP) to address the performance concerns and detail how the operator will bring its inventory of facilities into compliance.

4. We have the discretion to increase the number of performance review meetings as necessary.

Through additional performance analysis, we may determine that an operator's overall performance is improving, and the operator could be removed from probation. Conversely, an operator's performance could remain poor or worsen, and we may take more stringent actions such as:

• A facility-specific disqualification as designated operator for a period of time set by the Regional Director;

• A district-specific disqualification as designated operator for a period of time set by the Associate Director for Offshore Minerals Management (AD/OMM);

• A region-specific disqualification as designated operator for a period of time set by the AD/OMM; and

• An OCS-wide disqualification as designated operator for a period of time set by the Director of MMS.

We will not take these disqualification actions without the operator having the opportunity for a review by MMS officials. These actions require that an operator submit a PIP to us that details its efforts to improve the safety of its operations and bring its facilities back into regulatory compliance. The primary purpose of this rule is to ensure that operators who demonstrate a disregard for safety are unable to direct operations on leases on the OCS. We will pursue Department of the Interior debarment proceedings if we determine that it is appropriate to disqualify an operator from acquiring new leases/assignments on an OCS-wide basis.

These adverse actions may take place sequentially or in any order that the Director of MMS deems appropriate.

III. Granting a Right-of-Use and Easement

• *Comment:* Trustees commented that the proposed rule did not provide sufficient rationale for the need to expand our authority to issue rights-of-use and easement in the OCS to accommodate State lessees and questioned the statutory authority for this expansion of the regulation. Specifically, Trustees do not believe

that we have the legal authority to allow the placement of exploratory or production drill rigs or authorize other related uses in areas where we have not authorized OCS leasing, or where there are no active leases. ("As written, the proposed regulatory change might arguably allow exploration and related activities even in areas currently covered by OCS leasing moratoria, contrary to the expressed intent of Congress and recent Presidential actions.")

Response: This rule simply clarifies our authority; the rule does not expand our authority. Between May 10, 1954, and December 13, 1979, § 250.18 specifically authorized the Regional Supervisor to grant a Federal or State lessee a "right-of-use and easement" on leased or unleased lands "for the conduct of operations on any other lease, State or Federal." On October 26, 1979, the U.S. Geological Survey (USGS) published a final rule (44 FR 61889) revising 30 CFR part 250 to implement the statutory changes of the OCSLA Amendments of September 18, 1978, and for other purposes. Instead of continuing its authority to grant rights-of-use and easement to State lessees, it stated that "State lessees wishing to obtain a right-of-way across the OCS must apply for a grant from the Bureau of Land Management (BLM)." In October of 1979, USGS exercised the Secretary's authority to grant rights-of-use and the authority to grant easements while BLM exercised the Secretary's authority to grant pipeline rights-of-way. BLM had convinced the USGS that it should stop granting rights-of-use and easement for lessee-owned pipelines that extended from the OCS to shore. The change in the 1979 rulemaking recognized the agreement between the USGS and BLM that the USGS would no longer grant a right-of-use and easement for lessees to construct and operate a pipeline from the OCS to shore.

Neither the OCSLA, nor the 1978 amendments, makes a distinction that permits the Secretary to grant a State lessee a right-of-way but not a right-of-use and easement. Furthermore, there is little reason for a State lessee to apply for a right-of-way across the OCS. The right-of-way provisions of section 5 seem to require that the right-of-way be granted for the transportation of oil and gas produced from areas leased under the OCSLA. MMS has always had the authority to grant rights-of-use and easements, but it was inadvertently dropped from the regulations in 1979. We are simply reinserting it specifically in the regulations.

We may grant a right-of-use or easement to authorize the grantee to

construct and maintain one or more platforms, fixed structures, or artificial islands on areas of the OCS; to drill a directional well or wells to be bottomed under the lease area; to produce and rework the well or wells; and to handle, treat, and store the production from the well or wells. Normally, we grant a right-of-use and easement to permit a lessee to conduct leasehold-type activities at a more advantageous location off the leasehold. There has to be an existing Federal or State lease that entitles the lessee to conduct oil and gas activities before a right-of-use and easement could even be considered. This regulation change does not allow us to authorize the initiation of exploration or production drilling or related activities into areas where the driller does not already have active lease and rights to drill. In addition, MMS would not issue authority to conduct operations that are not consistent with the policy of the Department and the President.

• *Comment:* Trustees also expressed concern that the proposed new language on rights-of-use and easement appears to arbitrarily broaden the rights of lessees without justifying the need for such a change. They felt that we had not identified where and for what purpose the regulations were being modified. Trustees specifically asked " * * * does it cover gravel mining, placement of gravel mining, placement of gravel islands, disposal of dredge spoils, oil and natural gas pipeline construction and operation, processing platforms, seawater treatment plants, underground injection well sites, placement of exploratory drill ships or concrete island drilling structures?"

Response: The rule does not broaden the rights of lessees. Lessees must apply for a right-of-use and easement and show the need for conducting lease-related activities off the leasehold. We will continue to grant rights-of-use and easement to provide authority to conduct those leasehold-type activities that must be conducted off the leased areas; i.e., activities that would normally be approved under the authority of a lease (Federal OCS or State submerged lands) such as the ones listed in the comment.

• *Comment:* Trustees expressed concern that the new language in the regulations on right-of-use and easement may further reduce the environmental standards and opportunities for public involvement in controversial oil drilling projects. They gave the example of ARCO's Warthog well that was drilled from Federal OCS leases into State leases off the coast of the Arctic National Wildlife Refuge.

Response: The Warthog exploration program was conducted from an OCS lease and received a complete technical and environmental review through the exploration plan review process established under 30 CFR 250.204. The Warthog program did not involve a right-of-use and easement. The new rule will not circumvent the lease sale, Exploration Plan (EP) and Development and Production Plan (DPP) review process to allow production from facilities located on unleased OCS areas without the benefit of public, National Environmental Policy Act (NEPA), and Coastal Zone Management Act (CZMA) consistency review.

The rule prescribes that any drilling under a right-of-use and easement must comply with the requirements of our regulations which, in turn, implement NEPA, CZMA, and the OCSLA requirements for public review; thus EP/DPP, NEPA, and CZMA consistency review and technical standards continue to apply. Consideration for a right-of-use and easement on unleased OCS lands, to conduct activity into adjoining State lands, will still require that a State lease would be in place and the issuance of that State lease would have included a public review/or equivalent process. The State lessee must also obtain State authorization for activities under a right-of-use and easement into or under the State lease before any exploration or development activity could begin.

The regulation will call for MMS officials to vigilantly ensure that the operations on Federal and State leases are conducted in an equitable way. We may have to verify that officials of the regulatory agency for the adjacent coastal State will permit wells to be drilled from State lands to reservoirs underlying Federal OCS leases that are located near or adjacent to the Federal and State boundary.

The regulation requires payment of fees and includes special bonding provisions to ensure that wells drilled from Federal OCS lands to explore for or develop and produce oil and gas from State leases are properly plugged and abandoned, that platforms and other facilities are removed, and that the seafloor is cleared of obstructions to other uses of the ocean.

• *Comment:* Trustees also suggested that, "The failure to better define 'right-of-use' in the regulations may be the nub of this problem."

Response: The definition of "right-of-use" provided in the rule simply refers a reader to the regulations and is broadly defined since the regulations are clear on the use of this term. We have also provided a definition for the term "easement."

IV. Comments from SBA

SBA commented on the Regulatory Flexibility Act (RFA) section in the proposed rule preamble and pointed out that it was devoid of specific data on firm size and receipts. They also pointed out that although we discussed the economic effects of the rule (factual statement), a more thorough analysis

was needed. In response to those comments, we have rewritten the RFA portion of the preamble.

Table of MMS Responses to American Petroleum Institute/Offshore Operator's Committee (API/OOC) Comments to 30 CFR Part 250, Subpart A

In the table, under the comments column, we show words in "brackets"

that were in bold/strikeout in the original comments. We show in "italics" words that were underscored in bold type. We have provided the new citations in the MMS response column.

Section	API/OOC comments	API/OOC rationale	MMS response
218.154(a)(1)	(1) Directs the suspension of [both] operations [and] or production; or	The MMS proposal would require lessees to pay rental or minimum royalty if an SOO is granted on a lease when there is no production but there is a producible well. This is contrary to existing practice in which there is a distinction and obligation to pay based on "who" directed or requested the suspension. It is entirely possible to have an MMS-directed suspension on the lease with a producible well in its history but no production. In such case, lessees should be relieved of the responsibility to pay.	We simplified the wording to make clear that rentals and minimum royalties are due when a suspension is granted, or when directed due to the lessee's failure to comply with applicable law, regulation, order, or provision of a lease or permit.
218.154(a)(2)	(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)(3), (j)(4) or (k)(2).	Safety and environmental requirements have been excluded on a lease with no producible well. It is entirely possible that such a requirement could be imposed by an agency with authority over such area near the end of a lease term. In such an instance a drilling rig might need to be re-outfitted. This could require a mobilization to a shore location (such as a shipyard) to add, for example, zero-discharge required equipment. Lessees should not be required to pay under these circumstances. This would be a departure from current practice since the suspension would be granted at the direction of the agency.	See comment to § 218.154(a)(1).
250.2	Best available and safest technology (BAST) means the best available and safest technologies which the [Secretary] <i>Regional Director or his designee</i> determines to be economically feasible wherever failure of equipment would have a significant effect on safety, health, or the environment. Competitive reservoir means a reservoir in which there are one or more <i>producible or producing</i> 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.	The Regional Director and the Regional Staff customarily analyze what equipment is best suited to protect safety, health, and the environment. The Regional Offices consult with Headquarters Staff when necessary in cases that require additional input. Clarification	We changed the authority from Secretary to the MMS Director (§ 250.105 and § 250.107(d)). We made the suggested changes (§ 250.105)

Section	API/OOC comments	API/OOC rationale	MMS response
	<p>Conservation means preservation, [economy], and avoidance of waste of <i>economically viable hydrocarbons</i>. [It is especially important in the petroleum industry, since oil and gas are irreplaceable.].</p> <p>Development means those activities which take place following discovery of minerals in paying quantities, including <i>but not limited to</i> geophysical activity, drilling, platform construction, and operation of all <i>directly related</i> onshore support facilities, and which are for the purpose of ultimately producing the minerals discovered.</p> <p>Easement means an authorization to use a portion of an OCS lease block which is non-possessory and non-exclusive. [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] <i>The easement may be granted on leased or unleased blocks and the rights of the holder to use shall be specified and limited to the terms and conditions of the granting authority.</i></p> <p>Facility, as used in Sec. 250.11 concerning inspections, means any installation permanently or temporarily attached to the seabed on the OCS (that includes manmade islands, and bottom-sitting structures)[and any onshore installation] used for oil, gas, or sulphur drilling, production, or related activities. <i>It also includes facilities for product measurement and royalty verification (e.g., LACT units, gas meters) of OCS production located on installations not on the OCS.</i> Any group of OCS 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.</p> <p>Lessee means a person who has entered into a lease, [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 and the MMS-approved assignee of that lease.</p>	<p>The term conservation as proposed is too vague. Generally speaking, it is the preservation and prevention of waste of economically viable hydrocarbons, which is intended.</p> <p>Clarification</p> <p>The proposed definition is a new one. OCS tract is now an archaic term. The use of the phrase "non-possessory and non-exclusive interest" is misleading since the basic nature of easement is right-of-use as opposed to interest which appears to focus more on a possessory right.</p> <p>The word onshore must be a typo, otherwise, this new definition would improperly expand MMS's jurisdiction in the area of inspection to onshore facilities. This would allow the MMS to inspect gas plants that process OCS gas, coastal facilities that separate oil/gas/water, and other similar facilities for which the MMS does not have jurisdiction. Also the MMS does not have jurisdiction over the State Agencies that already perform these functions. The recommended change clarifies that facilities are on the OCS.</p> <p>Clarification</p>	<p>We deleted the definition since it is not defined in the OCSLA or our regulations. The OCSLA gives us the authority to issue regulations and rules in the interest of conservation. The DOI needs the broad authority to allow for flexibility in regulating the Federal offshore program (§ 250.105).</p> <p>We made the suggested changes (§ 250.105).</p> <p>We made the suggested change with respect to the term "tract." We disagree with the suggested wording changes and have not made them (§ 250.105).</p> <p>We deleted the reference to "onshore" and inserted (per comments from IADC) a reference to MODUs. We also revised the definition of facility as used in § 250.303 to clarify that "during production, multiple installations or devices are a single facility if the installations or devices are at a single site" (§ 250.105).</p> <p>We made the suggested changes and expanded the definition (§ 250.105).</p>

Section	API/OOC comments	API/OOC rationale	MMS response
	<p>[Of] Archaeological interest means <i>that it directly leads to</i> [capable of] providing scientific or humanistic understanding of past human behavior.</p> <p>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.</p> <p>Producing in paying quantities means [that] <i>a well is producing in paying quantities when it meets the criteria set out in Section 250.9</i> [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].</p> <p><i>Production Areas are those areas where flammable petroleum gas and volatile liquids are produced, processed (e.g. compressed), stored, transferred (e.g. pumped), or otherwise handled prior to entering the transportation process.</i></p> <p>Sensitive reservoir means a reservoir in which high reservoir production rates will decrease ultimate recovery. <i>For the submittal of the first MER</i> [Initially], all oil reservoirs with an associated gas cap are classified as sensitive.</p> <p>Suspension means a [granted or directed deferral of the requirement] <i>deferral granted at the request of the lessee or directed by the MMS of the requirement to produce (Suspension of Production (SOP)) or to conduct leaseholding operations (Suspension of Operations (SOO)).</i></p> <p><i>Well bay is the perimeter of the outer most wellheads.</i></p>	<p>The words "capable of" are unclear when used in the context of this definition and can be misinterpreted. The proposed words provide clarification.</p> <p>By including borehole in this definition, the proposed language is too specific. There are more cases when operating rights are assigned or transferred to a stratigraphic depth or other point, without a borehole descriptor.</p> <p>Two separate sets of tests have been specified which will lead to ambiguity. The proposed definition suggests an economic test. Section 250.9 suggests specific tests which in most cases lead to economic production. However, there is no guarantee that the two definitions will always be equal and overlap. This may lead over time to great confusion in administering minimum royalty payment and in determining lease status for possible suspension.</p> <p>Need to add clarification. Definition is from API RP 500.</p> <p>The word "initially" in this definition is ambiguous. The classification of a sensitive reservoir can be defined in the first MER and if necessary, the MMS can determine after that point if the treatment as a sensitive reservoir should continue.</p> <p>Clarification</p> <p>Clarification. Definition was from an MMS workshop in conjunction with the implementation of regulations in 1988.</p>	<p>We did not make the suggested changes except to delete the word "of" to be consistent with 30 CFR part 251. We defined the terms "Archaeological resource, Of archaeological interest, Material remains, and Significant archaeological resource" in a final rule published on 10/21/94 (59 FR 53091). The National Trust for Historic Preservation and the Office of the Department Consulting Archaeologist both commented that we define the term "archaeological resource" to be consistent with the definition provided in the implementing regulations for the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470, aa-mm, 43 CFR 7.3) (§ 250.105).</p> <p>We made the suggested changes (§ 250.105).</p> <p>We deleted this definition (§ 250.105).</p> <p>We made the suggested changes (§ 250.105).</p> <p>We made the suggested changes (§ 250.105).</p> <p>We made the suggested changes with minor modifications (§ 250.105).</p> <p>Since a perimeter is just an outer border, we modified the suggested definition to read: "Wellbay is the area on a platform within the perimeter of the outermost wellheads" (§ 250.105)</p>

Section	API/OOC comments	API/OOC rationale	MMS response
250.3	(b) <i>Prevent loss of life</i> (c) [b] Prevent <i>unreasonable</i> damage to or waste of any natural resource, property, or the environment; and. (d) [e] Cooperate and consult with affected States, local governments, other interested parties, and relevant Federal agencies.	Suggested changes include the word <i>unreasonable</i> when considering damage to natural resources, property, or environment recognizing that oil and gas developments can not avoid some minimal amount of damages. <i>Prevent losses of life</i> does not have the unreasonableness test.	We inserted "injury or" before "loss of life." We did not add the word "unreasonable" (§ 250.106).
250.5	What standards must crane operations meet? To ensure the safety of the 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.]. [(b) This paragraph applies if your facility is located in the Pacific OCS Region. You may use . * * *].	There is no technical or safety justification for requiring more stringent requirements in the Pacific Region. Varying regulatory requirements for operating areas creates confusion with no measurable value.	We agree and deleted the paragraph on the Pacific Region requirements. We also completed the section so that it is a performance-based regulation (§ 250.108).
250.6(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 <i>kept in the field</i> [available at the facility for the life of the facility (platform or drilling rig)].	It should not be necessary to keep a copy of the plan and approval letter at all facilities and drilling rigs for their life. A copy in the field, similar to the requirement for H2S Contingency Plans, should be sufficient.	We reworded the paragraph. It is important for the welder on each facility to be familiar with the plan. We changed the wording to be clear that the plan is needed at the site where welding occurs.
(b)(4)	[Drawings showing any d] Designated safe-welding areas; <i>drawings showing designated safe-welding areas shall be maintained on the facility; and</i>	Drawings of safe-welding areas of all facilities covered by the plan should not be required in the plan. A drawing showing the designated safe-welding area developed by following the procedures identified in the plan should be maintained on the facility and should not be required with the plan. This is consistent with existing regulations.	We have reworded the paragraph and have addressed the commenter's concern.
(e)	Before you weld, you must move any equipment containing hydrocarbons or other flammable substances at least 35 feet horizontally from the <i>welding area</i> [work site. * * *].	Clarification	We made the suggested changes (§ 250.113(a)).
(g)(1)	You may not begin welding until the <i>welding supervisor</i> or 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.	Including welding supervisor is consistent with 250.6(c).	We made the suggested changes (§ 250.113(c)).
(g)(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] <i>wellbay</i> . <i>You may not weld within 10 feet of a production area, unless you have shut-in</i> that production area.	Provides clarification of shut-in requirements.	We made the suggested changes (§ 250.113(c)).

Section	API/OOC comments	API/OOC rationale	MMS response
(g)(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 <i>by a positive overbalance toward the formation</i> . This does not apply to welding in an approved safe-welding area.	Clarification	We made the suggested changes and added the words "either by mechanical means or" (§ 250.113(c)(6)).
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 <i>either</i> API RP 500, Recommended Practice for Classification of Locations for Electrical Installations at Petroleum Facilities <i>Classified as Class I, Division 1 and Division 2, or API RP 505, Recommended Practice for Classification of Locations for Electrical Installations at Petroleum Facilities Classified as Class I, Zone 0, Zone 1 and Zone 2</i> . (b) You must use trained and experienced personnel to maintain your electrical systems. They must have expertise in area classification, [distribution systems,] <i>and the</i> performance characteristics and operation of electrical equipment, <i>as well as</i> [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) <i>On each engine that has electric ignition system</i> , [Y]you must use an [low tension] ignition system [on each engine that has electric ignition. You must.] <i>that is</i> designed and maintained [the ignition system] to minimize the release of electrical energy.	Recognizes the latest edition of API RP500 APIRP 505 as an alternative. Distribution systems are just one of many parts of the electrical system and do not need to be separately identified.	We are proposing a rule to incorporate by reference API RP 505, first edition. We made most of the suggested change to (b) and (d) (§ 250.114).
250.8	(b) <i>Whenever practicable</i> , y[Y]ou 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:	Adds flexibility consistent with existing regulations.	We made the suggested changes and further clarified the language (§ 250.107(c)).

Section	API/OOC comments	API/OOC rationale	MMS response
250.9	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] <i>may alternatively</i> meet the requirements of paragraph (c) of this section.	This is consistent with the present regulation found in Section 250.11(b). The intent is to provide an alternative mechanism, not to require additional requirements. If a well test is unavailable, the operator can submit data; it is not necessary to have both a well test and data. The present regulation states "In the Gulf of Mexico OCS Region, the following shall also be considered collectively as reliable evidence that a well is capable of producing oil and gas in paying quantities."	We made the suggested change of alternative determination of well producibility to apply to the GOM region. We rewrote this section for clarity with no new requirements. Another change is that the written request for determining well producibility must be submitted to the Regional Supervisor. The District Supervisor will continue to carry the function of witnessing tests (§ 250.116).
250.9(c)(1)	[The producible section must not include any interval which appears to be water saturated.]	The reason for the deletion is that all reservoir rocks are to some extent water saturated. This would disqualify all reservoir rocks.	We did not delete the sentence that ensures that several thin sands with a water contact are not grouped into a producible interval (§ 250.116(c)).
250.9(c)(1)(iii)	A minimum true resistivity ratio of the producible section to the nearest clean or water-bearing sand of at least 5:1.	This would clarify this definition which has been incorrect in the existing regulations.	We made the correction (§ 250.116(d)(1)).
250.9(c)(4)	A wireline formation test and/or mud-logging analysis which indicates that the section is capable of producing oil or gas <i>or evidence that an attempt was made to obtain such tests.</i>	This language which was left out in the rewrite is very critical and should be included. It is not unusual for wildcat/exploratory wells to have hole-problems when pay is exposed.	We did not make the suggested changes. We do not agree with the suggestion. We deleted the language in the proposed rule because the wording was very vague. We use several ways to qualify a well using standard practices. Keeping this wording would dilute the qualification process and make it a rubber stamp exercise (§ 250.116 (b)(3)).
250.11	(1) MMS conducts a scheduled on-site 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 <i>in accordance with the requirements</i> of this part.	Operating properly needs further definition to preclude differing interpretations. The current language in Subpart A clarifies that operating properly means in accordance with the requirements of this part. This current language should be maintained.	We made the suggested change. Also, in § 250.130(b), we removed the words "at least once a year" as this limits the scope of scheduling and added the words "according to the requirements." In § 250.132(a) we removed the words "at all reasonable times" as the phrase is subjective and not necessary (§ 250.130).
250.12	Delete this section	The MMS proposed language is inconsistent with the OCS Lands Act and should be deleted. If MMS plans to include this section in the final rulemaking, then it should include the criteria for determining disqualification as well as the specific procedures which includes prior notice and opportunity for a hearing.	We disagree with the opinion that the language is inconsistent with the OCSLA. We explained the disqualification process in the preamble of this rule. In response to the comment, we added the sentence "MMS will provide adequate notice and opportunity for a review by MMS officials before imposing a disqualification procedure" (§§ 250.135 and 250.136).
250.14(c)	Approval for departures. If certain aspects of your <i>operations deviate from</i> [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.	Clarification	We made the suggested changes (§ 250.142).

Section	API/OOC comments	API/OOC rationale	MMS response
250.15(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.	The existing regulation in 250.8 allows the designated operator to begin operations on the lease after the Regional Supervisor "receives" the designation of operator. The revised version contained in 250.15(a) does not allow operations to begin until after the Regional Supervisor has "received and approved" the designation. Thus, the new version appears to have imposed an additional requirement on lessees. In addition, the MMS may typically be delayed in processing these approvals and would delay changes which should take place as soon as the operators are ready.	We did not make the suggested change. With the move towards performance based regulations, we are responsible for ensuring that designated operators are acceptable (§ 250.143).
250.15(a)(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.	It is recommended that this requirement not be included in this section and be placed in the Royalty Management Program part of the MMS regulations, since the royalty payment staff of operators do not look at this 30 CFR 250 which is an operational regulation.	We made the suggested change (§ 250.146).
250.15(d)	Whenever the regulations in 30 CFR parts 250 to 282 require the lessee to meet a requirement or perform an action, <i>all persons who conduct lease activities on behalf of the lessee or operator must also comply with the regulations.</i> [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.].	As written, this section overstates the obligations of the co-lessee. Subpart (b) of the same section already makes the co-lessee responsible for fulfilling the obligation of the lessee in case of failure by the operator. The recommended language adds clarification that is consistent with the intent of the preamble.	We did not make the suggested changes as paragraphs (a), (b), and (c) are needed to clarify the various conditions when responsibility needs to be spelled out (§ 250.146).
250.16	Naming and Identifying [Platforms] Facilities and Wells (<i>does not include MODUS</i>). How do I name [platforms] facilities and wells?	The word "platform" implies a multiple legged fixed structure. With the use of caissons, spars, TLP's and FPS's a more appropriate term would be "facilities." An alternative to this recommended change would be to include an applicable definition of platform. This section should not apply to MODUs that may be considered a facility when attached to the sea floor.	We made the suggested changes. For detailed descriptions on naming and numbering wells for reporting, operators should refer to the Notice to Lessees (NTL) No. 97-2N (issued on 8/1/97) "Well Naming and Numbering Standards" and to any later revisions of this NTL. We will issue another NTL to provide more instructions for the well naming and numbering to be used for reports and digital data (§§ 250.150 through 250.153).
250.16(a)	In the Gulf of Mexico Region: (1) Assign each [platform] facility a letter designation <i>except for those types of facilities identified in paragraph (a)(3)(i) of this section.</i> For example, A, B, CA, or CB.	The word "platform" was changed to "facility" for consistency (see above rationale [sic]) for the recommended change). Furthermore, the statement "except for those type facilities identified in paragraph (a)(3)(i) of this section" was added in the recommended changes because § 250.16(a)(3)(I)[i] allows a numeric representation of single well caissons without production facilities.	We made the suggested changes (§ 250.150)

Section	API/OOC comments	API/OOC rationale	MMS response
250.16(a)(i)	After a [platform] facility is installed, rename each <i>pre-drilled</i> well that was assigned only a number and was temporarily suspended at the mudline or at the surface. [drilled through a template and was assigned a number.] Use a letter and number designation. <i>The letter used should be the same as that of the production facility and number used should correspond to the order which the well was completed, not necessarily the number assigned when it was drilled. For example, the first well completed for production on Facility A would be renamed Well A-1, the second would be Well A-2, and so on</i> [For example, rename Well No. 1: A-1, B-1, or C-1]; and.	The word "platform" was changed to "facility" for consistency (see above rationale [sic]) for the recommended change). The word "template" would only account for those wells drilled through a drilling template, when in fact, most pre-drilled wells are suspended at mudline as casing stubs, or suspended as a caisson at the surface, while awaiting platform installation. The recommend change would account for all pre-drilled wells. The wells drilled, for completion as producers, are not necessarily the first wells drilled on a lease and would have an assigned number higher than one (1). Therefore, to account for this, we recommended that the well be assigned the sequential number given in the order it was completed for production, after the facility is installed, starting with the number one (1).	We made the suggested changes (§ 250.150(a)(1)).
250.16(a)(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.] <i>facility on a block, each facility installed, and not bridge-connected to another facility, should be named using a different letter in sequential order. For example, [EC 221-A, EC 222-B, EC 223-C] EC222A, EC222B, EC222C.</i>	See comments for 250.16(a)(iii)	We made the suggested changes (§ 250.150(a)(2)).
250.16(a)(iii)	ADD: (iii) <i>When you have more than one facility on multiple blocks in a local area that are being co-developed, each facility installed, and not connected with a walkway to another facility, should be named using a different letter in sequential order with the block number corresponding to the block on which the platform is located. For example, EC 221 A, EC 222 B and EC 223 C.</i>	The proposed draft only addresses more than one facility on multiple blocks or in a field. However, the recommended change accounts for multiple facilities on a single block. We recommend that a separate paragraph be added to address this scenario. The word "field" and the word "complexes" have very broad definitions. Therefore, we recommend the language change or an accurate definition of these terms as they apply to this section be added to this subpart.	We made the suggested changes (§ 250.150(a)(3)).
250.16(a)(3)(i)	For single well caissons that are not attached to a [platform] facility with a walkway, use the well designation. For example, Well No. 1;	Clarification	We made the suggested change (§ 250.150(c)(1)).
250.16(a)(3)(ii)	For single well caissons that are attached to a [platform] facility with a walkway, use the same designation as the platform. For example, rename Well No. 10 as A-10; and	Clarification	We made the suggested change (§ 250.150(c)(2)).
250.16(a)(3)(iii)	For single well caissons with production equipment use a letter designation for the facility name and a letter plus number designation for the well. For example, the Well No. 1 caisson would be designated as Facility A, and the well would be Well [as] A-1.	The intention of this paragraph is to use the letter designation for those caissons with substantial processing equipment. Furthermore, this requirement should not only outline the requirement for well naming but also the facility name. As proposed, the caisson would be named Well A-1, not Facility A.	We made the suggested changes (§ 250.150(c)(3)).

Section	API/OOC comments	API/OOC rationale	MMS response
250.16(d)	ADDITION: <i>All facilities installed and wells drilled prior to the effective date of this revision do not need to be renamed if they do not meet the naming criteria outlined in this section.</i>	Due to the enormous administrative and economic burden that would be placed on the industry and the MMS, existing structures should be allowed to retain their current names, if they do meet the requirements outlined herein.	We made the suggested changes and added "unless required by the Regional Director" to the end of the sentence. This gives the Regional Director the discretion to require renaming in case of a well numbering problem (§ 250.153).
250.17(a)	You must identify all <i>facilities</i> [platforms, structures], artificial islands, and mobile drilling units with a sign.	Clarification	We made the suggested change (§ 250.154).
250.17(a)(2)	(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.	Weight capacity is not necessary for platform identification and would not be visible on the signs. Weight capacity is customarily noted on the top of the helipad.	We responded to this suggestion by adding the words "unless noted on the top of the helipad" after the words "and must also display the weight capacity of the helipad" (§ 250.154(a)(2)).
250.17(a)(3)(ii)	In the GOM OCS Region, list the area designation or abbreviation and the block number of the [platform] <i>facility</i> location as depicted on OCS Official Protraction Diagrams or leasing maps;	This requirement applies to both mobile drilling units and all facilities.	We made the suggested change (§ 250.154(a)(3)(ii)).
250.17(b)(2)	For wells with multiple completions, <i>downhole splitter wells, and multi-lateral wells</i> , identify each completion <i>in addition to the well name and lease number</i> individually <i>on the well flowline</i> at the wellhead; and	We recommend the inclusion of downhole splitter wells and multi-lateral wells which are unique completions identified by the MMS in NTL 97-2N. Furthermore, we believe the lease and well name need to be identified in addition to the completion code on the flowline of each completion.	We made the suggested changes (§ 250.154(c)(3)(ii)).
250.17(b)(3)	For subsea [wellheads] <i>wells which flow individually into separate pipelines</i> , affix the required sign on the <i>pipeline or surface</i> flowline that [connects to the pipeline] <i>is dedicated to that</i> subsea well at a convenient location on the receiving platform. <i>For multiple subsea wells which flow into a common pipeline or pipelines, no sign is required.</i>	The recommended change lends clarity to situations where numerous subsea wells flow into a single pipeline. Furthermore, we believe it is not practical to separately identify each subsea well flowing into a single pipeline.	We made the suggested changes (§ 250.154(b)(3)).
250.17(c)	Each identifying sign [must be visible to approaching traffic and] maintained in a legible condition.	Redundant	We deleted this section.
250.18(a)(1)(ii)	Used for conducting exploration, development, and production activities or other operations [on your lease].	Limiting the right-of-way and easement to an owned lease is too limiting. In deep water subsea projects, development may dictate that several leases flow to a single platform. Under these circumstances, the right-of-way may continue and be needed even after the platform owner has ceased production.	We made the suggested change. It is noted that the comment uses the term "right-of-way" (as in pipeline right-of-way) whereas the section referred to (§ 250.18) related to granting a "right-of-use and easement."
250.19(i)	MMS must receive the request before the lease term ends <i>unless the lease is held by operations.</i>	The way that this subsection was reworded, this existing provision was omitted. It is possible to have a lease that is about to expire held by operations (such as drilling) which automatically extends the term of the lease until that period ends.	We did not make the suggested change since a suspension would not be needed if the lease were held by operations. We further clarified the sections ("Suspensions" sections).

Section	API/OOC comments	API/OOC rationale	MMS response
250.19(j)(1)	(6) <i>When needed to comply with a Presidential decree or directive.</i>	In recent times, Presidential decrees have required cessation of activity on the West Coast, portions of Offshore Florida, and the East Coast. When the Executive Department requires this, it should be included as a cause for an MMS-directed suspension which extends the lease term.	We did not make the suggested change since a Presidential decree or directive would be implemented via a policy statement from the Director ("Suspensions" sections).
250.19(j)(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 Sec. 250.19(o)(1));]	This requirement to perform an on-site specific study should be founded on something other than the discretionary authority of the MMS to grant a suspension. The cost of on-site surveys can be quite high, often benefit the entire area as opposed to an individual lease, and MMS has demonstrated no statutory authority to impose such excess costs as a condition of exercising leaseholds rights granted under the lease.	We did not make this change. This is not a new requirement, and we are retaining this authority so that we can require a study when it is necessary ("Suspensions" sections).
250.19(l)	The Regional Supervisor may grant or direct an SOP and/or an SOO 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:	This change is necessary in order to correctly mirror current 30 CFR 250.10 which provides for not only suspension of production but a suspension of operations as well. The requirement to exercise diligence in production appears to already have been met by the requirement to have the producible well present. No criteria have been identified to determine diligence in production. Once the lease is in a producible status, by declaration of a producible well, this criteria seems to have already been met.	We did not add the words "and/or an SOO" because SOOs do not apply to this set of regulations. We deleted the phrase "you have exercised diligence in pursuing production." Since diligence is not easily defined, we place more emphasis on the lessee's commitment to production and a sound activity schedule when analyzing SOP requests ("Suspensions" sections).
250.19(l)(3)	It will allow you a reasonable amount of time to enter a sales or transportation contract for oil, gas, or sulphur. You must show that you are making a good faith effort to enter into the contract(s);	In today's gas environment, the transportation contract is as important as a sales contract; therefore the regulatory language should include both.	We did not make the change as transportation is covered ("Suspensions" sections).
250.19(o)(1)	[Conduct a site-specific study(s);].	This requirement to perform an on-site specific study should be founded on something other than the discretionary authority of the MMS to grant a suspension. The cost of on-site surveys can be quite high, often benefit the entire area as opposed to an individual lease, and MMS has demonstrated no statutory authority to impose such excess costs as a condition of exercising leaseholds rights granted under the lease.	We did not make this change. This is not a new requirement, and we are retaining this authority so that we can require a study when it is necessary ("Suspensions" sections).

Section	API/OOC comments	API/OOC rationale	MMS response
250.20	Except for requirements to report oil spills, delete all other reporting requirements and incorporate recommendations of the USCG NOSAC Incident Reporting Subcommittee established on April 22, 1998 consisting of MMS, USCG and industry personnel.	Definitions of accidents are inconsistent with those used in SEMP (NTL 98 -6N) and those required by the USCG for similar incidents. These proposed regulations in many cases duplicate reporting requirements of the United States Coast Guard. At a meeting of NOSAC (National Offshore Advisory Committee) in Washington on April 22, 1998, a Subcommittee was established to review and recommend changes to improve the process of defining and reporting incidents to the MMS and the USCG. This effort was endorsed by Carolita Kallaur, Associate Director for Offshore Minerals Management. Recommendations will be completed by October 1998. Significant administrative burden would be added to all operators if this proposed regulation was implemented. This would be the most expedient method to resolve this issue and avoid OMB and other intervention in adding this administrative burden to operators and contractors.	We deleted the accident reporting table at proposed §250.120(a). We will propose a separate rule to establish a joint MMS-USCG web-based reporting system for incidents that have to be reported to either agency. We retained the current requirement at §250.119(a) (§250.191).
250.20(a)	Industry has expressed concerns to the MMS that "fires" needs to be better defined since industry has confusion on what needs to be reported. We recommend that the MMS include a description or definition for what a fire is and what types of fires they expect to receive in the reports.	To avoid uncertainty, the rule should include the definition, especially when the MMS is planning to use fires as one of the criteria included with the disqualification procedures found in this proposed rule in Section 250.12. The preamble states that more guidance will be given in an NTL. We prefer that the language be included in a rule.	We will propose a separate rule on incident reporting (see response to previous comment). The rule will give more guidance on thresholds for fires and factors that impair safety.
	The MMS should include language that allows the Operator to submit this information marked "Confidential" and the MMS to maintain it in such a way without divulging the details that may be involved in legal action.	The MMS should respect the confidentiality and sensitivity of information marked "Confidential" as they do with other information they receive from operators.	We will propose a separate rule on incident reporting (see response to previous comment) and consider the comment in that rule-making.
250.20(a)(1)	We recommend that this subsection qualify that the operation must be related to the exercise of the easement, right-of-way, or other permit.	It would be impossible for a pipeline right-of-way owner to be aware of any accidents which might happen to occur within the pipeline right-of-way corridor which did not directly influence or impact the exercise of the right-of-way itself.	We made the suggested changes (§250.191(b)).
250.20(a)(2)	We recommend that the final rule qualify the investigative authority so that it is not exercised by both the Department of Transportation's United States Coast Guard and the Department of [the] Interior's MMS.	The cited portions of the OCS Lands Act specify that either the Secretary or the U.S. Coast Guard may institute investigations but not both. This limitation must be contained in the regulations in order for them to be lawful.	We made the suggested changes (§250.191(c)).

Section	API/OOC comments	API/OOC rationale	MMS response
250.20(a)(2)	We recommend that the striking of the provision which only allows panel members and panel experts to address questions to the person giving testimony.	This provision violates the provisions of Section 22(f) of the OCS Lands Act which requires that the production of documents and the handling of testimony and witnesses be analogous to the Federal Rules of Civil Procedure. The Federal Rules Of Civil Procedure give the party at risk for citation the opportunity to participate in questioning of witnesses in the course of any hearing.	We did not make the suggested changes. However, since commenters have objection to the proposed wording, we used the wording exactly as it is in our current regulations (§ 250.191(c)).
250.20(b)	The MMS should clarify that they want to get personnel evacuation numbers only, to avoid uncertainty. Also, the MMS should add the words "as conditions allow" immediately after (b)(2) after "11 AM" in this sentence.	The MMS should clarify what they need since the word "statistics" is not defined. In addition, the MMS needs to understand the critical nature and plans that require full operator attention for safe evacuation of personnel, ensuring the operations are safely and environmentally shut-in, housing the evacuated personnel, and ensuring the safety of office management/staff. This process must have higher priority than reporting "statistics" by 11 AM during the period of shut-in and evacuation. MMS offices are also evacuated when natural events such as hurricanes approach populated areas, so the "statistics" would probably not be accessible.	We listed evacuation statistics needs as the following: facilities and rigs evacuated and the amount of production shut-in for oil and gas. We inserted "as conditions allow" (§ 250.192).
250.21	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, <i>after making a determination of the validity</i> , MMS will investigate in accordance with its procedures.	This will prevent the MMS from being forced to investigate frivolous or baseless allegations which are apparent on their face.	We have not made the changes because MMS procedures will determine the validity (§ 250.193).

Section	API/OOC comments	API/OOC rationale	MMS response
250.23(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.	Ordinary oil and gas principles extend a lease provided a continuous exploratory drilling program is in operation. The present wording does not appear to include this fact, but instead focuses solely on production or the re-institution of production itself. A lessee could maintain a lease by a continual and diligent exploratory program through continuous drilling activity. This concept is missing in the proposed rule. In addition, the last sentence as is will cause confusion and it contradicts the remainder of Section 250.23. It is possible during drilling or well-reworking to start and stop operations within the 180-day clock, such as to get different equipment, personnel, other operations on the platform, etc. As long as the word "continuous" is there, it can be interpreted as being ongoing and not allowing for start and stops. This is unrealistic with regard to how offshore operations take place.	We deleted the word continuous from this section (§ 250.180).
250.25	When will MMS reimburse me for reproduction, <i>processing</i> , and other costs?	Since the reimbursement provision is for other areas than reproduction, it will be easier for the operator to find this section.	We made § 250.195 parallel to 30 CFR part 251. This section only refers to reimbursements for G&G data and information.
250.27(b) Table	When your lease terminates or [10] 15 years after the date you submit the data whichever is earlier. [10] 15 years after the date you submit it.	Ten years is not enough in the case of deepwater leases (deep water leases have a 10 year primary term) where an exploratory well is drilled, an SOP obtained pending development. Same as above. In addition, there could exist open acreage next to a lease that has not been fully developed since operations in deep water tend to be more complex.	We have not made the suggested change. To change the release time for these data would make releasing data and information more complicated and make it extremely difficult to track properly. Following our current regulations, we have already released deep-water data. The suggested change would not enhance our ability to get fair market value for leases (§ 250.196).
	MMS will disclose information not collected on MMS forms in accordance with the following table: if—The director determines that data and information are needed for specific scientific or research purposes for the Government MMS will release—Geophysical data, geological data, interpreted G&G information, processed and reprocessed geophysical information, analyzed geological information. At this time—Anytime Additional provisions—MMS will release data and information <i>with the review and consent of the lessee</i> only if release would further the national interest without unduly damaging the competitive position of the lessee.	Operator should have the opportunity to review the current situation and decide whether or not release of the data would jeopardize its competitive position.	We did not make this change. This change would mean that we would have to go to the lessee before we transfer proprietary data and information (paleo reports, etc.) to anyone doing work on our behalf. This is not a good idea. It limits our ability and rights to do research and detailed studies (§ 250.196).

Section	API/OOC comments	API/OOC rationale	MMS response
	[2] 10 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.	Two years is not enough in the case of deepwater leases (deep water leases have a 10 year primary term) where an exploratory well is drilled, an SOP obtained pending development. Same as above. In addition, there could exist open acreage next to a lease that has not been fully developed since operations in deep water tend to be more complex.	We have not made the suggested change. To change the release time for these data would make releasing data/information more complicated and make it extremely difficult to track properly. Following our current regulations, we have already released deep-water data. Additionally, the suggested change would not enhance our ability to get fair market value for leases (§250.196).
256.73(a)	(a) [Normally,] a 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:	The existing Section 256.73(a) clearly states the primary term of the lease will be extended if the lessee is granted an SOO or SOP pursuant to 30 CFR 250.10(a), (b)(2) through (b)(7), or (c). This very clear and concise provision has been rewritten to state that a suspension "normally" extends the term of a lease. Since the term "normally" is not defined, the net result of this change is a provision that is less specific.	We have deleted the word "normally" and rewritten the entire section for clarity.

API/OOC Comments and MMS Responses on Documents Incorporated By Reference

In addition to the comments in the preceding table, API/OOC provided numerous suggestions to update the documents incorporated by reference in proposed § 250.28. Some have already been updated; this final rule will make the recommended changes to most of the others; and we will consider the remaining few for future rulemaking.

The following is a list of the documents incorporated by reference that we updated in the table in § 250.198(e):

API MPMS, Chapter 2, Section 2B
 API MPMS, Chapter 3, Section 1B
 API MPMS, Chapter 4, Section 7
 API MPMS, Chapter 6
 API MPMS, Chapter 6, Section 6
 API MPMS, Chapter 7, Section 3
 API MPMS, Chapter 10, Section 4; also available as ANSI/ASTM D 96
 API MPMS, Chapter 11
 API MPMS, Chapter 11.1; also available as ANSI/ASTM D1250
 API MPMS, Chapter 14, Section 3, Part 1; also available as ANSI/API 2530, Part 1
 API MPMS, Chapter 14, Section 3, Part 2; also available as ANSI/API 2530, Part 2
 API MPMS, Chapter 14, Section 6
 API RP 2A
 API RP 2A, Supplement 1
 API Spec Q1
 API Standard 2545 incorporated as MPMS, Chapters 3.1A and 3.1B
 API Standard 2551
 API Standard 2552

API Standard 2555

The following is a list of documents incorporated by reference that we have already addressed through other rulemakings published on July 9, 1998 (63 FR 37066) and May 12, 1998 (63 FR 26365):

API MPMS, Chapter 14, Section 8
 API MPMS, Chapter 20
 API MPMS, Chapter 21
 API RP 14C
 API Spec 14D

We are considering, or will consider, the following for future changes in documents incorporated by reference:

API MPMS, Chapter 14, Section 1
 API RP 500 (proposed rule published 3/19/99, 64 FR 13535)
 API RP 505 (proposed rule published 3/19/99, 64 FR 13535)
 API 510 (currently under review)
 API Specification 6D, Supplement 2
 API Specification 14A, Supplement 1

Procedural Matters

Takings Implication Assessment Executive Order (E.O.) 12630

MMS certifies that this rule does not represent a governmental action capable of interference with constitutionally protected property rights.

Federalism (E.O. 13132)

According to E.O. 13132, this rule does not have Federalism implications. This rule:

- (a) Does not substantially and directly affect the relationship between the Federal and State governments;
- (b) Does not impose costs on States or localities;

- (c) Does not preempt State law.

Regulatory Planning and Review (E.O. 12866)

This document is not a significant rule and is not subject to review by the Office of Management and Budget (OMB) under E.O. 12866.

(1) This rule will not have an 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. The new or expanded requirements in the rule are designed to safeguard lives, property, and the environment. They do not impose extensive burdens. The economic effects of the rule will be minimal.

The revised regulations will allow lessees of a State lease located adjacent to the OCS to apply for a right-of-use and easement. Although MMS has always had the authority to grant rights-of-use and easements, it was inadvertently dropped from the regulations in 1979, and we are simply reinserting it specifically in the regulations. We anticipate very few situations occurring when a State lessee would need to take advantage of this provision in the regulations. Therefore, we estimate possibly one application from a State lessee annually. If a State lessee applies for a right-of-use and easement, they will be required to pay a \$2,350 application fee and \$500 in annual rental. The fee and rental are the same as those required for pipeline right-of-way grants in our current

regulations. We used this as the cost basis because of the similarity in complexity between approving current pipeline right-of-way grants and the new right-of-use and easement applications allowed under this regulation.

The total reporting and recordkeeping burdens on all entities affected are minimal (less than \$400,000 per year).

(2) This rule will not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency. The proposed rule had a new accident reporting table that raised a question of duplicative accident reporting to both MMS and USCG. We have deleted the table from the final rule. We will propose a separate rule to establish a joint MMS-USCG web-based system for reporting accidents/incidents to either agency.

(3) This rule does not alter the budgetary effects or entitlements, grants, user fees, or loan programs or the rights or obligations of their recipients. This rule will only have a minimal effect with respect to user fees. State lessees will have to pay a small fee and hold a bond for the benefit of receiving the right-of-use and easement in the OCS.

(4) This rule does not raise novel legal or policy issues. The new or expanded requirements in the rule are based on the longstanding legal authority of the OCSLA and other laws. As previously stated, the rule emphasizes MMS's commitment towards ensuring safe operations.

Civil Justice Reform (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.

National Environmental Policy Act

DOI has 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.

Paperwork Reduction Act of 1995 (PRA)

We examined the proposed and final rule under the PRA. We determined that the approved information collection requirements remain unchanged for 30 CFR part 218; 30 CFR part 250, subparts E and F; and 30 CFR part 256.

With respect to 30 CFR part 250, subpart D, the rule removes sections that contain approved collections of information and relocates them to 30 CFR part 250, subpart A. We will submit an inventory correction to OMB to update the approved 30 CFR part 250, subpart D information collection

requirements (OMB control number 1010-0053).

Because of the changes in 30 CFR part 250, subpart A, as part of the proposed rulemaking process, we submitted the information collection requirements (including form MMS-132) to OMB for approval. The final rule made very few changes in the collection of information, but we resubmitted the revisions to OMB for approval under section 3507(d) of the PRA. OMB has approved the collection of information under OMB control number 1010-0114. The title of this collection of information is "30 CFR 250, Subpart A—General." 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.

The minor differences in the information collection requirements in the proposed rulemaking from those approved for the final rule are:

- Eliminated the requirement to submit information on the use of BAST-requests would be considered under new or alternative procedures.
- Clarified the recordkeeping retention requirements for crane operator qualifications to be consistent with the standards in the document incorporated by reference for this activity.
- Eliminated the "proposed" accident reporting requirements and retained the "current" subpart A accident reporting and estimated burden.

In responding to comments, we have concluded that the procedures leading to disqualification of an operator could result in respondents submitting a performance improvement plan to avoid disqualification. Although this is part of our internal enforcement process and not specifically identified in the regulations, the ICR approved for the final rule includes the burden for this contingency.

We use the collection of information required by this rule to ensure that operations on the OCS are carried out in a manner that is safe, pollution-free, does not interfere with the rights of other users on the OCS, and balances the protection and development of OCS resources. The frequency of submission varies according to requirement but is generally "on occasion." Responses are mandatory.

We estimate there are approximately 131 respondents to this collection of information—130 Federal OCS lessees and operators and one State lessee.

Reporting and Recordkeeping "Hour" Burden: The approved annual burden of this collection of information is 7,231 reporting hours and 3,485

recordkeeping hours, for a total of 10,716 burden hours. Based on \$35 per hour, we estimate the total hour burden cost to respondents to be \$375,060.

Reporting and Recordkeeping "Non-Hour Cost" Burden: The approved paperwork non-hour cost burden remained unchanged in the final rule. We still anticipate that only one State lessee per year might apply for a right-of-use and easement. The respondent is required to pay a cost recovery application fee of \$2,350.

Regulatory Flexibility Act

The changes proposed in 30 CFR part 250, subpart A, will not have a significant economic effect on offshore lessees and operators, including those that are classified as small businesses. The Small Business Administration (SBA) defines a small business as having:

- Annual revenues of \$5 million or less for exploration service and field service companies.
- Fewer than 500 employees for drilling companies and for companies that extract oil, gas, or natural gas liquids.

The Small Business Administration's Office of Advocacy in commenting on this rule referred to Standard Industrial Classification (SIC) 1381, Drilling Oil and Gas Wells. Under this SIC code, MMS estimates that there is a total of 1,380 firms that drill oil and gas wells onshore and offshore. Of these, approximately 130 companies are offshore lessees/operators, based on current estimates. According to SBA estimates, 39 companies qualify as large firms, leaving 91 companies qualified as small firms with fewer than 500 employees.

The primary economic effect of the revised subpart A on small businesses is the cost associated with information collection activities. The rule is a plain language rewrite of 30 CFR 250, subpart A, and contains virtually all of the same reporting and recordkeeping requirements and attendant costs as the existing regulations. The changes in reporting requirements will not significantly increase the information collection hour burden on respondents—large or small. Based on the average number of lessees being 130, we estimate a combined annual burden of 10,716 hours for all entities. Using a standard average hourly cost of \$35.00 to determine the paperwork burden, the total hourly cost burden is \$375,060. This reflects an increase in the paperwork burden from the current regulation of 2,288 hours, for a cost burden increase of \$80,080 or \$616 per

entity (large or small) from the current regulation.

There is also a reporting cost burden associated with one of the new benefits to State lessees that requires a fee of \$2,350, but only if a State lessee/operator chooses to apply for a right-of-use and easement. If a State lessee applies for a right-of-use and easement, they will be required to pay a \$2,350 application fee and \$500 in annual rental. We do not anticipate more than one application for a right-of-use and easement from a State lessee annually.

Based on these calculations, this rule has no significant economic impact on the small entities.

Your 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 enforcement actions of MMS, call toll-free (888) 734-3247.

Small Business Regulatory Enforcement Fairness Act (SBREFA)

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

(a) Does not have an annual effect on the economy of \$100 million or more. The proposed rule will not cause any significant costs to lessees or operators. The primary purpose of this rule is to restructure it for better reorganization and to simplify regulatory language. The restructuring and plain language revisions will not result in any economic effects to small or large entities. The only costs will be for the purchase of the new documents incorporated by reference and minor revisions to some operating procedures. The minor revisions to operating procedures may result in some minor costs or may actually result in minor costs savings.

(b) Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions. The new costs associated with this rule are minimal. State lessees will have to pay a fee and rental to obtain the benefits of a right-of-use and easement in the Federal OCS.

(c) Does 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. The regulation will not have any adverse effects on competition or other

business/commercial aspects of the regulated industry. It contains a few new requirements that are not burdensome and that ensure that operations in the OCS remain safe and environmentally sound.

Unfunded Mandates Reform Act of 1995

DOI has determined and certifies under 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.

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, Surety bonds.

30 CFR Part 252

Continental shelf, Freedom of information, Intergovernmental relations.

30 CFR Part 253

Continental shelf, Environmental protection, Insurance, Oil and gas exploration, Oil pollution, Penalties, Pipelines, Public lands—mineral resources, Public lands—rights-of-way, Reporting and recordkeeping requirements, Surety bonds.

30 CFR Part 256

Administrative practice and procedure, 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.

30 CFR Part 282

Continental shelf, Prospecting, Public lands—mineral resources, Reporting and recordkeeping requirements, Surety bonds.

Dated: November 5, 1999.

Sylvia V. Baca,

Acting Assistant Secretary, Land and Minerals Management.

For the reasons stated in the preamble, the Minerals Management Service (MMS) amends 30 CFR parts 218, 250, 252, 253, 256 and 282 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 relieve the lessee of the obligation to pay rental or minimum royalty for or during the suspension if the Regional Supervisor:

(1) Grants a suspension of operations or production, or both, at the request of the lessee; or

(2) Directs a suspension of operations or production, or both, under 30 CFR 250.173(a).

(b) MMS will not require a lessee to pay rental or minimum royalty for or during the suspension if the Regional Supervisor directs a suspension of operations or production, or both, except as provided in (a)(2) of this section.

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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. 1331 *et seq.*

4. Subpart A is revised to read as follows:

Subpart A—General

Authority and Definition of Terms

Sec.

250.101 Authority and applicability.

250.102 What does this part do?

250.103 Where can I find more information about the requirements in this part?

250.104 How may I appeal a decision made under MMS regulations?

250.105 Definitions.

Performance Standards

- 250.106 What standards will the Director use to regulate lease operations?
- 250.107 What must I do to protect health, safety, property, and the environment?
- 250.108 What requirements must I follow for cranes and other material-handling equipment?
- 250.109 What documents must I prepare and maintain related to welding?
- 250.110 What must I include in my welding plan?
- 250.111 Who oversees operations under my welding plan?
- 250.112 What standards must my welding equipment meet?
- 250.113 What procedures must I follow when welding?
- 250.114 How must I install and operate electrical equipment?
- 250.115 How do I determine well producibility?
- 250.116 How do I determine producibility if my well is in the Gulf of Mexico?
- 250.117 How does a determination of well producibility affect royalty status?
- 250.118 Will MMS approve gas injection?
- 250.119 Will MMS approve subsurface gas storage?
- 250.120 How does injecting, storing, or treating gas affect my royalty payments?
- 250.121 What happens when the reservoir contains both original gas in place and injected gas?
- 250.122 What effect does subsurface storage have on the lease term?
- 250.123 Will MMS allow gas storage on unleased lands?
- 250.124 Will MMS approve gas injection into the cap rock containing a sulphur deposit?

Inspection of Operations

- 250.130 Why does MMS conduct inspections?
- 250.131 Will MMS notify me before conducting an inspection?
- 250.132 What must I do when MMS conducts an inspection?
- 250.133 Will MMS reimburse me for my expenses related to inspections?

Disqualification

- 250.135 What will MMS do if my operating performance is unacceptable?
- 250.136 How will MMS determine if my operating performance is unacceptable?

Special Types of Approvals

- 250.140 When will I receive an oral approval?
- 250.141 May I ever use alternate procedures or equipment?
- 250.142 How do I receive approval to use alternate procedures or equipment for departures?
- 250.143 How do I designate an operator?
- 250.144 How do I designate a new operator when a designation of operator terminates?
- 250.145 How do I designate an agent or a local agent?
- 250.146 Who is responsible for fulfilling leasehold obligations?

Naming and Identifying Facilities and Wells (Does Not Include MODUs)

- 250.150 How do I name facilities and wells in the Gulf of Mexico Region?
- 250.151 How do I name facilities in the Pacific Region?
- 250.152 How do I name facilities in the Alaska Region?
- 250.153 Do I have to rename an existing facility or well?
- 250.154 What identification signs must I display?

Right-of-Use and Easement

- 250.160 When will MMS grant me a right-of-use and easement, and what requirements must I meet?
- 250.161 What else must I submit with my application?
- 250.162 May I continue my right-of-use and easement after the termination of any lease on which it is situated?
- 250.163 If I have a State lease, will MMS grant me a right-of-use and easement?
- 250.164 If I have a State lease, what conditions apply for a right-of-use and easement?
- 250.165 If I have a State lease, what fees do I have to pay for a right-of-use and easement?
- 250.166 If I have a State lease, what surety bond must I have for a right-of-use and easement?

Suspensions

- 250.168 May operations or production be suspended?
- 250.169 What effect does suspension have on my lease?
- 250.170 How long does a suspension last?
- 250.171 How do I request a suspension?
- 250.172 When may the Regional Supervisor grant or direct an SOO or SOP?
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Subpart A—General**Authority and Definition of Terms****§ 250.101 Authority and applicability.**

The Secretary of the Interior (Secretary) authorized the Minerals Management Service (MMS) to regulate oil, gas, and sulphur exploration, development, and production operations on the outer Continental Shelf (OCS). Under the Secretary's authority, the Director requires that all operations:

(a) Be conducted according to the OCS Lands Act (OCSLA), the regulations in this part, MMS orders, the lease or right-of-way, and other applicable laws, regulations, and amendments; and

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

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

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

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

(4) Preserve and maintain free enterprise competition; and

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

§ 250.102 What does this part do?

(a) 30 CFR part 250 contains the regulations of the MMS Offshore program that govern oil, gas, and sulphur exploration, development, and production operations on the OCS. When you conduct operations on the OCS, you must submit requests, applications, and notices, or provide supplemental information for MMS approval.

(b) The following table of general references shows where to look for information about these processes.

TABLE—WHERE TO FIND INFORMATION FOR CONDUCTING OPERATIONS

For information about	Refer to
(1) Abandoning wells	§ 250.701.
(2) Applications for Permit to Drill	§ 250.414.
(3) Development and Production Plans (DPP)	§ 250.204.
(4) Downhole commingling	§ 250.1106.
(5) Exploration Plans (EP)	§ 250.203.
(6) Flaring	§ 250.1105.
(7) Gas measurement	§ 250.1203.
(8) Off-lease geological and geophysical permits	30 CFR 251.
(9) Oil spill financial responsibility coverage	30 CFR 253.
(10) Oil and gas production safety systems	§ 250.802.
(11) Oil spill response plans	30 CFR 254.
(12) Oil and gas well-completion operations	§ 250.513.
(13) Oil and gas well-workover operations	§ 250.613.
(14) Platforms and structures	§ 250.901.
(15) Pipelines	§ 250.1009.
(16) Pipeline right-of-way	§ 250.1010.
(17) Sulphur operations	§ 250.1604.
(18) Training	§ 250.1500.
(19) Unitization	§ 250.1300.

§ 250.103 Where can I find more information about the requirements in this part?

MMS may issue Notices to Lessees and Operators (NTLs) that clarify, supplement, or provide more detail about certain requirements. NTLs may also outline what you must provide as required information in your various submissions to MMS.

§ 250.104 How may I appeal a decision made under MMS regulations?

To appeal orders or decisions issued under MMS regulations in 30 CFR parts 250 to 282, follow the procedures in 30 CFR part 290.

§ 250.105 Definitions.

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

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 under the provisions of the Act, any State:

(1) The laws of which are declared, under 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 according to the proposed activity, will receive oil

for processing, refining, or transshipment that 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 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, under 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 that have been analyzed. Analysis may include, but is not limited to, identification of lithologic and fossil content, core analysis, laboratory analyses of physical and chemical properties, well logs or charts, results from formation fluid tests, and

descriptions of hydrocarbon occurrences or hazardous conditions.

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.

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 that is shown by monitored data or that 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 and safest technology (BAST) means the best available and safest technologies that the Director determines to be economically feasible wherever failure of equipment would have a significant effect on safety, health, or the environment.

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.

Coastal environment means the physical, atmospheric, and biological components, conditions, and factors that 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, under 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 producible or producing 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.

Correlative rights when used with respect to lessees of adjacent leases, 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 that have not been analyzed, processed, or interpreted.

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 that take place following discovery of minerals in paying quantities, including but not limited to geophysical activity, drilling, platform construction, and operation of all directly related onshore support facilities, and which are for the purpose of producing the minerals discovered.

Director means the Director of MMS of the U.S. Department of the Interior, or an official authorized to act on the Director's behalf.

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

Easement means an authorization for a nonpossessory, nonexclusive interest in a portion of the OCS, 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.

Eastern Gulf of Mexico means all OCS areas of the Gulf of Mexico the Director decides are adjacent to the State of Florida. The Eastern Gulf of Mexico is not the same as the Eastern Planning Area, an area established for OCS lease sales.

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

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

Existing facility, as used in § 250.303, 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, or sulphur. Activities classified as exploration include but are not limited to:

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

(2) Any drilling conducted for the purpose of searching for commercial quantities of oil, gas, and sulphur, including the drilling of any additional well needed to delineate any reservoir to enable the lessee to decide whether to proceed with development and production.

Facility means:

(1) As used in § 250.130, any installation permanently or temporarily attached to the seabed on the OCS (including manmade islands and bottom-sitting structures). It includes mobile offshore drilling units (MODUs) or other vessels engaged in drilling or

downhole operations, used for oil, gas, or sulphur drilling, production, or related activities. It also includes facilities for product measurement and royalty determination (e.g., Lease Automatic Custody Transfer units, gas meters) of OCS production on installations not on the OCS. Any group of OCS installations 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. The Regional Supervisor may decide that the complexity of the individual installations justifies their classification as separate facilities.

(2) As used in § 250.303, means any installation or device permanently or temporarily attached to the seabed. It includes mobile offshore drilling units (MODUs), even while operating in the "tender assist" mode (i.e. with skid-off drilling units) or other vessels engaged in drilling or downhole operations. They are used for exploration, development, and production activities for oil, gas, or sulphur and emit or have the potential to emit any air pollutant from one or more sources. During production, multiple installations or devices are a single facility if the installations or devices are at a single site. Any vessel used to transfer production from an offshore facility is part of the facility while it is physically attached to the facility.

(3) As used in § 250.417(b), 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 associated gas-cap of an oil reservoir.

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

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

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

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, unit, or contiguous (not cornering) leases of that lessee or operator.

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

Major Federal action means any action or proposal by the Secretary that 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 that will have a significant impact on the quality of the human environment requiring preparation of an environmental impact statement under section 102(2)(C) of the National Environmental Policy Act).

Marine environment means the physical, atmospheric, and biological components, conditions, and factors that interactively determine the

productivity, state, condition, and quality of the marine ecosystem. These include 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.

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

Maximum efficient rate (MER) means the maximum sustainable daily oil or gas withdrawal rate from a reservoir that will permit economic development and depletion of that reservoir without detriment to ultimate recovery.

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 that are authorized by an Act of Congress to be produced.

Natural resources includes, without limiting the generality thereof, oil, gas, and all other minerals, and fish, shrimp, oysters, clams, crabs, lobsters, sponges, kelp, and other marine animal and plant life but does not include water power or the use of water for the production of power.

Nonattainment area means, for any air pollutant, an area that is shown by monitored data or that 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.

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 the right to explore for, develop, and produce leased substances.

Operator means the person the lessee(s) designates as having control or management of operations on the leased area or a portion thereof. An operator may be a lessee, the MMS-approved designated agent of the lessee(s), or the

holder of operating rights under an MMS-approved operating rights assignment.

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) whose 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 (including partnerships and trusts), a State, a political subdivision of a State, or a private, public, or municipal corporation.

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

Processed geological or geophysical information means data collected under a permit or a lease that have been processed or reprocessed. 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 is the additional processing other than ordinary processing used in the general course of evaluation. Reprocessing operations may include varying identified parameters for the detailed study of a specific problem area.

Production means those activities that 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 workover operations.

Production areas are those areas where flammable petroleum gas, volatile liquids or sulphur are produced, processed (e.g., compressed), stored, transferred (e.g., pumped), or otherwise handled before entering the transportation process.

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 issued under this part to use OCS lands.

Right-of-way pipelines are those pipelines that are contained within:

(1) The boundaries of a single lease or unit, but are not owned and operated by a lessee or operator of that lease or unit;

(2) The boundaries of contiguous (not cornering) leases that do not have a common lessee or operator;

(3) The boundaries of contiguous (not cornering) leases that have a common lessee or operator but are not owned and operated by that common lessee or operator; or

(4) An unleased block(s).

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 that 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. For submitting the first MER, 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, or its successor.

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 that causes or tends to cause a reduction in the quantity of oil, gas, or sulphur ultimately recoverable under prudent and proper operations or that causes or tends to cause unnecessary or excessive surface loss or destruction of oil or gas; or

(4) The inefficient storage of oil.

Welding means all activities connected with welding, including hot tapping and burning.

Wellbay is the area on a facility within the perimeter of the outermost wellheads.

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.

Western Gulf of Mexico means all OCS areas of the Gulf of Mexico except those the Director decides are adjacent to the State of Florida. The Western Gulf of Mexico is not the same as the Western Planning Area, an area established for OCS lease sales.

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 a lessee, the owner or holder of operating rights, a designated agent of the lessee(s), a pipeline right-of-way holder, or a State lessee granted a right-of-use and easement.

Performance Standards

§ 250.106 What standards will the Director use to 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 injury or loss of life;

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

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

§ 250.107 What must I do 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 control, remove, or otherwise correct any hazardous oil and gas accumulation or other health, safety, or fire hazard.

(c) You must use the best available and safest technology (BAST) whenever practical on all exploration, development, and production operations. In general, we consider your

compliance with MMS regulations to be the use of BAST.

(d) The Director may require additional measures to ensure the use of BAST:

(1) To avoid the failure of equipment that would have a significant effect on safety, health, or the environment;

(2) If it is economically feasible; and

(3) If the benefits outweigh the costs.

§ 250.108 What requirements must I follow for cranes and other material-handling equipment?

(a) If you operate a crane installed on fixed platforms you must:

(1) Follow the American Petroleum Institute (API) Recommended Practice (RP) for Operation and Maintenance of Offshore Cranes (API RP 2D);

(2) Keep inspection, testing, and maintenance records at the OCS facility for at least 2 years; and

(3) Keep crane operator qualifications at the facility for at least 4 years.

(b) You must operate and maintain all other material-handling equipment in a manner that ensures safe operations and prevents pollution.

§ 250.109 What documents must I prepare and maintain related to welding?

(a) You must submit a Welding Plan to the District Supervisor before you begin drilling or production activities on a lease. You may not begin welding until the District Supervisor has approved your plan.

(b) You must keep the following at the site where welding occurs:

(1) A copy of the plan and its approval letter; and

(2) Drawings showing the designated safe-welding areas.

§ 250.110 What must I include in my welding plan?

You must include all of the following in the Welding Plan that you prepare under § 250.109:

(a) Standards or requirements for welders;

(b) How you will ensure that only qualified personnel weld;

(c) Practices and procedures for safe welding that address:

(1) Welding in designated safe areas;

(2) Welding in undesignated areas, including wellbay;

(3) Fire watches;

(4) Maintenance of welding equipment; and

(5) Plans showing all designated safe-welding areas.

(d) How you will prevent spark-producing activities (i.e., grinding, abrasive blasting/cutting and arc-welding) in hazardous locations.

§ 250.111 Who oversees operations under my welding plan?

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.

§ 250.112 What standards must my welding equipment meet?

Your welding equipment must meet the following requirements:

- (a) All engine-driven welding equipment must be equipped with spark arrestors and drip pans;
- (b) Welding leads must be completely insulated and in good condition;
- (c) Hoses must be leak-free and equipped with proper fittings, gauges, and regulators; and
- (d) Oxygen and fuel gas bottles must be secured in a safe place.

§ 250.113 What procedures must I follow when welding?

(a) Before you weld, you must move any equipment containing hydrocarbons or other flammable substances at least 35 feet horizontally from the welding area. You must move similar equipment 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.

(b) 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.

(c) If you cannot weld in one of the designated safe-welding areas that you listed in your safe welding plan, you must meet the following requirements:

- (1) You may not begin welding until:
 - (i) The welding supervisor or designated person in charge advises in writing that it is safe to weld.
 - (ii) You and the designated person in charge inspect the work area and areas below it for potential fire and explosion hazards.
- (2) During welding, the person in charge must designate one or more persons as a fire watch. The fire watch must:
 - (i) Have no other duties while actual welding is in progress;
 - (ii) Have usable firefighting equipment;
 - (iii) Remain on duty for 30 minutes after welding activities end; and

(iv) Maintain a continuous surveillance with a portable gas detector during the welding and burning operation if welding occurs in an area not equipped with a 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 within 10 feet of a wellbay unless you have shut in all producing wells in that wellbay.

(5) You may not weld within 10 feet of a production area, unless you have shut in that production area.

(6) You may not weld while you drill, complete, workover, or conduct wireline operations unless:

- (i) The fluids in the well (being drilled, completed, worked over, or having wireline operations conducted) are noncombustible; and
- (ii) You have precluded the entry of formation hydrocarbons into the wellbore by either mechanical means or a positive overbalance toward the formation.

§ 250.114 How must I install and operate 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 according to API RP 500, Recommended Practice for Classification of Locations for Electrical Installations at Petroleum Facilities classified as Class I, Division 1 and Division 2.

(b) Employees who maintain your electrical systems must have expertise in area classification and the performance, operation and hazards of electrical equipment.

(c) You must install all electrical systems according to 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) On each engine that has an electric ignition system, you must use an ignition system designed and maintained to reduce the release of electrical energy.

§ 250.115 How do I determine well producibility?

You must follow the procedures in this section to determine well producibility if your well is not in the GOM. If your well is in the GOM you

must follow the procedures in either this section or in § 250.116 of this subpart.

(a) You must write to the Regional Supervisor asking for permission to determine producibility.

(b) You must either:

(1) Allow the District Supervisor to witness each test that you conduct under this section; or

(2) Receive the District Supervisor's prior approval so that you can submit either test data with your affidavit or third party test data.

(c) If the well is an oil well, you must conduct a production test that lasts at least 2 hours after flow stabilizes.

(d) If the well is a gas well, you must conduct a deliverability test that lasts at least 2 hours after flow stabilizes, or a four-point back pressure test.

§ 250.116 How do I determine producibility if my well is in the Gulf of Mexico?

If your well is in the GOM, you must follow either the procedures in § 250.115 of this subpart or the procedures in this section to determine producibility.

(a) You must write to the Regional Supervisor asking for permission to determine producibility.

(b) You must provide or make available to the Regional Supervisor, as requested, the following log, core, analyses, and test criteria that MMS will consider collectively:

(1) A log showing sufficient porosity in the producible section.

(2) Sidewall cores and core analyses that show that the section is capable of producing oil or gas.

(3) Wireline formation test and/or mud-logging analyses that show that the section is capable of producing oil or gas.

(4) A resistivity or induction electric log of the well showing a minimum of 15 feet (true vertical thickness except for horizontal wells) of producible sand in one section.

(c) No section that you count as producible under paragraph (b)(4) of this section may include any interval that appears to be water saturated.

(d) Each section you count as producible under paragraph (b)(4) of this section must exhibit:

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

(2) One of the following:

(i) Electrical spontaneous potential exceeding 20-negative millivolts beyond the shale baseline; 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 baseline.

§ 250.117 How does a determination of well producibility affect royalty status?

A determination of well producibility invokes minimum royalty status on the lease as provided in 30 CFR 202.53.

§ 250.118 Will MMS approve gas injection?

The Regional Supervisor may authorize you to inject gas on the OCS, on and off-lease, to promote conservation of natural resources and to prevent waste.

(a) To receive MMS approval for injection, you must:

(1) Show that the injection will not result in undue interference with operations under existing leases; and
(2) Submit a written application to the Regional Supervisor for injection of gas.

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

(1) Enhance recovery;
(2) Prevent flaring of casinghead gas; or

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

§ 250.119 Will MMS approve subsurface gas storage?

The Regional Supervisor may authorize subsurface storage of gas on the OCS, on and off-lease, for later commercial benefit. To receive MMS approval you must:

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

(b) Sign a storage agreement that includes the required payment of a storage fee or rental.

§ 250.120 How does injecting, storing, or treating gas affect my royalty payments?

(a) If you produce gas from an OCS lease and inject it into a reservoir on the lease or unit for the purposes cited in § 250.118(b), you are not required to pay royalties until you remove or sell the gas from the reservoir.

(b) If you produce gas from an OCS lease and store it according to § 250.119, you must pay royalty before injecting it into the storage reservoir.

(c) 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.

§ 250.121 What happens when the reservoir contains both original gas in place and injected gas?

If the reservoir contains both original gas in place and injected gas, 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.

§ 250.122 What effect does subsurface storage have on the lease term?

If you use a lease area for subsurface storage of gas, it does not affect the continuance or expiration of the lease.

§ 250.123 Will MMS allow gas storage on unleased lands?

You may not store gas on unleased lands unless the Regional Supervisor approves a right-of-use and easement for that purpose, under §§ 250.160 through 250.166 of this subpart.

§ 250.124 Will MMS approve gas injection into the cap rock containing a sulphur deposit?

To receive the Regional Supervisor's approval to inject gas into the cap rock of a salt dome containing a sulphur deposit, you must show that the injection:

(a) Is necessary to recover oil and gas contained in the cap rock; and

(b) Will not significantly increase potential hazards to present or future sulphur mining operations.

Inspection of Operations

§ 250.130 Why does MMS conduct inspections?

MMS will inspect OCS facilities and any vessels engaged in drilling or other downhole operations. These include facilities under jurisdiction of other Federal agencies that we inspect by agreement. We conduct these inspections:

(a) To verify that you are conducting operations according to the Act, the regulations, the lease, right-of-way, the approved Exploration Plan or Development and Production Plans; or right-of-use and easement, and other applicable laws and regulations; and

(b) To determine whether equipment designed to prevent or ameliorate blowouts, fires, spillages, or other major accidents has been installed and is operating properly according to the requirements of this part.

§ 250.131 Will MMS notify me before conducting an inspection?

MMS conducts both scheduled and unscheduled inspections.

§ 250.132 What must I do when MMS conducts an inspection?

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

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

(2) Helicopter landing sites and refueling facilities for any helicopters we use to regulate offshore operations.

(b) You must make the following available for us to inspect:

(1) The area covered under a lease, right-of-use and 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.

§ 250.133 Will MMS reimburse me for my expenses related to inspections?

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 us your reimbursement request within 90 days of the inspection.

Disqualification

§ 250.135 What will MMS do if my operating performance is unacceptable?

If your operating performance is unacceptable, MMS may disapprove or revoke your designation as operator on a single facility or multiple facilities. We will give you adequate notice and opportunity for a review by MMS officials before imposing a disqualification.

§ 250.136 How will MMS determine if my operating performance is unacceptable?

In determining if your operating performance is unacceptable, MMS will consider, individually or collectively:

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

Special Types of Approvals

§ 250.140 When will I receive an oral approval?

When you apply for MMS approval of any activity, we normally give you a written decision. The following table shows circumstances under which we may give an oral approval.

When you	We may	And
(a) Request approval orally	Give you an oral approval.	You must then confirm the oral request by sending us a written request within 72 hours.
(b) Request approval in writing.	Give you an oral approval if quick action is needed.	We will send you a written approval afterward. It will include any conditions that we place on the oral approval.
(c) Request approval orally for gas flaring.	Give you an oral approval.	You don't have to follow up with a written request unless the Regional Supervisor requires it. When you stop the approved flaring, you must promptly send a letter summarizing the location, dates and hours, and volumes of liquid hydrocarbons produced and gas flared by the approved flaring. (See 30 CFR 250, subpart K.)

§ 250.141 May I ever use alternate procedures or equipment?

You may use alternate procedures or equipment after receiving approval as described in this section.

(a) Any alternate procedures or equipment that you propose to use must provide a level of safety and environmental protection that equals or surpasses current MMS requirements.

(b) You must receive the District or Regional Supervisor's written approval before you can use alternate procedures or equipment.

(c) To receive approval, you must either submit information or give an oral presentation to the appropriate Supervisor. Your presentation must describe the site-specific application(s), performance characteristics, and safety features of the proposed procedure or equipment.

§ 250.142 How do I receive approval to use alternate procedures or equipment for departures?

We may approve departures to the operating requirements. You may apply for a departure by writing to the Regional Supervisor.

§ 250.143 How do I designate an operator?

(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, each lessee must submit the Designation of Operator form and the Regional Supervisor must approve the designation before the designated operator may begin operations on the leasehold.

(b) 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.

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

§ 250.144 How do I designate a new operator when a designation of operator terminates?

(a) When a Designation of Operator terminates, the Regional Supervisor must approve a new designated operator before you may continue operations. Each lessee must submit a new executed Designation of Operator form.

(b) 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.

§ 250.145 How do I designate an agent or a local agent?

(a) You or your designated operator may designate for the Regional Supervisor's approval, or the Regional Director may require you to designate an agent empowered to fulfill your obligations under the Act, the lease, or the regulations in this part.

(b) You or your designated operator may designate for the Regional Supervisor's approval a local agent empowered to receive notices and submit requests, applications, notices, or supplemental information.

§ 250.146 Who is responsible for fulfilling leasehold obligations?

(a) 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 30 CFR parts 250 through 282, unless otherwise provided in these regulations.

(b) If your designated operator fails to fulfill any of your obligations under 30 CFR parts 250 through 282, the Regional Supervisor may require you or any or all of your co-lessees to fulfill those obligations or other operational obligations under the Act, the lease, or the regulations.

(c) Whenever the regulations in 30 CFR parts 250 through 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 complying with the regulation.

Naming and Identifying Facilities and Wells (Does Not Include MODUs)

§ 250.150 How do I name facilities and wells in the Gulf of Mexico Region?

(a) Assign each facility a letter designation except for those types of facilities identified in paragraph (c)(1) of this section. For example, A, B, CA, or CB.

(1) After a facility is installed, rename each predrilled well that was assigned only a number and was suspended temporarily at the mudline or at the surface. Use a letter and number designation. The letter used must be the same as that of the production facility, and the number used must correspond to the order in which the well was completed, not necessarily the number assigned when it was drilled. For example, the first well completed for production on Facility A would be renamed Well A-1, the second would be Well A-2, and so on; and

(2) When you have more than one facility on a block, each facility installed, and not bridge-connected to another facility, must be named using a different letter in sequential order. For example, EC 222A, EC 222B, EC 222C.

(3) When you have more than one facility on multiple blocks in a local area being co-developed, each facility installed and not connected with a walkway to another facility should be named using a different letter in sequential order with the block number corresponding to the block on which the platform is located. For example, EC 221A, EC 222B and EC 223C.

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

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

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

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

(3) For single well caissons with production equipment, use a letter designation for the facility name and a

letter plus number designation for the well. For example, the Well No. 1 caisson would be designated as Facility A, and the well would be Well A-1.

§ 250.151 How do I name facilities in the Pacific Region?

The operator assigns a name to the facility.

§ 250.152 How do I name facilities in the Alaska Region?

Facilities will be named and identified according to the Regional Director's directions.

§ 250.153 Do I have to rename an existing facility or well?

You do not have to rename facilities installed and wells drilled before January 27, 2000, unless the Regional Director requires it.

§ 250.154 What identification signs must I display?

(a) You must identify all facilities, artificial islands, and mobile offshore drilling units with a sign maintained in a legible condition.

(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 unless noted on the top 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 facility 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 offshore 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, downhole splitter wells, and multilateral wells, identify each completion in addition to the well name

and lease number individually on the well flowline at the wellhead; and

(3) For subsea wells that flow individually into separate pipelines, affix the required sign on the pipeline or surface flowline dedicated to that subsea well at a convenient location on the receiving platform. For multiple subsea wells that flow into a common pipeline or pipelines, no sign is required.

Right-of-use and Easement

§ 250.160 When will MMS grant me a right-of-use and easement, and what requirements must I meet?

MMS may grant you a right-of-use and easement on leased and unleased lands on the OCS, if you meet these requirements:

(a) You must need the right-of-use and easement to construct and maintain platforms, artificial islands, and installations and other devices at an OCS site other than an OCS lease you own, that are:

- (1) Permanently or temporarily attached to the seabed; and
- (2) Used for conducting exploration, development, and production activities or other operations on or off lease; or
- (3) Used for other purposes approved by MMS.

(b) You must exercise the right-of-use and easement according to the regulations of this part;

(c) You must meet the requirements at 30 CFR 256.35 (Qualification of lessees); establish a regional Company File as required by MMS; and must meet bonding requirements;

(d) 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

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

§ 250.161 What else must I submit with my application?

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

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

§ 250.162 May I continue my right-of-use and easement after the termination of any lease on which it is situated?

If your right-of-use and easement is on a lease, you may continue to exercise the right-of-use and easement 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 recognize the right-of-use and easement for the purpose that the grant specifies.

§ 250.163 If I have a State lease, will MMS grant me a right-of-use and easement?

(a) MMS may grant a lessee of a State lease located adjacent to or accessible from the OCS a right-of-use and easement on the OCS.

(b) 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 or accessible State lease and for other operations related to these activities.

§ 250.164 If I have a State lease, what conditions apply for a right-of-use and easement?

(a) A right-of-use and easement granted under the heading of "Right-of-use and easement" in this subpart is subject to MMS regulations, 30 CFR parts 250 through 282, and any terms and conditions that the Regional Director prescribes.

(b) 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.

§ 250.165 If I have a State lease, what fees do I have to pay for a right-of-use and easement?

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

- (a) A nonrefundable filing fee as specified in § 250.1010(a); and
- (b) The first year's rental as specified in § 250.1009(c)(2).

§ 250.166 If I have a State lease, what surety bond must I have for a right-of-use and easement?

(a) Before MMS issues you a right-of-use and easement on the OCS, you must furnish the Regional Director a surety bond for \$500,000.

(b) The Regional Director may require additional security from you (i.e., security above the prescribed \$500,000) to cover additional costs and liabilities

for regulatory compliance. This additional surety:

(1) Must be in the form of a supplemental bond or bonds meeting the requirements of § 256.54 (General requirements for bonds) or an increase in the coverage of an existing surety bond.

(2) 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

§ 250.168 May 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 or unit area.

(b) Depending on the nature of the suspended activity, suspensions are labeled either Suspensions of Operations (SOO) or Suspensions of Production (SOP).

§ 250.169 What effect does suspension have on my lease?

(a) A suspension may extend the term of a lease (see § 250.180(b)). The extension is equal to the length of time the suspension is in effect, except as provided in paragraph (b) of this section.

(b) 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.

§ 250.170 How long does a suspension last?

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

(b) An SOO ends automatically when the suspended operation commences.

(c) An SOP ends automatically when production begins.

(d) A Directed Suspension normally ends as specified in the letter directing the suspension.

(e) 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.

§ 250.171 How do I request a suspension?

You must submit your request for a suspension to the Regional Supervisor, and MMS must receive the request before the end of the lease term (i.e., end of primary term, end of the 180-day period following the last leaseholding operation, and end of a current suspension).

(a) The justification for the suspension including the length of suspension requested;

(b) A reasonable schedule of work leading to the commencement or restoration of the suspended activity;

(c) A statement that a well has been drilled on the lease and determined to be producible according to §§ 250.115, 250.116, or 250.1603 (SOP only); and

(d) A commitment to production (SOP only).

§ 250.172 When may the Regional Supervisor grant or direct an SOO or SOP?

The Regional Supervisor may grant or direct an SOO or SOP under any of the following circumstances:

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

(b) When activities pose a threat of serious, irreparable, or immediate harm or damage. This would include a threat 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 § 250.177(a).)

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

(d) When necessary to carry out the requirements of NEPA or to conduct an environmental analysis; or

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

§ 250.173 When may the Regional Supervisor direct an SOO or SOP?

The Regional Supervisor may direct a suspension when:

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

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

§ 250.174 When may the Regional Supervisor grant or direct an SOP?

The Regional Supervisor may grant or direct an SOP when the suspension is in the national interest, and it is

necessary because the suspension will meet one of the following criteria:

(a) It will allow you to properly develop a lease, including time to construct and install production facilities;

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

(c) It will allow you time to enter a sales contract for oil, gas, or sulphur. You must show that you are making an effort to enter into the contract(s); or

(d) It will avoid continued operations that would result in premature abandonment of a producing well(s).

§ 250.175 When may the Regional Supervisor grant an SOO?

The Regional Supervisor may grant an SOO when necessary to allow you time to begin drilling or other operations when you are prevented by reasons beyond your control, such as unexpected weather, unavoidable accidents, or drilling rig delays.

§ 250.176 Does a suspension affect my royalty payment?

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

§ 250.177 What additional requirements may the Regional Supervisor order for a suspension?

If MMS grants or directs a suspension under paragraph § 250.172(b), the Regional Supervisor may require you to:

(a) Conduct a site-specific study.

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

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

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

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

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

(6) 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; and

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

(b) Submit a revised Exploration Plan (including any required mitigating measures);

(c) Submit a revised Development and Production Plan (including any required mitigating measures); or

(d) Submit a revised Development Operations Coordination Document according to 30 CFR Part 250, subpart B.

Primary Lease Requirements, Lease Term Extensions, and Lease Cancellations

§ 250.180 What am I required to do to keep my lease term in effect?

(a) If your lease is in its primary term:

- (1) You must submit a report to the District Supervisor according to paragraphs (h) and (i) of this section whenever production begins initially, whenever production ceases during the last 180 days of the primary term, and whenever production resumes during the last 180 days of the primary term.

(2) Your lease expires at the end of its primary term unless you are conducting operations on your lease (see 30 CFR part 256). For purposes of this section, the term *operations* means, drilling, well-reworking, or production in paying quantities. The objective of the drilling or well-reworking must be to establish production in paying quantities on the lease.

(b) If you stop conducting operations during the last 180 days of your primary lease term, your lease will expire unless you either resume operations or receive an SOO or an SOP from the Regional Supervisor under §§ 250.172, 250.173, 250.174, or 250.175 before the end of the 180th day after you stop operations.

(c) If you extend your lease term under paragraph (b) of this section, you must pay rental or minimum royalty, as appropriate, for each year or part of the year during which your lease continues in force beyond the end of the primary lease term.

(d) If you stop conducting operations on a lease that has continued beyond its primary term, your lease will expire unless you resume operations or receive an SOO or an SOP from the Regional Supervisor under § 250.172, 250.173, 250.174, or 250.175 before the end of the 180th day after you stop operations.

(e) 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 it conserves resources, prevents waste, or protects correlative rights.

(f) When you begin conducting operations on a lease that has continued beyond its primary term, you must immediately notify the District

Supervisor either orally or by fax or e-mail and follow up with a written report according to paragraph (g) of this section.

(g) If your lease is continued beyond its primary term, you must submit a report to the District Supervisor under paragraphs (h) and (i) of this section whenever production begins initially, whenever production ceases, whenever production resumes before the end of the 180-day period after having ceased, or whenever drilling or well-reworking operations begin before the end of the 180-day period.

(h) The reports required by paragraphs (a) and (g) of this section must contain:

- (1) Name of lessee or operator;
- (2) The well number, lease number, area, and block;
- (3) As appropriate, the unit agreement name and number; and
- (4) A description of the operation and pertinent dates.

(i) You must submit the reports required by paragraphs (a) and (g) of this section within the following timeframes:

- (1) Initialization of production—within 5 days of initial production.
- (2) Cessation of production—within 15 days after the first full month of zero production.
- (3) Resumption of production—within 5 days of resuming production after ceasing production under paragraph (i)(2) of this section.
- (4) Drilling or well reworking operations—within 5 days of beginning and completing the leaseholding operations.

(j) For leases continued beyond the primary term, you must immediately report to the District Supervisor if operations do not begin before the end of the 180-day period.

§ 250.181 When may the Secretary cancel my lease and when am I compensated for cancellation?

If the Secretary cancels your lease under this part or under 30 CFR part 256, you are entitled to compensation under § 250.184. Section 250.185 states conditions under which you will receive *no* compensation. The Secretary may cancel a lease after notice and opportunity for a hearing when:

- (a) Continued activity on the lease would probably cause harm or damage to life (including fish and other aquatic life), property, any mineral deposits (in areas leased or not leased), or the marine, coastal, or human environment;
- (b) The threat of harm or damage will not disappear or decrease to an acceptable extent within a reasonable period of time;
- (c) The advantages of cancellation outweigh the advantages of continuing

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

§ 250.182 When may the Secretary cancel a lease at the exploration stage?

MMS may not approve an exploration plan (EP) under 30 CFR part 250, subpart B, 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, and that the proposed activity cannot be modified to avoid the condition(s). The Secretary may cancel the lease if:

- (a) The primary lease term has not expired (or if the lease term has been extended) and exploration has been prohibited for 5 years following the disapproval; or
- (b) You request cancellation at an earlier time.

§ 250.183 When may MMS or the Secretary extend or cancel a lease at the development and production stage?

(a) MMS may extend your lease if you submit a DPP and the Regional Supervisor disapproves the plan according to the regulations in 30 CFR part 250, subpart B. Following the disapproval:

- (1) MMS will allow you to hold the lease for 5 years, or less time at your request;
- (2) Any time within 5 years after the disapproval, you may reapply for approval of the same or a modified plan; and

(3) The Regional Supervisor will approve, disapprove, or require modification of the plan under 30 CFR part 250, subpart B.

(b) 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:

- (1) When the 5-year period in paragraph (a)(1) of this section expires; or
- (2) If you request cancellation at an earlier time.

§ 250.184 What is the amount of compensation for lease cancellation?

When the Secretary cancels a lease under §§ 250.181, 250.182 or 250.183 of this subpart, 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 (a) or (b) of this section:

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

(1) Anticipated revenues from the lease; and

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

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

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

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

(1) All consideration paid for the lease (plus interest from the date of payment to the date of reimbursement); and

(2) All your direct expenditures (plus interest from the date of payment to the date of reimbursement):

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

(ii) For exploration or development, or both.

(c) Compensation for leases issued before September 18, 1978, will be equal to the amount specified in paragraph (a) of this section.

§ 250.185 When is there no compensation for a lease cancellation?

You will not receive compensation from MMS for lease cancellation if:

(a) 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;

(b) You do not submit a DPP under 30 CFR part 250, subpart B or do not comply with the approved DPP;

(c) 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 30 days after MMS mails you a notice by overnight mail;

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

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

Information and Reporting Requirements

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

(a) You must submit information and reports as MMS requires.

(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 that are equal in size to MMS's forms. You must arrange the data on your form identical to the MMS form. If you generate your own form and it omits terms and conditions contained on the official MMS form, we will consider it to contain the omitted terms and conditions.

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

(b) When MMS specifies, you must include, for public information, an additional copy of such reports.

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

(2) You must include all required information, except information exempt from public disclosure under § 250.196 or otherwise exempt from public disclosure under law or regulation.

§ 250.191 What accident reports must I submit?

(a) You must notify the District Supervisor of all serious accidents, any death or serious injury, and all fires, explosions, and blowouts connected with any activities or operations on the lease. You must report all spills of oil or other liquid pollutants according to 30 CFR part 254.

(b) If you hold an easement, right-of-way, or other permit, and your operation is related to the exercise of the easement, right-of-way, or other permit, you must comply with paragraph (a) by notifying and reporting to the Regional Supervisor any accidents occurring on the area covered by the easement, right-of-way, or other permit.

(c) Any investigation that the Secretary or the U.S. Coast Guard (USCG) conducts under the authority of sections 22(d)(1) and (2) of the Act (43 U.S.C. 1348 d(1) and (2)), is a fact-finding proceeding with no civil or criminal issues and no adverse parties. The purpose of the investigation is to prepare a public report that determines the cause or causes of the accident. The investigation 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:

(1) 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.

(2) Only panel members, panel's legal advisors, and any experts the panel deems necessary may address questions to any person giving testimony.

(3) The chairperson may issue subpoenas to persons to appear and provide testimony and/or documents 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.

(4) Any person giving testimony may 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 the U.S. District Courts allow.

§ 250.192 What evacuation statistics must I submit?

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. Statistics include facilities and rigs evacuated and amount of production shut-in for gas and oil. You must:

(a) Submit the statistics by fax or e-mail as soon as possible when evacuation occurs;

(b) Submit statistics on a daily basis by 11:00 a.m., as conditions allow, during the period of shut-in and evacuation;

(c) Inform MMS when you resume production; and

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

§ 250.193 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 after making an initial determination of the validity, MMS will investigate according to MMS procedures.

§ 250.194 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. If the archaeological report suggests that an archaeological resource may be present, you must either:

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

(2) 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.

(b) 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.

(c) 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.

§ 250.195 Reimbursements for reproduction and processing costs.

(a) MMS will reimburse you for costs of reproducing data and information that the Regional Director requests if:

(1) You deliver geophysical and geological (G&G) data and information to MMS for the Regional Director to inspect or select and retain;

(2) MMS receives your request for reimbursement and the Regional Director determines that the requested reimbursement is proper; and

(3) 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 costs of processing geophysical information (that does not include cost of data acquisition):

(1) If, at the request of the Regional Director, you processed the geophysical data or information in a form or manner other than that used in the normal conduct of business; or

(2) If you collected the information under a permit that MMS issued to you before October 1, 1985, and the Regional Director requests and retains 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.

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

MMS will protect data and information you submit under this part, 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 data and information you submit on MMS forms according to the following table:

Data and information that you submit on form	In the following items	Will be released	And
(1) 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 the table in paragraph (b) of this section or when the well goes on production, whichever is earlier.
(2) 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 the table in paragraph (b) or when the well goes on production, whichever is earlier.
(3) 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 the table in paragraph (b) of this section or when the well goes on production, whichever is earlier. However, items 78 through 87 will not be released when the well goes on production unless the period of time in the table in paragraph (b) has expired
(4) MMS-126, Well Potential Test Report.	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.
(5) 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 the table in paragraph (b) of this section.
(6) MMS-128, Semiannual Well Test Report.	All entries	At any time.	

(b) MMS will disclose lease data and information that you submit, but that

are not usually submitted on MMS forms, according to the following table:

If	MMS will release	At this time	Special provisions
(1) The Director determines that data and information are needed to unitize operations on two or more leases, to determine whether a reservoir is competitive to ensure proper plans of development for competitive reservoirs, or to promote operational safety or protect the environment.	Geophysical data, Geological data, Interpreted (G&G) information, Processed G&G information, Analyzed geological information.	At any time	Data and information will be shown only to persons with an interest in the issue.

If	MMS will release	At this time	Special provisions
(2) The Director determines that data and information are needed for specific scientific or research purposes for the Government.	Geophysical data, Geological data Interpreted G&G information, Processed G&G information, Analyzed geological information.	At 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.
(3) 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, Interpreted G&G information, Processed geological information, Analyzed geological information.	60 days after MMS receives 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. The Regional Supervisor will reconsider earlier release if you satisfy him/her that it would unduly damage your competitive position.
(4) Your lease is no longer in effect	Geophysical data, Geological data, Processed G&G information Interpreted G&G information, 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. The release time applies to the geophysical data and information only if acquired postlease for a lessee's exclusive use.
(5) Your lease is still in effect	Geophysical data Processed geophysical information, Interpreted G&G information.	10 years after you submit the data and information.	This release time applies only if the provisions in this table governing high-resolution systems and the provisions in § 252.7 do not apply. This release time applies to the geophysical data and information only if acquired postlease for a lessee's exclusive use.
(6) Your lease is still in effect and within the primary term specified in the lease.	Geological data, Analyzed geological information.	2 years after the required submittal date or 60 days after a lease sale if any portion of an offered lease 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 the heading of "Suspensions" in this subpart, the extension applies to this provision.
(7) Your lease is in effect and beyond the primary term specified in the lease.	Geological data, Analyzed geological information.	2 years after the required submittal date.	None.
(8) 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.	None.
(9) 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	None.
(10) Data and information acquired by a permit under part 251 is submitted by a lessee under part 250.	Geophysical data, Processed geophysical information, Interpreted geophysical information.	Geophysical data: 50 years, Geophysical information: 25 years after you submit it.	None.

References

§ 250.198 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 according to 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) MMS may make the rule amending the document effective without prior

opportunity for public comment when MMS determines:

(i) 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; and

(ii) MMS meets the requirements for making a rule immediately effective under 5 U.S.C. 553.

(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) Under §§ 250.141 and 250.142, you may comply with a later edition of a specific document incorporated by reference, provided:

(1) You show that complying with the later edition provides a degree of protection, safety, or performance equal to or better than 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, NW, Suite 700, Washington, DC. 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, NW, Washington, DC 20005-4070.
ASTM Standards	American Society for Testing and Materials, 100 Barr Harbor Drive, West Conshohocken, PA 19428-2959.
AWS Codes	American Welding Society, 550 NW, 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. 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).	§ 250.908(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 357R-84, Guide for the Design and Construction of Fixed Offshore Concrete Structures, 1984.	§ 250.900(g); § 250.908(c)(2), (c)(3).
AISC Standard Specification for Structural Steel Buildings, Allowable Stress Design and Plastic Design, June 1, 1989, with Commentary.	§ 250.907(b)(1)(ii), (c)(4)(ii), (c)(4)(vii).
ANSI/ASME Boiler and Pressure Vessel Code, Section I, Power Boilers, including Appendices, 1995 Edition.	§ 250.803(b)(1), (b)(1)(i); § 250.1629(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.	§ 250.803(b)(1), (b)(1)(i); § 250.1629(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.	§ 250.803(b)(1), (b)(1)(i); § 250.1629(b)(1), (b)(1)(i).
ANSI/ASME B 16.5-1988 (including Errata) and B 16.5a-1992 Addenda, Pipe Flanges and Flanged Fittings.	§ 250.1002(b)(2).
ANSI/ASME B 31.8-1995, Gas Transmission and Distribution Piping Systems	§ 250.1002(a).
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.	§ 250.806(a)(2)(i).
ANSI Z88.2-1992, American National Standard for Respiratory Protection	§ 250.417(g)(4)(iv), (j)(13)(ii).
API MPMS, Chapter 1, Vocabulary, Second Edition, July 1994, API Stock No., H01002.	§ 250.1201.
API 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.	§ 250.1202(1)(4).
API MPMS, Chapter 2, Section 2B, Calibration of Upright Cylindrical Tanks Using the Optical Reference Line Method, First Edition, March 1989, reaffirmed May 1997, API Stock No. H30023.	§ 250.1202(1)(4).
API 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.	§ 250.1202(1)(4).
API MPMS, Chapter 3, Section 1B, Standard Practice for Level Measurement of Liquid Hydrocarbons in Stationary Tanks by Automatic Tank Gauging, First Edition, April 1992, reaffirmed January 1997, API Stock No. H30060.	§ 250.1202(1)(4).
API MPMS, Chapter 4, Proving Systems, Section 1, Introduction, First Edition, July 1988, reaffirmed October 1993, API Stock No. H30081.	§ 250.1202(a)(3), (f)(1).
API MPMS, Chapter 4, Section 2, Conventional Pipe Provers, First Edition, October 1988, reaffirmed October 1993, API Stock No. H30082.	§ 250.1202(a)(3), (f)(1).
API MPMS, Chapter 4, Section 3, Small Volume Provers, First Edition, July 1988, reaffirmed October 1993, API Stock No. H30083.	§ 250.1202(a)(3), (f)(1).
API MPMS, Chapter 4, Section 4, Tank Provers, First Edition, October 1988, reaffirmed October 1993, API Stock No. H30084.	§ 250.1202(a)(3), (f)(1).
API MPMS, Chapter 4, Section 5, Master-Meter Provers, First Edition, October 1988, reaffirmed October 1993, API Stock No. H30085.	§ 250.1202(a)(3), (f)(1).
API MPMS, Chapter 4, Section 6, Pulse Interpolation, First Edition, July 1988, reaffirmed October 1993, API Stock No. H30086.	§ 250.1202(a)(3), (f)(1).
API MPMS, Chapter 4, Section 7, Field-Standard Test Measures, First Edition, October 1988, reaffirmed March 1993, API Stock No. H30087.	§ 250.1202(a)(3), (f)(1).

Title of documents	Incorporated by reference at
API MPMS, Chapter 5, Metering, Section 1, General Considerations for Measurement by Meters, Third Edition, September 1995, API Stock No. H05013.	§ 250.1202(a)(3).
API MPMS, Chapter 5, Section 2, Measurement of Liquid Hydrocarbons by Displacement Meters, Second Edition, November 1987, reaffirmed October 1992, API Stock No. H30102.	§ 250.1202(a)(3).
API MPMS, Chapter 5, Section 3, Measurement of Liquid Hydrocarbons by Turbine Meters, Third Edition, September 1995, API Stock No. H05033.	§ 250.1202(a)(3).
API MPMS, Chapter 5, Section 4, Accessory Equipment for Liquid Meters, Third Edition, September 1995, with Errata, March 1996, API Stock No. H05043.	§ 250.1202(a)(3).
API 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.	§ 250.1202(a)(3).
API MPMS, Chapter 6, Metering Assemblies, Section 1, Lease Automatic Custody Transfer (LACT) Systems, Second Edition, May 1991, reaffirmed July 1996, API Stock No. H30121.	§ 250.1202(a)(3).
API MPMS, Chapter 6, Section 6, Pipeline Metering Systems, Second Edition, May 1991, reaffirmed July 1996, API Stock No. H30126.	§ 250.1202(a)(3).
API MPMS, Chapter 6, Section 7, Metering Viscous Hydrocarbons, Second Edition, May 1991, API Stock No. H30127.	§ 250.1202(a)(3).
API MPMS, Chapter 7, Temperature Determination, Section 2, Dynamic Temperature Determination, Second Edition, March 1995, API Stock No. H07022.	§ 250.1202(a)(3), (l)(4).
API MPMS, Chapter 7, Section 3, Static Temperature Determination Using Portable Electronic Thermometers, First Edition, July 1985, reaffirmed May 1996, API Stock No. H30143.	§ 250.1202(a)(3), (l)(4).
API 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.	§ 250.1202(b)(4)(i), (l)(4).
API 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.	§ 250.1202(a)(3), (l)(4).
API 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.	§ 250.1202(a)(3), (l)(4).
API 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.	§ 250.1202(a)(3), (l)(4).
API 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.	§ 250.1202(a)(3), (l)(4).
API 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.	§ 250.1202(a)(3), (l)(4).
API 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.	§ 250.1202(a)(3), (l)(4).
API MPMS, Chapter 10, Section 4, Determination of Sediment and Water in Crude Oil by the Centrifuge Method (Field Procedure), Second Edition, May 1988, reaffirmed May 1998; also available as ANSI/ASTM D 96, API Stock No. H30204.	§ 250.1202(a)(3), (l)(4).
API 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 March 1997; also available as ANSI/ASTM D 1250, API Stock No. H27000.	§ 250.1202(a)(3), (g)(3), (l)(4).
API 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.	§ 250.1202(a)(3), (g)(4).
API 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.	§ 250.1202(a)(3), (g)(4).
API 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, reaffirmed March 1997; also available as GPA TP–15, API Stock No. H27308.	§ 250.1202(a)(3).
API MPMS, Chapter 11.2.3, Water Calibration of Volumetric Provers, First Edition, August 1984, reaffirmed, May 1996, API Stock No. H27310.	§ 250.1202(f)(1).
API 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.	§ 250.1202(a)(3), (g)(1), (g)(2).
API 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, reaffirmed August 1995; also available as ANSI/API 2530, Part 1, 1991, API Stock No. H30350.	§ 250.1203(b)(2).
API MPMS, Chapter 14, Section 3, Part 2, Specification and Installation Requirements, Third Edition, February 1991, reaffirmed May 1996; also available as ANSI/API 2530, Part 2, 1991, reaffirmed May 1996; API Stock No. H30351.	§ 250.1203(b)(2)).
API 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.	§ 250.1203(b)(2).
API 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 24.5–1981, order from Gas Processors Association, 6526 East 60th Street, Tulsa, Oklahoma 74145. § 250.1203(b)(2). API MPMS, Chapter 14, Section 6, Continuous Density Measurement, Second Edition, April 1991, reaffirmed May 1998, API Stock No. H30346.	§ 250.1203(b)(2).

Title of documents	Incorporated by reference at
API MPMS, Chapter 14, Section 8, Liquefied Petroleum Gas Measurement, Second Edition, July 1997; reaffirmed May 1996, API Stock No. H14082.	§ 250.1203(b)(2).
API MPMS, Chapter 20, Section 1, Allocation Measurement, First Edition, September 1993, API Stock No. H30730.	§ 250.1202(k)(1).
API MPMS, Chapter 21, Section 1, Electronic Gas Measurement, First Edition, September 1993, API Stock No. H30730.	§ 250.1203(b)(4).
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.	§ 250.900(g); § 250.912(a).
API RP 2A-WSD, Recommended Practice for Planning, Designing and Constructing Fixed Offshore Platforms-Working Stress Design; Twentieth Edition, July 1, 1993, API Stock No. G00200.	§ 250.900(g); § 250.912(a).
API RP 2A-WSD, Recommended Practice for Planning, Designing and Constructing Fixed Offshore Platforms-Working Stress Design; Twentieth Edition, July 1, 1993, Supplement 1, December 1996, Effective Date, February 1, 1997, API Stock No. G00205.	§ 250.900(g); § 250.912(a).
API RP 2D, Recommended Practice for Operation and Maintenance of Offshore Cranes, Third Edition, June 1, 1995, API Stock No. G02D03.	§ 250.120(c); § 250.1605(g).
API RP 14B, Recommended Practice for Design, Installation, Repair and Operation of Subsurface Safety Valve Systems, Fourth Edition, July 1, 1994, with Errata dated June 1996, API Stock No. G14B04.	§ 250.801(e)(4); § 250.804(a)(1)(i).
API RP 14C, Recommended Practice for Analysis, Design, Installation and Testing of Basic Surface Safety Systems for Offshore Production Platforms, Sixth Edition, March 1998, API Stock No. G14C06.	§ 250.802(b), (e)(2); § 250.803(a), (b)(2)(i), (b)(4), (b)(5)(i), (b)(7), (b)(9)(v), (c)(2); § 250.804(a), (a)(5); § 250.1002(d); § 250.1004(b)(9); § 250.1628(c), (d)(2); § 250.1629(b)(2), (b)(4)(v); § 250.1630(a).
API RP 14E, Recommended Practice for Design and Installation of Offshore Production Platform Piping Systems, Fifth Edition, October 1, 1991, API Stock No. G07185.	§ 250.802(e)(3); § 250.1628(b)(2), (d)(3).
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.	§ 250.114(c); § 250.803(b)(9)(v); § 250.1629(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.	§ 250.803(b)(8), (b)(9)(v); § 250.1629(b)(3), (b)(4)(v).
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.	§ 250.802(d).
API RP 500, Recommended Practice for Classification of Locations for Electrical Installations at Petroleum Facilities, First Edition, June 1, 1991, API Stock No. G06005.	§ 250.114(a); § 250.802(e)(4)(i); § 250.803(b)(9)(i); § 250.1628(b)(3); (d)(4)(i); § 250.1629(b)(4)(i).
API RP 2556, Recommended Practice for Correcting Gauge Tables for Incrustation, Second Edition, August 1993, API Stock No. H25560; also available under the umbrella of the MPMS.	§ 250.1202(l)(4).
API Spec Q1, Specification for Quality Programs, Fifth Edition, December 1994, API Stock No. GQ1005	§ 250.806(a)(2)(ii).
API Spec 6A, Specification for Wellhead and Christmas Tree Equipment, Seventeenth Edition, February 1, 1996, API Stock No. G06A17.	§ 250.806(a)(3); § 250.1002 (b)(1), (b)(2).
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..	§ 250.806(a)(3).
API Spec 6D, Specification for Pipeline Valves (Gate, Plug, Ball, and Check Valves), Twenty-first Edition, March 31, 1994, API Stock No. G03200.	§ 250.1002(b)(1).
API Spec 14A, Specification for Subsurface Safety Valve Equipment, Ninth Edition, July 1, 1994, API Stock No. G14A09.	§ 250.806(a)(3).
API Standard 2551, Standard Method for Measurement and Calibration of Horizontal Tanks, First Edition, 1965, reaffirmed January 1997; API Stock No. H25510; also available under the umbrella of the MPMS.	§ 250.1202(l)(4).
API Standard 2552, Measurement and Calibration of Spheres and Spheroids, First Edition, 1966, reaffirmed January 1997, API Stock No. H25520; also available under the umbrella of the MPMS.	§ 250.1202(l)(4).
API Standard 2555, Method for Liquid Calibration of Tanks, September 1966, reaffirmed January 1997, API Stock No. H25550; also available under the umbrella of the MPMS.	§ 250.1202(l)(4).
ASTM Standard C33-93, Standard Specification for Concrete Aggregates including Nonmandatory Appendix.	§ 250.908(b)(4)(i)
ASTM Standard C94-96, Standard Specification for Ready-Mixed Concrete	§ 250.908(e)(2)(i).
ASTM Standard C150-95a, Standard Specification for Portland Cement	§ 250.908(b)(2)(i).
ASTM Standard C330-89, Standard Specification for Lightweight Aggregates for Structural Concrete	§ 250.908(b)(4)(i).
ASTM Standard C595-94, Standard Specification for Blended Hydraulic Cements	§ 250.908(b)(2)(i).
AWS D1.1-96, Structural Welding Code—Steel, 1996, including Commentary	§ 250.907(b)(1)(i)
AWS D1.4-79, Structural Welding Code—Reinforcing Steel, 1979	§ 250.908(e)(3)(ii)
NACE Standard MR.01-75-96, Sulfide Stress Cracking Resistant Metallic Materials for Oil Field Equipment, January 1996.	§ 250.417(p)(2)
NACE Standard RP 01-76-94, Standard Recommended Practice, Corrosion Control of Steel Fixed Offshore Platforms Associated with Petroleum Production.	§ 250.907(d).

§ 250.199 Paperwork Reduction Act statements—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 is mandated under the Act (43 U.S.C. 1331 *et seq.*) and the Act's Amendments of 1978 (43 U.S.C. 1801 *et seq.*). Some responses are also required to obtain or retain a benefit or may be voluntary. Proprietary information will be protected under § 250.196, Data and information to be made available to the

public; parts 251 and 252; 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, NW, Washington, DC 20240.

(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
(1) Subpart A, General (1010-0114)	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. To support the unproved and proved reserve estimation, resource assessment, and fair market value determinations.
(2) 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.
(3) 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.
(4) 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.
(5) 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.
(6) 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.
(7) 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.
(8) 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.
(9) Subpart I, Platforms and Structures (1010-0058)	To provide 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.
(10) 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.
(11) Subpart K, Oil and Gas Production Rates (1010-0041)	To inform MMS of production rates for hydrocarbons produced on the OCS. To ensure economic maximization of ultimate hydrocarbon recovery.
(12) 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.
(13) 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.
(14) Subpart N, Remedies and Penalties (1010-0121)	The requirements in subpart N are exempt from the Paperwork Reduction Act of 1995 according to 5 CFR 1320.4.
(15) 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.

30 CFR 250 subpart/title (OMB control No.)	Reasons for collecting information and how used
(16) 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.
(17) Forms MMS-123, Application for Permit to Drill, and MMS-123S, Supplemental APD Information Sheet, Subparts D, E, P (1010-0044 and 1010-0131).	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.
(18) Form MMS-124, Sundry Notices & Reports on Wells, Subparts 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.
(19) Form MMS-125, Well Summary Report, Subparts 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.
(20) Form MMS-126, Well Potential Test Report, 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.
(21) 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.
(22) Form MMS-128, Semiannual 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.
(23) Form MMS-131, Performance Measures Data (Voluntary) (1010-0112).	To collect data related to a set of performance measures. To evaluate the effectiveness of industry's continued improvement of safety and environmental management in the OCS.
(24) Form MMS-132, Evacuation Statistics (used in the GOM Region), Subpart A (1010-0114).	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 USCG of rescue needs, and to alert the news media and interested public entities when production is shut in and when resumed.
(25) Form MMS-133, Weekly Activity Report (used in the GOM Region), Subpart D (1010-0132).	To inform MMS of well status, well and casing tests, and well casing configuration data. To have accurate data and information on the wells under MMS jurisdiction to ensure compliance with approved plans.

5. In § 250.203(m), the citation "250.112" is revised to read "250.182".

6. In § 250.204(p) and (r), the citation "250.112" is revised to read "250.183".

7. In § 250.304(e)(2), the citation "250.110" is revised to read "250.174".

8. Sections 250.402, 250.403, 250.507, 250.508, 250.607, and 250.608 are removed and reserved.

9. In § 250.414(a), the citation "250.106(a)" is revised to read "250.140" and in § 250.414(g), the citation "250.117" is revised to read "250.190".

10. In § 250.415(d), the citation "250.117" is revised to read "250.190".

11. In § 250.416(b), the citation "250.110" is revised to read "250.170".

12. In § 250.513(d), the citation "250.117" is revised to read "250.190".

13. In § 250.1102(a) (9), (b)(8), and (b)(9), the citation "250.117" is revised to read "250.190".

14. In the introductory text of § 250.1201, the citation "250.101" is revised to read "250.198".

15. In § 250.1202(a)(3), (b)(4)(i), the introductory text of (g), (k)(1), (l)(4), the citation "250.101" is revised to read "250.198".

16. In § 250.1203(b)(2) and (b)(4), the citation "250.101" is revised to read "250.198".

17. In § 250.1301(d), (g)(1), (g)(2)(ii), the citation "250.110" is revised to read "250.170" and the citation "250.113" in (d) and (g)(1) is revised to read "250.180".

18. In § 250.1507, in the table, the second column for the entry "Welding and burning" is revised to "A".

19. In § 250.1617(a), the citation "250.106(a)" is revised to read "250.140" and in paragraph (d), the citation "250.117" is revised to read "250.190".

20. In § 250.1618(a), the citation "250.106(a)" is revised to read "250.140".

21. In § 250.1619(b), the citation "250.110" is revised to read "250.170".

22. In § 250.1629(a), the citation "250.291" is revised to read "250.1628".

PART 252—OUTER CONTINENTAL SHELF (OCS) OIL AND GAS INFORMATION PROGRAM

23. The authority citation continues to read as follows:

Authority: OCS Lands Act, 43 U.S.C. 1331 *et seq.*, as amended, 92 Stat. 629; Freedom of Information Act, 5 U.S.C. 552.

24. In § 252.7(a)(2)(i) and (ii), the citation "250.4" is revised to read "250.106".

PART 253—OIL SPILL FINANCIAL RESPONSIBILITY FOR OFFSHORE FACILITIES

25. The authority citation continues to read as follows:

Authority: 33 U.S.C. 2701 *et seq.*

26. In § 253.11(b)(2), the citation "250.108" is revised to read "250.143".

27. In § 253.51(d), the citation "250.110" is revised to read "250.170".

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

28. 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.

29. 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

30. 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.

31. Section 256.35 is amended by adding paragraph (c) as follows:

256.35 Qualifications 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 250.135.

32–33. In § 256.70, the citation “250.113” is revised to read “250.180”.

34. Section 256.73 is revised to read as follows:

§ 256.73 Effect of suspensions on lease term.

(a) A suspension may extend the term of a lease (see 30 CFR 250.171) with the extension being the length of time the suspension is in effect except as provided in paragraph (b) of this section.

(b) A Directed Suspension does 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.

(c) MMS may issue suspensions for a period of up to 5 years per suspension. 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 the section under the heading “Suspensions” in 30 CFR part 250, subpart A.

35. In § 256.77(d)(3), the citation “250.112” is revised to read “250.182”.

PART 282—OPERATIONS IN THE OUTER CONTINENTAL SHELF FOR MINERALS OTHER THAN OIL, GAS, AND SULPHUR

36. The authority citation for part 282 continues to read as follows:

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

37. In § 282.28(a), the citation “250.126” is revised to read “250.194”.

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