

Small Business Regulatory Enforcement Fairness Act of 1996

This rule is not a major rule as defined by section 251 of the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), 5 U.S.C. 804. This rule will not result in an annual effect on the economy of \$100 million or more; a major increase in costs or prices; or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based companies to compete with foreign-based companies in domestic and export markets.

List of Subjects in 28 CFR Part 511

Prisoners.

Harley G. Lappin,

Director, Bureau of Prisons.

Under rulemaking authority vested in the Attorney General in 5 U.S.C. 301; 28 U.S.C. 509, 510 and delegated to the Director, Bureau of Prisons in 28 CFR 0.96, we propose to amend 28 CFR part 511 as follows.

SUBCHAPTER A—GENERAL MANAGEMENT AND ADMINISTRATION

PART 511—GENERAL MANAGEMENT POLICY

1. Revise the authority citation for 28 CFR part 511 to read as follows:

Authority: 5 U.S.C. 301; 18 U.S.C. 751, 752, 1791, 1792, 1793, 3050, 3621, 3622, 3624, 4001, 4012, 4042, 4081, 4082 (Repealed as to offenses committed on or after November 1, 1987), 5006–5024 (Repealed October 12, 1984 as to offenses committed after that date), 5039; 28 U.S.C. 509, 510; Pub. L. 772, 80th Cong.; 18 U.S.C. 1791 and 4042; Pub. L. 108–277 (18 U.S.C. 926B); 28 CFR part 6.

2. Subpart A is added to read as follows:

Subpart A—Personal Firearms

Sec.

511.1 Possession or introduction of personal firearms prohibited on the grounds of Bureau of Prisons facilities.

§ 511.1 Possession or introduction of personal firearms prohibited on the grounds of Bureau of Prisons facilities.

All persons are prohibited from possessing or introducing personal firearms, or attempting, aiding, or abetting possession or introduction of personal firearms, on the grounds of any Bureau of Prisons (Bureau) facility, with the following exceptions:

(a) Personal firearms are permitted as required in the performance of official law enforcement duties;

(b) Law enforcement personnel are permitted to possess personal firearms

on Bureau firing ranges as authorized by the Warden, provided that continuous personal possession and control of the firearm is maintained; and

(c) An officer or employee of the Bureau who resides on Bureau grounds may store personal firearms in secure locations designated by the Warden. Residences must not be designated as secure location sites for personal firearms storage.

[FR Doc. E6–10601 Filed 7–6–06; 8:45 am]

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DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Parts 206, 210, 216, and 218

RIN 1010–AD20

Reporting Amendments

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Proposed rule.

SUMMARY: The MMS is proposing to amend its existing regulations for reporting production and royalties on oil, gas, coal, and geothermal resources produced on Federal and Indian leases in order to align the regulations with current MMS business practices. These amendments reflect changes that were implemented as a result of a major reengineering of MMS's financial system and other legal requirements.

DATES: Comments must be submitted on or before September 5, 2006.

ADDRESSES: Address your comments, suggestions, or objections regarding the proposed rule to:

By Federal eRulemaking Portal.

Follow the instructions on the Web site at <http://www.regulations.gov>.

By e-mail. mrm.comments@mms.gov. Please include “Attn: RIN 1010–AD20” and your name and return address in your Internet message. If you do not receive a confirmation that we have received your Internet message, call the contact person listed below.

By regular U.S. mail. Minerals Management Service, Minerals Revenue Management, P.O. Box 25165, MS 302B2, Denver, Colorado 80225.

By overnight mail or courier. Minerals Management Service, Minerals Revenue Management, Building 85, Room A–614, Denver Federal Center, West 6th Ave. and Kipling Blvd., Denver, Colorado 80225.

FOR FURTHER INFORMATION CONTACT:

Sharron L. Gebhardt, Lead Regulatory Specialist, Minerals Management

Service, Minerals Revenue Management, P.O. Box 25165, MS 302B2, Denver, Colorado 80225; telephone: (303) 231–3211; fax: (303) 231–3781; e-mail: Sharron.Gebhardt@mms.gov. The principal authors of this rule are Lorraine Corona, Louise Williams, Richard Adamski, and Paul Knueven of Minerals Revenue Management, MMS, Department of the Interior.

SUPPLEMENTARY INFORMATION:

I. Introduction

The MMS implemented integrated reengineered systems on November 1, 2001. This process included a major reengineering of the Minerals Revenue Management (MRM) financial system. The new systems are the core systems support for MMS's implementation of new royalty management business processes for the 21st century. The new systems were developed around new business processes and have been reengineered to be more effective and efficient. The reengineering, as well as changes required by law, resulted in changes to, or elimination of, some forms and requirements. The MMS is proposing to eliminate references in the regulations to forms that are no longer used; however, elimination of these forms by reengineering did not eliminate the requirements for record retention and making the records available to support the payment of royalties, as stated in 30 CFR part 212, Records and Files Maintenance.

The MMS is proposing to amend its regulations to align the regulations with the following changes that were required as a result of reengineering: (1) Aligning the regulations with the updated Form MMS–2014, Report of Sales and Royalty Remittance (approved by the Office of Management and Budget (OMB)); (2) eliminating references in the regulations to report forms, designations, systems, and codes that are no longer applicable; (3) updating references to OMB-approved information collections; (4) revising the due date for production reports submitted electronically; (5) clarifying the requirement for production reporting of inventory on leases and agreements until all production has ceased and all inventory has been disposed of; (6) eliminating references to Federal oil and gas late and incorrect (erroneous) reporting assessments and failure to report; (7) eliminating references to some electronic reporting options that no longer exist as a result of reengineering; and (8) clarifying the reporting requirement for taxpayer identification numbers.

II. Explanation of Proposed Rule Amendments

The proposed rule would affect four CFR parts: (1) 30 CFR Part 206—Product Valuation; (2) Part 210—Forms and Reports; (3) Part 216—Production Accounting; and (4) Part 218—Collection of Royalties, Rentals, Bonuses and Other Monies Due the Federal Government. The proposed changes to the regulations would align the regulations with current MMS business practices. These proposed changes to the regulations are explained in depth in the following sections:

A. 30 CFR Part 206—Product Valuation

The proposed changes in part 206 would align the regulations with current reporting requirements for Form MMS–2014, Report of Sales and Royalty Remittance (OMB Control Number 1010–0140).

1. *Selling Arrangement v. Sales Type Code*. Before October 1, 2001, MMS required payors to report at the selling arrangement level on Form MMS–2014, which entailed reporting one line for each sale under each type of contract. Effective October 1, 2001, the revised

Form MMS–2014 allows payors to roll up all sales (including rolling up pooling situations) under a contract type—referred to as a “sales type code” to one line per lease. To incorporate this change in our regulations, we propose to remove references to and definition of “selling arrangement” wherever it occurs and add a definition of “sales type code” as follows:

Sales type code means the contract type and/or general disposition (arm’s-length or non-arm’s-length) of the production from Federal and Indian oil, gas, and geothermal leases. The sales type code applies to the sales contract/disposition and not to the arm’s-length/non-arm’s-length nature of the transportation or processing allowance.

2. *Transportation and Processing Allowance Deductions*. Other reengineering changes to Form MMS–2014 allow payors to report transportation and processing allowance deductions on the same line as volumes and values. Prior to 2001, allowances were reported on separate lines from volumes and values. Allowances are now reported in a separate column but on the same line as the associated volumes and values. Consequently, in

our regulations pertaining to transportation and processing allowances, we propose to remove all references to previous requirements to report an allowance on a separate line on Form MMS–2014. We propose to change the text to read a separate “entry” rather than “line.” The MMS discussed the benefit of this change in an information collection request (ICR) to OMB that was approved August 2000, and renewed October 2003, under OMB Control Number 1010–0140.

B. 30 CFR Part 210—Forms and Reports

We are proposing to revise part 210, subparts A, B, C, D, and E; and eliminate subparts F, G, H, and I in order to align the regulations with reengineered MMS business practices.

1. 30 CFR Part 210, Subpart A—General Provisions

Subpart A would provide an updated comprehensive list of ICRs currently approved by OMB. We propose to include the following chart, listing the OMB control number, legal basis, and associated forms or information collected.

OMB control No.	Legal basis	Form or information collected
1010–0073	30 CFR Part 220—Accounting Procedures for Determining Net Profit Share Payment for Outer Continental Shelf Oil and Gas Leases.	No form, Net profit share payment information.
1010–0087	30 CFR Part 227—Delegation to States, and Part 228—Cooperative Activities with States and Indian Tribes.	No form, Written delegation proposal to perform auditing and investigative activities. No form, Request for cooperative agreement and subsequent requirements.
1010–0090	30 CFR Part 216—Production Accounting, Subpart B—Oil and Gas, General.	Form MMS–4377, Stripper Royalty Rate Reduction Notification.
1010–0103	30 CFR Part 202—Royalties, Subpart J—Gas Production From Indian Leases, and Part 206—Product Valuation, Subpart B—Indian Oil, and Subpart E—Indian Gas.	Form MMS–4109, Gas Processing Allowance Summary Report. Form MMS–4295, Gas Transportation Allowance Report. Form MMS–4110, Oil Transportation Allowance Report. Form MMS–4411, Safety Net Report. Form MMS–4410, Accounting for Comparison [Dual Accounting]. Form MMS–4393, Request to Exceed Regulatory Allowance Limitation (Note: Form MMS–4393 is used for both Federal and Indian oil and gas leases. Burden hours are applied to both 1010–0103 and 1010–0136; however, the form resides with ICR 1010–0136.).
1010–0107	30 CFR Part 218—Collection of royalties, rentals, bonuses and other monies due the Federal Government, Subpart A—General Provisions, and Subpart B—Oil and Gas, General.	Form MMS–4425, Designation Form for Royalty Payment Responsibility. No form, Cross-lease netting documentation. No form, Indian over-recoupment approval.
1010–0110	Executive Order 12862—Setting Customer Service Standards.	Form MMS–4420A–E, Training and Outreach Evaluation Form.
1010–0119	30 CFR Part 208—Sale of Federal Royalty Oil.	Form MMS–4070, Application for the Purchase of Royalty Oil. Form MMS–4071, Letter of Credit (RIK). Form MMS–4072, Royalty-in-Kind Contract Surety Bond. No form, Royalty oil sales to eligible refiners.

OMB control No.	Legal basis	Form or information collected
1010-0120	30 CFR Part 206—Production Valuation, Subpart F—Federal Coal, and Subpart J—Indian Coal; Part 210—Forms and Reports, Subpart B—Oil, Gas, and OCS Sulfur—General, Subpart E—Solid Minerals, General, and Subpart H—Geothermal Resources; and Part 218—Collection of royalties, rentals, bonuses and other monies due the Federal Government, Subpart B—Oil and Gas, General, and Subpart E—Solid Minerals—General.	Form MMS-4430, Solid Minerals Production and Royalty Report. Form 4292, Coal Washing Allowance Report. Form 4293, Coal Transportation Allowance Report. No form, Facility data—solid minerals. No form, Sales contracts—solid minerals. No form, Sales summaries—solid minerals.
1010-0122	30 CFR Part 243—Suspensions Pending Appeal and Bonding—Minerals Revenue Management.	Form MMS-4435, Administrative Appeal Bond. Form MMS-4436, Letter of Credit. Form MMS-4437, Assignment of Certificate of Deposit. No form, Self bonding. No form, U.S. Treasury securities.
1010-0136	30 CFR Part 206—Product Valuation, Subpart C—Federal Oil.	Form MMS-4393, Request to Exceed Regulatory Allowance Limitation. No form, Federal oil valuation support information.
1010-0139	30 CFR Part 216—Production Accounting, Subpart A—General Provisions, and Subpart B—Oil and Gas, General; and Part 210—Forms and Reports.	Form MMS-4054, Oil and Gas Operations Report (OGOR). Form MMS-4058 (Parts A, B, and C), Production Allocation Schedule Report (PASR).
1010-0140	30 CFR Part 210—Forms and Reports	Form MMS-2014, Report of Sales and Royalty Remittance.
1010-0155	30 CFR Part 204—Alternatives for Marginal Properties, Subpart C—Accounting and Auditing Relief.	No form, Notification and relief request for accounting and auditing relief.
1010-0162	Chief Financial Officers Act of 1990	No form, Accounts receivable confirmations.

The proposed sections would align with reengineered MMS business practices as follows:

Section 210.1 What is the purpose of this subpart?

Section 210.1 would be added to explain that the purpose of this part is to identify OMB-approved information collections currently required by reengineered MMS business operations.

Section 210.2 To whom do these regulations apply?

Section 210.2 would apply to any person who is assigned or assumes an obligation to report data and/or make payment to MMS and may include lessees, designees, operators, purchasers, reporters, payors, and working interest owners, but is not restricted to these parties.

Section 210.10 What are MMS's approved information collections?

Currently, 30 CFR 210.10(a) contains a list of information collections approved by OMB prior to reengineering. Paragraph (c) contains a brief description of the information collections listed in paragraph (a). In this rule, we propose to update the list of OMB-approved ICRs and combine the information about individual ICRs in paragraphs (a) and (c) into one chart with references to relevant CFR citations. Paragraph (b) would be eliminated, and mailing addresses would be specified only in CFR sections relevant to specific information collections.

Section 210.20 What if I disagree with MMS's burden estimates?

The text in § 210.10(d) pertaining to commenting on the accuracy of our burden estimates would be moved to new § 210.20 and updated with current information.

Section 210.21 How do I report my taxpayer identification number?

The proposed rule would clarify taxpayer identification number (TIN) reporting at 30 CFR 210.21. The MMS requires reporters to use a TIN to report and pay mineral revenues to MMS. A TIN is either a Social Security Number (SSN) or an Employer Identification Number (EIN) assigned by the Internal Revenue Service (IRS). The proposed rule would require all MMS reporters to report using an EIN. All reporters are presumed to have entrepreneurial or business activities and, thus, should either already have an EIN or qualify to apply for an EIN. To protect individuals' privacy, MMS would no longer accept SSNs to meet the requirement of reporting using a TIN.

The MMS would use IRS Form W-9, Request for Taxpayer Identification Number, or equivalent certification, to collect EINs. The collection of TIN data on IRS Form W-9 is not subject to the provisions of the Paperwork Reduction Act of 1995 (PRA) and does not require OMB approval because only information to identify the respondent is requested [5 CFR 1320.3(h)]. However, filing IRS Form SS-4, Application for Employer Identification Number, is subject to the PRA and is covered under an IRS information collection (OMB Control Number 1545-00033).

Section 210.30 What are my responsibilities as a reporter/payor?

The text in § 216.21 pertaining to reporter responsibilities would be moved to new § 210.30.

Section 210.40 Will MMS keep the information I provide confidential?

The text in § 216.25 pertaining to confidentiality of information provided to MMS would be moved to new § 210.40.

2. 30 CFR Part 210, Subpart B—Royalty Reports—Oil, Gas, and Geothermal Resources

Subpart B would explain current reengineered MMS reporting practices, including the report that must be submitted when reporting royalties on oil and gas and geothermal resources produced from Federal and Indian lands. In addition to the changes to the regulations listed below, we propose to rewrite the text in subpart B in plain English and insert questions in the section headings.

Section 210.50 What is the purpose of this subpart?

We propose to add § 210.50 to state that the purpose of subpart B is to explain the royalty reporting requirements for Federal and Indian oil and gas and geothermal leases, which were implemented as a result of reengineering.

Section 210.51 Who must submit royalty reports?

Section 210.51 would apply to any person who pays royalty to MMS.

Section 210.52 What royalty reports must I submit?

The information in § 210.52(a) would be moved to new § 210.52.

Section 210.53 When are my royalty reports and payments due?

The information in § 210.52(c) through (e) would be moved to new § 210.53.

Section 210.54 Must I submit this royalty report electronically?

The information pertaining to Form MMS–2014 in §§ 210.20, 210.21, and 210.22 would be moved to new § 210.54.

The proposed rule would eliminate references in the regulations to several electronic reporting options, which are no longer used to submit production and royalty reports to MMS. The MMS has contracted with an electronic commerce (EC) service that collects regulatory report data electronically from reporters and forwards that data to MMS in American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 Electronic Data Interchange (EDI) reporting format. This EC service allows MMS to consolidate and streamline our infrastructure, thereby eliminating multiple input processes and required maintenance, and to address changing and obsolete technology. Based on the new technology requirements, the proposed rule would eliminate references to magnetic tape/cartridge reporting as well as electronic mail, template software, and diskette reporting formats. The proposed rule would describe the revised list of approved electronic reporting options at 30 CFR 210.54 and 210.104.

Section 210.55 May I submit this royalty report manually?

Section 210.55 would allow manual submission of Form MMS–2014 under specific conditions and would provide mailing instructions.

Section 210.56 Where can I find more information on how to complete the royalty report?

The information pertaining to Form MMS–2014 in § 210.53 would be moved to new § 210.56.

3. 30 CFR Part 210, Subpart C—Production Reports—Oil, Gas, and Geothermal Resources

Subpart C would explain current reengineered MMS reporting practices, including the report that must be submitted when reporting production on oil and gas and geothermal resources produced from Federal and Indian

lands. To make production reporting requirements easier to find, we propose to combine all production reporting information found in part 216 with the production reporting information found in part 210, thus eliminating part 216. In addition to the changes to the regulations listed below, we propose to write the text in subpart C in plain English and insert questions in the section headings.

Section 210.100 What is the purpose of this subpart?

We propose to add § 210.100 to explain that the purpose of subpart C is to provide the production reporting requirements for Federal and Indian oil and gas and geothermal leases, which were implemented as a result of reengineering.

Section 210.101 Who must submit production reports?

Section 210.101—would identify those who must submit production reports as anyone who operates a Federal or Indian oil and gas or geothermal lease or federally approved agreement.

Section 210.102 What production reports must I submit?

In our final electronic reporting rule, published July 15, 1999 (64 FR 38116), we clarified a long-standing practice concerning unsold inventory on a terminated lease or agreement. If the last production report submitted to MMS on a terminated lease or agreement indicated unsold inventory on the property, our previous practice was to notify the Bureau of Land Management (BLM), if the property was located onshore, or the MMS Offshore Minerals Management (OMM) program, if the property was located on the Outer Continental Shelf. The BLM and OMM then monitored the inventory from the point of termination, and the operator was not required to submit further production reports to MMS.

In this rule, we are proposing at the new 30 CFR 210.102(a) to eliminate in its entirety 30 CFR 216.50, which references the eliminated Form MMS–3160 and 30 CFR 216.53(d), which references Form MMS–4054. We are proposing to amend the regulations to reflect current reengineered business practices, which require an operator to submit a production report (Form MMS–4054) on a lease or agreement until no production remains on the property. In other words, a production report must be submitted if any production remains on the property and until all inventory has been disposed of. This would include the time after all

production has ceased, including the period after the well is plugged or a lease or agreement terminates, if inventory remains on the property. This process has improved the tracking of unsold inventory and is more efficient than transferring the responsibility between agencies.

Section 210.103 When are my production reports due?

In our final electronic reporting rule published July 15, 1999 (64 FR 38116), MMS extended the due date for submitting electronic production reports from the 15th day of the second month following production to the 25th day of the second month following production as an incentive to increase electronic production reporting. This change is reflected in 30 CFR 216.53, Oil and Gas Operations Report. After operating under these procedures for more than 7 years, we now receive more than 98 percent of our production data electronically. However, the extended due date for electronic reporters has had an unexpected effect on our ability to timely perform the MMS reservoir management, inspection, and enforcement functions. Production reports on offshore leases are forwarded to the OMM program weekly as they are received and corrected. Consequently, extending the due date for electronic reporters (also our largest volume reporters) unduly delays OMM's initiation of certain verification procedures. For this reason, we are proposing to eliminate the extended due date for electronic reporters. Under the proposed rule, all production reporters (electronic and other than electronic) would be required to submit Form MMS–4054 by the 15th day of the second month following production. The proposed rule reflects this change at 30 CFR 210.103.

Section 210.104 Must I submit these production reports electronically?

No. You may submit the forms by non-electronic means if you qualify for one of the exemptions under § 210.105. The information pertaining to completing Forms MMS–4054 and MMS–4058 in §§ 210.20, 210.21, and 210.22 would be moved to new § 210.104. As we discussed above in § 210.54, we would also eliminate references to some electronic reporting options.

Section 210.105 May I submit these production reports manually?

Section 210.105 would allow manual submission of Forms MMS–4054 and MMS–4058 under specific conditions and would provide mailing instructions.

Section 210.106 Where can I find more information on how to complete these production reports?

The information pertaining to Forms MMS-4054 and MMS-4058 in § 216.15 would be moved to new § 210.106.

4. 30 CFR Part 210, Subpart D—Special-Purpose Forms and Reports—Oil and Gas and Geothermal Resources

Subpart D would explain the special circumstances under which each of the remaining OMB-approved information collections, pertaining to oil and gas and geothermal resources in subpart A, must be submitted.

Sections 210.150 through 210.158 would be added in subpart D to summarize the current reengineered MMS requirements of our special-purpose forms and reports. Our special-purpose forms and reports are the remaining information collections not discussed in subparts B (basic royalty reporting) and C (basic production reporting). These sections would also provide acceptable reporting options for each report, addresses to submit completed reports and other required documents, and regulatory cites to direct the reader to additional information about each requirement. If you do not submit these special-purpose forms and reports in accordance with the regulations, MMS may disallow allowances, assess penalties, or take other appropriate enforcement actions. The added sections would be:

210.150 What reports must I submit to claim an excess allowance?

210.151 What reports must I submit to claim allowances on an Indian lease?

210.152 What reports must I submit for Indian gas valuation purposes?

210.153 What reports must I submit for Federal oil valuation purposes?

210.154 What reports must I submit for Federal onshore stripper oil properties?

Note: This is a BLM program that has been suspended; however it could be reinstated at any time in the future. In addition, MMS will continue to process amendments for Form MMS-4377, Stripper Royalty Rate Reduction Notification, indefinitely. Therefore, this section remains.

210.155 What reports must I submit for net profit share leases?

210.156 What reports must I submit for the small refiner royalty-in-kind program?

210.157 What reports must I submit to suspend an MMS order under appeal?

210.158 What reports must I submit to designate someone to make my royalty payments?

5. 30 CFR Part 210, Subpart E—Solid Minerals, General [Amended]

Subpart E would pertain to current reengineered business requirements for production and royalty reporting for

solid mineral leases on Form MMS-4430, Solid Minerals Production and Royalty Report (OMB Control Number 1010-0120). The title of subpart E would be revised and a section added on the special reporting requirements, which were implemented as a result of reengineering, for allowances on Indian coal production.

Sections 210.205 and 210.206 would be redesignated as §§ 210.206 and 210.207, respectively.

Section 210.205 What reports must I submit to claim allowances on Indian coal leases?

We propose to add § 210.205 to explain requirements implemented as a result of reengineering for reporting allowances related to Indian leases. If reporters do not submit these allowance forms and reports as required in the regulations, MMS may disallow allowances, assess penalties, or take other appropriate enforcement actions.

6. 30 CFR Part 210, Subpart F—Coal [Reserved]; Subpart G—Other Solid Minerals [Reserved]; Subpart H—Geothermal Resources; and Subpart I—OCS Sulfur [Reserved]

We propose to remove subparts F through I.

7. The MMS Proposes To Eliminate 30 CFR 210.51 and 210.352 in Their Entirety, Which Reference Form MMS-4025, Payor Information Form

Form MMS-4025, Payor Information Form (PIF), was used to establish payor reference data such as the lease and agreement number and product code on which the payor was assuming responsibility to pay royalty. During reengineering of our core business processes, the specific need for Form MMS-4025 was eliminated when MMS removed the revenue source code reporting requirement from Form MMS-2014. The MMS determined that other information reported on Form MMS-2014 could be used to establish necessary payor reference data in our financial system. Therefore, Form MMS-4025 was unnecessary.

The MMS discussed the reasons for, and benefits of, eliminating Form MMS-4025 in an information collection request to OMB that was approved in August 2000, and renewed in August 2003, under OMB Control Number 1010-0140. On May 29, 2001, MMS issued a "Dear Payor" letter informing reporters that Form MMS-4025 had been eliminated effective April 1, 2001. The proposed rule would eliminate 30 CFR 210.51 and 210.352 in their entirety, remove Form MMS-4025 from our list of required information

collections, and remove all references to this form in the MMS regulations.

C. 30 CFR Part 216—Production Accounting

We propose to move all production reporting information in part 216 to subpart C of part 210 and remove part 216 in its entirety.

1. Eliminate references to report forms, designations, systems, and codes that are no longer applicable.

We propose to eliminate the following 30 CFR part 216 sections, referencing forms that are no longer used.

(a) The MMS proposes to eliminate 30 CFR 216.50 in its entirety, which references Form MMS-3160, Monthly Report of Operations.

Since the late 1980s, for onshore Federal and Indian oil and gas lease production, MMS has required operators to submit Form MMS-3160, Monthly Report of Operations. For offshore oil and gas lease production, MMS has required operators to submit Form MMS-4054, Oil and Gas Operations Report (OGOR). Some operators also used Form MMS-4054 for their onshore properties.

During the reengineering of our core business processes, MMS determined that Form MMS-3160 was not adequate for our new compliance verification process. Previously, on Form MMS-3160, reporters grouped all dispositions, other than the seven most common situations, in a field called "Other" with an explanation in a "Comments" section. When MMS detected a reporting exception, MMS had to analyze this grouping of several dispositions manually to determine the volume, method, and propriety of each disposition. Form MMS-4054 accommodates more types of dispositions, allowing MMS to resolve more exceptions automatically, thus reducing the burden on industry and MMS.

Further, under previous reporting using both Forms MMS-3160 and MMS-4054, many companies that reported both offshore and onshore properties had to maintain and support two separate production reporting systems. It is more efficient for all parties to have one form for production reporting.

The MMS discussed the benefits of eliminating Form MMS-3160 and streamlining remaining production reporting Forms MMS-4054 and MMS-4058, Production Allocation Schedule Report (PASR), in an information collection request to OMB that was approved in July 2000, and renewed in August 2003, under OMB Control Number 1010-0139 (formerly OMB

Control Number 1010–0040). Moreover, effective October 1, 2001, reporters began reporting all onshore and offshore production on Form MMS–4054. The proposed rule would reflect this change at 30 CFR part 210, subpart C—Production Reports—Oil, Gas, and Geothermal Resources, by eliminating 30 CFR 216.50 in its entirety, removing Form MMS–3160 from our list of required information collections. The proposed rule also would remove all references to this form in the MMS regulations.

(b) The MMS proposes to eliminate 30 CFR 216.51 in its entirety, which references Form MMS–4051, Facility and Measurement Information Form. This information is now collected on the Form MMS–4054.

The purpose of Form MMS–4051, Facility and Measurement Information Form (FMIF), was to identify facilities where oil and gas production is stored or processed and the metering points where production is measured for sale or transfer. This information established a reference database used to account for all oil and gas production. Effective October 1, 2001, the MMS converted compilations of this information into an internal MMS worksheet and companies were no longer required to file the Form MMS–4051 report form.

The MMS discussed the benefits of converting this information into an internal MMS worksheet in an information collection request to OMB that was approved in July 2000, and renewed in August 2003, under OMB Control Number 1010–0139. The proposed rule would eliminate 30 CFR 216.51 in its entirety, remove Form MMS–4051 from our list of required information collections, and remove all references to this form in the MMS regulations.

(c) The MMS proposes to eliminate 30 CFR 216.52 in its entirety, which references Form MMS–4053, First Purchaser Report.

The purpose of Form MMS–4053, First Purchaser Report, was to document the first purchaser of minerals produced from Federal and Indian oil and gas leases. The MMS no longer requires this information or uses this form. The OMB approval for Form MMS–4053 expired May 31, 1995. The proposed rule would eliminate 30 CFR 216.52 in its entirety, remove Form MMS–4053 from our list of required information collections, and remove all references to this form in the MMS regulations.

(d) The MMS proposes to eliminate 30 CFR 216.54 in its entirety, which references Form MMS–4055, Gas Analysis Report.

The purpose of Form MMS–4055, Gas Analysis Report (GAR), was to report the composition of a lease gas stream transferred to a gas plant before royalty determination. During the reengineering of our core business processes, MMS determined that it is more efficient to obtain a copy of gas sample results, if necessary, during our compliance verification or audit processes than to require reporters to transcribe and submit the information on an MMS form. The information requested on Form MMS–4055 was covered under OMB Control Number 1010–0040, which expired September 30, 2001. Effective October 1, 2001, companies were no longer required to submit this form. The proposed rule would eliminate 30 CFR 216.54 in its entirety, remove Form MMS–4055 from our list of required information collections, and remove all references to this form in the MMS regulations.

(e) The MMS proposes to eliminate 30 CFR 216.55 in its entirety, which references Form MMS–4056, Gas Plant Operations Report.

The purpose of Form MMS–4056, Gas Plant Operations Report (GPOR), was to report a summary of all operations conducted at a gas plant during a specific period. Form MMS–4056, used in conjunction with Form MMS–4055, was used to determine the quantity and quality of gas plant products attributed to a specific Federal or Indian lease when the gas was transferred to a gas plant before royalty determination. During the reengineering of our core business processes, MMS determined that it is more efficient to obtain a copy of the entire gas plant report during our compliance verification or audit processes than to require reporters to transcribe and submit the information on an MMS form. The information requested on Form MMS–4056 was covered under OMB Control Number 1010–0040, which expired September 30, 2001. Effective October 1, 2001, companies were no longer required to submit this form. The proposed rule would eliminate 30 CFR 216.55 in its entirety, remove Form MMS–4056 from our list of required information collections, and remove all references to this form in the MMS regulations. The MMS is proposing to eliminate references to forms that are no longer used; however, elimination of these forms by reengineering did not eliminate the requirements for record retention and making the records available to support the payment of royalties, as stated in 30 CFR part 212, Records and Files Maintenance.

2. Revise the due date for production reports submitted electronically.

As we discussed above, the information in §§ 216.53(c), 216.56(c), and 216.16(c) would be moved to new § 210.104. We also propose to eliminate the 10-day reporting extension for production reports submitted electronically.

3. Clarify the requirement for production reporting of inventory on leases and agreements until all inventory has been disposed of and all production has ceased.

The information in §§ 216.53(a), (b), and (d) and 216.56(a) and (b) would be moved to new § 210.102. As we discussed above, we also would clarify current requirements to submit production reports on terminated leases and agreements until all inventory is disposed of.

D. 30 CFR Part 218—Collection of Royalties, Rentals, Bonuses and Other Monies Due the Federal Government

The proposed changes in part 218 would:

1. Eliminate references to Federal oil and gas late or incorrect (erroneous) reporting, failure to submit payment of same amount as Form MMS–2014 or bill document or to provide adequate information assessments and failure to report.

We propose to revise the following sections: (1) 30 CFR 218.40, Assessments for incorrect or late reports and failure to report; and (2) § 218.41, Assessments for failure to submit payment of same amount as Form MMS–2014 or bill document or to provide adequate information.

The proposed rule would eliminate only the language in § 218.40(c)(2) that provided for assessments for Federal oil and gas leases. This section would remain in effect for assessments related to solid minerals, geothermal, and Indian oil and gas.

The primary reason we propose these changes is that section 116 of the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996 (RSFA), 30 U.S.C. 1725, limited MMS's discretion to issue assessments for Federal oil and gas lease reporting to those who chronically submit erroneous reports. In addition, as a result of our extensive reengineering initiative, we implemented a new financial system on November 1, 2001. The new financial system incorporated significantly revised and streamlined reporting forms and new electronic reporting methods, resulting in lower error rates. For the remaining Federal oil and gas reporting errors, we intend to use the general penalty provisions at 30 CFR part 241.

2. Eliminate references in § 218.50(b) to Form DI–1040b, Bill for Collection,

and replace with current terminology, as appropriate.

3. Correct the definition of "Invoice Document Identification" in § 218.51(a) and eliminate parenthetical descriptions of fields in § 218.51(f) that are no longer relevant to the revised Form MMS–2014.

4. Remove the requirement in § 218.52(a)(4) and (d) that lessees provide the percentage of their record title or operating rights ownership when they designate another party to make royalty and other payments on their behalf.

We have determined that we can obtain this information from records maintained by other Federal agencies or during our compliance verification and audit processes. We also added Form MMS–4425, Designation Form for Royalty Payment Responsibility (OMB Control Number 1010–0107), to meet RSFA requirements. Lessees are required to complete Form MMS–4425 when designating a designee.

5. Eliminate 30 CFR 218.57 in its entirety, which references Form MMS–4280, Application for Reward for Original Information.

This section referencing a reward program was written in the 1980s; however, Congress has never appropriated funds for a rewards program, nor has MMS ever received an application for a reward. The information requested on Form MMS–4280, Application for Reward for Original Information, is currently covered under OMB Control Number 1010–0120, which includes 1 burden hour for this rare and unusual possibility. The proposed rule would eliminate 30 CFR 218.57 in its entirety, remove Form MMS–4280 from our listing of required information collections, and remove all references to this form in the MMS regulations.

6. Change the reference to paragraph (a) to (b) in § 218.154(c).

7. Add the option to refund bonus monies via Electronic Funds Transfer (EFT) as well as via checks in § 218.155(b)(2).

III. Procedural Matters

1. Public Comment Policy

Our practice is to make comments, including names and home addresses of respondents, available for public review during regular business hours and on our Internet Web site at <http://www.mrm.mms.gov>. Individual respondents may request that we withhold their home address from the rulemaking record, which we will honor to the extent allowable by law. There also may be circumstances in which we

would withhold from the rulemaking record a respondent's identity, as allowable by law. If you wish us to withhold your name and/or address, you must state this prominently at the beginning of your comments. However, we will not consider anonymous comments. We will make all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public inspection in their entirety.

2. Summary Cost and Royalty Impact Data

This rule will not have any costs or royalty impacts on any of the potentially affected groups: Industry, state and local governments, Indian tribes, individual Indian mineral owners, or the Federal Government. The proposed rule amends existing MMS regulations to align the regulations with current MMS business practices, which were implemented as a result of a major reengineering of MMS's financial systems.

The net impact of reengineering resulted in an overall estimated annual savings in reporting costs (on a continuing basis) of \$2,225,050 (44,501 burden hour reduction x \$50). However, the reporting changes and reduced costs of reengineering have already been incorporated into 14 information collections, which have been approved by OMB and published in the **Federal Register**. The effects of the seven eliminated report forms were either incorporated in these information collections or were associated with insignificant burden hour reduction. For a current listing of OMB-approved ICRs, see the chart in new § 210.10.

Under the proposed rule, MMS would no longer accept SSNs to meet the requirement to report using a TIN. To protect individual's privacy, MMS would require the use of an EIN as a TIN for reporting purposes. The one-time cost to obtain an EIN from the IRS is covered under an IRS information collection (OMB Control Number 1545–0003).

A. Industry

The proposed rule would not impose any additional burden on industry.

B. State and Local Governments

The proposed rule would not impose any additional burden on states and local governments.

C. Indian Tribes and Individual Indian Mineral Owners

The proposed rule would not impose any additional burden on Indian tribes and individual Indian mineral owners.

D. Federal Government

The proposed rule would not impose any additional burden on the Federal Government.

E. Summary Cost and Royalty Impact Data

The proposed rule would not impose any additional burden on industry, state and local governments, Indian tribes and individual Indian mineral owners, or the Federal Government.

3. Regulatory Planning and Review, Executive Order 12866

Under the criteria in Executive Order 12866, this rule is not a significant regulatory action requiring review by the Office of Management and Budget.

1. This rule will not have an annual effect of \$100 million or adversely affect an economic sector, productivity, jobs, the environment, or other units of government. The MMS has evaluated the costs of this rule and has determined that it will impose no additional administrative costs.

2. This rule will not create inconsistencies with other agencies' actions.

3. This rule will not materially affect entitlements, grants, user fees, loan programs, or the rights and obligations of their recipients.

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

4. Regulatory Flexibility Act

The Department of the Interior certifies this rule will not have a significant economic effect on a substantial number of small entities as defined under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

Your comments are important. The Small Business and Agricultural Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. You may comment to the Small Business Administration without fear of retaliation. Disciplinary action for retaliation by an MMS employee may include suspension or termination from employment with the Department of the Interior.

5. Small Business Regulatory Enforcement Fairness Act (SBREFA)

This rule is not a major rule under 5 U.S.C. 804(2), the Small Business Regulatory Enforcement Fairness Act. This rule:

1. Does not have an annual effect on the economy of \$100 million or more. See Summary Cost and Royalty Impact Data, section III.2.E of Procedural Matters.

2. Will not cause a major increase in costs or prices for consumers, individual industries, Federal, state, or local government agencies, or geographic regions.

3. 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.

6. Unfunded Mandates Reform Act

In accordance with the Unfunded Mandates Reform Act (2 U.S.C. 1501 *et seq.*):

1. This rule will not significantly or uniquely affect small governments. Therefore, a Small Government Agency Plan is not required.

2. This rule will not produce a Federal mandate of \$100 million or greater in any year; *i.e.*, it is not a significant regulatory action under the Unfunded Mandates Reform Act. The analysis prepared for Executive Order 12866 will meet the requirements of the Unfunded Mandates Reform Act. See Summary Cost and Royalty Impact Data, section III.2.E of Procedural Matters.

7. Governmental Actions and Interference With Constitutionally Protected Property Rights (Takings), Executive Order 12630

In accordance with Executive Order 12630, this rule does not have significant takings implications. A takings implication assessment is not required.

8. Federalism, Executive Order 13132

In accordance with Executive Order 13132, this rule does not have federalism implications. A federalism assessment is not required. It will not substantially and directly affect the relationship between Federal and state governments. The management of Federal leases is the responsibility of

the Secretary of the Interior. Royalties collected from Federal leases are shared with state governments on a percentage basis as prescribed by law. This rule will not alter any lease management or royalty sharing provisions. This rule will not impose costs on states or localities.

9. Civil Justice Reform, Executive Order 12988

In accordance with Executive Order 12988, the Office of the Solicitor has determined that this rule will not unduly burden the judicial system and meets the requirements of sections 3(a) and 3(b)(2) of the Order.

10. Paperwork Reduction Act of 1995

This rulemaking does not contain new information collection requirements or change existing information collection requirements; therefore, a submission to OMB is not required. The 14 information collections referenced in this rule and listed in the chart below are currently approved by OMB. The total hour burden currently approved is 235,180 hours.

OMB control No. expiration date, and legal basis	Form or information collected	Annual burden hours
1010-0073, September 30, 2006 (in renewal) 30 CFR Part 220—Accounting Procedures for Determining Net Profit Share Payment for Outer Continental Shelf Oil and Gas Leases.	No form, Net profit share payment information	1,583
1010-0087, September 30, 2006 (in renewal) 30 CFR Part 227—Delegation to States, and Part 228—Cooperative Activities with States and Indian Tribes.	No form, Written delegation proposal to perform auditing and investigative activities. No form, Request for cooperative agreement and subsequent requirements.	6,091
1010-0090, October 31, 2007 30 CFR Part 216, Subpart B—Oil and Gas, General.	Form MMS-4377, Stripper Royalty Rate Reduction Notification	1,080
10-0103, April 30, 2006 (in renewal) 30 CFR Part 202—Royalties, Subpart J—Gas Production From Indian Leases, and Part 206—Product Valuation, Subpart B—Indian Oil, and Subpart E—Indian Gas.	Form MMS-4109, Gas Processing Allowance Summary Report Form MMS-4295, Gas Transportation Allowance Report. Form MMS-4110, Oil Transportation Allowance Report. Form MMS-4411, Safety Net Report. Form MMS-4410, Accounting for Comparison [Dual Accounting]. Form MMS-4394, Request to Exceed Regulatory Allowance Limitation (Note: Form MMS-4393 is used for both Federal and Indian oil and gas leases. Burden hours for Indian leases are included here. The form resides with ICR 1010-0136.).	1,836
1010-0107, August 31, 2008 30 CFR Part 218, Subpart A—General Provisions, and Subpart B—Oil and Gas, General.	Form MMS-4425, Designation Form for Royalty Payment Responsibility. No form, Cross-lease netting documentation. No form, Indian over-recoupment approval.	1,220
1010-0110, October 31, 2007, Executive Order 12862 1010-0119, February 28, 2009 30 CFR Part 208—Sale of Federal Royalty Oil	Form MMS-4420A—E Training and Outreach Evaluation Form Form MMS-4070, Application for the Purchase of Royalty Oil .. Form MMS-4071, Letter of Credit (RIK). Form MMS-4072, Royalty-in-Kind Contract Surety Bond. No form, Royalty oil sales to eligible refiners.	160 2,284
1010-0120, October 31, 2007 30 CFR Part 206, Subpart F—Federal Coal, and Subpart J—Indian Coal; Part 210, Subpart B—Oil, Gas, and OCS Sulfur—General, Subpart E—Solid Minerals, General, and Subpart H—Geothermal Resources; and Part 218, Subpart B—Oil and Gas, General, and Subpart E—Solid Minerals—General.	Form MMS-4430, Solid Minerals Production and Royalty Report. Form 4292, Coal. Washing Allowance Report. Form 4293, Coal Transportation Allowance Report. No form, Facility data—solid minerals. No form, Sales contracts—solid minerals. No form, Sales summaries—solid minerals.	1,751
1010-0122, July 31, 2008	Form MMS-4435, Administrative Appeal Bond	300

OMB control No. expiration date, and legal basis	Form or information collected	Annual burden hours
30 CFR Part 243—Suspensions Pending Appeal and Bonding—Minerals Revenue Management.	Form MMS-4436, Letter of Credit. Form MMS-4437, Assignment of Certificate of Deposit. No form, Self bonding. No form, U.S. Treasury securities.	
1010-0136, May 31, 2006 (in renewal)	Form MMS-4393, Request to Exceed Regulatory Allowance Limitation.	13,863
30 CFR Part 206—Product Valuation, Subpart C—Federal Oil ...	No form, Federal oil valuation support information.	
1010-0139, August 31, 2006 (in renewal)	Form MMS-4054, Oil and Gas Operations Report	76,630
30 CFR Part 216—Production Accounting, Subpart A—General Provisions, and Subpart B—Oil and Gas, General; and Part 210—Forms and Reports.	Form MMS-4058 (Parts A, B, and C), Production Allocation Schedule Report.	
1010-0140, October 31, 2006 (in renewal)	Form MMS-2014, Report of Sales and Royalty Remittance	126,144
30 CFR Part 210—Forms and Reports.		
1010-0155, May 31, 2006 (in renewal)	No form, Notification and relief request for accounting and auditing relief.	2,206
30 CFR Part 204—Alternatives for Marginal Properties, Subpart C—Accounting and Auditing Relief.		
1010-0162, February 28, 2006 (in renewal)	No form, Accounts receivable confirmations	32
Chief Financial Officers Act of 1990.		
Total Burden Hours		235,180

11. National Environmental Policy Act (NEPA)

This rule does not constitute a major Federal action significantly affecting the quality of the human environment. This rule deals with financial matters and has no direct effect on MMS decisions on environmental activities. According to Departmental Manual 516 DM 2.3A(2), Section 1.10 of 516 DM 2, Appendix 1 excludes from documentation in an environmental assessment or impact statement “policies, directives, regulations and guidelines of an administrative, financial, legal, technical or procedural nature; or the environmental effects of which are too broad, speculative or conjectural to lend themselves to meaningful analysis and will be subject later to the NEPA process, either collectively or case-by-case.” Section 1.3 of the same appendix clarifies that royalties and audits are considered to be routine financial transactions that are subject to categorical exclusion from the NEPA process. A detailed statement is not required because none of the NEPA exceptions apply.

12. Government-to-Government Relationship With Tribes

In accordance with the President’s memorandum of April 29, 1994, “Government-to-Government Relations with Native American Tribal Governments” (59 FR at 22951) and 512 DM 2, we have evaluated potential effects on federally recognized Indian tribes, and found no significant impacts. We also extended our review to individual Indian mineral owners and determined no potential effect on them.

13. Effects on the Nation’s Energy Supply, Executive Order 13211

In accordance with Executive Order 13211, this regulation does not have a significant adverse effect on the Nation’s energy supply, distribution, or use.

14. Consultation and Coordination With Indian Tribal Governments, Executive Order 13175

In accordance with Executive Order 13175, this rule does not have tribal implications that impose substantial direct compliance costs on Indian tribal governments. As noted above, this rule also has no implications on individual Indian mineral owners.

15. Clarity of This Regulation

Executive Order 12866 requires each agency to write regulations that are easy to understand. We invite your comments on how to make this rule easier to understand, including answers to questions such as the following: (1) Are the requirements in the rule clearly stated? (2) Does the rule contain technical language or jargon that interferes with its clarity? (3) Does the format of the rule (grouping and order of sections, use of headings, paragraphing, etc.) aid or reduce its clarity? (4) Would the rule be easier to understand if it were divided into more (but shorter) sections? A “section” appears in bold type and is preceded by the symbol “§” and a numbered heading. (5) What is the purpose of this part? (6) Is the description of the rule in the Supplementary Information section of the preamble helpful in understanding the rule? (7) What else could we do to make the rule easier to understand?

Send a copy of any comments that concern how we could make this rule easier to understand to: Office of Regulatory Affairs, Department of the Interior, Room 7229, 1849 C Street, NW., Washington, DC 20240.

List of Subjects

30 CFR Part 206

Coal, Continental Shelf, Geothermal energy, Government contracts, Indian lands, Mineral royalties, Natural gas, Petroleum, Public lands—mineral resources, Reporting and recordkeeping requirements.

30 CFR Part 210

Coal, Continental Shelf, Geothermal energy, Government contracts, Indian lands, Mineral royalties, Natural gas, Petroleum, Public lands—mineral resources, Reporting and recordkeeping requirements.

30 CFR Part 216

Coal, Continental Shelf, Geothermal energy, Government contracts, Indian lands, Mineral royalties, Natural gas, Penalties, Petroleum, Public lands—mineral resources, Reporting and recordkeeping requirements.

30 CFR Part 218

Coal, Continental Shelf, Electronic funds transfers, Geothermal energy, Government contracts, Indian lands, Mineral royalties, Natural gas, Penalties, Petroleum, Public lands—mineral resources, Reporting and recordkeeping requirements.

Dated: June 13, 2006.

R.M. “Johnnie” Burton,

*Director for Minerals Management Service,
Exercising the delegated authority of the
Assistant Secretary for Land and Minerals
Management.*

For reasons stated in the preamble, we propose to amend 30 CFR parts 206, 210, 216, and 218 as follows:

PART 206—PRODUCT VALUATION

1. The authority for part 206 continues to read as follows:

Authority: 5 U.S.C. 301 et seq.; 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. 9701; 43 U.S.C. 1301 et seq., 1331 et seq., and 1801 et seq.

2. Amend § 206.51 as follows:

A. Remove the definition of “selling arrangement.”

B. Add in alphabetical order the definition of “sales type code.”

The addition reads as follows:

§ 206.51 Definitions.

* * * * *

Sales type code means the contract type and/or general disposition (arms'-length or non-arm's-length) of the production from Federal and Indian oil, gas, and geothermal leases. The sales type code applies to the sales contract/disposition and not to the arm's-length/non-arm's-length nature of the transportation or processing allowance.

* * * * *

Subparts B and D [Nomenclature change]

3. In subparts B and D, remove the words “selling arrangement” and “selling arrangements” wherever they appear and add in their place the words “sales type code” and “sales type codes,” respectively.

§ 206.55 [Amended]

4. In § 206.55, paragraph (c)(4), remove the words “line item” and add in their place “entry.”

5. Amend § 206.116 as follows:

A. Revise the section title to read as set forth below.

B. Remove paragraph (a).

C. Remove the paragraph designation from paragraph (b).

The revision reads as follows:

§ 206.116 What interest applies if I improperly report a transportation allowance?

* * * * *

6. Amend § 206.151 as follows:

A. Revise the definition of “Netting.”

B. Add in alphabetical order the definition of “sales type code.”

C. Remove the definition of “selling arrangement.”

The revision and addition read as follows:

§ 206.151 Definitions.

* * * * *

Netting means the deduction of an allowance from the sales value by reporting a net sales value, instead of correctly reporting the deduction as a separate entry on the Form MMS-2014.

* * * * *

Sales type code means the contract type and/or general disposition (arms'-length or non-arm's-length) of the production from Federal and Indian oil, gas, and geothermal leases. The sales type code applies to the sales contract/disposition and not to the arm's-length/non-arm's-length nature of the transportation or processing allowance.

* * * * *

§ 206.156 [Amended]

7. In § 206.156(d), remove the last sentence.

§ 206.157 [Amended]

8. Amend § 206.157 as follows:

A. In paragraphs (a) and (b), remove the words “line entry” wherever they appear and add in their place the word “entry.”

B. Remove paragraph (d)(1) and redesignate paragraphs (d)(2) through (d)(4) as paragraphs (d)(1) through (d)(3), respectively.

§ 206.158 [Amended]

9. In § 206.158, paragraph (e), last sentence, remove the words “line item” and add in their place “entry.”

§ 206.159 [Amended]

10. In § 206.159, remove the word “line” wherever it appears and in paragraph (d)(1), remove the words “selling arrangement” and add in their place “sales type code.”

11. Amend § 206.171 as follows:

a. Remove the definition of “selling arrangement.”

b. Add in alphabetical order the definition of “sales type code.” The addition reads as follows:

§ 206.171 What definitions apply to this subpart?

* * * * *

Sales type code means the contract type and/or general disposition (arms'-length or non-arm's-length) of the production from Federal and Indian oil, gas, and geothermal leases. The sales type code applies to the sales contract/disposition and not to the arm's-length/non-arm's-length nature of the transportation or processing allowance.

* * * * *

§ 206.177 [Amended]

12. In § 206.177, paragraphs (c)(1), first sentence, and (c)(2), last sentence, remove the words “selling arrangement” and add in their place “sales type code.”

§ 206.178 [Amended]

13. In § 206.178, paragraph (d)(2), first sentence, remove the words “line item” and add in their place the word “entry.”

§ 206.180 [Amended]

14. In § 206.180, paragraph (c)(2), first sentence, remove the words “line item” and add in their place “entry.”

15. Amend § 206.351 as follows:

a. Remove the definition of “selling arrangement.”

b. Add in alphabetical order the definition of “sales type code.” The addition reads as follows:

§ 206.351 Definitions.

* * * * *

Sales type code means the contract type and/or general disposition (arms'-length or non-arm's-length) of the production from Federal and Indian oil, gas, and geothermal leases. The sales type code applies to the sales contract/disposition and not to the arm's-length/non-arm's-length nature of the transportation or processing allowance.

* * * * *

§ 206.357 [Amended]

16. Amend § 206.357 as follows:

a. In paragraph (b), remove the words “selling arrangement” and add in their place “sales type code.”

b. In paragraph (g), remove the word “lines” and add in its place “entries.”

PART 210—FORMS AND REPORTS

17. The authority citation for part 210 continues to read as follows:

Authority: 5 U.S.C. 301 et seq.; 25 U.S.C. 396, 2107; 30 U.S.C. 189, 190, 359, 1023, 1751(a); 31 U.S.C. 3716, 9701; 43 U.S.C. 1334, 1801 et seq.; and 44 U.S.C. 3506(a).

18. Revise subparts A and B, and add subparts C and D to read as follows:

Subpart A—General Provisions

210.1 What is the purpose of this subpart?

210.2 To whom do these regulations apply?

210.10 What are MMS's approved information collections?

210.20 What if I disagree with MMS's burden estimates?

210.21 How do I report my taxpayer identification number?

210.30 What are my responsibilities as a reporter/payer?

210.40 Will MMS keep the information I provide confidential?

Subpart B—Royalty Reports—Oil, Gas, and Geothermal Resources

210.50 What is the purpose of this subpart?

- 210.51 Who must submit royalty reports?
 210.52 What royalty reports must I submit?
 210.53 When are my royalty reports and payments due?
 210.54 Must I submit this royalty report electronically?
 210.55 May I submit this royalty report manually?
 210.56 Where can I find more information on how to complete the royalty report?

Subpart C—Production Reports—Oil, Gas, and Geothermal Resources

- 210.100 What is the purpose of this subpart?
 210.101 Who must submit production reports?
 210.102 What production reports must I submit?
 210.103 When are my production reports due?
 210.104 Must I submit these production reports electronically?
 210.105 May I submit these production reports manually?
 210.106 Where can I find more information on how to complete these production reports?

Subpart D—Special-Purpose Forms and Reports—Oil and Gas, and Geothermal Resources

- 210.150 What reports must I submit to claim an excess allowance?
 210.151 What reports must I submit to claim allowances on an Indian lease?
 210.152 What reports must I submit for Indian gas valuation purposes?

- 210.153 What reports must I submit for Federal oil valuation purposes?
 210.154 What reports must I submit for Federal onshore stripper oil properties?
 210.155 What reports must I submit for net profit share leases?
 210.156 What reports must I submit for the small refiner royalty-in-kind program?
 210.157 What reports must I submit to suspend an MMS order under appeal?
 210.158 What reports must I submit to designate someone to make my royalty payments?

Subpart A—General Provisions

§ 210.1 What is the purpose of this subpart?

This subpart identifies information collections required by the Minerals Management Service (MMS), Minerals Revenue Management, in the normal course of operations. This information is submitted by various parties associated with Federal and Indian leases such as lessees, designees, and operators. The information is collected to meet MMS's congressionally mandated accounting and auditing responsibilities relating to Federal and Indian mineral revenue management. Information collected regarding production, royalties, and other payments due the Government from activities on leased Federal or Indian land is authorized by the Federal

Oil and Gas Royalty Management Act of 1982, as amended (30 U.S.C. 1701 et seq.), for oil and gas production; and by 30 U.S.C. 189, 359, and 396d for solid minerals production.

§ 210.2 To whom do these regulations apply?

These regulations apply to any person, referred to in this subpart as a Reporter/Payor, who is assigned or assumes an obligation to report data and/or make payment to MMS. The Reporter/Payor may include lessees, designees, operators, purchasers, reporters, payors, and working interest owners, but is not restricted to these parties. This section does not affect the liability to pay and report royalties as established by other regulations, laws, and the lease terms.

§ 210.10 What are MMS's approved information collections?

The information collection requirements identified in this section have been approved by the Office of Management and Budget (OMB) under 44 U.S.C. 3501 et seq. The information collection requests (ICR) and associated MMS form numbers, if applicable, are listed below:

OMB control No.	Legal basis	Form or information collected
1010-0073	30 CFR Part 220—Accounting Procedures for Determining Net Profit Share Payment for Outer Continental Shelf Oil and Gas Leases.	No form, Net profit share payment information.
1010-0087	30 CFR Part 227—Delegation to States, and Part 228—Cooperative Activities with States and Indian Tribes.	No form, Written delegation proposal to perform auditing and investigative activities. No form, Request for cooperative agreement and subsequent requirements.
1010-0090	30 CFR Part 216—Production Accounting, Subpart B—Oil and Gas, General.	Form MMS-4377, Stripper Royalty Rate Reduction Notification.
1010-0103	30 CFR Part 202—Royalties, Subpart J—Gas Production From Indian Leases, and Part 206—Product Valuation, Subpart B—Indian Oil, and Subpart E—Indian Gas.	Form MMS-4109, Gas Processing Allowance Summary Report. Form MMS-4295, Gas Transportation Allowance Report. Form MMS-4110, Oil Transportation Allowance Report. Form MMS-4411, Safety Net Report. Form MMS-4410, Accounting for Comparison [Dual Accounting]. Form MMS-4393, Request to Exceed Regulatory Allowance Limitation (Note: Form MMS-4393 is used for both Federal and Indian oil and gas leases. Burden hours are applied to both 1010-0103 and 1010-0136; however, the form resides with ICR 1010-0136.).
1010-0107	30 CFR Part 218—Collection of royalties, rentals, bonuses and other monies due the Federal Government, Subpart A—General Provisions, and Subpart B—Oil and Gas, General.	Form MMS-4425, Designation Form for Royalty Payment Responsibility. No form, Cross-lease netting documentation. No form, Indian over-recoupment approval.
1010-0110	Executive Order 12862—Setting Customer Service Standards.	Form MMS-4420A-E, Training and Outreach Evaluation Form.
1010-0119	30 CFR Part 208—Sale of Federal Royalty Oil	Form MMS-4070, Application for the Purchase of Royalty Oil. Form MMS-4071, Letter of Credit (RIK). Form MMS-4072, Royalty-in-Kind Contract Surety Bond. No form, Royalty oil sales to eligible refiners.

OMB control No.	Legal basis	Form or information collected
1010-0120	30 CFR Part 206—Production Valuation, Subpart F—Federal Coal, and Subpart J—Indian Coal; Part 210—Forms and Reports, Subpart B—Oil, Gas, and OCS Sulfur—General, Subpart E—Solid Minerals, General, and Subpart H—Geothermal Resources; and Part 218—Collection of royalties, rentals, bonuses and other monies due the Federal Government, Subpart B—Oil and Gas, General, and Subpart E—Solid Minerals—General.	Form MMS 4430, Solid Minerals Production and Royalty Report. Form 4292, Coal Washing Allowance Report. Form 4293, Coal Transportation Allowance Report. No form, Facility data—solid minerals. No form, Sales contracts—solid minerals. No form, Sales summaries—solid minerals.
1010-0122	30 CFR Part 243—Suspensions Pending Appeal and Bonding—Minerals Revenue Management.	Form MMS-4435, Administrative Appeal Bond. Form MMS-4436, Letter of Credit. Form MMS-4437, Assignment of Certificate of Deposit. No form, Self bonding. No form, U.S. Treasury securities.
1010-0136	30 CFR Part 206—Product Valuation, Subpart C—Federal Oil.	Form MMS-4393, Request to Exceed Regulatory Allowance Limitation. No form, Federal oil valuation support information.
1010-0139	30 CFR Part 216—Production Accounting, Subpart A—General Provisions, and Subpart B—Oil and Gas, General; and Part 210—Forms and Reports.	Form MMS-4054, Oil and Gas Operations Report (OGOR). Form MMS-4058 (Parts A, B, and C), Production Allocation Schedule Report (PASR).
1010-0140	30 CFR Part 210—Forms and Reports	Form MMS-2014, Report of Sales and Royalty Remittance.
1010-0155	30 CFR Part 204—Alternatives for Marginal Properties, Subpart C—Accounting and Auditing Relief.	No form, Notification and relief request for accounting and auditing relief.
1010-0162	Chief Financial Officers Act of 1990	No Form, Accounts receivable confirmations.

§ 210.20 What if I disagree with MMS's burden estimates?

Burden estimates are included on MMS's Web site at http://www.mrm.mms.gov/Laws_R_D/FRNotices/FRNotices.htm. Send comments on the accuracy of these burden estimates or suggestions on reducing the burden to the Minerals Management Service, Attention: Information Collection Clearance Officer (OMB Control Number 1010-XXXX [insert appropriate OMB control number]), Mail Stop 4230, 1849 C Street, NW., Washington, DC 20240. 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.

§ 210.21 How do I report my taxpayer identification number?

(a) Before paying or reporting to MMS, you must obtain a payor code (see our Minerals Revenue Reporter Handbook). At the time, you request a payor code, you must provide your Employer Identification Number (EIN) by submitting:

- (1) An IRS Form W-9; or
- (2) An equivalent certification containing:
 - (i) Your name;
 - (ii) The name of your business, if different from your name;
 - (iii) The form of your business entity; for example a sole proprietorship, corporation, or partnership;
 - (iv) The address of your business;
 - (v) The EIN of your business; and
 - (vi) A signed and dated certification that you are a U.S. citizen or resident

alien and that the EIN number provided is correct.

(b) If you are already paying or reporting to MMS but do not have an EIN, MMS may request that you submit an IRS Form W-9 or equivalent certification containing the information required under paragraph (a)(2) of this section.

(c) The collection of this data is not subject to the provisions of the Paperwork Reduction Act because it only requires information necessary to identify the respondent [5 CFR 1320.3(h)].

(d) The EIN you provide to MMS under paragraph (a) of this section:

(1) Means the taxpayer identification number (TIN) of an individual or other person (whether or not an employer), which is assigned under 26 U.S.C. 6011(b), or a corresponding version of prior law, or under 26 U.S.C. 6109.

(2) Must contain nine digits separated by a hyphen as follows: 00-0000000.

(3) May not be a Social Security Number.

§ 210.30 What are my responsibilities as a reporter/payor?

Reporters/Payors must submit accurate, complete, and timely information to MMS according to the requirements in this part. If you discover an error in a previous report, you must file an accurate and complete amended report within 30 days of your discovery of the error. Failure to comply may result in penalties under the provisions of 30 CFR part 241.

§ 210.40 Will MMS keep the information I provide confidential?

The MMS will treat information it obtains under this part under the regulations at 43 CFR part 2.

Subpart B—Royalty Reports—Oil, Gas, and Geothermal Resources

§ 210.50 What is the purpose of this subpart?

The purpose of this subpart is to explain royalty reporting requirements when energy and mineral resources are removed from Federal and Indian oil and gas and geothermal leases and federally approved agreements. This includes leases and agreements located onshore and on the Outer Continental Shelf (OCS).

§ 210.51 Who must submit royalty reports?

(a) Any person who pays royalty to MMS must submit royalty reports to MMS.

(b) Before you pay or report to MMS, you must obtain a payor code. To obtain a payor code, refer to our Minerals Revenue Reporter Handbook for instructions and MMS contact information (also see § 210.56 for information on how to obtain a handbook).

§ 210.52 What royalty reports must I submit?

You must submit a completed Form MMS-2014, Report of Sales and Royalty Remittance, to MMS with:

- (a) All royalty payments; and
- (b) Rents on nonproducing leases, where specified in the lease.

§ 210.53 When are my royalty reports and payments due?

(a) Completed Forms MMS–2014 for royalty payments and the associated payments (see also § 218.50) are due by the end of the month following the production month.

(b) Completed Forms MMS–2014 for rental payments, where applicable, and the associated payments (see also § 218.50), are due no later than the anniversary date of the lease.

(c) You may submit reports and payments early.

§ 210.54 Must I submit this royalty report electronically?

(a) You must submit Form MMS–2014 electronically unless you qualify for an exception under § 210.55(a).

(b) You must use one of the following electronic media types, unless MMS instructs you differently:

(1) Electronic Data Interchange (EDI)—The direct computer-to-computer interchange of data using standards set forth by the X12 American National Standards Institute (ANSI) Accredited Standards Committee (ASC). The interchange uses the services of a third party with which either party may contract.

(2) Web-based reporting—Reporters/Payers may enter report data directly or upload files using the MMS electronic Web form located at www.mrmreports.net. The uploaded files must be in one of the following formats: the American Standard Code for Information Interchange (ASCII) or Comma Separated Values (CSV) formats. External files created by the sender must be in the proprietary ASCII and CSV File Layout formats defined by MMS. These external files can be generated from a reporter's system application.

(c) Refer to our electronic reporting guidelines for the most current reporting options, instructions, and security measures. The guidelines may be found on our Internet Web site or you may call your MMS customer service representative.

§ 210.55 May I submit this royalty report manually?

(a) The MMS will allow you to submit Form MMS–2014 manually if:

(1) You have never reported to MMS before. You have 3 months from the date your first report is due to begin reporting electronically;

(2) You report only rent, minimum royalty, or other annual obligations on Form MMS–2014; or

(3) You are a small business, as defined by the U.S. Small Business Administration, and you have no computer.

(b) If you meet the qualifications under paragraph (a) of this section, you may submit your form manually to MMS by:

(1) U.S. Postal Service regular or express mail addressed to Minerals Management Service, P.O. Box 5810, Denver, Colorado 80217–5810; or

(2) Special couriers or overnight mail addressed to Minerals Management Service, Building 85, Room A–614, Denver Federal Center, West 6th Ave. and Kipling Blvd., Denver, CO 80225.

§ 210.56 Where can I find more information on how to complete the royalty report?

(a) Specific guidance on how to prepare and submit Form MMS–2014 is contained in our Minerals Revenue Reporter Handbook. The handbook is available on our Internet Web site at www.mrm.mms.gov/ReportingServices/Handbooks/Handbks.htm or from MMS at P.O. Box 5760, Denver, Colorado 80217–5760.

(b) Royalty reporters/payers should refer to the handbook for specific guidance on royalty reporting requirements. If you require additional information, you should contact MMS at the above address. A customer service telephone number is also listed in our handbook.

(c) You may find copies of blank Forms MMS–2014 on our Internet Web site at www.mrm.mms.gov/ReportingServices/Forms/AFSOil_Gas.htm, or you may request the forms from MMS at P.O. Box 5760, Denver, Colorado 80217–5760.

Subpart C—Production Reports—Oil, Gas, and Geothermal Resources**§ 210.100 What is the purpose of this subpart?**

The purpose of this subpart is to explain production reporting requirements when energy and mineral resources are removed from Federal and Indian oil and gas and geothermal leases and federally approved agreements. This includes leases and agreements located onshore and on the Outer Continental Shelf (OCS).

§ 210.101 Who must submit production reports?

(a) If you operate a Federal or Indian oil and gas or geothermal lease or federally approved agreement, you must submit production reports.

(b) Before reporting production to MMS, you must obtain an operator number. To obtain an operator number, refer to our Minerals Production Reporter Handbook for instructions and MMS contact information (also see § 210.106 for information on how to obtain a handbook).

§ 210.102 What production reports must I submit?

(a) Oil and Gas Operations Report (Form MMS–4054). If you operate an onshore or OCS oil and gas or geothermal lease or federally approved agreement that contains one or more wells that are not permanently plugged or abandoned, you must submit Form MMS–4054 to MMS:

(1) You must submit Form MMS–4054 for each well for each calendar month, beginning with the month in which you complete drilling, unless:

(i) You have only test production from a drilling well; or

(ii) MMS tells you in writing to report differently.

(2) You must continue reporting until:

(i) The Bureau of Land Management (BLM) or MMS approves all wells as permanently plugged or abandoned or the lease or agreement is terminated; and

(ii) You dispose of all inventory.

(b) Production Allocation Schedule Report (Form MMS–4058). If you operate an offshore facility measurement point (FMP) handling production from a Federal oil and gas or geothermal lease or federally approved agreement that is commingled (with approval) with production from any other source prior to measurement for royalty determination, you must file Form MMS–4058.

(1) You must submit Form MMS–4058 for each calendar month beginning with the month in which you first handle production covered by this section.

(2) Form MMS–4058 is not required whenever all of the following conditions are met:

(i) All leases involved are Federal leases;

(ii) All leases have the same fixed royalty rate;

(iii) All leases are operated by the same operator;

(iv) The facility measurement device is operated by the same person as the leases/agreements;

(v) Production has not been previously measured for royalty determination; and

(vi) The production is not subsequently commingled and measured for royalty determination at an FMP for which Form MMS–4058 is required under this part.

§ 210.103 When are my production reports due?

(a) The MMS must receive your completed Form MMS–4054 and Form MMS–4058 by the 15th day of the second month following the month for which you are reporting.

(b) A report is considered received when it is delivered to MMS by 4 p.m.

mountain time at the addresses specified in § 210.105. Reports received after 4 p.m. mountain time are considered received the following business day.

§ 210.104 Must I submit these production reports electronically?

(a) You must submit Forms MMS-4054 and MMS-4058 electronically unless you qualify for an exception under § 210.105.

(b) You must use one of the following electronic media types, unless MMS instructs you differently:

(1) Electronic Data Interchange (EDI)—The direct computer-to-computer interchange of data using standards set forth by the X12 American National Standards Institute (ANSI) Accredited Standards Committee (ASC). The interchange uses the services of a third party with which either party may contract.

(2) Web-based reporting—Reporters may enter report data directly or upload files using the MMS electronic Web form located at www.mrmreports.net. The uploaded files must be in one of the following formats: the American Standard Code for Information Interchange (ASCII) or Comma Separated Values (CSV) formats. External files created by the sender must be in the proprietary ASCII and CSV File Layout formats defined by MMS. These external files can be generated from a reporter's system application.

(c) Refer to our electronic reporting guidelines for the most current reporting options, instructions, and security measures. The guidelines may be found on our Internet Web site or you may call your MMS customer service representative.

§ 210.105 May I submit these production reports manually?

(a) The MMS will allow you to submit Forms MMS-4054 and MMS-4058 manually if:

(1) You have never reported to MMS before. You have 3 months from the day your first report is due to begin reporting electronically; and

(2) You are a small business, as defined by the U.S. Small Business Administration, and you have no computer.

(b) If you meet the qualifications under paragraph (a) of this section, you may submit your forms manually to MMS by:

(1) U.S. Postal Service regular or express mail addressed to Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110; or

(2) Special couriers or overnight mail addressed to Minerals Management

Service, Building 85, Room A-614, Denver Federal Center, West 6th Ave. and Kipling Blvd., Denver, Colorado 80225.

§ 210.106 Where can I find more information on how to complete these production reports?

(a) Specific guidance on how to prepare and submit production reports to MMS is contained in our Minerals Production Reporter Handbook. The handbook is available on our Internet Web site at www.mrm.mms.gov/ReportingServices/Handbooks/Handbks.htm or from MMS at P.O. Box 17110, Denver, Colorado 80217-0110.

(b) Production reporters should refer to the handbook for specific guidance on production reporting requirements. If you require additional information, you should contact MMS at the above address. A customer service telephone number is also listed in our handbook.

(c) You may find copies of blank Forms MMS-4054 or MMS-4058 on our Internet Web site at www.mrm.mms.gov/ReportingServices/Forms/PAASOff.htm, or you may request the forms from MMS at P.O. Box 17110, Denver, Colorado 80217-0110.

Subpart D—Special-Purpose Forms and Reports—Oil and Gas, and Geothermal Resources

§ 210.150 What reports must I submit to claim an excess allowance?

(a) *General.* If you are a lessee, you must submit Form MMS-4393, Request to Exceed Regulatory Allowance Limitation, to request approval from MMS to exceed prescribed transportation and processing allowance limits on Federal and Indian oil and gas leases under part 206 of this chapter. OMB Control Number 1010-0136.

(b) *Reporting options.* You may find an electronic copy of Form MMS-4393 on our Web site at www.mrm.mms.gov/ReportingServices/Forms/AFSoil_Gas.htm. You may also request copies of the form from MMS at P.O. Box 25165, MS 392B2, Denver, Colorado 80217-0165.

(c) *Reporting address.* Submit completed Form MMS-4393 as follows:

(1) Complete and submit the form electronically as an e-mail attachment;

(2) Send the form by U.S. Postal Service regular or express addressed to Minerals Management Service, P.O. Box 25165, MS 392B2, Denver, Colorado 80217-0165; or

(3) Deliver the form to MMS by special couriers or overnight mail addressed to Minerals Management Service, Building 85, Room A-614, MS 392B2, Denver Federal Center, West 6th

Ave. and Kipling Blvd., Denver, Colorado 80225.

§ 210.151 What reports must I submit to claim allowances on an Indian lease?

(a) *General.* You must submit three additional forms to MMS to claim transportation and processing allowances on Indian oil and gas leases:

(1) You must submit Form MMS-4110, Oil Transportation Allowance Report, to claim an allowance for expenses incurred by a reporter/payor to transport oil from the lease site to a point remote from the lease where value is determined under § 206.55 of this chapter. OMB Control Number 1010-0103.

(2) You must submit Form MMS-4109, Gas Processing Allowance Summary Report, to claim an allowance for the reasonable, actual costs of removing hydrocarbon and nonhydrocarbon elements or compounds from a gas stream under § 206.180 of this chapter. OMB Control Number 1010-0103.

(3) You must submit Form MMS-4295, Gas Transportation Allowance Report, to claim an allowance for the reasonable, actual costs of transporting gas from the lease to the point of first sale under § 206.178 of this chapter. OMB Control Number 1010-0103.

(b) *Reporting options.* You may submit Forms MMS-4110, MMS-4109, and MMS-4295 manually. You may find copies of the forms on our Internet Web site at www.mrm.mms.gov/ReportingServices/Forms/AFSoil_Gas.htm, or you may request the forms from MMS at P.O. Box 25165, MS 396B2, Denver, Colorado 80217-0165.

(c) *Reporting address.* You may submit completed Forms MMS-4110, MMS-4109, and MMS-4295 by:

(1) U.S. Postal Service regular or express mail addressed to Minerals Management Service, P.O. Box 25165, MS 396B2, Denver, Colorado 80217-0165; or

(2) Special couriers or overnight mail addressed to Minerals Management Service, Building 85, Room A-614, MS 396B2, Denver Federal Center, West 6th Ave. and Kipling Blvd., Denver, Colorado 80225.

§ 210.152 What reports must I submit for Indian gas valuation purposes?

(a) *General.* For Indian gas valuation, lessees must submit the following forms under certain conditions under § 206.172 of this chapter:

(1) Form MMS-4411, Safety Net Report, OMB Control Number 1010-0103; or

(2) Form MMS-4410, Accounting for Comparison (Dual Accounting), Part A

or Part B, OMB Control Number 1010-0103.

(b) *Reporting options.* You must submit Forms MMS-4410 and MMS-4411 manually. You may find copies of the forms on our Internet Web site at www.mrm.mms.gov/ReportingServices/Forms/AFSOil_Gas.htm or request forms from MMS at P.O. Box 25165, MS 396B2, Denver, Colorado 80217-0165.

(c) *Reporting address.* You may submit completed Forms MMS-4410 and MMS-4411 by:

(1) U.S. Postal Service regular or express mail addressed to Minerals Management Service, P.O. Box 25165, MS 396B2, Denver, Colorado 80217-0165; or

(2) Special couriers or overnight mail addressed to Minerals Management Service, Building 85, Room A-614, MS 396B2, Denver Federal Center, West 6th Ave. and Kipling Blvd., Denver, Colorado 80225.

§ 210.153 What reports must I submit for Federal oil valuation purposes?

(a) *General.* The MMS may require lessees to submit several documents or other information to MMS to support their valuation of Federal oil under 30 CFR part 206. See information collection OMB Control Number 1010-0136. There are no specific forms related to this information collection.

(b) *Reporting options.* You must submit the documents manually.

(c) *Reporting address.* You may submit required documents by:

(1) U.S. Postal Service regular or express mail addressed to Minerals Management Service, P.O. Box 25165, MS 392B2, Denver, Colorado 80217-0165; or

(2) Special couriers or overnight mail addressed to Minerals Management Service, Building 85, Room A-614, MS 392B2, Denver Federal Center, West 6th Ave. and Kipling Blvd., Denver, Colorado 80225.

§ 210.154 What reports must I submit for Federal onshore stripper oil properties?

(a) *General.* Operators who have been granted a reduced royalty rate by the Bureau of Land Management (BLM) under 43 CFR 3103.4-2 must submit Form MMS-4377, Stripper Royalty Rate Reduction Notification under 43 CFR 3103.4-2(b)(3). OMB Control Number 1010-0090.

(b) *Reporting options.* You may find copies of Form MMS-4377 on our Internet Web site at www.mrm.mms.gov/ReportingServices/Forms/AFSOil_Gas.htm or request the form from MMS at P.O. Box 17110, Denver, Colorado 80217-0110. You may file the form:

(1) Electronically by filling the form out in electronic format and submitting it to MMS as an e-mail attachment; or

(2) Manually by filling out the form and submitting it by:

(i) U.S. Postal Service regular or express mail addressed to Minerals Management Service, P.O. Box 25165, MS 392B2, Denver, Colorado 80217-0165; or

(ii) Special couriers or overnight mail addressed to Minerals Management Service, Building 85, Room A-614, MS 392B2, Denver Federal Center, West 6th Ave. and Kipling Blvd., Denver, Colorado 80225.

§ 210.155 What reports must I submit for net profit share leases?

(a) *General.* After entering into a net profit share lease (NPSL) agreement, a lessee must report under part 220 of this chapter. OMB Control Number 1010-0073.

(b) *Reporting options.* You must submit the reports manually.

(c) *Reporting address.* You may submit the required documents by:

(1) U.S. Postal Service regular or express mail addressed to Minerals Management Service, P.O. Box 25165, MS 382B2, Denver, Colorado 80217-0165; or

(2) Special couriers or overnight mail addressed to Minerals Management Service, Building 85, Room A-614, MS 382B2, Denver Federal Center, West 6th Ave. and Kipling Blvd., Denver, Colorado 80225.

§ 210.156 What reports must I submit for the small refiner royalty-in-kind program?

(a) *General.* You may be required to submit the following forms or documents to participate in the small refiner royalty-in-kind program:

(1) Refiners interested in the purchase of royalty oil must submit their applications and Form MMS-4070 under part 208 of this chapter for additional information. OMB Control Number 1010-0119;

(2) Eligible small refiners must provide specific information that MMS requests under part 208 of this chapter. OMB Control Number 1010-0119;

(3) Small refiners must submit a letter of credit, Form MMS-4072, and a contract surety bond, Form MMS-4071, as part of their bidding application under part 208 of this chapter for additional information. OMB Control Number 1010-0119.

(b) *Reporting options.* You must submit the forms and other documents manually. You may find copies of the forms on our Internet Web site at www.mrm.mms.gov/ReportingServices/Forms/Forms.htm, or

you may request forms from MMS at the address listed in the **Federal Register** Notice of Availability of Royalty Oil.

(c) *Reporting address.* You must mail the forms and documents required in this section to the address identified in the applicable **Federal Register** Notice of Availability of Royalty Oil.

§ 210.157 What reports must I submit to suspend an MMS order under appeal?

(a) *General.* Reporters/Payers or other recipients of MMS's Minerals Revenue Management (MRM) orders may be required to post a bond or other surety, under part 243 of this chapter. The MMS accepts the following surety types: Form MMS-4435, Administrative Appeal Bond; Form MMS-4436, Letter of Credit; Self-bonding; Form MMS-4437, Assignment of Certificate of Deposit; and U.S. Treasury Securities. OMB Control Number 1010-0122.

(b) *Reporting options.* You must submit these forms and other documents manually.

(c) *Reporting address.* You may submit the required forms and other documents by:

(1) U.S. Postal Service regular or express mail addressed to Minerals Management Service, P.O. Box 5760, MS 370B2, Denver, Colorado 80217-0165;

(2) Special couriers or overnight mail addressed to Minerals Management Service, Building 85, Room A-614, MS 370B2, Denver Federal Center, West 6th Ave. and Kipling Blvd., Denver, Colorado 80225.

§ 210.158 What reports must I submit to designate someone to make my royalty payments?

(a) *General.* You must submit Form MMS-4425, Designation Form for Royalty Payment Responsibility, if you want to designate a person to make royalty payments on your behalf, under 30 CFR 218.52. OMB Control Number 1010-0107.

(b) *Reporting options.* You must submit Form MMS-4425 manually. You may find copies of the form on our Internet Web site at www.mrm.mms.gov/ReportingServices/Forms/AFSOil_Gas.htm or request the form from MMS at P.O. Box 5760, Denver, Colorado 80217-5760.

(c) *Reporting address.* You must submit completed Form MMS-4425 by:

(1) U.S. Postal Service regular or express mail addressed to Minerals Management Service, P.O. Box 25165, MS 357B1, Denver, Colorado 80217-0165; or

(2) Special couriers or overnight mail addressed to Minerals Management Service, Building 85, Room A-614, MS

357B1, Denver Federal Center, West 6th Ave. and Kipling Blvd., Denver, Colorado 80225.

Subpart E—Production and Royalty Reports—Solid Minerals

19. Revise the title of subpart E to read as set forth above.

§§ 210.205, 210.206 [Redesignated]

20. Redesignate §§ 210.205 and 210.206 as §§ 210.206 and 210.207.

21. Add new § 210.205 to read as follows:

§ 210.205 What reports must I submit to claim allowances on Indian coal leases?

(a) *General.* You must submit two MMS forms to claim transportation and washing allowances on Indian coal leases:

(1) Form MMS-4292, Coal Washing Allowance Report, to claim an allowance for the reasonable, actual costs incurred to wash coal under § 206.458 of this chapter. OMB Control Number 1010-0120.

(2) Form MMS-4293, Coal Transportation Allowance Report, to claim an allowance for the reasonable, actual costs of transporting coal to a sales point or a washing facility remote from the mine or lease under § 206.461 of this chapter. OMB Control Number 1010-0120.

(b) *Reporting options.* You must submit the forms manually. You may find copies of the forms on our Internet Web site at www.mrm.mms.gov/ReportingServices/Forms/AFSSol_Min.htm or request forms from MMS at P.O. Box 25165, MS 390B2, Denver, Colorado 80217-0165.

(c) *Reporting address.* You may submit completed Forms MMS-4292 and MMS-4293 by:

(1) U.S. Postal Service regular or express mail addressed to Minerals Management Service, P.O. Box 25165, MS 390B2, Denver, Colorado 80217-0165; or

(2) Special couriers or overnight mail addressed to Minerals Management Service, Building 85, Room A-614, MS 390B2, Denver Federal Center, West 6th Ave. and Kipling Blvd., Denver, Colorado 80225.

Subparts F–I [Removed]

22. Remove subparts F through I.

PART 216—PRODUCTION ACCOUNTING [Removed]

23. Remove part 216.

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

24. The authority citation for part 218 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. 3335; 43 U.S.C. 1301 et seq., 1331 et seq., 1801 et seq.

25. In § 218.40, revise paragraphs (a) through (c) to read as follows:

§ 218.40 Assessments for incorrect or late reports and failure to report.

(a) An assessment of an amount not to exceed \$10 per day may be charged for each report not received by MMS by the designated due date for geothermal, solid mineral, and Indian oil and gas leases.

(b) An assessment of an amount not to exceed \$10 may be charged for each incorrectly completed report for geothermal, solid mineral, and Indian oil and gas leases.

(c) For purpose of assessments discussed in this section, a report is defined as follows:

(1) For coal and other solid mineral leases, a report is each line on the Solid Minerals Production and Royalty Report, Form MMS-4430.

(2) For Indian oil and gas and all geothermal leases, a report is each line on the Report of Sales and Royalty Remittance, Form MMS-2014.

* * * * *

26. In § 218.41, revise paragraphs (a) through (d) to read as follows:

§ 218.41 Assessments for failure to submit payment of same amount as Form MMS-2014 or bill document or to provide adequate information.

(a) An assessment of an amount not to exceed \$250 may be charged when the amount of a payment submitted by a payor for geothermal, solid mineral, and Indian oil and gas leases is not equivalent in amount to the total of individual line items on the associated Form MMS-2014 or bill document, unless the difference in amount has been authorized by MMS.

(b) An assessment of amount not to exceed \$250 may be charged for each payment for geothermal, solid mineral, and Indian oil and gas leases submitted by a payor that cannot be automatically applied by AFS to the associated Form MMS-2014 or bill document because of inadequate or erroneous information submitted by the payor. For purposes of this section, inadequate or erroneous information is defined as:

(1) Absent or incorrect payor assigned document number, required to be

identified by the payor in Block 4 on a Form MMS-2014, or the reuse of the same payor assigned document (“4”) number in a subsequent reporting period.

(2) Absent or incorrect bill document invoice number (to include the three character alpha prefix and the nine digit number) or the pay-assigned 3a number required to be identified by the payor on the associated payment document, or the reuse of the same payor assigned 4 number in a subsequent reporting period.

(3) Absent or incorrect name of the administering Bureau of Indian Affairs Agency/Area office and the word “allotted” or the tribe name on payment documents remitted to MMS for an Indian tribe or allottee. If the payment is made by EFT, the payor must identify the tribe/allottee on the EFT message by a pre-established five digit code.

(4) Absent or incorrect MMS assigned payor code on a payment document.

(c) For purposes of this section, the term “Form MMS-2014” includes submission of reports of royalty information.

(d) For purposes of this section, a bill document is defined as any Invoice that has been issued by MMS for assessments, late-payment interest charges, or other amount owed.

* * * * *

27. In § 218.50, revise paragraph (b) to read as follows:

§ 218.50 Timing of payment.

* * * * *

(b) Payments made on a Invoice are due as specified by the Invoice. Invoices will be issued and payable as final collection actions.

* * * * *

28. In § 218.51, in paragraph (a), revise the definition of “Invoice Document Identification” and revise paragraphs (f)(1) and (f)(2) to read as follows:

§ 218.51 How to make payments.

(a) * * *
Invoice Document Identification—The MMS-assigned invoice document identification (three alpha and nine numeric characters).

* * * * *

(f) * * * (1) For Form MMS-2014 payments, you must include both your payor code and your payor-assigned document number.

(2) For invoice payments, including RIK invoice payments, you must include both your payor code and invoice document identification.

* * * * *

29. Amend § 218.52 by revising paragraphs (a) introductory text (a)(1),

(a)(4)(i), (a)(4)(ii), (c) introductory text, and (d), to read as follows:

§ 218.52 How does a lessee designate a Designee?

(a) If you are a lessee under 30 U.S.C. 1701(7), and you want to designate a person to make all or part of the payments due under a lease on your behalf under 30 U.S.C. 1712(a), you must notify MMS or the applicable delegated State in writing of such designation by submitting Form MMS-4425, Designation Form for Royalty Payment Responsibility, OMB Control Number 1010-0107. Your notification for each lease must include the following:

(1) The lease number for the lease;

* * * * *

(4) * * *

(i) A lessee of record (record title owner) in the lease; or

(ii) An operating rights owner (working interest owner) in the lease;

* * * * *

(c) If you want to terminate a designation you made under paragraph (a) of this section, you must provide to MMS in writing using Form MMS-4425 before the termination:

* * * * *

(d) MMS may require you to provide notice when there is a change in your record title or operating rights ownership.

§ 218.57 [Removed]

30. Remove § 218.57.

§ 218.154 [Amended]

31. In § 218.154, paragraph (c), remove the words “paragraph (a) of this section” and add in their place “paragraph (b) of this section.”

32. In § 218.155, paragraph (b)(2), revise the fourth and fifth sentences to read as follows:

§ 218.155 Method of payment.

* * * * *

(b) * * *

* * * * *

(2) * * * The one-fifth bonus amounts submitted with bids other than the highest valid bid shall be returned to respective bidders after bids are opened, recorded, and ranked. Return of such amounts will not affect the status, validity, or ranking of bids. * * *

* * * * *

[FR Doc. 06-5988 Filed 7-6-06; 8:45 am]

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 100

[CGD 07-05-156]

RIN 1625-AA08

Special Local Regulation; Annual Gasparilla Marine Parade, Hillsborough Bay, Tampa, FL

AGENCY: Coast Guard, DHS.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard proposes to amend the permanent special local regulation for the Annual Gasparilla Marine Parade, Hillsborough Bay, and Tampa Bay, FL. This proposed rule would change the date of the event by moving it up one week, from the first weekend in February to the last weekend in January. Additionally, this regulation will create a parade staging area and a 50 foot safety zone around officially entered parade boats during the parade. This action is necessary because the date on which the parade is held annually has changed. Restricting access to the parade staging area box is necessary to ensure the official parade boats are properly lined up to begin the parade. A 50 foot safety zone around officially entered parade boats is necessary to ensure the safety of the parade participants due to safety concerns caused by an increasing number of spectator vessels that gather to watch the parade.

DATES: Comments and related material must reach the Coast Guard on or before September 5, 2006.

ADDRESSES: You may mail comments and related material to Coast Guard Sector St. Petersburg, Prevention Department, 155 Columbia Drive, Tampa, Florida 33606-3598. The Waterways Management Division maintains the public docket for this rulemaking. Comments and material received from the public, as well as documents indicated in this preamble as being available in the docket, will become part of this docket and will be available for inspection or copying at Coast Guard Sector St. Petersburg between 7:30 a.m. and 3:30 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT: Waterways Management Division at Coast Guard Sector St. Petersburg, (813) 228-2191, Ext. 8307.

SUPPLEMENTARY INFORMATION:

Request for Comments

We encourage you to participate in this rulemaking by submitting comments and related material. If you do so, please include your name and address, identify the docket number for this rulemaking (CGD 07-05-156), indicate the specific section of this document to which each comment applies, and give the reason for each comment. Please submit all comments and related material in an unbound format, no larger than 8½ by 11 inches, suitable for copying. If you would like to know they reached us, please enclose a stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period. We may change this proposed rule in view of them.

Public Meeting

We do not now plan to hold a public meeting. But you may submit a request for a meeting by writing to Coast Guard Sector St. Petersburg at the address under **ADDRESSES** explaining why one would be beneficial. If we determine that one would aid this rulemaking, we will hold one at a time and place announced by a later notice in the **Federal Register**.

Background and Purpose

The Annual Gasparilla Marine Parade is currently held annually on the first Saturday in February and is governed by a permanent regulation published at 33 CFR 100.734. The Annual Gasparilla Marine Parade has been moved permanently to the last Saturday in January. Law enforcement officials have also identified a need for a parade staging area for vessels officially entered in the parade. This area would prohibit vessels not officially entered in the parade from entering the area and allow for the safe movement and lineup of the official boats prior to the start of the parade. Law enforcement personnel also identified a need for a 50 foot safety zone around all official parade boats during the parade due to safety concerns associated with an increased number of spectator vessels that gather to watch the parade.

Discussion of Proposed Rule

This rule is necessary to accommodate the change in the date of the event, to create a parade staging area, and to create a 50 foot safety area around all official parade boats. The regulation would change the enforcement date from the first Saturday in February to the last Saturday in January. It would also prohibit vessels not officially entered in the parade from entering the parade staging area and