

quality and productivity of such environments, to establish trends in the area studies, and to design experiments identifying the causes of such changes. Findings from such studies will be used to recommend modifications in practices that are employed to mitigate the effects of OCS activities and to enhance the data/information base for predicting impacts which might result from a single lease sale or cumulative OCS activities.

(e) Information available or collected by the studies program will, to the extent practicable, be provided in a form and in a timeframe that can be used in the decision-making process associated with a specific leasing action or with longer term OCS minerals management responsibilities.

## PART 560—OUTER CONTINENTAL SHELF OIL AND GAS LEASING

### Subpart A—General Provisions

- 560.100 Authority  
 560.100 What is the purpose of this part?  
 560.102 What definitions apply to this part?  
 560.103 What is BOEM's authority to collect information?

### Subpart B—Bidding Systems

#### GENERAL PROVISIONS

- 560.200 What is the purpose of this subpart?  
 560.201 What definitions apply to this subpart?  
 560.202 What bidding systems may BOEM use?  
 560.203 What conditions apply to the bidding systems that BOEM uses?

#### ELIGIBLE LEASES

- 560.210 How do royalty suspension volumes apply to eligible leases?  
 560.211 When does an eligible lease qualify for a royalty suspension volume?  
 560.212 How does BOEM assign and monitor royalty suspension volumes for eligible leases?  
 560.213 How long will a royalty suspension volume for an eligible lease be effective?  
 560.214 How do I measure natural gas production on my eligible lease?

#### ROYALTY SUSPENSIONS (RS) LEASES

- 560.220 How does royalty suspension apply to leases issued in a sale held after November 2000?  
 560.221 When does a lease issued in a sale held after November 2000 get a royalty suspension?

560.222 How long will a royalty suspension volume be effective for a lease issued in a sale held after November 2000?

560.223 How do I measure natural gas production for a lease issued in a sale held after November 2000?

560.224 How will royalty suspension apply if BOEM assigns a lease issued in a sale held after November 2000 to a field that has a pre-Act lease?

#### BIDDING SYSTEM SELECTION CRITERIA

560.230 What criteria does BOEM use for selecting bidding systems and bidding system components?

### Subpart C—Operating Allowances

560.300 Operating allowances.

### Subpart D [Reserved]

### Subpart E—Electronic Filings

560.500 Electronic document and data transmissions.

560.501 How long will the confidentiality of electronic document and data transmissions be maintained?

560.502 Are electronically filed document transmissions legally binding?

AUTHORITY: Section 104, Public Law 97–451, 96 Stat. 2451 (30 U.S.C. 1714), Public Law 109–432, Div C, Title I, 120 Stat. 3000; 30 U.S.C. 1751; 31 U.S.C. 9701; 43 U.S.C. 1334; 33 U.S.C. 2704, 2716; E.O. 12777, as amended; 43 U.S.C. 1331 *et seq.*, 43 U.S.C. 1337.

SOURCE: 76 FR 64623, Oct. 18, 2011, unless otherwise noted.

### Subpart A—General Provisions

#### § 560.100 Authority.

(a) The Outer Continental Shelf Lands Act (OCSLA) (43 U.S.C. 1334) (“Outer Continental Shelf Lands Act Amendments of 1978”).

(b) The Federal Oil and Gas Royalty Management Act, as amended (FOGRMA) (30 U.S.C. 1711), including the Federal Oil and Gas Royalty Simplification and Fairness Act of 1996, (30 U.S.C. 1701 note).

(c) The Independent Offices Appropriations Act of 1952 (31 U.S.C. 9701).

(d) Public Law 89–554, 1966 (5 U.S.C. 301).

[81 FR 18175, Mar. 30, 2016]

## Ocean Energy Management, Interior

## § 560.103

### § 560.101 What is the purpose of this part?

This part 560 implements the Outer Continental Shelf Lands Act (OCSLA), 43 U.S.C. 1331 *et seq.*, as amended, by providing regulations to foster competition including, but not limited to:

- (a) Implementing alternative bidding systems;
- (b) Prohibiting joint bidding for development rights by certain types of joint ventures; and
- (c) Establishing diligence requirements for Federal OCS leases.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

### § 560.102 What definitions apply to this part? What definitions apply to this part?

(a) Terms used in this part have the meaning given in the Act and as defined in this part.

(b) The following definitions apply to this part:

*Area or region* means the geographic area or region over which the BOEM authorized officer has jurisdiction, unless the context in which those words are used indicates that a different meaning is intended.

*BOEM* means Bureau of Ocean Energy Management.

*Designated official* means a representative of DOI subject to the direction and supervisory authority of the Directors, BOEM, and the appropriate Regional Manager of the BOEM authorized and empowered to supervise and direct all oil and gas operations and to perform other duties prescribed in this chapter.

*Director* means Director, BOEM, DOI.

*DOI* means the Department of the Interior, including the Secretary of the Interior, or his or her delegate.

*Federal lease* means an agreement which, for consideration, including, but not limited to, bonuses, rents or royalties conferred, and covenants to be observed, authorizes a person to explore for, or develop, or produce (or to do any or all of these) oil and gas, coal, oil shale, tar sands, and geothermal resources on lands or interests in lands under Federal jurisdiction.

*Gas or Natural Gas* means a mixture of hydrocarbons and varying quantities

of non-hydrocarbons that exist in the gaseous phase.

*Oil* means a mixture of hydrocarbons that exists in a liquid or gaseous phase in an underground reservoir and which remains or becomes liquid at atmospheric pressure after passing through surface separating facilities, including condensate recovered by means other than a manufacturing process.

*Outer Continental Shelf* (OCS) means all submerged lands lying seaward and outside of the area of lands beneath navigable waters as defined in the Submerged Lands Act (43 U.S.C. 1301–1315) and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control.

*OCSLA* means the Outer Continental Shelf Lands Act, as amended (Act of August 7, 1953, Ch. 345, 67 Stat. 462, 43 U.S.C. 1331–1356a, as amended by Pub. L. 95–372, 92 Stat. 629).

*Person* means a natural person, where so designated, or an entity, such as a partnership, association, State, political subdivision of a State or territory, or a private, public, or municipal corporation.

*We* means the Bureau of Ocean Energy Management (BOEM).

*You* means the lessee or operating rights owner.

[81 FR 18175, Mar. 30, 2016]

### § 560.103 What is BOEM's authority to collect information?

(a) The Paperwork Reduction Act of 1995 (PRA) requires us to inform you that we 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. The information collection under 30 CFR part 560 is either exempt from the PRA (5 CFR 1320.4(a)(2), (c)) or refers to requirements covered under 30 CFR parts 203 and 556.

(b) You may send comments regarding any aspect of the collection 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.

[76 FR 64623, Oct. 18, 2011, as amended at 80 FR 57097, Sept. 22, 2015. Redesignated at 81 FR 18175, Mar. 30, 2016]

**Subpart B—Bidding Systems**

## GENERAL PROVISIONS

**§ 560.200 What is the purpose of this subpart?**

This subpart establishes the bidding systems that we may use to offer and sell Federal leases for the exploration, development, and production of oil and gas resources located on the OCS.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

**§ 560.201 What definitions apply to this subpart?**

*Act* means the Outer Continental Shelf Deep Water Royalty Relief Act, Pub. L. 104–58, 43 U.S.C. 1337(3).

*Eligible lease* means a lease that:

- (1) Is issued as part of an OCS lease sale held after November 28, 1995, and before November 28, 2000;
- (2) Is located in the Gulf of Mexico in water depths of 200 meters or deeper;
- (3) Lies wholly west of 87 degrees, 30 minutes West longitude; and
- (4) Is offered subject to a royalty suspension volume.

*Field* means an area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same general geological structural feature and/or stratigraphic trapping condition. Two or more reservoirs may be in a field, separated vertically by intervening impervious strata, or laterally by local geologic barriers, or by both.

*Highest responsible qualified bidder* means a person who has met the appropriate requirements of 30 CFR part 556, subpart G, and has submitted a bid higher than any other bids by qualified bidders on the same tract.

*Highest royalty rate* means the highest percent rate payable to the United States, as specified in the lease, in the amount or value of the production saved, removed, or sold.

*Lease period* means the time from lease issuance until relinquishment, expiration, or termination.

*Lowest royalty rate* means the lowest percent rate payable to the United States, as specified in the lease, in the amount or value of the production saved, removed, or sold.

*OCS lease sale* means the Department of the Interior (DOI) proceeding by

which leases for certain OCS tracts are offered for sale by competitive bidding and during which bids are received, announced, and recorded.

*Pre-Act lease* means a lease that:

- (1) Is issued as part of an OCS lease sale held before November 28, 1995;
- (2) Is located in the Gulf of Mexico in water depths of 200 meters or deeper; and
- (3) Lies wholly west of 87 degrees, 30 minutes West longitude (see 30 CFR part 203).

*Production period* means the period during which the amount of oil and gas produced from a tract (or, if the tract is unitized, the amount of oil and gas as allocated under a unitization formula) will be measured for purposes of determining the amount of royalty payable to the United States.

*Qualified bidder* means a person who has met the appropriate requirements of 30 CFR part 556, subpart G.

*Royalty rate* means the percentage of the amount or value of the production saved, removed, or sold that is due and payable to the United States Government.

*Royalty suspension (RS) lease* means a lease that:

- (1) Is issued as part of an OCS lease sale held after November 28, 2000;
- (2) Is in locations or planning areas specified in a particular Notice of OCS Lease Sale; and
- (3) Is offered subject to a royalty suspension specified in a Notice of OCS Lease Sale published in the FEDERAL REGISTER.

*Tract* means a designation assigned solely for administrative purposes to a block or combination of blocks that are identified by a leasing map or an official protraction diagram prepared by the DOI.

*Value of production* means the value of all oil and gas production saved, removed, or sold from a tract (or, if the tract is unitized, the value of all oil and gas production saved, removed, or sold and credited to the tract under a unitization formula) during a period of production. The value of production is determined under 30 CFR part 1206.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

**Ocean Energy Management, Interior**

**§ 560.202**

**§ 560.202 What bidding systems may BOEM use?**

We will apply a single bidding system selected from those listed in this sec-

tion to each tract included in an OCS lease sale. The following table lists bidding systems, the bid variables, and characteristics.

For the bidding system . . .	The bid variable is the . . .	And the characteristics are . . .
(a) Cash bonus bid with a fixed royalty rate of not less than 12.5 percent,	Cash bonus,	The highest responsible qualified bidder will pay a royalty rate of not less than 12.5 percent at the beginning of the lease period. We will specify the royalty rate for each tract offered in the Notice of OCS Lease Sale published in the FEDERAL REGISTER.
(b) Royalty rate bid with fixed cash bonus,	Royalty rate,	We will specify the fixed amount of cash bonus the highest responsible qualified bidder must pay in the Notice of OCS Lease Sale published in the FEDERAL REGISTER.
(c) Cash bonus bid with a sliding royalty rate of not less than 12.5 percent at the beginning of the lease period,	Cash bonus,	(1) We will calculate the royalty rate the highest responsible qualified bidder must pay using either: (i) A sliding-scale formula, which relates the royalty rate to the adjusted value or volume of production, or (ii) A schedule that establishes the royalty rate that we will apply to specified ranges of the adjusted value or volume of production. (2) We will determine the adjusted value of production by applying an inflation factor to the actual value of production. (3) If you are the successful high bidder, your lease will include the sliding-scale formula or schedule and will specify the lowest and highest royalty rates that will apply. (4) You will pay a royalty rate of not less than 12.5 percent at the beginning of the lease period. (5) We will include the sliding-scale royalty formula or schedule, inflation factor and procedures for making the inflation adjustment and determining the value or amount of production in the Notice of OCS Lease Sale published in the FEDERAL REGISTER.
(d) Cash bonus bid with fixed share of the net profits of no less than 30 percent,	Cash bonus,	(1) If we award you a lease as the highest responsible qualified bidder, you will determine the amount of the net profit share payment to the United States for each month by multiplying the net profit share base times the net profit share rate, according to 30 CFR 1220.022. You will calculate the net profit share base according to 30 CFR 1220.021. (2) You will pay a net profit share of not less than 30 percent. (3) We will specify the capital recovery factor, as described in 30 CFR 1220.020, and the net profit share rate, both of which may vary from tract to tract, in the Notice of OCS Lease Sale published in the FEDERAL REGISTER.
(e) Cash bonus with variable royalty rate(s) during one or more periods of production,	Cash bonus,	(1) We may suspend or defer royalty for a period, volume, or value of production. Notwithstanding suspensions or deferrals, we may impose a minimum royalty. The suspensions or deferrals may vary based on prices or price changes of oil and/or gas. (2) You may pay a royalty rate less than 12.5 percent on production but not less than zero percent. (3) We will specify the applicable royalty rates(s) and suspension or deferral magnitudes, formulas, or relationships in the Notice of OCS Lease Sale published in the FEDERAL REGISTER.
(f) Cash bonus with royalty rate(s) based on formula(s) or schedule(s) during one or more periods of production,	Cash bonus,	We will base the royalty rate on formula(s) or schedule(s) specified in the Notice of OCS Lease Sale published in the FEDERAL REGISTER.
(g) Cash bonus with a fixed royalty rate of not less than 12.5 percent, at the beginning of the lease period, suspension of royalties for a period, volume, or value of production, or depending upon selected characteristics of extraction, and with suspensions that may vary based on the price of production,	Cash bonus,	Except for periods of royalty suspension, you will pay a fixed royalty rate of not less than 12.5 percent. If we award to you a lease under this system, you must calculate the royalty due during the designated period using the rate, formula, or schedule specified in the lease. We will specify the royalty rate, formula, or schedule in the Notice of OCS Lease Sale published in the FEDERAL REGISTER.

**§ 560.203**

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

**§ 560.203 What conditions apply to the bidding systems that BOEM uses?**

(a) For each of the bidding systems in § 560.110, we will include an annual rental fee. Other fees and provisions may apply as well. The Notice of OCS Lease Sale published in the FEDERAL REGISTER will specify the annual rental and any other fees the highest responsible qualified bidder must pay and any other provisions.

(b) If we use any deferment or schedule of payments for the cash bonus bid, we will specify and include it in the Notice of OCS Lease Sale published in the FEDERAL REGISTER.

(c) For the bidding systems listed in this subpart, if the bid variable is a cash bonus bid, the highest bid by a qualified bidder determines the amount of cash bonus to be paid. We will include the minimum bid level(s) in the Notice of OCS Lease Sale published in the FEDERAL REGISTER.

(d) For the bidding systems listed in this subpart, if the bid variable is the royalty rate, the highest bid by a qualified bidder determines the royalty rate to be paid. We will include the minimum royalty rate(s) in the Notice of OCS Lease Sale published in the FEDERAL REGISTER.

(e) We may, by rule, add to or modify the bidding systems listed in § 560.110, according to the procedural requirements of the OCSLA, 43 U.S.C. 1331 *et seq.*, as amended by Public Law 95-372, 92 Stat. 629.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

**ELIGIBLE LEASES**

**§ 560.210 How do royalty suspension volumes apply to eligible leases?**

Royalty suspension volumes, as specified in section 304 of the Act, apply to eligible leases that meet the criteria in § 560.113. For purposes of this section and §§ 560.113 through 560.117:

(a) Any volumes of production that are not normally royalty-bearing under the lease or the regulations (e.g., fuel gas) do not count against royalty suspension volumes; and

**30 CFR Ch. V (7-1-18 Edition)**

(b) Production includes volumes allocated to a lease under an approved unit agreement.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

**§ 560.211 When does an eligible lease qualify for a royalty suspension volume?**

(a) Your eligible lease will receive a royalty suspension volume as specified in the Act. The bidding system in § 560.110(g) applies.

(b) Your eligible lease may receive a royalty suspension volume only if your entire lease is west of 87 degrees, 30 minutes West longitude.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

**§ 560.212 How does BOEM assign and monitor royalty suspension volumes for eligible leases?**

(a) We have specified the water depth category for each eligible lease in the final Notice of OCS Lease Sale Package. The Final Notice of Sale is published in the FEDERAL REGISTER and the complete Final Notice of OCS Lease Sale Package is available on the BOEM Web site. Our determination of water depth for each lease became final when we issued the lease.

(b) We have specified in the Notice of OCS Lease Sale the royalty suspension volume applicable to each water depth. The following table shows the royalty suspension volumes for each eligible lease in million barrels of oil equivalent (MMBOE):

Water depth	Minimum royalty suspension volume
(1) 200 to less than 400 meters	17.5 MMBOE.
(2) 400 to less than 800 meters	52.5 MMBOE.
(3) 800 meters or more .....	87.5 MMBOE.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

**§ 560.213 How long will a royalty suspension volume for an eligible lease be effective?**

A royalty suspension volume for an eligible lease will continue through the end of the month in which cumulative production from the leases in a field

## Ocean Energy Management, Interior

## § 560.222

entitled to share the royalty suspension volume reaches that volume or the lease period ends.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

### **§ 560.214 How do I measure natural gas production on my eligible lease?**

You must measure natural gas production on your eligible lease subject to the royalty suspension volume as follows: 5.62 thousand cubic feet of natural gas, measured according to 30 CFR part 250, subpart L, equals one barrel of oil equivalent.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

#### ROYALTY SUSPENSION (RS) LEASES

### **§ 560.220 How does royalty suspension apply to leases issued in a sale held after November 2000?**

We may issue leases with suspension of royalties for a period, volume or value of production, as authorized in section 303 of the Act. For purposes of this section and §§ 560.121 through 560.124:

(a) Any volumes of production that are not normally royalty-bearing under the lease or the regulations (e.g., fuel gas) do not count against royalty suspension volumes; and

(b) Production includes volumes allocated to a lease under an approved unit agreement.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

### **§ 560.221 When does a lease issued in a sale held after November 2000 get a royalty suspension?**

(a) We will specify any royalty suspension for your RS lease in the Notice of OCS Lease Sale published in the FEDERAL REGISTER for the sale in which you acquire the RS lease and will repeat it in the lease document. In addition:

(1) Your RS lease may produce royalty-free the royalty suspension we specify for your lease, even if the field to which we assign it is producing.

(2) The royalty suspension we specify in the Notice of OCS Lease Sale for your lease does not apply to any other leases in the field to which we assign your RS lease.

(b) You may apply for a supplemental royalty suspension for a project under 30 CFR part 203, if your lease is located:

(1) In the Gulf of Mexico, in water 200 meters or deeper, and wholly west of 87 degrees, 30 minutes West longitude; or

(2) Offshore of Alaska.

(c) Your RS lease retains the royalty suspension with which we issued it even if we deny your application for more relief.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

### **§ 560.222 How long will a royalty suspension volume be effective for a lease issued in a sale held after November 2000?**

(a) The royalty suspension volume for your RS lease will continue through the end of the month in which cumulative production from your lease reaches the applicable royalty suspension volume or the lease period ends.

(b)(1) Notwithstanding any royalty suspension volume under this subpart, you must pay royalty at the lease stipulated rate on:

(i) Any oil produced for any period stipulated in the lease during which the arithmetic average of the daily closing price on the New York Mercantile Exchange (NYMEX) for light sweet crude oil exceeds the applicable threshold price of \$36.39 per barrel, adjusted annually after calendar year 2007 for inflation unless the lease terms prescribe a different price threshold.

(ii) Any natural gas produced for any period stipulated in the lease during which the arithmetic average of the daily closing price on the NYMEX for natural gas exceeds the applicable threshold price of \$4.55 per MMBtu, adjusted annually after calendar year 2007 for inflation unless the lease terms prescribe a different price threshold.

(iii) Determine the threshold price for any calendar year after 2007 by adjusting the threshold price in the previous year by the percentage that the implicit price deflator for the gross domestic product, as published by the Department of Commerce, changed during the calendar year.

(2) You must pay any royalty due under this paragraph, plus late payment interest under 30 CFR 1218.54, no

## § 560.223

later than 90 days after the end of the period for which royalty is owed.

(3) Any production on which you must pay royalty under this paragraph will count toward the production volume determined under §§ 560.120 through 560.124.

(c) If you must pay royalty on any product (either oil or natural gas) for any period under paragraph (b) of this section, you must continue to pay royalty on that product during the next succeeding period of the same length until the arithmetic average of the daily closing NYMEX prices for that product for that period can be determined. If the arithmetic average of the daily closing prices for that product for that period is less than the threshold price stipulated in the lease, you are entitled to a credit or refund of royalties paid for that period with interest under applicable law.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

### **§ 560.223 How do I measure natural gas production for a lease issued in a sale held after November 2000?**

You must measure natural gas production subject to the royalty suspension volume for your lease as follows: 5.62 thousand cubic feet of natural gas, measured according to 30 CFR part 250, subpart L, equals one barrel of oil equivalent.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

### **§ 560.224 How will royalty suspension apply if BOEM assigns a lease issued in a sale held after November 2000 to a field that has a pre-Act lease?**

(a) We will assign your lease that has a qualifying well (under 30 CFR part 250, subpart A) to an existing field or designate a new field and will notify you and other affected lessees and operating rights holders in the field of that assignment.

(1) Within 15 days of the final notification, you or any of the other affected lessees or operating rights holders may file a written request with the Director for reconsideration, accompanied by a Statement of Reasons.

(2) The Director will respond in writing either affirming or reversing the

## 30 CFR Ch. V (7–1–18 Edition)

assignment decision. The Director's decision is the final action of the Department of the Interior and is not subject to appeal to the Interior Board of Land Appeals under 30 CFR part 590 and 43 CFR part 4.

(b) If we establish a royalty suspension volume for a field as a result of an approved application for royalty relief submitted for a pre-Act lease under 30 CFR part 203, then:

(1) Royalty-free production from your RS lease shares from and counts as part of any royalty suspension volume under § 560.114(d) for the field to which we assign your lease; and

(2) Your RS lease may continue to produce royalty-free up to the royalty suspension we specified for your lease, even if the field to which we assign your RS lease has produced all of its royalty suspension volume.

(c) Your lease may share in a suspension volume larger than the royalty suspension with which we issued it and to the extent we grant a larger volume in response to an application by a pre-Act lease submitted under 30 CFR part 203. To share in any larger royalty suspension volume, you must file an application described in 30 CFR part 203 (§§ 203.71 and 203.83). In no case will royalty-free production for your RS lease be less than the royalty suspension specified for your lease.

[76 FR 64623, Oct. 18, 2011. Redesignated at 81 FR 18175, Mar. 30, 2016]

### BIDDING SYSTEM SELECTION CRITERIA

### **§ 560.230 What criteria does BOEM use for selecting bidding systems and bidding system components?**

In analyzing the application of one of the bidding systems listed in § 560.110 to tracts selected for any OCS lease sale, we may, at our discretion, consider the following purposes and policies. We recognize that each of the purposes and policies may not be specifically applicable to the selection process for a particular bidding system or tract, or may present a conflict that we will have to resolve in the process of bidding system selection. The order of listing does not denote a ranking.

(a) Providing fair return to the Federal Government;

(b) Increasing competition;

## Ocean Energy Management, Interior

## § 560.500

(c) Ensuring competent and safe operations;

(d) Avoiding undue speculation;

(e) Avoiding unnecessary delays in exploration, development, and production;

(f) Discovering and recovering oil and gas;

(g) Developing new oil and gas resources in an efficient and timely manner;

(h) Limiting the administrative burdens on Government and industry; and

(i) Providing an opportunity to experiment with various bidding systems to enable us to identify those most appropriate for the satisfaction of the objectives of the United States in OCS lease sales.

### Subpart C—Operating Allowances

#### § 560.300 Operating allowances.

Notwithstanding any other provision in the regulations in this part, BOEM may issue a lease containing an operating allowance when so specified in the final notice of sale and the lease. The allowance amount or formula will be specified in the final notice of sale and in the lease.

[81 FR 18175, Mar. 10, 2016]

### Subpart D [Reserved]

### Subpart E—Electronic Filings

SOURCE: 81 FR 18176, Mar. 30, 2016, unless otherwise noted.

#### § 560.500 Electronic document and data transmissions.

(a) BOEM may notify you that it will allow or request you to submit the following information electronically through BOEM's secure electronic filing system, through an alternate secure electronic filing system supported and maintained by the Department, or through some other electronic filing system that BOEM has approved for this purpose:

(1) Any document(s) or information described in the Qualifications section of part 556 of this chapter, as specified in subpart E. Such information would include, but not be limited to, the official name of the qualifying person, its

legal and business address or addresses, its legal form and status, and the names and contact information of a person or organization authorized to act on the person's behalf.

(2) Any document(s) or information required to obtain BOEM's approval of an assignment or sublease, including any form or instrument that creates or transfers ownership of a lease interest.

(3) Any document(s) or information required to obtain BOEM's approval of your relinquishment of all, or any aliquot part of your lease, as specified in § 556.1101 of this chapter.

(4) Any document(s) creating, transferring or assigning economic interests, as specified in §§ 556.715 and 556.808 of this chapter.

(5) Any document(s) related to a bond, U.S. Treasury note or other security provided to BOEM, which is required to guarantee your compliance with terms and conditions of a lease.

(6) Any document(s) or information necessary to bid for an OCS lease.

(7) Any forms, document(s) or information necessary to determine worst case oil-spill discharge volume(s), or to provide evidence demonstrating oil spill financial responsibility, or to guarantee such financial responsibility or to comply with any other requirements of the Oil Spill Financial Responsibility Program, as described in part 553 of this chapter.

(b) BOEM reserves the right to require the electronic filing of any document(s) or information addressed in paragraph (a)(5) of this section upon a 90-day notice published in the FEDERAL REGISTER; if BOEM mandates that you transmit such document(s) or information electronically, the FEDERAL REGISTER notice will specify the filing details necessary to comply with this regulation.

(c) In the event BOEM sends documents to you in a secure electronic format, you may either return the document(s) in an electronic format utilizing the same secure transmission mechanism or print the document(s) and return them.

(d) BOEM may electronically acknowledge, approve, sign, or execute any document(s) referenced in this section.

## § 560.501

### § 560.501 How long will the confidentiality of electronic document and data transmissions be maintained?

The confidentiality of any electronically submitted information will be maintained for the same proprietary term that would apply to the corresponding non-electronic confidential submission, pursuant to § 556.104(b) of this chapter.

### § 560.502 Are electronically filed document transmissions legally binding?

Any document or information referenced in § 560.500 which is submitted to BOEM through a secure electronic filing system that is approved by BOEM will be legally binding, without the need for a paper copy thereof.

## PART 570—NONDISCRIMINATION IN THE OUTER CONTINENTAL SHELF

Sec.

- 570.1 Purpose.
- 570.2 Application of this part.
- 570.3 Definitions.
- 570.4 Discrimination prohibited.
- 570.5 Complaint.
- 570.6 Process.
- 570.7 Remedies.

AUTHORITY: 43 U.S.C. 1863.

SOURCE: 76 FR 64623, Oct. 18, 2011, unless otherwise noted.

### § 570.1 Purpose.

The purpose of this part is to implement the provisions of section 604 of the OCSLA of 1978 which provides that “no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from receiving or participating in any activity, sale, or employment, conducted pursuant to the provisions of \* \* \* the Outer Continental Shelf Lands Act.”

### § 570.2 Application of this part.

This part applies to any contract or subcontract entered into by a lessee or by a contractor or subcontractor of a lessee after the effective date of these regulations to provide goods, services, facilities, or property in an amount of \$10,000 or more in connection with any activity related to the exploration for or development and production of oil, gas, or other minerals or materials in the OCS under the Act.

## 30 CFR Ch. V (7–1–18 Edition)

### § 570.3 Definitions.

As used in this part, the following terms shall have the following meaning:

*Contract* means any business agreement or arrangement (in which the parties do not stand in the relationship of employer and employee) between a lessee and any person which creates an obligation to provide goods, services, facilities, or property.

*Lessee* means the party authorized by a lease, grant of right-of-way, or an approved assignment thereof to explore, develop, produce, or transport oil, gas, or other minerals or materials in the OCS pursuant to the Act and this part.

*Person* means a person or company, including but not limited to, a corporation, partnership, association, joint stock venture, trust, mutual fund, or any receiver, trustee in bankruptcy, or other official acting in a similar capacity for such company.

*Subcontract* means any business agreement or arrangement (in which the parties do not stand in the relationship of employer and employee) between a lessee’s contractor and any person other than a lessee that is in any way related to the performance of any one or more contracts.

### § 570.4 Discrimination prohibited.

No contract or subcontract to which this part applies shall be denied to or withheld from any person on the grounds of race, creed, color, national origin, or sex.

### § 570.5 Complaint.

(a) Whenever any person believes that he or she has been denied a contract or subcontract to which this part applies on the grounds of race, creed, color, national origin, or sex, such person may complain of such denial or withholding to the Regional Director of the OCS Region in which such action is alleged to have occurred. Any complaint filed under this part must be submitted in writing to the appropriate Regional Director not later than 180 days after the date of the alleged unlawful denial of a contract or subcontract which is the basis of the complaint.