

**DEPARTMENT OF THE INTERIOR (DOI)**  
**Minerals Management Service (MMS)**

Proposed Rule Stage

**1181. ● AMENDMENT OF DUAL ACCOUNTING REQUIREMENT IN GAS VALUATION REGULATIONS**
**Significance:** Regulatory Program

**Legal Authority:** 25 USC 396 et seq; 25 USC 396a et seq; 25 USC 2101 et seq; 30 USC 181 et seq; 30 USC 351 et seq; 30 USC 1001 et seq; 30 USC 1701 et seq; 31 USC 9701; 43 USC 1301 et seq; 43 USC 1331 et seq; 43 USC 1801 et seq

**CFR Citation:** 30 CFR 206

**Legal Deadline:** None

**Abstract:** The existing regulations require that the value of certain processed gas that is not sold pursuant to an arm's-length contract shall be the greater of value determined by two different methods. The comparison of the two values is commonly referred to as "dual accounting." The dual accounting requirement results in the inconsistent valuation of gas depending on whether it is sold in an arm's-length or a non-arm's length situation. Regulation amendments are being developed which would eliminate the accounting for comparison requirement except where required by lease terms.

**Timetable:**

Action	Date	FR Cite
NPRM	04/00/89	
NPRM Comment Period End	05/00/89	
Final Action	09/00/89	
Final Action Effective	10/00/89	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Dennis C. Whitcomb, Chief, Rules and Procedures, Department of the Interior, Minerals Management Service, Denver Federal Center, MS 662, Bldg. 85, Denver, CO 80225, 303 231-3432

**RIN:** 1010-AB28

**1182. ● AMENDMENT OF VALUATION BENCHMARKS IN GAS REGULATIONS**
**Significance:** Regulatory Program

**Legal Authority:** 25 USC 396 et seq; 25 USC 396a et seq; 25 USC 2101 et seq; 30 USC 181 et seq; 30 USC 351 et seq; 30 USC 1001 et seq; 30 USC 1701 et seq; 31 USC 9701; 43 USC 1301 et seq; 43 USC 1331 et seq; 43 USC 1801 et seq

**CFR Citation:** 30 CFR 206

**Legal Deadline:** None

**Abstract:** The existing regulations provide for the valuation of unprocessed gas, residue gas, or any gas plant product which is not sold pursuant to an arm's-length contract to be determined in accordance with a benchmark method. In the final regulations, MMS adopted as the first benchmark the lessee's gross proceeds received under its non-arm's-length transaction if they were equivalent to the gross proceeds received under comparable arm's-length contracts for like-quality production in the same field or area. The criteria to be considered in defining comparable contracts were also outlined. However, since the

adoption of the revised regulations, numerous questions have been raised as to the interpretation of the first benchmark. These questions have been identified the need to further clarify MMS's intention in this regard.

**Timetable:**

Action	Date	FR Cite
NPRM	04/00/89	
NPRM Comment Period End	05/00/89	
Final Action	09/00/89	
Final Action Effective	10/00/89	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Dennis C. Whitcomb, Chief, Rules and Procedures, Department of the Interior, Minerals Management Service, Denver Federal Center, MS 662, Bldg. 85, Denver, CO 80225, 303 231-3432

**RIN:** 1010-AB29

**1183. ● REVISION OF REGULATIONS GOVERNING INTEREST RATE APPLICABLE TO LATE PAYMENTS AND UNDERPAYMENTS**
**Legal Authority:** 25 USC 396 et seq; 25 USC 396a et seq; 25 USC 2101 et seq; 30 USC 181 et seq; 30 USC 351 et seq; 30 USC 1001 et seq; 30 USC 1701 et seq; 31 USC 9701; 43 USC 1301 et seq; 43 USC 1331 et seq; 43 USC 1801 et seq

**CFR Citation:** 30 CFR 218

**Legal Deadline:** None

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**Abstract:** Existing regulations at 30 CFR 218.54, 218.55, and 218.103 govern the rate of interest to be charged on underpayments or late payments of royalty by lessees and other royalty payors, and the rate of interest to be paid on late disbursements of an Indian Tribe's or Allottee's royalty or a State's share of royalty revenues. These regulations reference section 6621 of the Internal Revenue Code of 1954 for the applicable interest rate in each situation. However, section 6621 was amended by the Tax Reform Act of 1986 to provide for a different interest rate for overpayments and for underpayments. A rule amendment is required to clarify an ambiguity in the existing regulations, created by the amendment to section 6621, as to which of two different rates would apply.

**Timetable:**

Action	Date	FR Cite
NPRM	04/00/89	
NPRM Comment Period End	05/00/89	
Final Action	07/00/89	
Final Action Effective	07/00/89	

**Small Entities Affected:** None**Government Levels Affected:** None

**Agency Contact:** Dennis C. Whitcomb, Chief, Rules and Procedures, Department of the Interior, Minerals Management Service, Denver Federal Center, MS 662, Bldg. 85, Denver, CO 80225, 303 231-3432

RIN: 1010-AB32

#### 1184. RECOUPMENTS AND REFUNDS OF EXCESS PAYMENTS UNDER FEDERAL OFFSHORE MINERAL LEASES

**Significance:** Regulatory Program**Legal Authority:** 43 USC 1339**CFR Citation:** 30 CFR 230**Legal Deadline:** None

**Abstract:** This rulemaking is needed to add new regulations covering recoupment and refunds of excess payments made under Federal offshore mineral leases which are subject to section 10 of the Outer Continental Shelf Lands Act of 1953 (OCSLA), 43 USC 1339. This rule would establish requirements and guidelines for crediting (recouping) excess payments of royalties, rentals, bonuses, or other amounts against a current or future

payment obligation or refunding such excess payment to any person lawfully entitled to receive a refund or credit for an overpayment made under an offshore lease. The new regulation is intended to lessen confusion on the part of payors, operators, and the Minerals Management Service.

**Timetable:**

Action	Date	FR Cite
NPRM	12/00/89	
NPRM Comment Period End	02/00/90	

**Small Entities Affected:** Undetermined**Government Levels Affected:** Undetermined

**Agency Contact:** Dennis C. Whitcomb, Chief, Rules and Procedures, Department of the Interior, Minerals Management Service, Denver Federal Center, MS 662, Bldg. 85, Denver, CO 80225, 303 231-3432

RIN: 1010-AB11

#### 1185. REVISION OF REGULATIONS GOVERNING APPEALS

**Legal Authority:** 30 USC 1701 et seq**CFR Citation:** 30 CFR 243**Legal Deadline:** None

**Abstract:** Payors who appeal a bill for payment of additional royalty, rents, bonuses, penalties, or other assessments, are required by the existing appeal regulations to submit payment of the billed amount or to post a bond in an amount adequate to indemnify the lessor from loss or damage. However, some bills for payment that have been appealed have been neither paid nor secured by an acceptable surety. An amendment to the existing regulations is needed to establish a requirement that payment must be made or that an acceptable surety must be posted within a specified period of time as a condition for acceptance of the appeal for consideration by the Director, Minerals Management Service (MMS). An amendment is also needed to permit the posting of letters of credit, in addition to bonds, in accordance with current MMS practice.

**Timetable:**

Action	Date	FR Cite
NPRM	04/00/89	
NPRM Comment Period End	05/00/89	

**Small Entities Affected:** None**Government Levels Affected:** None

**Agency Contact:** Dennis C. Whitcomb, Chief, Rules and Procedures, Department of the Interior, Minerals Management Service, Denver Federal Center, MS 662, Bldg. 85, Denver, CO 80225, 303 231-3432

RIN: 1010-AB13

#### 1186. AIR QUALITY - OUTER CONTINENTAL SHELF WIDE

**Significance:** Regulatory Program**Legal Authority:** 30 USC 1334**CFR Citation:** 30 CFR 250.44; 30 CFR 250.45; 30 CFR 250.48; 30 CFR 250.57**Legal Deadline:** None

**Abstract:** Amendments to the Department of the Interior (DOI) Air Quality regulation for oil and gas operations will be proposed for all Outer Continental Shelf (OCS) areas. The changes would update requirements and consider the need for current information collection burdens, and provide additional safeguards for those pollutants which could be critical to air quality in areas adjoining the OCS. A determination of potential costs and benefits cannot be made until the final rulemaking has been prepared for RIN 1010-AA61, dealing with amendments to the DOI Air Quality regulation for oil and gas operations adjacent to the State of California. Considerable information has been developed during the negotiations conducted to implement that rulemaking. There have also been revisions to the related Environmental Protection Agency regulations which will affect both of these rulemakings. Timing, content, and format for this rulemaking for all OCS areas will not be determined until completion of the rulemaking RIN 1010-AA61.

**Timetable:**

Action	Date	FR Cite
NPRM	02/00/90	
NPRM Comment Period End	04/00/90	
Final Action	07/00/90	

**Small Entities Affected:** Undetermined**Government Levels Affected:** Undetermined

**Agency Contact:** William S. Cook, Petroleum Engineer, Department of the Interior, Minerals Management Service,

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Mail Stop 646, 12203 Sunrise Valley Drive, Reston, VA 22091, 703 648-7818  
RIN: 1010-AB14

**1187. ● LIMITATION OF THE DIRECTOR'S AUTHORITY FOR DISCRETIONARY RELEASE OF POSTLEASE PROPRIETARY DATA AND INFORMATION**

**Legal Authority:** 43 USC 1331 et seq

**CFR Citation:** 30 CFR 250.18

**Legal Deadline:** None

**Abstract:** Amendments to the regulations providing for the discretionary release of postlease proprietary data and information will be proposed. The amendments would limit the discretion of the MMS Director to release such data and information by defining more precisely the circumstances under which such releases may be authorized and to whom the data and information may be shown. The alternative to the proposed amendment is the case-by-case determination of whether to release such proprietary data and information based on the existing less specific discretionary authority of the Director. This alternative leaves some degree of uncertainty to the lessee concerning the circumstances under which releases will be authorized, and possible changes in policy.

**Timetable:**

Action	Date	FR Cite
NPRM	03/23/89	54 FR 11965
NPRM Comment	04/24/89	
Period End		

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** John Mirabella, Senior Regulatory Policy Analyst, Department of the Interior, Minerals Management Service, MS-646, 12203 Sunrise Valley Drive, Reston, VA 22091, 703 648-7815

RIN: 1010-AB30

**1188. OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF (OCS), SUBPART O, TRAINING**

**Legal Authority:** 43 USC 1334

**CFR Citation:** 30 CFR 250.210

**Legal Deadline:** None

**Abstract:** The rules at 30 CFR Part 250 which govern oil and gas and sulphur operations in the OCS will be revised to address in greater specificity training requirements for personnel engaged in oil, gas, and sulphur drilling, development, and production operations in the OCS. Training requirements were addressed in a proposed rule to consolidate into one document the rules governing oil and gas and sulphur operations in the OCS which was published on March 18, 1988 (51 FR 9316). The training provisions of that proposed rule have been revised, updated, and consolidated under a new Subpart O, Training. Other alternatives considered were not revising the regulations and revising only those regulations identified by industry. Promulgation of the regulation is not expected to result in costs significantly more than those incurred through the unregulated use of good commercial practices.

**Timetable:**

Action	Date	FR Cite
NPRM	04/00/89	
NPRM Comment	06/00/89	
Period End		

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Gerald D. Rhodes, Chief, Rules, Orders, and Standards Branch, Department of the Interior, Minerals Management Service, Mail Stop 646, 12203 Sunrise Valley Drive, Reston, VA 22091, 703 648-7816

RIN: 1010-AB21

**1189. OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF, SUBPART P, SULPHUR OPERATIONS**

**Legal Authority:** 43 USC 1334

**CFR Citation:** 30 CFR 250.250

**Legal Deadline:** None

**Abstract:** The rules at 30 CFR 250 which govern oil and gas and sulphur operations in the Outer Continental Shelf (OCS) will be revised to address sulphur exploration, development, and production operations with more specificity. Sulphur operations are currently addressed through rules applicable to oil, gas, and sulphur and through OCS Order No. 10, Sulphur Drilling Procedures, issued by the Gulf of Mexico OCS Region. Comments

received as the result of the publication on March 18, 1988 (51 FR 9316), of a proposed rule to consolidate rules governing oil, gas, and sulphur operations in the OCS included recommendations for the development of regulations which treat sulphur operations in the OCS with greater specificity. Other alternatives considered were not revising the regulations. Promulgation of the regulation is not expected to result in costs significantly more than those incurred through the unregulated use of good commercial practices.

**Timetable:**

Action	Date	FR Cite
NPRM	04/00/89	
NPRM Comment	07/00/89	
Period End		

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Gerald D. Rhodes, Chief, Rules, Orders, and Standards Branch, Department of the Interior, Minerals Management Service, Mail Stop 646, 12203 Sunrise Valley Drive, Reston, VA 22091, 703 648-7816

RIN: 1010-AB23

**1190. ● AMENDMENT TO 30 CFR 250.4 AND 250.34(J) TO ADD GUIDELINES FOR THE ACCEPTANCE OF CONTRIBUTIONS FOR MISSION ACTIVITIES SUCH AS THE PREPARATION OF ENVIRONMENTAL IMPACT STATEMENTS**

**Legal Authority:** 43 USC 1334

**CFR Citation:** 30 CFR 250.4; 30 CFR 250.34(j)

**Legal Deadline:** None

**Abstract:** The Minerals Management Service (MMS) proposes to amend 30 CFR 250.4 and 250.34(j) to implement the authority provided in the Fiscal Year 1987 Department of the Interior Appropriation Act to facilitate preparations of Environmental Impact Statements associated with the approval of certain Development and Production Plans. The alternative of prescribing specific procedures for use of such funds would not allow the flexibility to respond when the use of contractors and private contributions is the most sensible approach. There may be increased cost to some lessees; however, these costs represent a voluntary users fee comparable to the

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users fee provided in the Independent Offices Appropriation Act of 1952, as amended. No increase in cost or prices would result for any other entity.

**Timetable:**

Action	Date	FR Cite
NPRM	04/00/89	
NPRM Comment	06/00/89	
Period End		

**Small Entities Affected:** None

**Government Levels Affected:** Local, Federal

**Agency Contact:** Mario Rivero, Petroleum Engineer, Department of the Interior, Minerals Management Service, MS-646, 12203 Sunrise Valley Drive, Reston, VA 22091, 703 648-7608

**RIN:** 1010-AB33

**1191. ● AMENDMENTS TO 30 CFR 250.52 TO ADD REQUIREMENTS INTENDED TO PREVENT OCCURRENCE OF ACCIDENTAL FIRES CAUSED BY FALLING SLAG FROM WELDING OR BURNING**

**Legal Authority:** 43 USC 1334

**CFR Citation:** 30 CFR 250.52

**Legal Deadline:** None

**Abstract:** The Minerals Management Service proposes to amend 30 CFR 250.52 to add requirements designed to increase personnel safety and minimize property damage by avoiding or preventing the occurrence of accidental fires caused by hot slag from welding or burning activities falling into flammable material floating on the ocean surface beneath Outer Continental Shelf (OCS) facilities. The proposed amendment was prompted by the recommendations of an investigation of a January 6, 1984, accidental fire believed to have been caused by hot welding slag igniting a layer of hydrocarbons floating on the

surface of the ocean water beneath an OCS facility. Three men died and nine were burned as a consequence of that fire. The alternative considered was to send lessees advisory notices alerting them of the potential danger of welding slag; however, the alternative was considered less effective because it lacked enforcement. The proposed amendment would not result in increases in cost to lessees or consumers.

**Timetable:**

Action	Date	FR Cite
NPRM	04/00/89	
NPRM Comment	06/00/89	
Period End		

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Mario Rivero, Petroleum Engineer, Department of the Interior, Minerals Management Service, MS-646, 12203 Sunrise Valley Drive, Reston, VA 22091, 703 648-7608

**RIN:** 1010-AB31

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Final Rule Stage

Minerals Management Service (MMS)

**1192. REVISION OF ROYALTY VALUATION REGULATIONS GOVERNING GAS SALES UNDER PERCENTAGE-OF-PROCEEDS CONTRACTS**

**Significance:** Regulatory Program

**Legal Authority:** 25 USC 396 et seq; 25 USC 396a et seq; 25 USC 2101 et seq; 30 USC 181 et seq; 30 USC 351 et seq; 30 USC 1001 et seq; 30 USC 1701 et seq; 30 USC 9701; 43 USC 1301 et seq; 43 USC 1331 et seq; 43 USC 1801 et seq

**CFR Citation:** 30 CFR 206

**Legal Deadline:** None

**Abstract:** The Minerals Management Service (MMS) published final revised regulations governing the valuation of gas from Federal leases onshore and on the Outer Continental Shelf and from Indian Tribal and allotted leases in the Federal Register on January 15, 1988 (53 FR 1230). The proposed gas valuation provisions of section 206.153, in part, govern the determination of value in situations where the lessee's contract for the sale of gas prior to processing provides for the value to be determined based upon a percentage of the purchases proceeds resulting from

processing the gas. However, the inclusion of these percentages-of-proceeds contracts under section 206.153 has created unreasonable burdens on lessees. Consequently, MMS is proposing to amend its regulations to provide for the valuation of gas under percentage-of-proceeds contracts to be under the unprocessed gas valuation standards of section 206.152, rather than section 206.153.

**Timetable:**

Action	Date	FR Cite
NPRM	12/15/88	53 FR 50422
NPRM Comment	02/03/89	54 FR 1398
Period End		
Final Action	09/00/89	
Final Action Effective	10/00/89	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Dennis C. Whitcomb, Chief, Rules and Procedures, Department of the Interior, Minerals Management Service, Denver Federal

Center, MS 662, Bldg. 85, Denver, CO 80225, 303 231-3432

**RIN:** 1010-AB17

**1193. GEOTHERMAL RESOURCES USED TO GENERATE ELECTRICITY, PRODUCT VALUATION FOR ROYALTY PURPOSES**

**Significance:** Regulatory Program

**Legal Authority:** 25 USC 396 et seq; 25 USC 396a et seq; 25 USC 2101 et seq; 30 USC 181 et seq; 30 USC 351 et seq; 30 USC 1001 et seq; 30 USC 1701 et seq; 31 USC 9701; 43 USC 1301 et seq; 43 USC 1331 et seq; 43 USC 1801 et seq

**CFR Citation:** 30 CFR 206

**Legal Deadline:** None

**Abstract:** Existing regulations governing the valuation of geothermal resources provide insufficient guidance for the valuation of geothermal resources utilized to generate electricity in a lessee-owned power plant. Consequently, the Minerals Management Service has issued a report entitled "Valuation of Federal Geothermal Resources—Electrical Generation" which describes a

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"geothermal netback procedure" to value these "no sales" resources. An amendment is needed to the existing regulations to provide regulatory guidance after receipt and consideration of comments from the public to the existing geothermal netback procedure.

**Timetable:**

Action	Date	FR Cite
NPRM	01/05/89	54 FR 354
NPRM Comment Period End	03/06/89	
Final Action	07/00/89	
Final Action Effective	08/00/89	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Dennis C. Whitcomb, Chief, Rules and Procedures, Department of the Interior, Minerals Management Service, Denver Federal Center, MS 662, Bldg. 85, Denver, CO 80225, 303 231-3432

**RIN:** 1010-AB22

#### 1194. OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF; SAFETY AND POLLUTION-PREVENTION EQUIPMENT

**Legal Authority:** 43 USC 1334

**CFR Citation:** 30 CFR 250.1; 30 CFR 250.126

**Legal Deadline:** None

**Abstract:** The rules at 30 CFR 250.126 on the manufacture of safety and pollution-prevention equipment (i.e., surface and subsurface safety valves) are being amended. The amendment would update the American National Standards Institute/American Society of Mechanical Engineers (ANSI/ASME) SPPE-1 standard from the 1985 edition to the 1988 edition and allow compliance with either the updated version of the ANSI/ASME SPPE-1 quality assurance (QA) program (1988 edition) or the proposed American Petroleum Institute (API) QA program (API Spec Q1 in combination with API Specs 14A and 14b). Other alternatives considered were not to amend the rule and to continue using ANSI/ASME SPPE-1 as the only type of certification for the QA program. The costs to lessees under the API program or the updated ANSI/ASME SPPE-1 program are not expected to be significantly

different than the costs under the current program. If there is any cost difference, it is expected to be a reduction in cost since the use of the API program is an option to the use of the ANSI/ASME SPPE-1 program. Lessees would not be expected to choose the use of the more expensive of the approved QA programs.

**Timetable:**

Action	Date	FR Cite
NPRM	07/05/88	53 FR 25349
NPRM Comment Period End	09/29/88	53 FR 30705
Final Action	04/00/89	
Final Action Effective	06/00/89	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** M. L. Courtois, Chief, Offshore Inspection and Enforcement Division, Department of the Interior, Minerals Management Service, Mail Stop 647, 12203 Sunrise Valley Drive, Reston, VA 22091, 703 648-7750

**RIN:** 1010-AB19

#### 1195. AIR QUALITY - OFFSHORE CALIFORNIA

**Significance:** Regulatory Program

**Legal Authority:** 43 USC 1334

**CFR Citation:** 30 CFR 250.47

**Legal Deadline:** None

**Abstract:** Amendments to the DOI Air Quality regulation for oil and gas operations will be proposed for Outer Continental Shelf areas adjacent to California. The changes would provide additional safeguards for those pollutants which could be critical to air quality in the region. The costs have been determined to have a net present value of approximately \$25M to the regulated industry; the net benefits have not been quantified but would be a reduction in any effect of emissions from OCS operations on the ozone levels in adjacent onshore areas. This may be expected to yield cost reductions in health services and other related areas. The DOI has conducted a conflict assessment to determine the likelihood of the interested and affected parties being able to reach an agreement on an air quality regulatory program. If the affected parties involved can develop a mutually agreeable set of requirements, then DOI will initiate rulemaking based on that agreement.

**Timetable:**

Action	Date	FR Cite
ANPRM	01/07/85	50 FR 838
ANPRM Comment Period End	03/08/85	
Begin conflict assessment phase of negotiated rulemaking process	04/15/86	
Determine potential for negotiated agreement	07/30/86	
Complete determination of effects of rules	05/18/88	
Reach agreement on a negotiated rule or begin development of rule through standard process	12/19/88	
NPRM	01/17/89	54 FR 1846
NPRM Comment Period End	02/18/89	
Final Action	09/00/89	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** William S. Cook, Petroleum Engineer, Department of the Interior, Minerals Management Service, Mail Stop 646, Reston, VA 22091, 703 648-7818

**RIN:** 1010-AA61

#### 1196. NONDISCRIMINATION IN EMPLOYMENT IN THE OUTER CONTINENTAL SHELF

**Legal Authority:** 43 USC 1863; 43 USC 1331 et seq; 42 USC 2000d to 2000e

**CFR Citation:** 30 CFR 271

**Legal Deadline:** None

**Abstract:** There are no provisions in current Minerals Management Service regulations which provide a mechanism for remedy of unlawful discrimination in Outer Continental Shelf (OCS) employment. Rules would be developed to provide a process whereby persons who believed they had been denied employment because of unlawful discrimination would have a forum. These rules would implement the purposes of section 604 of the OCS Lands Act Amendment of 1978. Alternatives considered are no action,

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issuance of a policy statement and no rules, and proposal of extensive affirmative action rules similar to those rescinded in the past. Very few complaints are expected to arise as there has been no evidence of discrimination to date. Therefore, costs are expected to be minimal. Benefits would be the assurance that the requirements of section 604 are being fully carried out.

**Timetable:**

Action	Date	FR Cite
NPRM	05/12/87	52 FR 17770
NPRM Comment Period End	08/11/87	
Final Action	04/00/89	
Final Action Effective	06/00/89	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Mary McDonald,  
Program Analyst, Department of the  
Interior, Minerals Management Service,  
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RIN: 1010-AA87

## DEPARTMENT OF THE INTERIOR (DOI)

Completed Actions

## Minerals Management Service (MMS)

## 1197. VALUATION OF COAL FOR ROYALTY PURPOSES FROM FEDERAL AND INDIAN LEASES

Significance: Regulatory Program

Legal Authority: 25 USC 396 et seq; 25 USC 396a et seq; 25 USC 2101 et seq; 30 USC 181 et seq; 30 USC 351 et seq; 30 USC 1001 et seq; 30 USC 1701 et seq; 31 USC 9701; 43 USC 1301 et seq; 43 USC 1331 et seq; 43 USC 1801 et seq

CFR Citation: 30 CFR 202; 30 CFR 203; 30 CFR 208; 30 CFR 210; 30 CFR 212; 43 CFR 3480

Legal Deadline: None

Abstract: This regulation will provide consistent valuation procedures for coal for the purpose of royalty computations. It is being prepared in response to a Linowes Commission recommendation for a detailed definitive product valuation regulation which contains clear terms and procedures.

**Timetable:**

Action	Date	FR Cite
ANPRM	02/05/86	51 FR 4507
ANPRM Comment Period End	04/07/86	
NPRM	01/15/87	52 FR 1840
NPRM Comment Period End	04/15/87	
Reopen Public Comment Period	07/09/87	52 FR 25887
Reopened Public Comment Period End	07/23/87	
Reopened Public Comment Period	08/12/87	52 FR 29868
Notice of Intent to issue NPRM	11/17/87	52 FR 43919
Further NPRM	07/15/88	53 FR 26942

Action	Date	FR Cite
Further NPRM Public Comment Period End	09/13/88	
Final Action	01/13/89	54 FR 1492
Final Action Effective	03/01/89	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Dennis C. Whitcomb,  
Chief, Rules and Procedures,  
Department of the Interior, Minerals  
Management Service, Denver Federal  
Center, MS 662, Bldg. 85, Denver, CO  
80225, 303 231-3432

RIN: 1010-AA83

## 1198. PROCESSING AND TRANSPORTATION ALLOWANCES, RETURN ON CAPITAL INVESTMENT

Legal Authority: 25 USC 396 et seq; 25 USC 396a et seq; 25 USC 2101 et seq; 30 USC 181 et seq; 30 USC 351 et seq; 30 USC 1001 et seq; 30 USC 1701 et seq; 31 USC 9701; 43 USC 1301 et seq; 43 USC 1331 et seq; 43 USC 1801 et seq

CFR Citation: 30 CFR 206

Legal Deadline: None

Abstract: The Minerals Management Service (MMS) published new oil and gas product valuation regulations in the Federal Register on January 15, 1988 (53 FR 1184 and 53 FR 1230). If a lessee has a non-arm's-length contract or has no contract for processing or transportation of oil or gas, the new regulations provide for an allowable deduction from royalty payments based upon the lessee's reasonable actual costs during the reporting period. These actual cost deductions allow the lessee to deduct operating and maintenance

expenses, overhead, and at the lessee's option, either depreciation plus a return on undepreciated capital investment in the processing plant or transportation system, or a fixed cost equal to the initial depreciable investment multiplied by a rate of return. An amendment is needed to the regulations to establish the method to be used to determine the cost of capital, i.e., rate of return, to be applied to the lessee's investment in a processing plant or transportation system.

**Timetable:**

Action	Date	FR Cite
Withdrawn - no rulemaking action required at this time	11/01/88	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Dennis C. Whitcomb,  
Chief, Rules and Procedures,  
Department of the Interior, Minerals  
Management Service, Denver Federal  
Center, MS 662, Bldg. 85, Denver, CO  
80225, 303 231-3432

RIN: 1010-AB12

## 1199. AMENDMENT OF REGULATIONS, OIL AND GAS TRANSPORTATION ALLOWANCES AND GAS PROCESSING ALLOWANCES

Legal Authority: 25 USC 396 et seq; 25 USC 396a et seq; 25 USC 2101 et seq; 30 USC 181 et seq; 30 USC 351 et seq; 30 USC 1001 et seq; 30 USC 1701 et seq; 31 USC 9701; 43 USC 1301 et seq; 43 USC 1331 et seq; 43 USC 1801 et seq

CFR Citation: 30 CFR 206

Legal Deadline: None

## DOI—MMS

## Completed Actions

**Abstract:** The Minerals Management Service (MMS) published final revised regulations governing the valuation of oil and gas from Federal leases onshore and on the Outer Continental Shelf and from Indian Tribal and allotted leases in the Federal Register on January 15, 1988 (53 FR 1184 and 53 FR 1230). A subsequent review of the regulations disclosed that the wording of the provisions concerning the calculation of oil and gas transportation allowances and gas processing allowances was inconsistent with MMS's intent. An amendment is needed to the provisions to clarify MMS's intent.

**Timetable:**

Action	Date	FR Cite
Withdrawn - no rulemaking action required at this time	11/01/88	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Dennis C. Whitcomb, Chief, Rules and Procedures, Department of the Interior, Minerals Management Service, Denver Federal Center, MS 662, Bldg 85, Denver, CO 80225, 303 231-3432

**RIN:** 1010-AB18

### 1200. AMENDMENT OF OIL AND GAS ROYALTY VALUATION REGULATIONS

**Legal Authority:** 25 USC 396 et seq; 25 USC 396a et seq; 25 USC 2101 et seq; 30 USC 181 et seq; 30 USC 351 et seq; 30 USC 1001 et seq; 30 USC 1701 et seq; 31 USC 9701; 43 USC 1301 et seq; 43 USC 1331 et seq; 43 USC 1801 et seq

**CFR Citation:** 30 CFR 206

**Legal Deadline:** None

**Abstract:** The Minerals Management Service (MMS) published final revised regulations governing the valuation of oil and gas from Federal leases onshore and on the Outer Continental Shelf, and from Indian Tribal and allotted leases in the Federal Register on January 15, 1988 (53 FR 1184 and 53 FR 1230). A subsequent review of the regulations disclosed that the wording of several provisions was inconsistent with MMS's intent as discussed in the preamble to the final rules. An amendment is needed to the provisions to clarify MMS's intent.

**Timetable:**

Action	Date	FR Cite
Final Action	11/14/88	53 FR 45760
Final Action Effective	11/14/88	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Dennis C. Whitcomb, Chief, Rules and Procedures, Department of the Interior, Minerals Management Service, Denver Federal Center, MS 662, Bldg. 85, Denver, CO 80225, 303 231-3432

**RIN:** 1010-AB24

### 1201. SUPPLEMENTAL SALES

**Legal Authority:** 43 USC 1331 et seq

**CFR Citation:** 30 CFR 256.12; 30 CFR 256.26

**Legal Deadline:** None

**Abstract:** The rules at 30 CFR Part 256 will be revised to provide for supplemental sales and to establish limits on those supplemental sales. This rule is intended to allow the offering of rejected bid blocks, drainage blocks, and development blocks. The alternative is to operate under the current regulation and delay the leasing of certain blocks which may be critical to the development of an area or may be susceptible to loss of hydrocarbons.

**Timetable:**

Action	Date	FR Cite
NPRM	03/26/87	52 FR 9672
NPRM Comment Period End	04/27/87	
Comment Period Reopened	08/06/87	52 FR 29222
Final Action	08/09/88	53 FR 29884
Final Action Effective	03/08/88	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Mary McDonald, Program Analyst, Department of the Interior, Minerals Management Service, Mail Stop 646, 12203 Sunrise Valley Drive, Reston, VA 22091, 703 648-7820

**RIN:** 1010-AB05

### 1202. LEASING OF MINERALS OTHER THAN OIL, GAS, AND SULPHUR IN THE OUTER CONTINENTAL SHELF

**Significance:** Regulatory Program

**Legal Authority:** 43 USC 1334

**CFR Citation:** 30 CFR 281

**Legal Deadline:** None

**Abstract:** Proposes the desirability of new regulations to govern lease issuance on the Outer Continental Shelf (OCS) for minerals other than oil, gas, and sulphur under the authority of the OCS Lands Act; and requests comments and recommendations from interested parties. Alternative is to not have leasing requirements in regulations. Promulgation of regulation for leasing of hard mineral resources is not expected to add to the cost to industry. Regulations will ensure uniform leasing policy for all interested parties.

**Timetable:**

Action	Date	FR Cite
ANPRM	04/19/85	50 FR 15590
ANPRM Comment Period End	08/19/85	
NPRM	08/18/88	53 FR 31424
NPRM Comment Period End	10/03/88	
Final Action	01/18/89	54 FR 2042
Final Action Effective	02/17/89	

**Small Entities Affected:** None

**Government Levels Affected:** None

**Agency Contact:** Gerald D. Rhodes, Chief, Rules, Orders, and Standards Branch, Department of the Interior, Minerals Management Service, Mail Stop 646, 12203 Sunrise Valley Drive, Reston, VA 22091, 703 648-7816

**RIN:** 1010-AA82

### 1203. MINING OPERATIONS FOR MINERALS OTHER THAN OIL, GAS, AND SULPHUR IN THE OUTER CONTINENTAL SHELF

**Significance:** Regulatory Program

**Legal Authority:** 43 USC 1334

**CFR Citation:** 30 CFR 282

**Legal Deadline:** None

**Abstract:** Proposes the desirability of new regulations to govern Production and Development Operations on the Outer Continental Shelf (OCS) for minerals other than oil, gas, and sulphur under the authority of the OCS Lands Act; and requests comments and recommendations from interested parties. Alternative is to specify requirements in a lease document. Promulgation of regulation is not expected to result in costs significantly

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more than those incurred through the unregulated use of good commercial practices. The regulation will require that hard mineral operations are conducted in a manner that will ensure safety and protection of the environment.

**Timetable:**

Action	Date	FR Cite
ANPRM	04/09/86	51 FR 12163
ANPRM Comment Period End	08/07/86	
NPRM	08/18/88	53 FR 31442
NPRM Comment Period End	10/03/88	
Final Action	01/18/89	54 FR 2058
Final Action Effective	02/17/89	

**Small Entities Affected:** None**Government Levels Affected:** None

**Agency Contact:** Gerald D. Rhodes, Chief, Rules, Orders, and Standards Branch, Department of the Interior, Minerals Management Service, Mail Stop 646, 12203 Sunrise Valley Drive, Reston, VA 22091, 703 648-7818

**RIN:** 1010-AA81**1204. APPEALS PROCEDURES****Legal Authority:** 43 USC 1334**CFR Citation:** 30 CFR 290**Legal Deadline:** None

**Abstract:** Appeals are required to be filed within 30 days of the issuance of an order or decision by a Minerals Management Service official. The rule will create a "grace period" for determining whether notices of appeals have been filed in a timely manner. Appeals will be considered timely if

they are received within 10 days after the end of the initial 30 days and there is evidence of transmittal within the initial 30 days (e.g., a postmark).

**Timetable:**

Action	Date	FR Cite
Withdrawn No rulemaking action required at this time.	12/01/88	

**Small Entities Affected:** None**Government Levels Affected:** None

**Agency Contact:** Jane A. Roberts, Paralegal Specialist, Department of the Interior, Minerals Management Service, 1951 Kidwell Drive, MS 623, Vienna, VA 22180, 703 285-2990

**RIN:** 1010-AB20**BILLING CODE:** 4310-MR-T