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[73 FR 64548, Oct. 30, 2008]

§ 250.921 How do I analyze my platform for cumulative fatigue?

(a) If you are required to analyze cumulative fatigue on your platform because of the results of an inspection or platform assessment, you must ensure that the safety factors for critical elements listed in § 250.908 are met or exceeded.

(b) If the calculated life of a joint or member does not meet the criteria of § 250.908, you must either mitigate the load, strengthen the joint or member, or develop an increased inspection process.

Subpart J—Pipelines and Pipeline Rights-of-Way

§ 250.1000 General requirements.

(a) Pipelines and associated valves, flanges, and fittings shall be designed, installed, operated, maintained, and abandoned to provide safe and pollution-free transportation of fluids in a manner which does not unduly interfere with other uses in the Outer Continental Shelf (OCS).

(b) An application must be accompanied by payment of the service fee listed in § 250.125 and submitted to the Regional Supervisor and approval obtained before:

(1) Installation, modification, or abandonment of a lease term pipeline;

(2) Installation or modification of a right-of-way (other than lease term) pipeline; or

(3) Modification or relinquishment of a pipeline right-of-way.

(c)(1) Department of the Interior (DOI) pipelines, as defined in § 250.1001, must meet the requirements in §§ 250.1000 through 250.1008.

(2) A pipeline right-of-way grant holder must identify in writing to the Regional Supervisor the operator of any pipeline located on its right-of-

way, if the operator is different from the right-of-way grant holder.

(3) A producing operator must identify for its own records, on all existing pipelines located on its lease or right-of-way, the specific points at which operating responsibility transfers to a transporting operator.

(i) Each producing operator must, if practical, durably mark all of its above-water transfer points by April 14, 1999 or the date a pipeline begins service, whichever is later.

(ii) If it is not practical to durably mark a transfer point, and the transfer point is located above water, then the operator must identify the transfer point on a schematic located on the facility.

(iii) If a transfer point is located below water, then the operator must identify the transfer point on a schematic and provide the schematic to MMS upon request.

(iv) If adjoining producing and transporting operators cannot agree on a transfer point by April 14, 1999, the MMS Regional Supervisor and the Department of Transportation (DOT) Office of Pipeline Safety (OPS) Regional Director may jointly determine the transfer point.

(4) The transfer point serves as a regulatory boundary. An operator may write to the MMS Regional Supervisor to request an exception to this requirement for an individual facility or area. The Regional Supervisor, in consultation with the OPS Regional Director and affected parties, may grant the request.

(5) Pipeline segments designed, constructed, maintained, and operated under DOT regulations but transferring to DOI regulation as of October 16, 1998, may continue to operate under DOT design and construction requirements until significant modifications or repairs are made to those segments. After October 16, 1998, MMS operational and maintenance requirements will apply to those segments.

(6) Any producer operating a pipeline that crosses into State waters without first connecting to a transporting operator's facility on the OCS must comply with this subpart. Compliance must extend from the point where hydrocarbons are first produced, through and

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(6) Any producer operating a pipeline that crosses into State waters without first connecting to a transporting operator's facility on the OCS must comply with this subpart. Compliance must extend from the point where hydrocarbons are first produced, through and

including the last valve and associated safety equipment (e.g., pressure safety sensors) on the last production facility on the OCS.

(7) Any producer operating a pipeline that connects facilities on the OCS must comply with this subpart.

(8) Any operator of a pipeline that has a valve on the OCS downstream (landward) of the last production facility may ask in writing that the MMS Regional Supervisor recognize that valve as the last point MMS will exercise its regulatory authority.

(9) A pipeline segment is not subject to MMS regulations for design, construction, operation, and maintenance if:

(i) It is downstream (generally shoreward) of the last valve and associated safety equipment on the last production facility on the OCS; and

(ii) It is subject to regulation under 49 CFR parts 192 and 195.

(10) DOT may inspect all upstream safety equipment (including valves, over-pressure protection devices, cathodic protection equipment, and pigging devices, etc.) that serve to protect the integrity of DOT-regulated pipeline segments.

(11) OCS pipeline segments not subject to DOT regulation under 49 CFR parts 192 and 195 are subject to all MMS regulations.

(12) A producer may request that its pipeline operate under DOT regulations governing pipeline design, construction, operation, and maintenance.

(i) The operator's request must be in the form of a written petition to the MMS Regional Supervisor that states the justification for the pipeline to operate under DOT regulation.

(ii) The Regional Supervisor will decide, on a case-by-case basis, whether to grant the operator's request. In considering each petition, the Regional Supervisor will consult with the Office of Pipeline Safety (OPS) Regional Director.

(13) A transporter who operates a pipeline regulated by DOT may request to operate under MMS regulations governing pipeline operation and maintenance. Any subsequent repairs or modifications will also be subject to MMS regulations governing design and construction.

(i) The operator's request must be in the form of a written petition to the OPS Regional Director and the MMS Regional Supervisor.

(ii) The MMS Regional Supervisor and the OPS Regional Director will decide how to act on this petition.

(d) A pipeline which qualifies as a right-of-way pipeline (see § 250.1001, Definitions) shall not be installed until a right-of-way has been requested and granted in accordance with this subpart.

(e)(1) The Regional Supervisor may suspend any pipeline operation upon a determination by the Regional Supervisor that continued activity would threaten or result in serious, irreparable, or immediate harm or damage to life (including fish and other aquatic life), property, mineral deposits, or the marine, coastal, or human environment.

(2) The Regional Supervisor may also suspend pipeline operations or a right-of-way grant if the Regional Supervisor determines that the lessee or right-of-way holder has failed to comply with a provision of the Act or any other applicable law, a provision of these or other applicable regulations, or a condition of a permit or right-of-way grant.

(3) The Secretary of the Interior (Secretary) may cancel a pipeline permit or right-of-way grant in accordance with 43 U.S.C. 1334(a)(2). A right-of-way grant may be forfeited in accordance with 43 U.S.C. 1334(e).

[53 FR 10690, Apr. 1, 1988. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998; 63 FR 34597, June 25, 1998; 63 FR 43880, Aug. 17, 1998; 65 FR 46095, July 27, 2000; 71 FR 40912, July 19, 2006]

§ 250.1001 Definitions.

Terms used in this subpart shall have the meanings given below:

DOI pipelines include:

(1) Producer-operated pipelines extending upstream (generally seaward) from each point on the OCS at which operating responsibility transfers from a producing operator to a transporting operator;

(2) Producer-operated pipelines extending upstream (generally seaward) of the last valve (including associated safety equipment) on the last production facility on the OCS that do not

connect to a transporter-operated pipeline on the OCS before crossing into State waters;

(3) Producer-operated pipelines connecting production facilities on the OCS;

(4) Transporter-operated pipelines that DOI and DOT have agreed are to be regulated as DOI pipelines; and

(5) All OCS pipelines not subject to regulation under 49 CFR parts 192 and 195.

DOT pipelines include:

(1) Transporter-operated pipelines currently operated under DOT requirements governing design, construction, maintenance, and operation;

(2) Producer-operated pipelines that DOI and DOT have agreed are to be regulated under DOT requirements governing design, construction, maintenance, and operation; and

(3) Producer-operated pipelines downstream (generally shoreward) of the last valve (including associated safety equipment) on the last production facility on the OCS that do not connect to a transporter-operated pipeline on the OCS before crossing into State waters and that are regulated under 49 CFR parts 192 and 195.

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

Out-of-service pipelines are those pipelines that have not been used to transport oil, natural gas, sulfur, or produced water for more than 30 consecutive days.

Pipelines are the piping, risers, and appurtenances installed for the purpose of transporting oil, gas, sulphur, and produced water. (Piping confined to a production platform or structure is covered in Subpart H, Production Safety Systems, and is excluded from this subpart.)

Production facilities means OCS facilities that receive hydrocarbon production either directly from wells or from other facilities that produce hydrocarbons from wells. They may include processing equipment for treating the production or separating it into its

various liquid and gaseous components before transporting it to shore.

Right-of-way pipelines are those pipelines which—

(1) Are contained within the boundaries of a single lease or group of unitized leases but are not owned and operated by the lessee or operator of that lease or unit,

(2) Are contained within the boundaries of contiguous (not cornering) leases which do not have a common lessee or operator,

(3) Are contained within the boundaries of contiguous (not cornering) leases which have a common lessee or operator but are not owned and operated by that common lessee or operator, or

(4) Cross any portion of an unleased block(s).

[53 FR 10690, Apr. 1, 1998. Redesignated at 63 FR 29479, May 29, 1998; as amended at 63 FR 43881, Aug. 17, 1998; 65 FR 46096, July 27, 2000; 67 FR 35405, May 17, 2002; 72 FR 25201, May 4, 2007]

§ 250.1002 Design requirements for DOI pipelines.

(a) The internal design pressure for steel pipe shall be determined in accordance with the following formula:

$$P = \frac{2(S)(t)}{D} \times (F)(E)(T)$$

For limitations see section 841.121 of American National Standards Institute (ANSI) B31.8 (incorporated by reference as specified in 30 CFR 250.198) where—

P=Internal design pressure in pounds per square inch (psi).

S=Specified minimum yield strength, in psi, stipulated in the specification under which the pipe was purchased from the manufacturer or determined in accordance with section 811.253(h) of ANSI B31.8.

D=Nominal outside diameter of pipe, in inches.

t=Nominal wall thickness, in inches.

F=Construction design factor of 0.72 for the submerged component and 0.60 for the riser component.

E=Longitudinal joint factor obtained from Table 841.1B of ANSI B31.8. (See also section 811.253(d)).

T=Temperature derating factor obtained from Table 841.1C of ANSI B31.8.

(b)(1) Pipeline valves shall meet the minimum design requirements of American Petroleum Institute (API)

Spec 6A, API Spec 6D, or the equivalent. A valve may not be used under operating conditions that exceed the applicable pressure-temperature ratings contained in those standards.

(2) Pipeline flanges and flange accessories shall meet the minimum design requirements of ANSI B16.5, API Spec 6A, or the equivalent (incorporated by reference as specified in 30 CFR 250.198). Each flange assembly must be able to withstand the maximum pressure at which the pipeline is to be operated and to maintain its physical and chemical properties at any temperature to which it is anticipated that it might be subjected in service.

(3) Pipeline fittings shall have pressure-temperature ratings based on stresses for pipe of the same or equivalent material. The actual bursting strength of the fitting shall at least be equal to the computed bursting strength of the pipe.

(4) If you are installing pipelines constructed of unbonded flexible pipe, you must design them according to the standards and procedures of API Spec 17J, incorporated by reference as specified in 30 CFR 250.198.

(5) You must design pipeline risers for tension leg platforms and other floating platforms according to the design standards of API RP 2RD, Design of Risers for Floating Production Systems (FPSs) and Tension Leg Platforms (TLPs), incorporated by reference as specified in 30 CFR 250.198.

(c) The maximum allowable operating pressure (MAOP) shall not exceed the least of the following:

(1) Internal design pressure of the pipeline, valves, flanges, and fittings;

(2) Eighty percent of the hydrostatic pressure test (HPT) pressure of the pipeline; or

(3) If applicable, the MAOP of the receiving pipeline when the proposed pipeline and the receiving pipeline are connected at a subsea tie-in.

(d) If the maximum source pressure (MSP) exceeds the pipeline's MAOP, you must install and maintain redundant safety devices meeting the requirements of section A9 of API RP 14C (incorporated by reference as specified in §250.198). Pressure safety valves (PSV) may be used only after a determination by the Regional Supervisor

that the pressure will be relieved in a safe and pollution-free manner. The setting level at which the primary and redundant safety equipment actuates shall not exceed the pipeline's MAOP.

(e) Pipelines shall be provided with an external protective coating capable of minimizing underfilm corrosion and a cathodic protection system designed to mitigate corrosion for at least 20 years.

(f) Pipelines shall be designed and maintained to mitigate any reasonably anticipated detrimental effects of water currents, storm or ice scouring, soft bottoms, mud slides, earthquakes, subfreezing temperatures, and other environmental factors.

[53 FR 10690, Apr. 1, 1988. Redesignated at 63 FR 29479, May 29, 1998, as amended at 67 FR 51760, Aug. 9, 2002; 70 FR 41683, July 19, 2005; 72 FR 12096, Mar. 16, 2007; 72 FR 26201, May 4, 2007]

§ 250.1003 Installation, testing, and repair requirements for DOI pipelines.

(a)(1) Pipelines greater than 8-5/8 inches in diameter and installed in water depths of less than 200 feet shall be buried to a depth of at least 3 feet unless they are located in pipeline congested areas or seismically active areas as determined by the Regional Supervisor. Nevertheless, the Regional Supervisor may require burial of any pipeline if the Regional Supervisor determines that such burial will reduce the likelihood of environmental degradation or that the pipeline may constitute a hazard to trawling operations or other uses. A trawl test or diver survey may be required to determine whether or not pipeline burial is necessary or to determine whether a pipeline has been properly buried.

(2) Pipeline valves, taps, tie-ins, capped lines, and repaired sections that could be obstructive shall be provided with at least 3 feet of cover unless the Regional Supervisor determines that such items present no hazard to trawling or other operations. A protective device may be used to cover an obstruction in lieu of burial if it is approved by the Regional Supervisor prior to installation.

(3) Pipelines shall be installed with a minimum separation of 18 inches at

pipeline crossings and from obstructions.

(4) Pipeline risers installed after April 1, 1988, shall be protected from physical damage that could result from contact with floating vessels. Riser protection on pipelines installed on or before April 1, 1988, may be required when the Regional Supervisor determines that significant damage potential exists.

(b)(1) Pipelines shall be pressure tested with water at a stabilized pressure of at least 1.25 times the MAOP for at least 8 hours when installed, relocated, updated, or reactivated after being out-of-service for more than 1 year.

(2) Prior to returning a pipeline to service after a repair, the pipeline shall be pressure tested with water or processed natural gas at a minimum stabilized pressure of at least 1.25 times the MAOP for at least 2 hours.

(3) Pipelines shall not be pressure tested at a pressure which produces a stress in the pipeline in excess of 95 percent of the specified minimum-yield strength of the pipeline. A temperature recorder measuring test fluid temperature synchronized with a pressure recorder along with deadweight test readings shall be employed for all pressure testing. When a pipeline is pressure tested, no observable leakage shall be allowed. Pressure gauges and recorders shall be of sufficient accuracy to verify that leakage is not occurring.

(4) The Regional Supervisor may require pressure testing of pipelines to verify the integrity of the system when the Regional Supervisor determines that there is a reasonable likelihood that the line has been damaged or weakened by external or internal conditions.

(o) When a pipeline is repaired utilizing a clamp, the clamp shall be a full encirclement clamp able to withstand the anticipated pipeline pressure.

[53 FR 10690, Apr. 1, 1988; 53 FR 12227, Apr. 13, 1988; 57 FR 26997, June 17, 1992, Redesignated at 63 FR 29479, May 29, 1998, as amended at 72 FR 26201, May 4, 2007]

§ 250.1004 Safety equipment requirements for DOI pipelines.

(a) The lessee shall ensure the proper installation, operation, and maintenance of safety devices required by this

section on all incoming, departing, and crossing pipelines on platforms.

(b)(1)(i) Incoming pipelines to a platform shall be equipped with a flow safety valve (FSV).

(1) For sulphur operations, incoming pipelines delivering gas to the power plant platform may be equipped with high- and low-pressure sensors (PSHL), which activate audible and visual alarms in lieu of requirements in paragraph (b)(1)(i) of this section. The PSHL shall be set at 15 percent or 5 psi, whichever is greater, above and below the normal operating pressure range.

(2) Incoming pipelines boarding a production platform shall be equipped with an automatic shutdown valve (SDV) immediately upon boarding the platform. The SDV shall be connected to the automatic- and remote-emergency shut-in systems.

(3) Departing pipelines receiving production from production facilities shall be protected by high- and low-pressure sensors (PSHL) to directly or indirectly shut in all production facilities. The PSHL shall be set not to exceed 15 percent above and below the normal operating pressure range. However, high pilots shall not be set above the pipeline's MAOP.

(4) Crossing pipelines on production or manned nonproduction platforms which do not receive production from the platform shall be equipped with an SDV immediately upon boarding the platform. The SDV shall be operated by a PSHL on the departing pipelines and connected to the platform automatic- and remote-emergency shut-in systems.

(5) The Regional Supervisor may require that oil pipelines be equipped with a metering system to provide a continuous volumetric comparison between the input to the line at the structure(s) and the deliveries onshore. The system shall include an alarm system and shall be of adequate sensitivity to detect variations between input and discharge volumes. In lieu of the foregoing, a system capable of detecting leaks in the pipeline may be substituted with the approval of the Regional Supervisor.

(6) Pipelines incoming to a subsea tie-in shall be equipped with a block

§ 250.1005

valve and an FSV. Bidirectional pipelines connected to a subsea tie-in shall be equipped with only a block valve.

(7) Gas-lift or water-injection pipelines on unmanned platforms need only be equipped with an FSV installed immediately upstream of each casing annulus or the first inlet valve on the christmas tree.

(8) Bidirectional pipelines shall be equipped with a PSHL and an SDV immediately upon boarding each platform.

(9) Pipeline pumps must comply with section A7 of API RP 140 (incorporated by reference as specified in §250.198). The setting levels for the PSHL devices are specified in paragraph (b)(3) of this section.

(o) If the required safety equipment is rendered ineffective or removed from service on pipelines which are continued in operation, an equivalent degree of safety shall be provided. The safety equipment shall be identified by the placement of a sign on the equipment stating that the equipment is rendered ineffective or removed from service.

[53 FR 10690, Apr. 1, 1988, as amended at 54 FR 50617, Dec. 8, 1989; 56 FR 32100, July 15, 1991. Redesignated at 63 FR 20479, May 29, 1998; 67 FR 51760, Aug. 9, 2002; 72 FR 25201, May 4, 2007]

§ 250.1005 Inspection requirements for DOI pipelines.

(a) Pipeline routes shall be inspected at time intervals and methods prescribed by the Regional Supervisor for indication of pipeline leakage. The results of these inspections shall be retained for at least 2 years and be made available to the Regional Supervisor upon request.

(b) When pipelines are protected by rectifiers or anodes for which the initial life expectancy of the cathodic protection system either cannot be calculated or calculations indicate a life expectancy of less than 20 years, such pipelines shall be inspected annually by taking measurements of pipe-to-electrolyte potential.

[53 FR 10690, Apr. 1, 1988. Redesignated at 63 FR 29479, May 29, 1998, as amended at 72 FR 25201, May 4, 2007]

30 CFR Ch. II (7-1-09 Edition)

§ 250.1006 How must I decommission and take out of service a DOI pipeline?

(a) The requirements for decommissioning pipelines are listed in §250.1750 through §250.1754.

(b) The table in this section lists the requirements if you take a DOI pipeline out of service:

If you have the pipeline out of service for:	Then you must:
(1) 1 year or less	Isolate the pipeline with a blind flange or a closed block valve at each end of the pipeline.
(2) More than 1 year but less than 5 years.	Flush and fill the pipeline with inhibited seawater.
(3) 5 or more years	Decommission the pipeline according to §§ 250.1750-250.1754.

[67 FR 35405, May 17, 2002]

§ 250.1007 What to include in applications.

(a) Applications to install a lease term pipeline or for a pipeline right-of-way grant must be submitted in quadruplicate to the Regional Supervisor. Right-of-way grant applications must include an identification of the operator of the pipeline. Each application must include the following:

(1) Plat(s) drawn to a scale specified by the Regional Supervisor showing major features and other pertinent data including area, lease, and block designations; water depths; route; length in Federal waters; width of right-of-way, if applicable; connecting facilities; size; product(s) to be transported with anticipated gravity or density; burial depth; direction of flow; X-Y coordinates of key points; and the location of other pipelines that will be connected to or crossed by the proposed pipeline(s). The initial and terminal points of the pipeline and any continuation into State jurisdiction shall be accurately located even if the pipeline is to have an onshore terminal point. A plat(s) submitted for a pipeline right-of-way shall bear a signed certificate upon its face by the engineer who made the map that certifies that the right-of-way is accurately represented upon the map and that the design characteristics of the associated pipeline are in accordance with applicable regulations.

(2) A schematic drawing showing the size, weight, grade, wall thickness, and type of line pipe and risers; pressure-regulating devices (including back-pressure regulators); sensing devices with associated pressure-control lines; PSV's and settings; SDV's, FSV's, and block valves; and manifolds. This schematic drawing shall also show input source(s), e.g., wells, pumps, compressors, and vessels; maximum input pressure(s); the rated working pressure, as specified by ANSI or API, of all valves, flanges, and fittings; the initial receiving equipment and its rated working pressure; and associated safety equipment and pig launchers and receivers. The schematic must indicate the point on the OCS at which operating responsibility transfers between a producing operator and a transporting operator.

(3) General information as follows:

(1) Description of cathodic protection system. If pipeline anodes are to be used, specify the type, size, weight, number, spacing, and anticipated life;

(ii) Description of external pipeline coating system;

(iii) Description of internal protective measures;

(iv) Specific gravity of the empty pipe;

(v) MSP;

(vi) MAOP and calculations used in its determination;

(vii) Hydrostatic test pressure, medium, and period of time that the line will be tested;

(viii) MAOP of the receiving pipeline or facility,

(ix) Proposed date for commencing installation and estimated time for construction; and

(x) Type of protection to be afforded crossing pipelines, subsea valves, taps, and manifold assemblies, if applicable.

(4) A description of any additional design precautions you took to enable the pipeline to withstand the effects of water currents, storm or ice scouring, soft bottoms, mudslides, earthquakes, permafrost, and other environmental factors.

(1) If you propose to use unbonded flexible pipe, your application must include:

(A) The manufacturer's design specification sheet;

(B) The design pressure (psi);

(C) An identification of the design standards you used; and

(D) A review by a third-party independent verification agent (IVA) according to API Spec 17J (Incorporated by reference as specified in § 250.198), if applicable.

(ii) If you propose to use one or more pipeline risers for a tension leg platform or other floating platform, your application must include:

(A) The design fatigue life of the riser, with calculations, and the fatigue point at which you would replace the riser;

(B) The results of your vortex-induced vibration (VIV) analysis;

(C) An identification of the design standards you used; and

(D) A description of any necessary mitigation measures such as the use of helical strakes or anchoring devices.

(5) The application shall include a shallow hazards survey report and, if required by the Regional Director, an archaeological resource report that covers the entire length of the pipeline. A shallow hazards analysis may be included in a lease term pipeline application in lieu of the shallow hazards survey report with the approval of the Regional Director. The Regional Director may require the submission of the data upon which the report or analysis is based.

(b) Applications to modify an approved lease term pipeline or right-of-way grant shall be submitted in quadruplicate to the Regional Supervisor. These applications need only address those items in the original application affected by the proposed modification.

[53 FR 10690, Apr. 1, 1988, as amended at 59 FR 53094, Oct. 21, 1994. Redesignated at 63 FR 29479, May 29, 1998, as amended at 63 FR 43881, Aug. 17, 1998; 67 FR 35406, May 17, 2002; 70 FR 41583, July 19, 2005; 72 FR 25201, May 4, 2007; 73 FR 64548, Oct. 30, 2008]

§ 250.1008 Reports.

(a) The lessee, or right-of-way holder, shall notify the Regional Supervisor at least 48 hours prior to commencing the installation or relocation of a pipeline or conducting a pressure test on a pipeline.

(b) The lessee or right-of-way holder shall submit a report to the Regional

Supervisor within 90 days after completion of any pipeline construction. The report, submitted in triplicate, shall include an "as-built" location plat drawn to a scale specified by the Regional Supervisor showing the location, length in Federal waters, and X-Y coordinates of key points; the completion date; the proposed date of first operation; and the HPT data. Pipeline right-of-way "as-built" location plats shall be certified by a registered engineer or land surveyor and show the boundaries of the right-of-way as granted. If there is a substantial deviation of the pipeline route as granted in the right-of-way, the report shall include a discussion of the reasons for such deviation.

(c) The lessee or right-of-way holder shall report to the Regional Supervisor any pipeline taken out of service. If the period of time in which the pipeline is out of service is greater than 60 days, written confirmation is also required.

(d) The lessee or right-of-way holder shall report to the Regional Supervisor when any required pipeline safety equipment is taken out of service for more than 12 hours. The Regional Supervisor shall be notified when the equipment is returned to service.

(e) The lessee or right-of-way holder must notify the Regional Supervisor before the repair of any pipeline or as soon as practicable. Your notification must be accompanied by payment of the service fee listed in § 250.125. You must submit a detailed report of the repair of a pipeline or pipeline component to the Regional Supervisor within 30 days after the completion of the repairs. In the report you must include the following:

- (1) Description of repairs;
- (2) Results of pressure test; and
- (3) Date returned to service.

(f) The Regional Supervisor may require that DOI pipeline failures be analyzed and that samples of a failed section be examined in a laboratory to assist in determining the cause of the failure. A comprehensive written report of the information obtained shall be submitted by the lessee to the Regional Supervisor as soon as available.

(g) If the effects of scouring, soft bottoms, or other environmental factors are observed to be detrimentally af-

fecting a pipeline, a plan of corrective action shall be submitted to the Regional Supervisor for approval within 30 days of the observation. A report of the remedial action taken shall be submitted to the Regional Supervisor by the lessee or right-of-way holder within 30 days after completion.

(h) The results and conclusions of measurements of pipe-to-electrolyte potential measurements taken annually on DOI pipelines in accordance with § 250.1005(b) of this part shall be submitted to the Regional Supervisor by the lessee before March of each year.

[53 FR 10690, Apr. 1, 1988. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998; 71 FR 40912, July 19, 2006]

§ 250.1009 Requirements to obtain pipeline right-of-way grants.

(a) In addition to applicable requirements of §§ 250.1000 through 250.1008 and other regulations of this part, regulations of the Department of Transportation, Department of the Army, and the Federal Energy Regulatory Commission (FERC), when a pipeline qualifies as a right-of-way pipeline, the pipeline shall not be installed until a right-of-way has been requested and granted in accordance with this subpart. The right-of-way grant is issued pursuant to 43 U.S.C. 1334(e) and may be acquired and held only by citizens and nationals of the United States; aliens lawfully admitted for permanent residence in the United States as defined in 8 U.S.C. 1101(a)(20); private, public, or municipal corporations organized under the laws of the United States or territory thereof, the District of Columbia, or of any State; or associations of such citizens, nationals, resident aliens, or private, public, or municipal corporations, States, or political subdivisions of States.

(b) A right-of-way shall include the site on which the pipeline and associated structures are to be situated, shall not exceed 200 feet in width unless safety and environmental factors during construction and operation of the associated right-of-way pipeline require a greater width, and shall be limited to the area reasonably necessary for

pumping stations or other accessory structures.

[53 FR 10690, Apr. 1, 1988, as amended at 54 FR 50617, Dec. 8, 1989; 55 FR 47753, Nov. 15, 1990; 59 FR 53094, Oct. 21, 1994; 62 FR 27955, May 22, 1997. Redesignated and amended at 63 FR 29478, 29486, May 29, 1998; 63 FR 34597, June 25, 1998; 64 FR 9065, Feb. 24, 1999. Further redesignated and amended at 68 FR 69311, 69312, Dec. 12, 2003]

§ 250.1010 General requirements for pipeline right-of-way holders.

An applicant, by accepting a right-of-way grant, agrees to comply with the following requirements:

(a) The right-of-way holder shall comply with applicable laws and regulations and the terms of the grant.

(b) The granting of the right-of-way shall be subject to the express condition that the rights granted shall not prevent or interfere in any way with the management, administration, or the granting of other rights by the United States, either prior or subsequent to the granting of the right-of-way. Moreover, the holder agrees to allow the occupancy and use by the United States, its lessees, or other right-of-way holders, of any part of the right-of-way grant not actually occupied or necessarily incident to its use for any necessary operations involved in the management, administration, or the enjoyment of such other granted rights.

(c) If the right-of-way holder discovers any archaeological resource while conducting operations within the right-of-way, the right-of-way holder shall immediately halt operations within the area of the discovery and report the discovery to the Regional Director. If investigations determine that the resource is significant, the Regional Director will inform the right-of-way holder how to protect it.

(d) The Regional Supervisor shall be kept informed at all times of the right-of-way holder's address and, if a corporation, the address of its principal place of business and the name and address of the officer or agent authorized to be served with process.

(e) The right-of-way holder shall pay the United States or its lessees or right-of-way holders, as the case may be, the full value of all damages to the property of the United States or its

said lessees or right-of-way holders and shall indemnify the United States against any and all liability for damages to life, person, or property arising from the occupation and use of the area covered by the right-of-way grant.

(f)(1) The holder of a right-of-way oil or gas pipeline shall transport or purchase oil or natural gas produced from submerged lands in the vicinity of the pipeline without discrimination and in such proportionate amounts as the FERC may, after a full hearing with due notice thereof to the interested parties, determine to be reasonable, taking into account, among other things, conservation and the prevention of waste.

(2) Unless otherwise exempted by FERC pursuant to 43 U.S.C. 1334(f)(2), the holder shall—

(i) Provide open and nondiscriminatory access to a right-of-way pipeline to both owner and nonowner shippers, and

(ii) Comply with the provisions of 43 U.S.C. 1334(f)(1)(B) under which FERC may order an expansion of the throughput capacity of a right-of-way pipeline which is approved after September 18, 1978, and which is not located in the Gulf of Mexico or the Santa Barbara Channel.

(g) The area covered by a right-of-way and all improvements thereon shall be kept open at all reasonable times for inspection by the Minerals Management Service (MMS). The right-of-way holder shall make available all records relative to the design, construction, operation, maintenance and repair, and investigations on or with regard to such area.

(h) Upon relinquishment, forfeiture, or cancellation of a right-of-way grant, the right-of-way holder shall remove all platforms, structures, domes over valves, pipes, taps, and valves along the right-of-way. All of these improvements shall be removed by the holder within 1 year of the effective date of the relinquishment, forfeiture, or cancellation unless this requirement is waived in writing by the Regional Supervisor. All such improvements not removed within the time provided herein shall become the property of the United States but that shall not relieve the holder of liability for the cost of

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their removal or for restoration of the site. Furthermore, the holder is responsible for accidents or damages which might occur as a result of failure to timely remove improvements and equipment and restore a site. An application for relinquishment of a right-of-way grant shall be filed in accordance with § 250.1019 of this part.

[53 FR 10690, Apr. 1, 1988, as amended at 54 FR 50617, Dec. 8, 1989; 55 FR 47753, Nov. 15, 1990; 59 FR 53094, Oct. 21, 1994; 62 FR 27955, May 22, 1997, Redesignated and amended at 63 FR 29479, 29486, May 29, 1998; 63 FR 34597, June 25, 1998; 64 FR 9065, Feb. 24, 1999. Further redesignated and amended at 68 FR 69311, 69312, Dec. 12, 2003; 72 FR 25201, May 4, 2007]

§ 250.1011 Bond requirements for pipeline right-of-way holders.

(a) When you apply for, or are the holder of, a right-of-way, you must:

(1) Provide and maintain a \$300,000 bond (in addition to the bond coverage required in part 256) that guarantees compliance with all the terms and conditions of the rights-of-way you hold in an OCS area; and

(2) Provide additional security if the Regional Director determines that a bond in excess of \$300,000 is needed.

(b) For the purpose of this paragraph, there are three areas:

(1) The Gulf of Mexico and the area offshore the Atlantic Coast;

(2) The areas offshore the Pacific Coast States of California, Oregon, Washington, and Hawaii; and

(3) The area offshore the Coast of Alaska.

(c) If, as the result of a default, the surety on a right-of-way grant bond makes payment to the Government of any indebtedness under a grant secured by the bond, the face amount of such bond and the surety's liability shall be reduced by the amount of such payment.

(d) After a default, a new bond in the amount of \$300,000 shall be posted within 6 months or such shorter period as the Regional Supervisor may direct. Failure to post a new bond shall be grounds for forfeiture of all grants covered by the defaulted bond.

[53 FR 10690, Apr. 1, 1988, as amended at 54 FR 50617, Dec. 8, 1989; 55 FR 47753, Nov. 15, 1990; 59 FR 53094, Oct. 21, 1994; 62 FR 27955, May 22, 1997, Redesignated and amended at 63 FR 29479, 29486, May 29, 1998; 63 FR 34597, June 25, 1998; 64 FR 9065, Feb. 24, 1999. Further redesignated and amended at 68 FR 69311, 69312, Dec. 12, 2003; 72 FR 25201, May 4, 2007]

§ 250.1012 Required payments for pipeline right-of-way holders.

(a) You must pay MMS an annual rental of \$15 for each statute mile, or part of a statute mile, of the OCS that your pipeline right-of-way crosses.

(b) This paragraph applies to you if you obtain a pipeline right-of-way that includes a site for an accessory to the pipeline, including but not limited to a platform. This paragraph also applies if you apply to modify a right-of-way to change the site footprint. In either case, you must pay the amounts shown in the following table.

If...	Then...
(1) Your accessory site is located in water depths of less than 200 meters;	You must pay a rental of \$5 per acre per year with a minimum of \$450 per year. The area subject to annual rental includes the areal extent of anchor chains, pipeline risers, and other facilities and devices associated with the accessory.
(2) Your accessory site is located in water depths of 200 meters or greater;	You must pay a rental of \$7.50 per acre per year with a minimum of \$875 per year. The area subject to annual rental includes the areal extent of anchor chains, pipeline risers, and other facilities and devices associated with the accessory.

(c) If you hold a pipeline right-of-way that includes a site for an accessory to your pipeline and you are not covered by paragraph (b) of this section, then you must pay MMS an annual rental of \$75 for use of the affected area.

(d) You may make the rental payments required by paragraphs (a), (b)(1), (b)(2), and (c) of this section on an annual basis, for a 5-year period, or for multiples of 5 years. You must make the first payment at the time you submit the pipeline right-of-way

application. You must make all subsequent payments before the respective time periods begin.

(e) *Late payments.* An interest charge will be assessed on unpaid and underpaid amounts from the date the amounts are due, in accordance with the provisions found in 30 CFR 218.54. If you fail to make a payment that is late after written notice from MMS, MMS may initiate cancellation of the right-of-use grant and easement under 30 CFR 250.1013.

[68 FR 69312, Dec. 12, 2003, as amended at 69 FR 29433, May 24, 2004]

§ 250.1013 Grounds for forfeiture of pipeline right-of-way grants.

Failure to comply with the Act, regulations, or any conditions of the right-of-way grant prescribed by the Regional Supervisor shall be grounds for forfeiture of the grant in an appropriate judicial proceeding instituted by the United States in any U.S. District Court having jurisdiction in accordance with the provisions of 43 U.S.C. 1349.

[53 FR 10690, Apr. 1, 1988, as amended at 54 FR 50617, Dec. 8, 1989; 55 FR 47763, Nov. 15, 1990; 59 FR 53094, Oct. 21, 1994; 62 FR 27955, May 22, 1997. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998; 63 FR 34597, June 25, 1998; 64 FR 9065, Feb. 24, 1999. Further redesignated and amended at 68 FR 69311, 69312, Dec. 12, 2003]

§ 250.1014 When pipeline right-of-way grants expire.

Any right-of-way granted under the provisions of this subpart remains in effect as long as the associated pipeline is properly maintained and used for the purpose for which the grant was made, unless otherwise expressly stated in the grant. Temporary cessation or suspension of pipeline operations shall not cause the grant to expire. However, if the purpose of the grant ceases to exist or use of the associated pipeline is permanently discontinued for any reason,

the grant shall be deemed to have expired.

[53 FR 10690, Apr. 1, 1988, as amended at 54 FR 50617, Dec. 8, 1989; 55 FR 47763, Nov. 15, 1990; 59 FR 53094, Oct. 21, 1994; 62 FR 27955, May 22, 1997. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998; 63 FR 34597, June 25, 1998; 64 FR 9065, Feb. 24, 1999. Further redesignated and amended at 68 FR 69311, 69312, Dec. 12, 2003]

§ 250.1015 Applications for pipeline right-of-way grants.

(a) You must submit an original and three copies of an application for a new or modified pipeline ROW grant to the Regional Supervisor. The application must address those items required by § 250.1007(a) or (b) of this subpart, as applicable. It must also state the primary purpose for which you will use the ROW grant. If the ROW has been used before the application is made, the application must state the date such use began, by whom, and the date the applicant obtained control of the improvement. When you file your application, you must pay the rental required under § 250.1012 of this subpart, as well as the service fees listed in § 250.126 of this part for a pipeline ROW grant to install a new pipeline, or to convert an existing lease term pipeline into a ROW pipeline. An application to modify an approved ROW grant must be accompanied by the additional rental required under § 250.1012 if applicable. You must file a separate application for each ROW.

(b)(1) An individual applicant shall submit a statement of citizenship or nationality with the application. An applicant who is an alien lawfully admitted for permanent residence in the United States shall also submit evidence of such status with the application.

(2) If the applicant is an association (including a partnership), the application shall also be accompanied by a certified copy of the articles of association or appropriate reference to a copy of such articles already filed with MMS and a statement as to any subsequent amendments.

(3) If the applicant is a corporation, the application shall also include the following:

(1) A statement certified by the Secretary or Assistant Secretary of the

corporation with the corporate seal showing the State in which it is incorporated and the name of the person(s) authorized to act on behalf of the corporation, or

(ii) In lieu of such a statement, an appropriate reference to statements or records previously submitted to MMS (including material submitted in compliance with prior regulations).

(c) The application shall include a list of every lessee and right-of-way holder whose lease or right-of-way is intersected by the proposed right-of-way. The application shall also include a statement that a copy of the application has been sent by registered or certified mail to each such lessee or right-of-way holder.

(d) The applicant shall include in the application an original and three copies of a completed Nondiscrimination in Employment form (YN 3341-1 dated July 1982). These forms are available at each MMS regional office.

(e) Notwithstanding the provisions of paragraph (a) of this section, the requirements to pay filing fees under that paragraph are suspended until January 3, 2006.

[53 FR 10690, Apr. 1, 1988, as amended at 62 FR 39775, July 24, 1997. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998; 64 FR 42598, Aug. 5, 1999. Further redesignated and amended at 68 FR 69311, 69312, Dec. 12, 2003; 70 FR 49876, Aug. 25, 2005; 70 FR 61893, Oct. 27, 2005]

§ 250.1016 Granting pipeline rights-of-way.

(a) In considering an application for a right-of-way, the Regional Supervisor shall consider the potential effect of the associated pipeline on the human, marine, and coastal environments, life (including aquatic life), property, and mineral resources in the entire area during construction and operational phases. The Regional Supervisor shall prepare an environmental analysis in accordance with applicable policies and guidelines. To aid in the evaluation and determinations, the Regional Supervisor may request and consider views and recommendations of appropriate Federal Agencies, hold public meetings after appropriate notice, and consult, as appropriate, with State agencies, organizations, industries, and

individuals. Before granting a pipeline right-of-way, the Regional Supervisor shall give consideration to any recommendation by the intergovernmental planning program, or similar process, for the assessment and management of OCS oil and gas transportation.

(b) Should the proposed route of a right-of-way adjoin and subsequently cross any State submerged lands, the applicant shall submit evidence to the Regional Supervisor that the State(s) so affected has reviewed the application. The applicant shall also submit any comment received as a result of that review. In the event of a State recommendation to relocate the proposed route, the Regional Supervisor may consult with the appropriate State officials.

(c)(1) The applicant shall submit photocopies of return receipts to the Regional Supervisor that indicate the date that each lessee or right-of-way holder referenced in § 250.1015(c) of this part has received a copy of the application. Letters of no objection may be submitted in lieu of the return receipts.

(2) The Regional Supervisor shall not take final action on a right-of-way application until the Regional Supervisor is satisfied that each such lessee or right-of-way holder has been afforded at least 30 days from the date determined in paragraph (c)(1) of this section in which to submit comments.

(d) If a proposed right-of-way crosses any lands not subject to disposition by mineral leasing or restricted from oil and gas activities, it shall be rejected by the Regional Supervisor unless the Federal Agency with jurisdiction over such excluded or restricted area gives its consent to the granting of the right-of-way. In such case, the applicant, upon a request filed within 30 days after receipt of the notification of such rejection, shall be allowed an opportunity to eliminate the conflict.

(e)(1) If the application and other required information are found to be in compliance with applicable laws and regulations, the right-of-way may be granted. The Regional Supervisor may prescribe, as conditions to the right-of-way grant, stipulations necessary to

protect human, marine, and coastal environments, life (including aquatic life), property, and mineral resources located on or adjacent to the right-of-way.

(2) If the Regional Supervisor determines that a change in the application should be made, the Regional Supervisor shall notify the applicant that an amended application shall be filed subject to stipulated changes. The Regional Supervisor shall determine whether the applicant shall deliver copies of the amended application to other parties for comment.

(3) A decision to reject an application shall be in writing and shall state the reasons for the rejection.

[63 FR 10690, Apr. 1, 1988, as amended at 54 FR 50617, Dec. 8, 1988. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998. Further redesignated and amended at 68 FR 69311, 69312, Dec. 12, 2003; 72 FR 25201, May 4, 2007]

§ 250.1017 Requirements for construction under pipeline right-of-way grants.

(a) Failure to construct the associated right-of-way pipeline within 5 years of the date of the granting of a right-of-way shall cause the grant to expire.

(b)(1) A right-of-way holder shall ensure that the right-of-way pipeline is constructed in a manner that minimizes deviations from the right-of-way as granted.

(2) If, after constructing the right-of-way pipeline, it is determined that a deviation from the proposed right-of-way as granted has occurred, the right-of-way holder shall—

(i) Notify the operators of all leases and holders of all right-of-way grants in which a deviation has occurred, and within 60 days of the date of the acceptance by the Regional Supervisor of the completion of pipeline construction report, provide the Regional Supervisor with evidence of such notification; and

(ii) Relinquish any unused portion of the right-of-way.

(3) Substantial deviation of a right-of-way pipeline as constructed from the proposed right-of-way as granted may be grounds for forfeiture of the right-of-way.

(c) If the Regional Supervisor determines that a significant change in conditions has occurred subsequent to the granting of a right-of-way but prior to the commencement of construction of the associated pipeline, the Regional Supervisor may suspend or temporarily prohibit the commencement of construction until the right-of-way grant is modified to the extent necessary to address the changed conditions.

[63 FR 10690, Apr. 1, 1988. Redesignated at 63 FR 29479, May 29, 1998. Further redesignated and amended at 68 FR 69311, 69312, Dec. 12, 2003]

§ 250.1018 Assignment of pipeline right-of-way grants.

(a) Assignment may be made of a right-of-way grant, in whole or of any lineal segment thereof, subject to the approval of the Regional Supervisor. An application for approval of an assignment of a right-of-way or of a lineal segment thereof, shall be filed in triplicate with the Regional Supervisor.

(b) Any application for approval for an assignment, in whole or in part, of any right, title, or interest in a right-of-way grant must be accompanied by the same showing of qualifications of the assignees as is required of an applicant for a ROW in § 250.1015 of this subpart and must be supported by a statement that the assignee agrees to comply with and to be bound by the terms and conditions of the ROW grant. The assignee must satisfy the bonding requirements in § 250.1011 of this subpart. No transfer will be recognized unless and until it is first approved, in writing, by the Regional Supervisor. The assignee must pay the service fee listed in § 250.125 of this part for a pipeline ROW assignment request.

(c) Notwithstanding the provisions of paragraph (b) of this section, the requirement to pay a filing fee under that paragraph is suspended until January 3, 2006.

[63 FR 10690, Apr. 1, 1988, as amended at 62 FR 39775, July 24, 1997. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998. Further redesignated and amended at 68 FR 69311, 69312, Dec. 12, 2003; 70 FR 49876, Aug. 25, 2005; 70 FR 61893, Oct. 27, 2005]

§ 250.1019 Relinquishment of pipeline right-of-way grants.

A right-of-way grant or a portion thereof may be surrendered by the holder by filing a written relinquishment in triplicate with the Regional Supervisor. It must contain those items addressed in §§ 250.1751 and 250.1752 of this part. A relinquishment shall take effect on the date it is filed subject to the satisfaction of all outstanding debts, fees, or fines and the requirements in § 250.1010(h) of this part.

[53 FR 10690, Apr. 1, 1988. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998; 67 FR 35406, May 17, 2002. Further redesignated and amended at 68 FR 69311, 69312, Dec. 12, 2003; 72 FR 25201, May 4, 2007]

Subpart K—Oil and Gas Production Rates

§ 250.1100 Definitions for production rates.

Terms used in this subpart shall have meanings given below:

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

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

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

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

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

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

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

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

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

Sensitive reservoir means a reservoir in which ultimate recovery is decreased by high reservoir production rates. A high reservoir production rate is one which exceeds the MER.

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

§ 250.1101 General requirements and classification of reservoirs.

(a) Wells and reservoirs shall be produced at rates that will provide economic development and depletion of the hydrocarbon resources in a manner that would maximize the ultimate recovery without adversely affecting correlative rights.

(b) For directionally drilled wells in which the completed interval is closer than 500 feet from a unit or lease line or for vertically drilled wells in which the surface location is closer than 500 feet from a unit or lease line, for which the unit, lease, or royalty interests are not the same, the prior approval by the Regional Supervisor is required before production is commenced. An operator requesting such an approval shall furnish the Regional Supervisor with letters expressing acceptance or objection from operators of offset properties.