

Title 30: Mineral Resources

PART 550—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

Subparts A and K

Subpart A—General

AUTHORITY AND DEFINITION OF TERMS

§550.101 Authority and applicability.

The Secretary of the Interior (Secretary) authorized the Bureau of Ocean Energy Management (BOEM) to regulate oil, gas, and sulphur exploration, development, and production operations on the Outer Continental Shelf (OCS). Under the Secretary's authority, the Director requires that all operations:

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

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

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

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

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

(4) Preserve and maintain free enterprise competition; and

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

§550.102 What does this part do?

(a) 30 CFR part 550 contains the regulations of the BOEM Offshore program that govern oil, gas, and sulphur exploration, development, and production operations on the OCS. When you conduct operations on the OCS, you must submit requests, applications, and notices, or provide supplemental information for BOEM approval.

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

TABLE—WHERE TO FIND INFORMATION FOR CONDUCTING OPERATIONS

For information about	Refer to
(1) Applications for permit to drill	30 CFR 250, subpart D.

(2) Development and Production Plans (DPP)	30 CFR 550, subpart B.
(3) Downhole commingling	30 CFR 250, subpart K.
(4) Exploration Plans (EP)	30 CFR 550, subpart B.
(5) Flaring	30 CFR 250, subpart K.
(6) Gas measurement	30 CFR 250, subpart L.
(7) Off-lease geological and geophysical permits	30 CFR 551.
(8) Oil spill financial responsibility coverage	30 CFR 553.
(9) Oil and gas production safety systems	30 CFR 250, subpart H.
(10) Oil spill response plans	30 CFR 254.
(11) Oil and gas well-completion operations	30 CFR 250, subpart E.
(12) Oil and gas well-workover operations	30 CFR 250, subpart F.
(13) Decommissioning Activities	30 CFR 250, subpart Q.
(14) Platforms and structures	30 CFR 250, subpart I.
(15) Pipelines and Pipeline Rights-of-Way	30 CFR 250, subpart J and 30 CFR 550, subpart J.
(16) Sulphur operations	30 CFR 250, subpart P.
(17) Training	30 CFR 250, subpart O.
(18) Unitization	30 CFR 250, subpart M.

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

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

§550.104 How may I appeal a decision made under BOEM regulations?

To appeal orders or decisions issued under BOEM regulations in 30 CFR parts 550 to 582, follow the procedures in 30 CFR part 590.

§550.105 Definitions.

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

Act means the OCS Lands Act, as amended (43 U.S.C. 1331 *et seq.*).

Affected State means with respect to any program, plan, lease sale, or other activity proposed, conducted, or approved under the provisions of the Act, any State:

(1) The laws of which are declared, under section 4(a)(2) of the Act, to be the law of the United States for the portion of the OCS on which such activity is, or is proposed to be, conducted;

(2) Which is, or is proposed to be, directly connected by transportation facilities to any artificial island or installation or other device permanently or temporarily attached to the seabed;

(3) Which is receiving, or according to the proposed activity, will receive oil for processing, refining, or transshipment that was extracted from the OCS and transported directly to such State by means of vessels or by a combination of means including vessels;

(4) Which is designated by the Secretary as a State in which there is a substantial probability of significant impact on or damage to the coastal, marine, or human environment, or a State in which there will be significant changes in the social, governmental, or economic infrastructure, resulting from the exploration, development, and production of oil and gas anywhere on the OCS; or

(5) In which the Secretary finds that because of such activity there is, or will be, a significant risk of serious damage, due to factors such as prevailing winds and currents to the marine or coastal environment in the event of any oil spill, blowout, or release of oil or gas from vessels, pipelines, or other transshipment facilities.

Air pollutant means any airborne agent or combination of agents for which the Environmental Protection Agency (EPA) has established, under section 109 of the Clean Air Act, national primary or secondary ambient air quality standards.

Analyzed geological information means data collected under a permit or a lease that have been analyzed. Analysis may include, but is not limited to, identification of lithologic and fossil content, core analysis, laboratory analyses of physical and chemical properties, well logs or charts, results from formation fluid tests, and descriptions of hydrocarbon occurrences or hazardous conditions.

Ancillary activities mean those activities on your lease or unit that you:

(1) Conduct to obtain data and information to ensure proper exploration or development of your lease or unit; and

(2) Can conduct without BOEM approval of an application or permit.

Archaeological interest means capable of providing scientific or humanistic understanding of past human behavior, cultural adaptation, and related topics through the application of scientific or scholarly techniques, such as controlled observation, contextual measurement, controlled collection, analysis, interpretation, and explanation.

Archaeological resource means any material remains of human life or activities that are at least 50 years of age and that are of archaeological interest.

Arctic OCS means the Beaufort Sea and Chukchi Sea Planning Areas (for more information on these areas, see the Proposed Final OCS Oil and Gas Leasing Program for 2012-2017 (June 2012) at <http://www.boem.gov/Oil-and-Gas-Energy-Program/Leasing/Five-Year-Program/2012-2017/Program-Area-Maps/index.aspx>).

Arctic OCS conditions means, for the purposes of this part, the conditions operators can reasonably expect during operations on the Arctic OCS. Such conditions, depending on the time of year, include, but are not limited to: extreme cold, freezing spray, snow, extended periods of low light, strong winds, dense fog, sea ice, strong currents, and dangerous sea states. Remote location, relative lack of infrastructure, and the existence of subsistence hunting and fishing areas are also characteristic of the Arctic region.

Attainment area means, for any air pollutant, an area that is shown by monitored data or that is calculated by air quality modeling (or other methods determined by the Administrator of EPA to be reliable) not to exceed any primary or secondary ambient air quality standards established by EPA.

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

Best available control technology (BACT) means an emission limitation based on the maximum degree of reduction for each air pollutant subject to regulation, taking into account energy, environmental and economic impacts, and other costs. The Regional Director will verify the BACT on a case-by-case basis, and it may include reductions achieved through the application of processes, systems, and techniques for the control of each air pollutant.

Coastal environment means the physical, atmospheric, and biological components, conditions, and factors that interactively determine the productivity, state, condition, and quality of the terrestrial ecosystem from the shoreline inward to the boundaries of the coastal zone.

Coastal zone means the coastal waters (including the lands therein and thereunder) and the adjacent shorelands (including the waters therein and thereunder) strongly influenced by each other and in proximity to the shorelands of the several coastal States. The coastal zone includes islands, transition and intertidal areas, salt marshes, wetlands, and beaches. The coastal zone extends seaward to the outer limit of the U.S. territorial sea and extends inland from the shorelines to the extent necessary to control shorelands, the uses of which have a direct and significant impact on the coastal waters, and the inward boundaries of which may be identified by the several coastal States, under the authority in section 305(b)(1) of the Coastal Zone Management Act (CZMA) of 1972.

Competitive reservoir means a reservoir in which there are one or more producible or producing well completions on each of two or more leases or portions of leases, with different lease operating interests, from which the lessees plan future production.

Correlative rights when used with respect to lessees of adjacent leases, means the right of each lessee to be afforded an equal opportunity to explore for, develop, and produce, without waste, minerals from a common source.

Data means facts and statistics, measurements, or samples that have not been analyzed, processed, or interpreted.

Departures mean approvals granted by the appropriate BSEE or BOEM representative for operating requirements/procedures other than those specified in the regulations found in this part. These requirements/procedures may be necessary to control a well; properly develop a lease; conserve natural resources, or protect life, property, or the marine, coastal, or human environment.

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

Development geological and geophysical (G&G) activities means those G&G and related data-gathering activities on your lease or unit that you conduct following discovery of oil, gas, or sulphur in paying quantities to detect or imply the presence of oil, gas, or sulphur in commercial quantities.

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

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

Easement means an authorization for a nonpossessory, nonexclusive interest in a portion of the OCS, whether leased or unleased, which specifies the rights of the holder to use the area embraced in the easement in a manner consistent with the terms and conditions of the granting authority.

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

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

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

Existing facility, as used in §550.303, means an OCS facility described in an Exploration Plan or a Development and Production Plan approved before June 2, 1980.

Exploration means the commercial search for oil, gas, or sulphur. Activities classified as exploration include but are not limited to:

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

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

Facility, as used in §550.303, means all installations or devices permanently or temporarily attached to the seabed. They include mobile offshore drilling units (MODUs), even while operating in the “tender assist” mode (*i.e.*, with skid-off drilling units) or other vessels engaged in drilling or downhole operations. They are used for exploration, development, and production activities for oil, gas, or sulphur and emit or have the potential to emit any air pollutant from one or more sources. They include all floating production systems (FPSs), including column-stabilized-units (CSUs); floating production, storage and offloading facilities (FPSOs); tension-leg platforms (TLPs); spars, *etc.* During production, multiple installations or devices are a single facility if the installations or devices are at a single site. Any vessel used to transfer production from an offshore facility is part of the facility while it is physically attached to the facility.

Flaring means the burning of natural gas as it is released into the atmosphere.

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

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

Geological and geophysical (G&G) explorations means those G&G surveys on your lease or unit that use seismic reflection, seismic refraction, magnetic, gravity, gas sniffers, coring, or other systems to detect or imply the presence of oil, gas, or sulphur in commercial quantities.

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

H₂S absent means:

(1) Drilling, logging, coring, testing, or producing operations have confirmed the absence of H₂S in concentrations that could potentially result in atmospheric concentrations of 20 ppm or more of H₂S; or

(2) Drilling in the surrounding areas and correlation of geological and seismic data with equivalent stratigraphic units have confirmed an absence of H₂S throughout the area to be drilled.

H₂S present means drilling, logging, coring, testing, or producing operations have confirmed the presence of H₂S in concentrations and volumes that could potentially result in atmospheric concentrations of 20 ppm or more of H₂S.

H₂S unknown means the designation of a zone or geologic formation where neither the presence nor absence of H₂S has been confirmed.

Human environment means the physical, social, and economic components, conditions, and factors that interactively determine the state, condition, and quality of living conditions, employment, and health of those affected, directly or indirectly, by activities occurring on the OCS.

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

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

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

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

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

Major Federal action means any action or proposal by the Secretary that is subject to the provisions of section 102(2)(C) of the National Environmental Policy Act of 1969, 42 U.S.C. (2)(C) (*i.e.*, an action that will have a significant impact on the quality of the human environment requiring preparation of an environmental impact statement under section 102(2)(C) of the National Environmental Policy Act).

Marine environment means the physical, atmospheric, and biological components, conditions, and factors that interactively determine the productivity, state, condition, and quality of the marine ecosystem. These include the waters of the high seas, the contiguous zone, transitional and intertidal areas, salt marshes, and wetlands within the coastal zone and on the OCS.

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

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

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

Minerals include oil, gas, sulphur, geopressured-geothermal and associated resources, and all other minerals that are authorized by an Act of Congress to be produced.

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

Nonattainment area means, for any air pollutant, an area that is shown by monitored data or that is calculated by air quality modeling (or other methods determined by the Administrator of EPA to be reliable) to exceed any primary or secondary ambient air quality standard established by EPA.

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

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

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

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

Operating rights mean any interest held in a lease with the right to explore for, develop, and produce leased substances.

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

Outer Continental Shelf (OCS) means all submerged lands lying seaward and outside of the area of lands beneath navigable waters as defined in section 2 of the Submerged Lands Act (43 U.S.C. 1301) whose subsoil and seabed appertain to the United States and are subject to its jurisdiction and control.

Person includes a natural person, an association (including partnerships, joint ventures, and trusts), a State, a political subdivision of a State, or a private, public, or municipal corporation.

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

Processed geological or geophysical information means data collected under a permit or a lease that have been processed or reprocessed. Processing involves changing the form of data to facilitate interpretation. Processing operations may include, but are not limited to, applying corrections for known perturbing causes, rearranging or filtering data, and combining or transforming data elements. Reprocessing is the additional processing other than ordinary processing used in the general course of evaluation. Reprocessing operations may include varying identified parameters for the detailed study of a specific problem area.

Production means those activities that take place after the successful completion of any means for the removal of minerals, including such removal, field operations, transfer of minerals to shore, operation monitoring, maintenance, and workover operations.

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

Projected emissions mean emissions, either controlled or uncontrolled, from a source or sources.

Prospect means a geologic feature having the potential for mineral deposits.

Regional Director means the BOEM officer with responsibility and authority for a Region within BOEM.

Regional Supervisor means the BOEM officer with responsibility and authority for operations or other designated program functions within a BOEM Region.

Right-of-use means any authorization issued under this part to use OCS lands.

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

- (1) The boundaries of a single lease or unit, but are not owned and operated by a lessee or operator of that lease or unit;
- (2) The boundaries of contiguous (not cornering) leases that do not have a common lessee or operator;
- (3) The boundaries of contiguous (not cornering) leases that have a common lessee or operator but are not owned and operated by that common lessee or operator; or
- (4) An unleased block(s).

Sensitive reservoir means a reservoir in which the production rate will affect ultimate recovery.

Significant archaeological resource means those archaeological resources that meet the criteria of significance for eligibility to the National Register of Historic Places as defined in 36 CFR 60.4, or its successor.

Suspension means a granted or directed deferral of the requirement to produce (Suspension of Production (SOP)) or to conduct leaseholding operations (Suspension of Operations (SOO)).

Venting means the release of gas into the atmosphere without igniting it. This includes gas that is released underwater and bubbles to the atmosphere.

Waste of oil, gas, or sulphur means:

- (1) The physical waste of oil, gas, or sulphur;
- (2) The inefficient, excessive, or improper use, or the unnecessary dissipation of reservoir energy;

(3) The locating, spacing, drilling, equipping, operating, or producing of any oil, gas, or sulphur well(s) in a manner that causes or tends to cause a reduction in the quantity of oil, gas, or sulphur ultimately recoverable under prudent and proper operations or that causes or tends to cause unnecessary or excessive surface loss or destruction of oil or gas; or

- (4) The inefficient storage of oil.

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

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

Well-completion operations mean the work conducted to establish production from a well after the production-casing string has been set, cemented, and pressure-tested.

Well-control fluid means drilling mud, completion fluid, or workover fluid as appropriate to the particular operation being conducted.

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

Workover operations mean the work conducted on wells after the initial well-completion operation for the purpose of maintaining or restoring the productivity of a well.

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

[76 FR 64623, Oct. 18, 2011, as amended at 81 FR 46565, July 15, 2016]

PERFORMANCE STANDARDS

§550.115 How do I determine well producibility?

You must follow the procedures in this section to determine well producibility if your well is not in the GOM. If your well is in the GOM you must follow the procedures in either this section or in §550.116 of this subpart.

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

(b) You must either:

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

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

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

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

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

If your well is in the GOM, you must follow either the procedures in §550.115 of this subpart or the procedures in this section to determine producibility.

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

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

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

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

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

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

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

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

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

(2) One of the following:

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

(ii) Gamma ray log deflection of at least 70 percent of the maximum gamma ray deflection in the nearest clean water-bearing sand—if mud conditions prevent a 20-negative millivolt reading beyond the shale baseline.

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

A determination of well producibility invokes minimum royalty status on the lease as provided in 30 CFR 1202.53.

§550.118 [Reserved]

§550.119 Will BOEM approve subsurface gas storage?

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

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

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

§550.120 What standards will BOEM use to regulate leases, rights-of-use and easement, and rights-of-way?

BOEM will regulate all activities under a lease, a right-of-use and easement, or a right-of-way to:

- (a) Promote the orderly exploration, development, and production of mineral resources;
- (b) Prevent injury or loss of life;
- (c) Prevent damage to or waste of any natural resource, property, or the environment; and

(d) Ensure cooperation and consultation with affected States, local governments, other interested parties, and relevant Federal agencies.

[81 FR 18152, Mar. 30, 2016]

§550.121 What must I do to protect health, safety, property, and the environment?

The Director may require additional measures to ensure the use of Best Available and Safest Technology (BAST) as identified by BSEE:

- (a) To avoid the failure of equipment that would have a significant effect on safety, health, or the environment;
- (b) If it is economically feasible; and
- (c) If the incremental benefits justify the incremental costs.

[81 FR 18152, Mar. 30, 2016]

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

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

§550.123 Will BOEM allow gas storage on unleased lands?

You may not store gas on unleased lands unless the Regional Supervisor approves a right-of-use and easement for that purpose, under §§550.160 through 550.166 of this subpart.

FEES

§550.125 Service fees.

(a) The table in this paragraph (a) shows the fees that you must pay to BOEM for the services listed. The fees will be adjusted periodically according to the Implicit Price Deflator for Gross Domestic Product by publication of a document in the FEDERAL REGISTER. If a significant adjustment is needed to arrive at the new actual cost for any reason other than inflation, then a proposed rule containing the new fees will be published in the FEDERAL REGISTER for comment.

Service—processing of the following:	Fee amount	30 CFR citation
(1) Change in Designation of Operator	\$164	§550.143(d).
(2) Right-of-Use and Easement for State lessee	\$2,569	§550.165.
(3) [Reserved]		
(4) Exploration Plan (EP)	\$3,442 for each surface location; no fee for revisions	§550.211(d).

(5) Development and Production Plan (DPP) or Development Operations Coordination Document (DOCD)	\$3,971 for each well proposed; no fee for revisions	§550.241(e).
(6) [Reserved]		
(7) Conservation Information Document	\$25,629	§550.296(a).

(b) Payment of the fees listed in paragraph (a) of this section must accompany the submission of the document for approval or be sent to an office identified by the Regional Director. Once a fee is paid, it is nonrefundable, even if an application or other request is withdrawn. If your application is returned to you as incomplete, you are not required to submit a new fee when you submit the amended application.

(c) Verbal approvals are occasionally given in special circumstances. Any action that will be considered a verbal permit approval requires either a paper permit application to follow the verbal approval or an electronic application submittal within 72 hours. Payment must be made with the completed paper or electronic application.

§550.126 Electronic payment instructions.

You must file all payments electronically through *Pay.gov*. This includes, but is not limited to, all OCS applications or filing fee payments. The *Pay.gov* Web site may be accessed through *Pay.gov* at <https://www.pay.gov/paygov/>.

(a) [Reserved]

(b) You must use credit card or automated clearing house (ACH) payments through the *Pay.gov* Web site, and you must include a copy of the *Pay.gov* confirmation receipt page with your application.

[76 FR 64623, Oct. 18, 2011, as amended at 80 FR 57096, Sept. 22, 2015]

INSPECTION OF OPERATIONS

§550.130 [Reserved]

DISQUALIFICATION

§550.135 What will BOEM do if my operating performance is unacceptable?

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

§550.136 How will BOEM determine if my performance is unacceptable?

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

(a)-(b) [Reserved]

(c) Incidents of noncompliance;

(d) Civil penalties;

(e) Failure to adhere to OCS lease obligations; or

(f) Any other relevant factors.

SPECIAL TYPES OF APPROVALS

§550.140 When will I receive an oral approval?

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

When you . . .	We may . . .	And . . .
(a) Request approval orally,	Give you an oral approval,	You must then confirm the oral request by sending us a written request within 72 hours.
(b) Request approval in writing,	Give you an oral approval if quick action is needed,	We will send you a written approval afterward. It will include any conditions that we place on the oral approval.

§550.141 May I ever use alternate procedures or equipment?

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

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

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

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

§550.142 How do I receive approval for departures?

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

§550.143 How do I designate an operator?

(a) You must provide the Regional Supervisor an executed Designation of Operator form (Form BOEM-1123) unless you are the only lessee and are the only person conducting lease operations. When there is more than one lessee, each lessee must submit the Designation of Operator form and the Regional Supervisor must approve the designation before the designated operator may begin operations on the leasehold.

(b) This designation is authority for the designated operator to act on your behalf and to fulfill your obligations under the Act, the lease, and the regulations in this part.

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

(d) If you change the designated operator on your lease, you must pay the service fee listed in §550.125 of this subpart with your request for a change in designation of operator. Should there be multiple lessees, all designation of operator forms must be collected by one lessee and submitted to BOEM in a single submittal, which is subject to only one filing fee.

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

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

(b) If your Designation of Operator is terminated, or a controversy develops between you and your designated operator, you and your designated operator must protect the lessor's interests.

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

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

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

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18152, Mar. 30, 2016]

§550.147 Who is responsible for fulfilling leasehold obligations?

(a) When you are not the sole lessee, you and your co-lessee(s) are jointly and severally responsible for fulfilling your obligations under the provisions of 30 CFR parts 250 through 282 and 30 CFR parts 550 through 582 unless otherwise provided in these regulations.

(b) If your designated operator fails to fulfill any of your obligations under 30 CFR parts 250 through 282 and 30 CFR parts 550 through 582, the Regional Supervisor may require you or any or all of your co-lessees to fulfill those obligations or other operational obligations under the Act, the lease, or the regulations.

(c) Whenever the regulations in 30 CFR parts 250 through 282 and 30 CFR parts 550 through 582 require the lessee to meet a requirement or perform an action, the lessee, operator (if one has been designated), and the person actually performing the activity to which the requirement applies are jointly and severally responsible for complying with the regulation.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18152, Mar. 30, 2016]

RIGHT-OF-USE AND EASEMENT

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

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

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

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

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

(c) You must meet the requirements at 30 CFR 556.35 (Qualification of lessees); establish a regional Company File as required by BOEM; and must meet bonding requirements;

(d) If you apply for a right-of-use and easement on a leased area, you must notify the lessee and give her/him an opportunity to comment on your application; and

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

(f) You must pay a rental amount as required by paragraph (g) of this section if:

- (1) You obtain a right-of-use and easement after January 12, 2004; or

(2) You ask BOEM to modify your right-of-use and easement to change the footprint of the associated platform, artificial island, or installation or device.

(g) If you meet either of the conditions in paragraph (f) of this section, you must pay a rental amount to BOEM as shown in the following table:

If . . .	Then . . .
(1) Your right-of-use and easement 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 equipment associated with the platform, artificial island, installation or device.
(2) Your right-of-use and easement 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 \$675 per year. The area subject to annual rental includes the areal extent of anchor chains, pipeline risers, and other equipment associated with the platform, artificial island, or installation or device.

(h) You may make the rental payments required by paragraph (g)(1) and (g)(2) of this section on an annual basis, for a 5-year period, or for multiples of 5 years. You must make the first payment electronically through *Pay.gov* and you must include a copy of the *Pay.gov* confirmation receipt page with your right-of-use and easement application. You must make all subsequent payments before the respective time periods begin.

(i) *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 1218.54. If you fail to make a payment that is late after written notice from BOEM, BOEM may initiate cancellation of the right-of-use grant and easement.

§550.161 What else must I submit with my application?

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

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

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

If your right-of-use and easement is on a lease, you may continue to exercise the right-of-use and easement after the lease on which it is situated terminates. You must only use the right-of-use and easement for the purpose that the grant specifies. All future lessees of that portion of the OCS on which your right-of-use and easement is situated must continue to recognize the right-of-use and easement for the purpose that the grant specifies.

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

- (a) BOEM may grant a lessee of a State lease located adjacent to or accessible from the OCS a right-of-use and easement on the OCS.
- (b) BOEM will only grant a right-of-use and easement under this paragraph to enable a State lessee to conduct and maintain a device that is permanently or temporarily attached to the seabed (*i.e.*, a platform, artificial island, or

installation). The lessee must use the device to explore for, develop, and produce oil and gas from the adjacent or accessible State lease and for other operations related to these activities.

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

(a) A right-of-use and easement granted under the heading of "Right-of-use and easement" in this subpart is subject to BOEM regulations, 30 CFR parts 550 through 582, BSEE regulations, 30 CFR parts 250 through 282, and any terms and conditions that the BOEM Regional Director or BSEE Regional Director prescribes.

(b) For the whole or fraction of the first calendar year, and annually after that, you must pay to BOEM, in advance, an annual rental payment.

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

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

(a) A nonrefundable filing fee as specified in §550.125; and

(b) The first year's rental as specified in §550.160(g).

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

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

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

(1) Must be in the form of a supplemental bond or bonds meeting the requirements of 30 CFR 556.54 (General requirements for bonds) or an increase in the coverage of an existing surety bond.

(2) Covers additional costs and liabilities for regulatory compliance, including well abandonment, platform and structure removal, and site clearance from the seafloor of the right-of-use and easement.

PRIMARY LEASE REQUIREMENTS, LEASE TERM EXTENSIONS, AND LEASE CANCELLATIONS

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

If the Secretary cancels your lease under this part or under 30 CFR part 556, you are entitled to compensation under §550.184. Section 550.185 states conditions under which you will receive no compensation. The Secretary may cancel a lease after notice and opportunity for a hearing when:

(a) Continued activity on the lease would probably cause harm or damage to life (including fish and other aquatic life), property, any mineral deposits (in areas leased or not leased), or the marine, coastal, or human environment;

(b) The threat of harm or damage will not disappear or decrease to an acceptable extent within a reasonable period of time;

(c) The advantages of cancellation outweigh the advantages of continuing the lease in force; and

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

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

BOEM may not approve an exploration plan (EP) under 30 CFR part 550, subpart B, if the Regional Supervisor determines that the proposed activities may cause serious harm or damage to life (including fish and other aquatic

life), property, any mineral deposits, the National security or defense, or to the marine, coastal, or human environment, and that the proposed activity cannot be modified to avoid the condition(s). The Secretary may cancel the lease if:

(a) The primary lease term has not expired (or if the lease term has been extended) and exploration has been prohibited for 5 years following the disapproval; or

(b) You request cancellation at an earlier time.

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

(a) BOEM may extend your lease if you submit a DPP and the Regional Supervisor disapproves the plan according to the regulations in 30 CFR part 550, subpart B. Following the disapproval:

(1) BOEM will allow you to hold the lease for 5 years, or less time at your request;

(2) Any time within 5 years after the disapproval, you may reapply for approval of the same or a modified plan; and

(3) The Regional Supervisor will approve, disapprove, or require modification of the plan under 30 CFR part 550, subpart B.

(b) If the Regional Supervisor has not approved a DPP or required you to submit a DPP for approval or modification, the Secretary will cancel the lease:

(1) When the 5-year period in paragraph (a)(1) of this section expires; or

(2) If you request cancellation at an earlier time.

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

When the Secretary cancels a lease under §§550.181, 550.182 or 550.183 of this subpart, you are entitled to receive compensation under 43 U.S.C. 1334(a)(2)(C). You must show the Director that the amount of compensation claimed is the lesser of paragraph (a) or (b) of this section:

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

(1) Anticipated revenues from the lease; and

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

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

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

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

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

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

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

(ii) For exploration or development, or both.

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

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

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

(a) BOEM disapproves a DPP because you do not receive concurrence by the State under section 307(c)(3)(B)(i) or (ii) of the CZMA, and the Secretary of Commerce does not make the finding authorized by section 307(c)(3)(B)(iii) of the CZMA;

(b) You do not submit a DPP under 30 CFR part 550, subpart B or do not comply with the approved DPP;

(c) As the lessee of a nonproducing lease, you fail to comply with the Act, the lease, or the regulations issued under the Act, and the default continues for 30 days after BOEM mails you a notice by overnight mail;

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

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

INFORMATION AND REPORTING REQUIREMENTS

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

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

(1) You may obtain copies of forms from, and submit completed forms to, the Regional Supervisor.

(2) Instead of paper copies of forms available from the Regional Supervisor, you may use your own computer-generated forms that are equal in size to BOEM's forms. You must arrange the data on your form identical to the BOEM form. If you generate your own form and it omits terms and conditions contained on the official BOEM form, we will consider it to contain the omitted terms and conditions.

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

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

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

(2) You must include all required information, except information exempt from public disclosure under §550.197 or otherwise exempt from public disclosure under law or regulation.

§§550.187-550.193 [Reserved]

§550.194 How must I protect archaeological resources?

(a) If the Regional Director has reason to believe that an archaeological resource may exist in the lease area, the Regional Director will require in writing that your EP, DOCD, or DPP be accompanied by an archaeological report. If the archaeological report suggests that an archaeological resource may be present, you must either:

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

(2) Establish to the satisfaction of the Regional Director that an archaeological resource does not exist or will not be adversely affected by operations. This requires further archaeological investigation, conducted by an archaeologist

and a geophysicist, using survey equipment and techniques the Regional Director considers appropriate. You must submit the investigation report to the Regional Director for review.

(b) If the Regional Director determines that an archaeological resource is likely to be present in the lease area and may be adversely affected by operations, the Regional Director will notify you immediately. You must not take any action that may adversely affect the archaeological resource until the Regional Director has told you how to protect the resource.

(c) If you discover any archaeological resource while conducting operations in the lease or right-of-way area, you must immediately halt operations within the area of the discovery and report the discovery to the BOEM Regional Director. If investigations determine that the resource is significant, the Regional Director will tell you how to protect it.

§550.195 [Reserved]

§550.196 Reimbursements for reproduction and processing costs.

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

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

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

(3) The cost is at your lowest rate or at the lowest commercial rate established in the area, whichever is less.

(b) BOEM will reimburse you for the costs of processing geophysical information (that does not include cost of data acquisition):

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

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

(c) When you request reimbursement, you must identify reproduction and processing costs separately from acquisition costs.

(d) BOEM will not reimburse you for data acquisition costs or for the costs of analyzing or processing geological information or interpreting geological or geophysical information.

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§550.197 Data and information to be made available to the public or for limited inspection.

BOEM will protect data and information that you submit under this chapter, as described in this section. Paragraphs (a) and (b) of this section describe what data and information will be made available to the public without the consent of the lessee, under what circumstances, and in what time period. Paragraph (c) of this section describes what data and information will be made available for limited inspection without the consent of the lessee, and under what circumstances.

(a) All data and information you submit on BOEM forms will be made available to the public upon submission, except as specified in the following table:

On form . . .	Data and information not immediately available are . . .	Excepted data will be made available . . .
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(1) [Reserved]		
(2) [Reserved]		
(3) [Reserved]		
(4) [Reserved]		
(5) [Reserved]		
(6) BOEM-0127, Sensitive Reservoir Information Report,	Items 124 through 168,	2 years after the effective date of the Sensitive Reservoir Information Report.
(7) [Reserved]		
(8) [Reserved]		
(9) BOEM-0137 OCS Plan Information,	Items providing the bottomhole location, true vertical depth, and measured depth of wells,	When the well goes on production or according to the table in paragraph (b) of this section, whichever is earlier.
(10) BOEM-0140, Bottomhole Pressure Survey Report,	All items,	2 years after the date of the survey.

(b) BOEM will release lease and permit data and information that you submit and BOEM retains, but that are not normally submitted on BOEM forms, according to the following table:

If ...	BOEM will release ...	At this time ...	Special provisions ...
(1) The Director determines that data and information are needed for specific scientific or research purposes for the Government,	Geophysical data, Geological data Interpreted G&G information, Processed G&G information, Analyzed geological information,	At any time,	BOEM will release data and information only if release would further the National interest without unduly damaging the competitive position of the lessee.
(2) Data or information is collected with high-resolution systems (e.g., bathymetry, side-scan sonar, subbottom profiler, and magnetometer) to comply with safety or environmental protection requirements,	Geophysical data, Geological data, Interpreted G&G information, Processed geological information, Analyzed geological information,	60 days after BOEM receives the data or information, if the Regional Supervisor deems it necessary,	BOEM will release the data and information earlier than 60 days if the Regional Supervisor determines it is needed by affected States to make decisions under subpart B. The Regional Supervisor will reconsider earlier release if you satisfy him/her that it would unduly damage your competitive position.
(3) Your lease is no longer in effect,	Geophysical data, Geological data,	When your lease terminates,	This release time applies only if the provisions in this table

	Processed G&G information Interpreted G&G information, Analyzed geological information,		governing high-resolution systems and the provisions in §552.7 do not apply. The release time applies to the geophysical data and information only if acquired postlease for a lessee's exclusive use.
(4) Your lease is still in effect,	Geophysical data, Processed geophysical information, Interpreted G&G information,	10 years after you submit the data and information,	This release time applies only if the provisions in this table governing high-resolution systems and the provisions in §552.7 do not apply. This release time applies to the geophysical data and information only if acquired postlease for a lessee's exclusive use.
(5) Your lease is still in effect and within the primary term specified in the lease	Geological data, analyzed geological information	Two years after the required submittal date or 60 days after a lease sale if any portion of an offered lease is within 50 miles of a well, whichever is later	These release times apply only if the provisions in this table governing high-resolution systems and the provisions in §552.7 do not apply. If the primary term specified in the lease is extended, this provision applies to the extension.
(6) Your lease is in effect and beyond the primary term specified in the lease,	Geological data, Analyzed geological information,	2 years after the required submittal date,	None.
(7) Data or information is submitted on well operations,	Descriptions of downhole locations, operations, and equipment,	When the well goes on production or when geological data is released according to §§550.197(b)(5) and (b)(6), whichever occurs earlier,	Directional survey data may be released earlier to the owner of an adjacent lease according to 30 CFR 250 subpart D.
(8) Data and information are obtained from beneath unleased land as a result of a well deviation that has not been approved by the Regional Supervisor,	Any data or information obtained,	At any time,	None.
(9) Except for high-resolution data and information released under paragraph (b)(2) of this	G&G data, analyzed geological information, processed and	Geological data and information: 10 years after BOEM issues the permit; Geophysical data: 50 years	None.

section data and information acquired by a permit under 30 CFR part 551 are submitted by a lessee under part 550, 30 CFR part 203, or 30 CFR part 250,	interpreted G&G information,	after BOEM issues the permit; Geophysical information: 25 years after BOEM issues the permit,	
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(c) BOEM may allow limited data and information inspection, but only by a person with a direct interest in related BOEM decisions and issues in a specific geographic area, and who agrees in writing to maintain the confidentiality of geological and geophysical (G&G) data and information submitted under this part that BOEM uses to:

- (1) Promote operational safety;
- (2) Protect the environment; or
- (3) Make field determinations.

(d) No proprietary information received by BOEM under 43 U.S.C. 1352 will be transmitted to any affected State unless the lessee, or the permittee and all persons to whom such permittee has sold such information under promise of confidentiality, agree to such transmittal.

[76 FR 64623, Oct. 18, 2011, as amended at 81 FR 18152, Mar. 30, 2016]

REFERENCES

§550.198 [Reserved]

§550.199 Paperwork Reduction Act statements—information collection.

(a) OMB has approved the information collection requirements in part 550 under 44 U.S.C. 3501 *et seq.* The table in paragraph (e) of this section lists the subpart in the rule requiring the information and its title, provides the OMB control number, and summarizes the reasons for collecting the information and how BOEM uses the information. The associated BOEM forms required by this part are listed at the end of this table with the relevant information.

(b) Respondents are OCS oil, gas, and sulphur lessees and operators. The requirement to respond to the information collections in this part is mandated under the Act (43 U.S.C. 1331 *et seq.*) and the Act's Amendments of 1978 (43 U.S.C. 1801 *et seq.*). Some responses are also required to obtain or retain a benefit or may be voluntary. Proprietary information will be protected under §550.197, Data and information to be made available to the public or for limited inspection; parts 551, 552; and the Freedom of Information Act (5 U.S.C. 552) and its implementing regulations at 43 CFR part 2.

(c) The Paperwork Reduction Act of 1995 requires us to inform the public that an agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

(d) Send comments regarding any aspect of the collections of information under this part, including suggestions for reducing the burden, to the Information Collection Clearance Officer, Bureau of Ocean Energy Management, 45600 Woodland Road, Sterling, VA 20166.

(e) BOEM is collecting this information for the reasons given in the following table:

30 CFR subpart, title and/or BOEM Form (OMB Control No.)	Reasons for collecting information and how used
(1) Subpart A, General (1010-0114), including Forms BOEM-1123, Designation of Operator and BOEM-	To inform BOEM of actions taken to comply with general requirements on the OCS. To ensure that

1832, Notification of Incidents of Noncompliance	operations on the OCS meet statutory and regulatory requirements, are safe and protect the environment, and result in diligent exploration, development, and production on OCS leases. To support the unproved and proved reserve estimation, resource assessment, and fair market value determinations.
(2) Subpart B, Exploration and Development and Production Plans (1010-0151), including Forms BOEM-0137, OCS Plan Information Form; BOEM-0138, EP Air Quality Screening Checklist; BOEM-0139, DOCD Air Quality Screening Checklist; BOEM-0141, ROV Survey Report Form; and BOEM-0142, Environmental Impact Analysis Worksheet	To inform BOEM, States, and the public of planned exploration, development, and production operations on the OCS. To ensure that operations on the OCS are planned to comply with statutory and regulatory requirements, will be safe and protect the human, marine, and coastal environment, and will result in diligent exploration, development, and production of leases.
(3) Subpart C, Pollution Prevention and Control (1010-0057)	To inform BOEM of measures to be taken to prevent air pollution. To ensure that appropriate measures are taken to prevent air pollution.
(4) Subpart J, Pipelines and Pipeline Rights-of-Way (1010-0050), including Form BOEM-2030, Outer Continental Shelf (OCS) Pipeline Right-of-Way Grant Bond	To provide BOEM with information regarding the design, installation, and operation of pipelines on the OCS. To ensure that pipeline operations are safe and protect the human, marine, and coastal environment.
(5) Subpart K, Oil and Gas Production Rates (1010-0041), including Forms BOEM-0127, Sensitive Reservoir Information Report and BOEM-0140, Bottomhole Pressure Survey Report	To inform BOEM of production rates for hydrocarbons produced on the OCS. To ensure economic maximization of ultimate hydrocarbon recovery.
(6) Subpart N, Remedies and Penalties	The requirements in subpart N are exempt from the Paperwork Reduction Act of 1995 according to 5 CFR 1320.4.

[76 FR 64623, Oct. 18, 2011, as amended at 80 FR 57096, Sept. 22, 2015]

Title 30: Mineral Resources

PART 550—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

[Subpart K—Oil and Gas Production Requirements.](#)

WELL TESTS AND SURVEYS

§550.1153 When must I conduct a static bottomhole pressure survey?

(a) You must conduct a static bottomhole pressure survey under the following conditions:

If you have . . .	Then you must conduct . . .
(1) A new producing reservoir,	A static bottomhole pressure survey within 90 days after the date of first continuous production.
(2) A reservoir with three or more producing completions,	Annual static bottomhole pressure surveys in a sufficient number of key wells to establish an average reservoir pressure. The Regional Supervisor may require that bottomhole pressure surveys be performed on specific wells.

(b) Your bottomhole pressure survey must meet the following requirements:

(1) You must shut-in the well for a minimum period of 4 hours to ensure stabilized conditions; and

(2) The bottomhole pressure survey must consist of a pressure measurement at mid-perforation, and pressure measurements and gradient information for at least four gradient stops coming out of the hole.

(c) You must submit to the Regional Supervisor the results of all static bottomhole pressure surveys on Form BOEM-140, Bottomhole Pressure Survey Report, within 60 days after the date of the survey.

(d) The Regional Supervisor may grant a departure from the requirement to run a static bottomhole pressure survey. To request a departure, you must submit a justification, along with Form BOEM-0140, Bottomhole Pressure Survey Report, showing a calculated bottomhole pressure or any measured data.

[76 FR 64623, Oct. 18, 2011, as amended at 80 FR 57096, Sept. 22, 2015]

CLASSIFYING RESERVOIRS

§550.1154 How do I determine if my reservoir is sensitive?

(a) You must determine whether each reservoir is sensitive. You must classify the reservoir as sensitive if:

(1) Under initial conditions it is an oil reservoir with an associated gas cap;

(2) At any time there are near-critical fluids; or

(3) The reservoir is undergoing enhanced recovery.

(b) For the purposes of this subpart, near-critical fluids are:

(1) Those fluids that occur in high temperature, high-pressure reservoirs where it is not possible to define the liquid-gas contact; or

(2) Fluids in reservoirs that are near bubble point or dew point conditions.

(c) The Regional Supervisor may reclassify a reservoir when available information warrants reclassification.

(d) If available information indicates that a reservoir previously classified as non-sensitive is now sensitive, you must submit a request to the Regional Supervisor to reclassify the reservoir. You must include supporting information, as listed in the table in §550.1167, with your request.

(e) If information indicates that a reservoir previously classified as sensitive is now non-sensitive, you may submit a request to the Regional Supervisor to reclassify the reservoir. You must include supporting information, as listed in the table in §550.1167, with your request.

§550.1155 What information must I submit for sensitive reservoirs?

You must submit to the Regional Supervisor an original and two copies of Form BOEM-0127; one of the copies must be a public information copy in accordance with §§550.186 and 550.197, and marked "Public Information." You must also submit two copies of the supporting information, as listed in the table in §550.1167. You must submit this information:

(a) Within 45 days after beginning production from the reservoir or discovering that it is sensitive;

(b) At least once during the calendar year, but you do not need to resubmit unrevised structure maps (§550.1167(a)(2)) or previously submitted well logs (§550.1167(c)(1));

(c) Within 45 days after you revise reservoir parameters; and

(d) Within 45 days after the Regional Supervisor classifies the reservoir as sensitive under §550.1154(c).

OTHER REQUIREMENTS

§550.1165 What must I do for enhanced recovery operations?

(a) [Reserved]

(b) Before initiating enhanced recovery operations, you must submit a proposed plan to the BSEE Regional Supervisor and receive approval for pressure maintenance, secondary or tertiary recovery, cycling, and similar recovery operations intended to increase the ultimate recovery of oil and gas from a reservoir. The proposed plan must include, for each project reservoir, a geologic and engineering overview, Form BOEM-0127 (submitted to BOEM) and supporting data as required in §550.1167, 30 CFR 250.1167, and any additional information required by the BSEE Regional Supervisor.

(c) [Reserved]

§550.1166 What additional reporting is required for developments in the Alaska OCS Region?

(a)-(b) [Reserved]

(c) Every time you are required to submit Form BOEM-0127 under §550.1155, you must request an MER for each producing sensitive reservoir in the Alaska OCS Region, unless otherwise instructed by the Regional Supervisor.

§550.1167 What information must I submit with forms and for approvals?

You must submit the supporting information listed in the following table with the form identified in column 1 and for the approval required under this subpart identified in column 2:

	SRI BOEM- 0127 (2 copies)	Reservoir reclassification
(a) Maps:		
(1) Base map with surface, bottomhole, and completion locations with respect to the unit or lease line and the orientation of representative seismic lines or cross-sections		
(2) Structure maps with penetration point and subsea depth for each well penetrating the reservoirs, highlighting subject wells; reservoir boundaries; and original and current fluid levels	√	√
(3) Net sand isopach with total net sand penetrated for each well, identified at the penetration point	*	
(4) Net hydrocarbon isopach with net feet of pay for each well, identified at the penetration point	*	
(b) Seismic data:		
(1) Representative seismic lines, including strike and dip lines that confirm the structure; indicate polarity		
(2) Amplitude extraction of seismic horizon, if applicable		√
(c) Logs:		
(1) Well log sections with tops and bottoms of the reservoir(s) and proposed or existing perforations	√	√
(2) Structural cross-sections showing the subject well and nearby wells		√
(d) Engineering data:		
(1) Estimated recoverable reserves for each well completion in the reservoir; total recoverable reserves for each reservoir; method of calculation; reservoir parameters used in volumetric and decline curve analysis	√	
(2) Well schematics showing current and proposed conditions		
(3) The drive mechanism of each reservoir	√	√
(4) Pressure data, by date, and whether they are estimated or measured		√
(5) Production data and decline curve analysis indicative of the reservoir performance		√
(6) Reservoir simulation with the reservoir parameters used, history matches, and prediction runs (include proposed development scenario)		*

(e) General information:		
(1) Detailed economic analysis		
(2) Reservoir name and whether or not it is competitive as defined under §250.105	√	√
(3) Operator name, lessee name(s), block, lease number, royalty rate, and unit number (if applicable) of all relevant leases		
(4) Geologic overview of project		√
(5) Explanation of why the proposed completion scenario will maximize ultimate recovery		
(6) List of all wells in subject reservoirs that have ever produced or been used for injection		√

√Required.

*Additional items the Regional Supervisor may request.

Note: All maps must be at a standard scale and show lease and unit lines. The Regional Supervisor may waive submittal of some of the required data on a case-by-case basis.

(f) Depending on the type of approval requested, you must submit the appropriate payment of the service fee(s) listed in §550.125, according to the instructions in §550.126.