

ELECTRONIC CODE OF FEDERAL REGULATIONS

e-CFR Data is current as of January 7, 2014

Title 30: Mineral Resources

[PART 550—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF](#)

Subpart J—Pipelines and Pipeline Rights-of-Way

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§550.1011 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 30 CFR part 256 and 30 CFR part 556) 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.

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