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## Title 30 - Mineral Resources

### Chapter V - Bureau of Ocean Energy Management, Department of the Interior

#### Subchapter B - Offshore

#### Part 550 Oil and Gas and Sulphur Operations in the Outer Continental Shelf

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## **PART 550 - OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF**

**Authority:** 30 U.S.C. 1751; 31 U.S.C. 9701; 43 U.S.C. 1334.

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

### **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.



For information about	Refer to
(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 (NTLs) that clarify, supplement, or provide more detail about certain requirements. NTLs 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.

**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 criteria air pollutant, an area which is shown by monitored data or which is calculated by air quality modeling (or other methods determined by the Administrator of the Environmental Protection Agency (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 criteria air pollutant and VOC 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 criteria air pollutant and VOC.

**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.

**Criteria air pollutant** means any air pollutant for which the EPA has established a primary or secondary national ambient air quality standard pursuant to section 109 of the Clean Air Act.

**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), Development and Production Plan (DPP), or Development Operations Coordination Document (DOCD).

**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 Outer Continental Shelf (OCS) facility described in an Exploration Plan, a Development and Production Plan, or a Development Operations Coordination Document, 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.

**H<sub>2</sub>S absent** means:

- (1) Drilling, logging, coring, testing, or producing operations have confirmed the absence of H<sub>2</sub>S in concentrations that could potentially result in atmospheric concentrations of 20 ppm or more of H<sub>2</sub>S; or
- (2) Drilling in the surrounding areas and correlation of geological and seismic data with equivalent stratigraphic units have confirmed an absence of H<sub>2</sub>S throughout the area to be drilled.

**H<sub>2</sub>S present** means drilling, logging, coring, testing, or producing operations have confirmed the presence of H<sub>2</sub>S in concentrations and volumes that could potentially result in atmospheric concentrations of 20 ppm or more of H<sub>2</sub>S.

**H<sub>2</sub>S unknown** means the designation of a zone or geologic formation where neither the presence nor absence of H<sub>2</sub>S 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 criteria air pollutant, an area which is shown by monitored data or which 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.

**Volatile organic compound (VOC)** means any organic compound that is emitted to the atmosphere as a vapor. Unreactive compounds are excluded from the preceding sentence of this definition.

**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; 85 FR 34935, June 5, 2020]

## 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.

### § 550.125 Service fees.

Link to an amendment published at [87 FR 52445, Aug. 26, 2022.](#)

- (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	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

If . . .	Then . . .
in water depths of 200 meters or greater;	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.

### **§ 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 . . .
(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	Geophysical data, Geological data, Interpreted G&G 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

If . . .	BOEM will release . . .	At this time . . .	Special provisions . . .
environmental protection requirements,	Processed geological information, Analyzed geological information,		satisfy him/her that it would unduly damage your competitive position.
(3) Your lease is no longer in effect,	Geophysical data, Geological data, Processed G&G information Interpreted G&G information, Analyzed geological information,	When your lease terminates,	This release time applies only if the provisions in this table 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)	Directional survey data may be released earlier to the owner of an adjacent lease according to 30 CFR 250 subpart D.

If . . .	BOEM will release . . .	At this time . . .	Special provisions . . .
		and (b)(6), whichever occurs earlier,	
(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 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,	G&G data, analyzed geological information, processed and interpreted G&G information,	Geological data and information: 10 years after BOEM issues the permit; Geophysical data: 50 years after BOEM issues the permit; Geophysical information: 25 years after BOEM issues the permit,	None.

- (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-1832, Notification of Incidents of Noncompliance	To inform BOEM of actions taken to comply with general requirements on the OCS. To ensure that 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.

30 CFR subpart, title and/or BOEM Form (OMB Control No.)	Reasons for collecting information and how used
(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]

## Subpart B - Plans and Information

### GENERAL INFORMATION

#### § 550.200 Definitions.

Acronyms and terms used in this subpart have the following meanings:

(a) **Acronyms** used frequently in this subpart are listed alphabetically below:

**BOEM** means Bureau of Ocean Energy Management.

**BSEE** means Bureau of Safety and Environmental Enforcement.

**CID** means Conservation Information Document.

**CZMA** means Coastal Zone Management Act.

**DOCD** means Development Operations Coordination Document.

**DPP** means Development and Production Plan.

**DWOP** means Deepwater Operations Plan.

**EIA** means Environmental Impact Analysis.

**EP** means Exploration Plan.

**IOP** means Integrated Operations Plan.

**NPDES** means National Pollutant Discharge Elimination System.

**NTL** means Notice to Lessees and Operators.

**OCS** means Outer Continental Shelf.

(b) Terms used in this subpart are listed alphabetically below:

**Amendment** means a change you make to an EP, DPP, or DOCD that is pending before BOEM for a decision (see §§ 550.232(d) and 550.267(d)).

**Modification** means a change required by the Regional Supervisor to an EP, DPP, or DOCD (see § 550.233(b)(2) and § 550.270(b)(2)) that is pending before BOEM for a decision because the OCS plan is inconsistent with applicable requirements.

**New or unusual technology** means equipment or procedures that:

(1) Have not been used previously or extensively in a BOEM OCS Region;

- (2) Have not been used previously under the anticipated operating conditions; or
- (3) Have operating characteristics that are outside the performance parameters established by this part.

**Non-conventional production or completion technology** includes, but is not limited to, floating production systems, tension leg platforms, spars, floating production, storage, and offloading systems, guyed towers, compliant towers, subsea manifolds, and other subsea production components that rely on a remote site or host facility for utility and well control services.

**Offshore vehicle** means a vehicle that is capable of being driven on ice.

**Resubmitted OCS plan** means an EP, DPP, or DOCD that contains changes you make to an OCS plan that BOEM has disapproved (see §§ 550.234(b), 550.272(a), and 550.273(b)).

**Revised OCS plan** means an EP, DPP, or DOCD that proposes changes to an approved OCS plan, such as those in the location of a well or platform, type of drilling unit, or location of the onshore support base (see § 550.283(a)).

**Supplemental OCS plan** means an EP, DPP, or DOCD that proposes the addition to an approved OCS plan of an activity that requires approval of an application or permit (see § 550.283(b)).

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

## § 550.201 What plans and information must I submit before I conduct any activities on my lease or unit?

- (a) **Plans and documents.** Before you conduct the activities on your lease or unit listed in the following table, you must submit, and BOEM must approve, the listed plans and documents. Your plans and documents may cover one or more leases or units.

You must submit a(n) . . .	Before you . . .
(1) Exploration Plan (EP),	Conduct any exploration activities on a lease or unit.
(2) Development and Production Plan (DPP),	Conduct any development and production activities on a lease or unit in any OCS area other than the Western Gulf of Mexico.
(3) Development Operations Coordination Document (DOCD),	Conduct any development and production activities on a lease or unit in the Western GOM.
(4) BSEE approved Deepwater Operations Plan (DWOP),	Conduct post-drilling installation activities in any water depth associated with a development project that will involve the use of a non-conventional production or completion technology.
(5) Conservation Information Document (CID),	Commence production from development projects in water depths greater than 1,312 feet (400 meters).
(6) EP, DPP, or DOCD,	Conduct geological or geophysical (G&G) exploration or a development G&G activity (see definitions under § 550.105) on your lease or unit when:
	(i) It will result in a physical penetration of the seabed greater than 500 feet (152 meters);
	(ii) It will involve the use of explosives;



You must submit a(n) . . .	Before you . . .
	(iii) The Regional Director determines that it might have a significant adverse effect on the human, marine, or coastal environment; or
	(iv) The Regional Supervisor, after reviewing a notice under § 550.209, determines that an EP, DPP, or DOCD is necessary.

- (b) **Submitting additional information.** On a case-by-case basis, the Regional Supervisor may require you to submit additional information if the Regional Supervisor determines that it is necessary to evaluate your proposed plan or document.
- (c) **Limiting information.** The Regional Director may limit the amount of information or analyses that you otherwise must provide in your proposed plan or document under this subpart when:
  - (1) Sufficient applicable information or analysis is readily available to BOEM;
  - (2) Other coastal or marine resources are not present or affected;
  - (3) Other factors such as technological advances affect information needs; or
  - (4) Information is not necessary or required for a State to determine consistency with their CZMA Plan.
- (d) **Referencing.** In preparing your proposed plan or document, you may reference information and data discussed in other plans or documents you previously submitted or that are otherwise readily available to BOEM.

**§ 550.202 What criteria must the Exploration Plan (EP), Development and Production Plan (DPP), or Development Operations Coordination Document (DOCD) meet?**

Your EP, DPP, or DOCD must demonstrate that you have planned and are prepared to conduct the proposed activities in a manner that:

- (a) Conforms to the Outer Continental Shelf Lands Act as amended (Act), applicable implementing regulations, lease provisions and stipulations, and other Federal laws;
- (b) Is safe;
- (c) Conforms to sound conservation practices and protects the rights of the lessor;
- (d) Does not unreasonably interfere with other uses of the OCS, including those involved with National security or defense; and
- (e) Does not cause undue or serious harm or damage to the human, marine, or coastal environment.

**§ 550.203 Where can wells be located under an EP, DPP, or DOCD?**

The Regional Supervisor reviews and approves proposed well location and spacing under an EP, DPP, or DOCD. In deciding whether to approve a proposed well location and spacing, the Regional Supervisor will consider factors including, but not limited to, the following:

- (a) Protecting correlative rights;
- (b) Protecting Federal royalty interests;
- (c) Recovering optimum resources;

- (d) Number of wells that can be economically drilled for proper reservoir management;
- (e) Location of drilling units and platforms;
- (f) Extent and thickness of the reservoir;
- (g) Geologic and other reservoir characteristics;
- (h) Minimizing environmental risk;
- (i) Preventing unreasonable interference with other uses of the OCS; and
- (j) Drilling of unnecessary wells.

### **§ 550.204 When must I submit my IOP for proposed Arctic exploratory drilling operations and what must the IOP include?**

If you propose exploratory drilling activities on the Arctic OCS, you must submit an Integrated Operations Plan (IOP) to the Regional Supervisor at least 90 days prior to filing your EP. Your IOP must describe how your exploratory drilling program will be designed and conducted in an integrated manner that accounts for Arctic OCS conditions and include the following information:

- (a) A description of how all vessels and equipment will be designed, built, and/or modified to account for Arctic OCS conditions;
- (b) A schedule of your exploratory drilling program, including contractor work on critical components of your program;
- (c) A description of your mobilization and demobilization operations, including tow plans that account for Arctic OCS conditions, as well as your general maintenance schedule for vessels and equipment;
- (d) A description of your exploratory drilling program objectives and timelines for each objective, including general plans for abandonment of the well(s), such as:
  - (1) Contingency plans for temporary abandonment in the event of ice encroachment at the drill site;
  - (2) Plans for permanent abandonment; and
  - (3) Plans for temporary seasonal abandonment.
- (e) A description of your weather and ice forecasting capabilities for all phases of the exploration program, including a description of how you would respond to and manage ice hazards and weather events;
- (f) A description of work to be performed by contractors supporting your exploration drilling program (including mobilization and demobilization), including:
  - (1) How such work will be designed or modified to account for Arctic OCS conditions; and
  - (2) Your concepts for contractor management, oversight, and risk management.
- (g) A description of how you will ensure operational safety while working in Arctic OCS conditions, including but not limited to:
  - (1) The safety principles that you intend to apply to yourself and your contractors;
  - (2) The accountability structure within your organization for implementing such principles;
  - (3) How you will communicate such principles to your employees and contractors; and

- (4) How you will determine successful implementation of such principles.
- (h) Information regarding your preparations and plans for staging of oil spill response assets;
- (i) A description of your efforts to minimize impacts of your exploratory drilling operations on local community infrastructure, including but not limited to housing, energy supplies, and services; and
- (j) A description of whether and to what extent your project will rely on local community workforce and spill cleanup response capacity.

[81 FR 46565, July 15, 2016]

## § 550.205 [Reserved]

### § 550.206 How do I submit the IOP, EP, DPP, or DOCD?

- (a) **Number of copies.** When you submit an IOP, EP, DPP, or DOCD to BOEM, you must provide:
  - (1) Four copies that contain all required information (proprietary copies);
  - (2) Eight copies for public distribution (public information copies) that omit information that you assert is exempt from disclosure under the Freedom of Information Act (FOIA) (5 U.S.C. 552) and the implementing regulations (43 CFR part 2); and
  - (3) Any additional copies that may be necessary to facilitate review of the IOP, EP, DPP, or DOCD by certain affected States and other reviewing entities.
- (b) **Electronic submission.** You may submit part or all of your IOP, EP, DPP, or DOCD and its accompanying information electronically. If you prefer to submit your IOP, EP, DPP, or DOCD electronically, ask the Regional Supervisor for further guidance.
- (c) **Withdrawal after submission.** You may withdraw your proposed IOP, EP, DPP, or DOCD at any time for any reason. Notify the appropriate BOEM OCS Region if you do.

[81 FR 46565, July 15, 2016]

## ANCILLARY ACTIVITIES

### § 550.207 What ancillary activities may I conduct?

Before or after you submit an EP, DPP, or DOCD to BOEM, you may elect, the regulations in this part may require, or the Regional Supervisor may direct you to conduct ancillary activities. Ancillary activities include:

- (a) Geological and geophysical (G&G) explorations and development G&G activities;
- (b) Geological and high-resolution geophysical, geotechnical, archaeological, biological, physical oceanographic, meteorological, socioeconomic, or other surveys; or
- (c) Studies that model potential oil and hazardous substance spills, drilling muds and cuttings discharges, projected air emissions, or potential hydrogen sulfide (H<sub>2</sub>S) releases.

### § 550.208 If I conduct ancillary activities, what notices must I provide?

At least 30 calendar days before you conduct any G&G exploration or development G&G activity (see § 550.207(a)), you must notify the Regional Supervisor in writing.

(a) When you prepare the notice, you must:

- (1) Sign and date the notice;
- (2) Provide the names of the vessel, its operator, and the person(s) in charge; the specific type(s) of operations you will conduct; and the instrumentation/techniques and vessel navigation system you will use;
- (3) Provide expected start and completion dates and the location of the activity; and
- (4) Describe the potential adverse environmental effects of the proposed activity and any mitigation to eliminate or minimize these effects on the marine, coastal, and human environment.

(b) The Regional Supervisor may require you to:

- (1) Give written notice to BOEM at least 15 calendar days before you conduct any other ancillary activity (see § 550.207(b) and (c)) in addition to those listed in § 550.207(a); and
- (2) Notify other users of the OCS before you conduct any ancillary activity.

### § 550.209 What is the BOEM review process for the notice?

The Regional Supervisor will review any notice required under § 550.208(a) and (b)(1) to ensure that your ancillary activity complies with the performance standards listed in § 550.202(a), (b), (d), and (e). The Regional Supervisor may notify you that your ancillary activity does not comply with those standards. In such a case, the Regional Supervisor will require you to submit an EP, DPP, or DOCD and you may not start your ancillary activity until the Regional Supervisor approves the EP, DPP, or DOCD.

### § 550.210 If I conduct ancillary activities, what reporting and data/information retention requirements must I satisfy?

- (a) **Reporting.** The Regional Supervisor may require you to prepare and submit reports that summarize and analyze data or information obtained or derived from your ancillary activities. When applicable, BOEM will protect and disclose the data and information in these reports in accordance with § 550.197(b).
- (b) **Data and information retention.** You must retain copies of all original data and information, including navigation data, obtained or derived from your G&G explorations and development G&G activities (see § 550.207(a)), including any such data and information you obtained from previous leaseholders or unit operators. You must submit such data and information to BOEM for inspection and possible retention upon request at any time before lease or unit termination. When applicable, BOEM will protect and disclose such submitted data and information in accordance with § 550.197(b).

## CONTENTS OF EXPLORATION PLANS (EP)

### § 550.211 What must the EP include?

Your EP must include the following:

- (a) **Description, objectives, and schedule.** A description, discussion of the objectives, and tentative schedule (from start to completion) of the exploration activities that you propose to undertake. Examples of exploration activities include exploration drilling, well test flaring, installing a well protection structure, and temporary well abandonment.
- (b) **Location.** A map showing the surface location and water depth of each proposed well and the locations of all associated drilling unit anchors.
- (c) **Drilling unit.** A description of the drilling unit and associated equipment you will use to conduct your proposed exploration activities, including a brief description of its important safety and pollution prevention features, and a table indicating the type and the estimated maximum quantity of fuels, oil, and lubricants that will be stored on the facility (see definition of “facility” under § 550.105(3)).
- (d) **Service fee.** You must include payment of the service fee listed in § 550.125.

### § 550.212 What information must accompany the EP?

The following information must accompany your EP:

- (a) General information required by § 550.213;
- (b) Geological and geophysical (G&G) information required by § 550.214;
- (c) Hydrogen sulfide information required by § 550.215;
- (d) Biological, physical, and socioeconomic information required by § 550.216;
- (e) Solid and liquid wastes and discharges information and cooling water intake information required by § 550.217;
- (f) Air emissions information required by § 550.218;
- (g) Oil and hazardous substance spills information required by § 550.219;
- (h) Alaska planning information required by § 550.220;
- (i) Environmental monitoring information required by § 550.221;
- (j) Lease stipulations information required by § 550.222;
- (k) Mitigation measures information required by § 550.223;
- (l) Support vessels and aircraft information required by § 550.224;
- (m) Onshore support facilities information required by § 550.225;
- (n) Coastal zone management information required by § 550.226;
- (o) Environmental impact analysis information required by § 550.227; and
- (p) Administrative information required by § 550.228.

### § 550.213 What general information must accompany the EP?

The following general information must accompany your EP:

- (a) **Applications and permits.** A listing, including filing or approval status, of the Federal, State, and local application approvals or permits you must obtain to conduct your proposed exploration activities.

- (b) **Drilling fluids.** A table showing the projected amount, discharge rate, and chemical constituents for each type (i.e., water-based, oil-based, synthetic-based) of drilling fluid you plan to use to drill your proposed exploration wells.
- (c) **Chemical products.** A table showing the name and brief description, quantities to be stored, storage method, and rates of usage of the chemical products you will use to conduct your proposed exploration activities. List only those chemical products you will store or use in quantities greater than the amounts defined as Reportable Quantities in 40 CFR part 302, or amounts specified by the Regional Supervisor.
- (d) **New or unusual technology.** A description and discussion of any new or unusual technology (see definition under § 550.200) you will use to carry out your proposed exploration activities. In the public information copies of your EP, you may exclude any proprietary information from this description. In that case, include a brief discussion of the general subject matter of the omitted information. If you will not use any new or unusual technology to carry out your proposed exploration activities, include a statement so indicating.
- (e) **Bonds, oil spill financial responsibility, and well control statements.** Statements attesting that:
  - (1) The activities and facilities proposed in your EP are or will be covered by an appropriate bond under 30 CFR part 556, subpart I;
  - (2) You have demonstrated or will demonstrate oil spill financial responsibility for facilities proposed in your EP according to 30 CFR part 553; and
  - (3) You have or will have the financial capability to drill a relief well and conduct other emergency well control operations.
- (f) **Suspensions of operations.** A brief discussion of any suspensions of operations that you anticipate may be necessary in the course of conducting your activities under the EP.
- (g) **Blowout scenario.** A scenario for the potential blowout of the proposed well in your EP that you expect will have the highest volume of liquid hydrocarbons. Include the estimated flow rate, total volume, and maximum duration of the potential blowout. Also, discuss the potential for the well to bridge over, the likelihood for surface intervention to stop the blowout, the availability of a rig to drill a relief well, and rig package constraints. Estimate the time it would take to drill a relief well.
- (h) **Contact.** The name, address (e-mail address, if available), and telephone number of the person with whom the Regional Supervisor and any affected State(s) can communicate about your EP.

### § 550.214 What geological and geophysical (G&G) information must accompany the EP?

The following G&G information must accompany your EP:

- (a) **Geological description.** A geological description of the prospect(s).
- (b) **Structure contour maps.** Current structure contour maps (depth-based, expressed in feet subsea) drawn on the top of each prospective hydrocarbon-bearing reservoir showing the locations of proposed wells.
- (c) **Two-dimensional (2-D) or three-dimensional (3-D) seismic lines.** Copies of migrated and annotated 2-D or 3-D seismic lines (with depth scale) intersecting at or near your proposed well locations. You are not required to conduct both 2-D and 3-D seismic surveys if you choose to conduct only one type of survey. If you have conducted both types of surveys, the Regional Supervisor may instruct you to submit the results of both surveys. You must interpret and display this information. Because of its volume, provide this information as an enclosure to only one proprietary copy of your EP.

- (d) **Geological cross-sections.** Interpreted geological cross-sections showing the location and depth of each proposed well.
- (e) **Shallow hazards report.** A shallow hazards report based on information obtained from a high-resolution geophysical survey, or a reference to such report if you have already submitted it to the Regional Supervisor.
- (f) **Shallow hazards assessment.** For each proposed well, an assessment of any seafloor and subsurface geological and manmade features and conditions that may adversely affect your proposed drilling operations.
- (g) **High-resolution seismic lines.** A copy of the high-resolution survey line closest to each of your proposed well locations. Because of its volume, provide this information as an enclosure to only one proprietary copy of your EP. You are not required to provide this information if the surface location of your proposed well has been approved in a previously submitted EP, DPP, or DOCD.
- (h) **Stratigraphic column.** A generalized biostratigraphic/lithostratigraphic column from the surface to the total depth of the prospect.
- (i) **Time-versus-depth chart.** A seismic travel time-versus-depth chart based on the appropriate velocity analysis in the area of interpretation and specifying the geodetic datum.
- (j) **Geochemical information.** A copy of any geochemical reports you used or generated.
- (k) **Future G&G activities.** A brief description of the types of G&G explorations and development G&G activities you may conduct for lease or unit purposes after your EP is approved.

### § 550.215 What hydrogen sulfide (H<sub>2</sub>S) information must accompany the EP?

The following H<sub>2</sub>S information, as applicable, must accompany your EP:

- (a) **Concentration.** The estimated concentration of any H<sub>2</sub>S you might encounter while you conduct your proposed exploration activities.
- (b) **Classification.** Under 30 CFR 250.490(c), a request that the BSEE Regional Supervisor classify the area of your proposed exploration activities as either H<sub>2</sub>S absent, H<sub>2</sub>S present, or H<sub>2</sub>S unknown. Provide sufficient information to justify your request.
- (c) **H<sub>2</sub>S Contingency Plan.** If you ask the Regional Supervisor to classify the area of your proposed exploration activities as either H<sub>2</sub>S present or H<sub>2</sub>S unknown, an H<sub>2</sub>S Contingency Plan prepared under 30 CFR 250.490(f), or a reference to an approved or submitted H<sub>2</sub>S Contingency Plan that covers the proposed exploration activities.
- (d) **Modeling report.** If you modeled a potential H<sub>2</sub>S release when developing your EP, modeling report or the modeling results, or a reference to such report or results if you have already submitted it to the Regional Supervisor.
  - (1) The analysis in the modeling report must be specific to the particular site of your proposed exploration activities, and must consider any nearby human-occupied OCS facilities, shipping lanes, fishery areas, and other points where humans may be subject to potential exposure from an H<sub>2</sub>S release from your proposed exploration activities.
  - (2) If any H<sub>2</sub>S emissions are projected to affect an onshore location in concentrations greater than 10 parts per million, the modeling analysis must be consistent with the Environmental Protection Agency's (EPA) risk management plan methodologies outlined in 40 CFR part 68.

### § 550.216 What biological, physical, and socioeconomic information must accompany the EP?

If you obtain the following information in developing your EP, or if the Regional Supervisor requires you to obtain it, you must include a report, or the information obtained, or a reference to such a report or information if you have already submitted it to the Regional Supervisor, as accompanying information:

- (a) **Biological environment reports.** Site-specific information on chemosynthetic communities, federally listed threatened or endangered species, marine mammals protected under the Marine Mammal Protection Act (MMPA), sensitive underwater features, marine sanctuaries, critical habitat designated under the Endangered Species Act (ESA), or other areas of biological concern.
- (b) **Physical environment reports.** Site-specific meteorological, physical oceanographic, geotechnical reports, or archaeological reports (if required under § 550.194).
- (c) **Socioeconomic study reports.** Socioeconomic information regarding your proposed exploration activities.

### § 550.217 What solid and liquid wastes and discharges information and cooling water intake information must accompany the EP?

The following solid and liquid wastes and discharges information and cooling water intake information must accompany your EP:

- (a) **Projected wastes.** A table providing the name, brief description, projected quantity, and composition of solid and liquid wastes (such as spent drilling fluids, drill cuttings, trash, sanitary and domestic wastes, and chemical product wastes) likely to be generated by your proposed exploration activities. Describe:
  - (1) The methods you used for determining this information; and
  - (2) Your plans for treating, storing, and downhole disposal of these wastes at your drilling location(s).
- (b) **Projected ocean discharges.** If any of your solid and liquid wastes will be discharged overboard, or are planned discharges from manmade islands:
  - (1) A table showing the name, projected amount, and rate of discharge for each waste type; and
  - (2) A description of the discharge method (such as shunting through a downpipe, etc.) you will use.
- (c) **National Pollutant Discharge Elimination System (NPDES) permit.**
  - (1) A discussion of how you will comply with the provisions of the applicable general NPDES permit that covers your proposed exploration activities; or
  - (2) A copy of your application for an individual NPDES permit. Briefly describe the major discharges and methods you will use for compliance.
- (d) **Modeling report.** The modeling report or the modeling results (if you modeled the discharges of your projected solid or liquid wastes when developing your EP), or a reference to such report or results if you have already submitted it to the Regional Supervisor.
- (e) **Projected cooling water intake.** A table for each cooling water intake structure likely to be used by your proposed exploration activities that includes a brief description of the cooling water intake structure, daily water intake rate, water intake through screen velocity, percentage of water intake used for cooling water, mitigation measures for reducing impingement and entrainment of aquatic organisms, and biofouling prevention measures.



## § 550.218 What air emissions information must accompany the EP?

The following air emissions information, as applicable, must accompany your EP:

- (a) **Projected emissions.** Tables showing the projected emissions of criteria air pollutants, volatile organic compounds (VOC), and total suspended particulates (TSP) generated by your proposed exploration activities.
  - (1) For each source on or associated with the drilling unit (including well test flaring and well protection structure installation), you must list:
    - (i) The projected peak hourly emissions;
    - (ii) The total annual emissions in tons per year;
    - (iii) Emissions over the duration of the proposed exploration activities;
    - (iv) The frequency and duration of emissions; and
    - (v) The total of all emissions listed in paragraphs (a)(1)(i) through (iv) of this section.
  - (2) You must provide the basis for all calculations, including engine size and rating, and applicable operational information.
  - (3) You must base the projected emissions on the maximum rated capacity of the equipment on the proposed drilling unit under its physical and operational design.
  - (4) If the specific drilling unit has not yet been determined, you must use the maximum emission estimates for the type of drilling unit you will use.
- (b) **Emission reduction measures.** A description of any proposed emission reduction measures, including the affected source(s), the emission reduction control technologies or procedures, the quantity of reductions to be achieved, and any monitoring system you propose to use to measure emissions.
- (c) **Processes, equipment, fuels, and combustibles.** A description of processes, processing equipment, combustion equipment, fuels, and storage units. You must include the characteristics and the frequency, duration, and maximum burn rate of any well test fluids to be burned.
- (d) **Distance to shore.** Identification of the distance of your drilling unit from the mean high water mark (mean higher high water mark on the Pacific coast) of the adjacent State.
- (e) **Non-exempt drilling units.** A description of how you will comply with § 550.303 when the projected emissions reported under paragraph (a) of this section are greater than the respective emission exemption thresholds (EET) calculated using the formulas in § 550.303(d). When BOEM requires air quality dispersion modeling, you must use the guidelines in appendix W of 40 CFR part 51 for dispersion modeling with a model approved by the Director. You must also submit the best available meteorological information and data consistent with the model(s) used.
- (f) **Modeling report.** A modeling report or the modeling results (if § 550.303 requires you to use an approved air quality model to model projected air emissions in developing your EP), or a reference to such a report or results if you have already submitted it to the Regional Supervisor.

[76 FR 64623, Oct. 18, 2011, as amended at 85 FR 34936, June 5, 2020]

### § 550.219 What oil and hazardous substance spills information must accompany the EP?

The following information regarding potential spills of oil (see definition under 30 CFR 254.6) and hazardous substances (see definition under 40 CFR part 116) as applicable, must accompany your EP:

- (a) **Oil spill response planning.** The material required under paragraph (a)(1) or (a)(2) of this section:
  - (1) An Oil Spill Response Plan (OSRP) for the facilities you will use to conduct your exploration activities prepared according to the requirements of 30 CFR part 254, subpart B; or
  - (2) Reference to your approved regional OSRP (see 30 CFR 254.3) to include:
    - (i) A discussion of your regional OSRP;
    - (ii) The location of your primary oil spill equipment base and staging area;
    - (iii) The name(s) of your oil spill removal organization(s) for both equipment and personnel;
    - (iv) The calculated volume of your worst case discharge scenario (see 30 CFR 254.26(a)), and a comparison of the appropriate worst case discharge scenario in your approved regional OSRP with the worst case discharge scenario that could result from your proposed exploration activities; and
    - (v) A description of the worst case discharge scenario that could result from your proposed exploration activities (see 30 CFR 254.26(b), (c), (d), and (e)).
- (b) **Modeling report.** If you model a potential oil or hazardous substance spill in developing your EP, a modeling report or the modeling results, or a reference to such report or results if you have already submitted it to the Regional Supervisor.

### § 550.220 If I propose activities in the Alaska OCS Region, what planning information must accompany the EP?

If you propose exploration activities in the Alaska OCS Region, the following planning information must accompany your EP:

- (a) **Emergency plans.** A description of your emergency plans to respond to a fire, explosion, personnel evacuation, or loss of well control, as well as a loss or disablement of a drilling unit, and loss of or damage to a support vessel, offshore vehicle, or aircraft.
- (b) **Critical operations and curtailment procedures.** Critical operations and curtailment procedures for your exploration activities. The procedures must identify ice conditions, weather, and other constraints under which the exploration activities will either be curtailed or not proceed.
- (c) If you propose exploration activities on the Arctic OCS, the following planning information must also accompany your EP:
  - (1) **Suitability for Arctic OCS conditions.** A description of how your exploratory drilling activities will be designed and conducted in a manner that accounts for Arctic OCS conditions and how such activities will be managed and overseen as an integrated endeavor.
  - (2) **Ice and weather management.** A description of your weather and ice forecasting and management plans for all phases of your exploratory drilling activities, including:
    - (i) A description of how you will respond to and manage ice hazards and weather events;

- (ii) Your ice and weather alert procedures;
  - (iii) Your procedures and thresholds for activating your ice and weather management system(s); and
  - (iv) Confirmation that you will operate ice and weather management and alert systems continuously throughout the planned operations, including mobilization and demobilization operations to and from the Arctic OCS.
- (3) **Source control and containment equipment capabilities.** A general description of how you will comply with § 250.471 of this title.
- (4) **Deployment of a relief well rig.** A general description of how you will comply with § 250.472 of this title, including a description of the relief well rig, the anticipated staging area of the relief well rig, an estimate of the time it would take for the relief well rig to arrive at the site of a loss of well control, how you would drill a relief well if necessary, and the approximate timeframe to complete relief well operations.
- (5) **Resource-sharing.** Any agreements you have with third parties for the sharing of assets or the provision of mutual aid in the event of an oil spill or other emergency.
- (6) **Anticipated end of seasonal operations dates.** Your projected end of season dates, and the information used to identify those dates, for:
- (i) The completion of on-site operations, which is contingent upon your capability in terms of equipment and procedures to manage and mitigate risks associated with Arctic OCS conditions; and
  - (ii) The termination of drilling operations consistent with the relief rig planning requirements under § 250.472 of this title and with your estimated timeframe under paragraph (c)(4) of this section for completion of relief well operations.

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

## § 550.221 What environmental monitoring information must accompany the EP?

The following environmental monitoring information, as applicable, must accompany your EP:

- (a) **Monitoring systems.** A description of any existing and planned monitoring systems that are measuring, or will measure, environmental conditions or will provide project-specific data or information on the impacts of your exploration activities.
- (b) **Incidental takes.** If there is reason to believe that protected species may be incidentally taken by planned exploration activities, you must describe how you will monitor for incidental take of:
  - (1) Threatened and endangered species listed under the ESA; and
  - (2) Marine mammals, as appropriate, if you have not already received authorization for incidental take as may be necessary under the MMPA.
- (c) **Flower Garden Banks National Marine Sanctuary (FGBNMS).** If you propose to conduct exploration activities within the protective zones of the FGBNMS, a description of your provisions for monitoring the impacts of an oil spill on the environmentally sensitive resources at the FGBNMS.

### § 550.222 What lease stipulations information must accompany the EP?

A description of the measures you took, or will take, to satisfy the conditions of lease stipulations related to your proposed exploration activities must accompany your EP.

### § 550.223 What mitigation measures information must accompany the EP?

- (a) If you propose to use any measures beyond those required by the regulations in this part to minimize or mitigate environmental impacts from your proposed exploration activities, a description of the measures you will use must accompany your EP.
- (b) If there is reason to believe that protected species may be incidentally taken by planned exploration activities, you must include mitigation measures designed to avoid or minimize the incidental take of:
  - (1) Threatened and endangered species listed under the ESA; and
  - (2) Marine mammals, as appropriate, if you have not already received authorization for incidental take as may be necessary under the MMPA.

### § 550.224 What information on support vessels, offshore vehicles, and aircraft you will use must accompany the EP?

The following information on the support vessels, offshore vehicles, and aircraft you will use must accompany your EP:

- (a) **General.** A description of the crew boats, supply boats, anchor handling vessels, tug boats, barges, ice management vessels, other vessels, offshore vehicles, and aircraft you will use to support your exploration activities. The description of vessels and offshore vehicles must estimate the storage capacity of their fuel tanks and the frequency of their visits to your drilling unit.
- (b) **Air emissions.** A table showing the source, composition, frequency, and duration of the air emissions likely to be generated by the support vessels, offshore vehicles, and aircraft you will use that will operate within 25 miles of your drilling unit.
- (c) **Drilling fluids and chemical products transportation.** A description of the transportation method and quantities of drilling fluids and chemical products (see § 550.213(b) and (c)) you will transport from the onshore support facilities you will use to your drilling unit.
- (d) **Solid and liquid wastes transportation.** A description of the transportation method and a brief description of the composition, quantities, and destination(s) of solid and liquid wastes (see § 550.217(a)) you will transport from your drilling unit.
- (e) **Vicinity map.** A map showing the location of your proposed exploration activities relative to the shoreline. The map must depict the primary route(s) the support vessels and aircraft will use when traveling between the onshore support facilities you will use and your drilling unit.

### § 550.225 What information on the onshore support facilities you will use must accompany the EP?

The following information on the onshore support facilities you will use must accompany your EP:

- (a) **General.** A description of the onshore facilities you will use to provide supply and service support for your proposed exploration activities (e.g., service bases and mud company docks).

- (1) Indicate whether the onshore support facilities are existing, to be constructed, or to be expanded.
  - (2) If the onshore support facilities are, or will be, located in areas not adjacent to the Western GOM, provide a timetable for acquiring lands (including rights-of-way and easements) and constructing or expanding the facilities. Describe any State or Federal permits or approvals (dredging, filling, etc.) that would be required for constructing or expanding them.
- (b) **Air emissions.** A description of the source, composition, frequency, and duration of the air emissions (attributable to your proposed exploration activities) likely to be generated by the onshore support facilities you will use.
- (c) **Unusual solid and liquid wastes.** A description of the quantity, composition, and method of disposal of any unusual solid and liquid wastes (attributable to your proposed exploration activities) likely to be generated by the onshore support facilities you will use. Unusual wastes are those wastes not specifically addressed in the relevant National Pollution Discharge Elimination System (NPDES) permit.
- (d) **Waste disposal.** A description of the onshore facilities you will use to store and dispose of solid and liquid wastes generated by your proposed exploration activities (see § 550.217) and the types and quantities of such wastes.

### § 550.226 What Coastal Zone Management Act (CZMA) information must accompany the EP?

The following CZMA information must accompany your EP:

- (a) **Consistency certification.** A copy of your consistency certification under section 307(c)(3)(B) of the CZMA (16 U.S.C. 1456(c)(3)(B)) and 15 CFR 930.76(d) stating that the proposed exploration activities described in detail in this EP comply with (name of State(s)) approved coastal management program(s) and will be conducted in a manner that is consistent with such program(s); and
- (b) **Other information.** "Information" as required by 15 CFR 930.76(a) and 15 CFR 930.58(a)(2) and "Analysis" as required by 15 CFR 930.58(a)(3).

### § 550.227 What environmental impact analysis (EIA) information must accompany the EP?

The following EIA information must accompany your EP:

- (a) **General requirements.** Your EIA must:
- (1) Assess the potential environmental impacts of your proposed exploration activities;
  - (2) Be project specific; and
  - (3) Be as detailed as necessary to assist the Regional Supervisor in complying with the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321 et seq.) and other relevant Federal laws such as the ESA and the MMPA.
- (b) **Resources, conditions, and activities.** Your EIA must describe those resources, conditions, and activities listed below that could be affected by your proposed exploration activities, or that could affect the construction and operation of facilities or structures, or the activities proposed in your EP.
- (1) Meteorology, oceanography, geology, and shallow geological or manmade hazards;
  - (2) Air and water quality;

- (3) Benthic communities, marine mammals, sea turtles, coastal and marine birds, fish and shellfish, and plant life;
  - (4) Threatened or endangered species and their critical habitat as defined by the Endangered Species Act of 1973;
  - (5) Sensitive biological resources or habitats such as essential fish habitat, refuges, preserves, special management areas identified in coastal management programs, sanctuaries, rookeries, and calving grounds;
  - (6) Archaeological resources;
  - (7) Socioeconomic resources including employment, existing offshore and coastal infrastructure (including major sources of supplies, services, energy, and water), land use, subsistence resources and harvest practices, recreation, recreational and commercial fishing (including typical fishing seasons, location, and type), minority and lower income groups, and coastal zone management programs;
  - (8) Coastal and marine uses such as military activities, shipping, and mineral exploration or development; and
  - (9) Other resources, conditions, and activities identified by the Regional Supervisor.
- (c) **Environmental impacts.** Your EIA must:
- (1) Analyze the potential direct and indirect impacts (including those from accidents, cooling water intake structures, and those identified in relevant ESA biological opinions such as, but not limited to, those from noise, vessel collisions, and marine trash and debris) that your proposed exploration activities will have on the identified resources, conditions, and activities;
  - (2) Analyze any potential cumulative impacts from other activities to those identified resources, conditions, and activities potentially impacted by your proposed exploration activities;
  - (3) Describe the type, severity, and duration of these potential impacts and their biological, physical, and other consequences and implications;
  - (4) Describe potential measures to minimize or mitigate these potential impacts; and
  - (5) Summarize the information you incorporate by reference.
- (d) **Consultation.** Your EIA must include a list of agencies and persons with whom you consulted, or with whom you will be consulting, regarding potential impacts associated with your proposed exploration activities.
- (e) **References cited.** Your EIA must include a list of the references that you cite in the EIA.

### § 550.228 What administrative information must accompany the EP?

The following administrative information must accompany your EP:

- (a) **Exempted information description (public information copies only).** A description of the general subject matter of the proprietary information that is included in the proprietary copies of your EP or its accompanying information.
- (b) **Bibliography.**

- (1) If you reference a previously submitted EP, DPP, DOCD, study report, survey report, or other material in your EP or its accompanying information, a list of the referenced material; and
- (2) The location(s) where the Regional Supervisor can inspect the cited referenced material if you have not submitted it.

## REVIEW AND DECISION PROCESS FOR THE EP

### § 550.231 After receiving the EP, what will BOEM do?

- (a) **Determine whether deemed submitted.** Within 15 working days after receiving your proposed EP and its accompanying information, the Regional Supervisor will review your submission and deem your EP submitted if:
  - (1) The submitted information, including the information that must accompany the EP (refer to the list in § 550.212), fulfills requirements and is sufficiently accurate;
  - (2) You have provided all needed additional information (see § 550.201(b)); and
  - (3) You have provided the required number of copies (see § 550.206(a)).
- (b) **Identify problems and deficiencies.** If the Regional Supervisor determines that you have not met one or more of the conditions in paragraph (a) of this section, the Regional Supervisor will notify you of the problem or deficiency within 15 working days after the Regional Supervisor receives your EP and its accompanying information. The Regional Supervisor will not deem your EP submitted until you have corrected all problems or deficiencies identified in the notice.
- (c) **Deemed submitted notification.** The Regional Supervisor will notify you when the EP is deemed submitted.

### § 550.232 What actions will BOEM take after the EP is deemed submitted?

- (a) **State and CZMA consistency reviews.** Within 2 working days after deeming your EP submitted under § 550.231, the Regional Supervisor will use receipted mail or alternative method to send a public information copy of the EP and its accompanying information to the following:
  - (1) **The Governor of each affected State.** The Governor has 21 calendar days after receiving your deemed-submitted EP to submit comments. The Regional Supervisor will not consider comments received after the deadline.
  - (2) **The CZMA agency of each affected State.** The CZMA consistency review period under section 307(c)(3)(B)(ii) of the CZMA (16 U.S.C. 1456(c)(3)(B)(ii)) and 15 CFR 930.78 begins when the State's CZMA agency receives a copy of your deemed-submitted EP, consistency certification, and required necessary data and information (see 15 CFR 930.77(a)(1)).
- (b) **BOEM compliance review.** The Regional Supervisor will review the exploration activities described in your proposed EP to ensure that they conform to the performance standards in § 550.202.
- (c) **BOEM environmental impact evaluation.** The Regional Supervisor will evaluate the environmental impacts of the activities described in your proposed EP and prepare environmental documentation under the National Environmental Policy Act (NEPA) (42 U.S.C. 4321 *et seq.*) and the implementing regulations (40 CFR parts 1500 through 1508).

- (d) **Amendments.** During the review of your proposed EP, the Regional Supervisor may require you, or you may elect, to change your EP. If you elect to amend your EP, the Regional Supervisor may determine that your EP, as amended, is subject to the requirements of § 550.231.

**§ 550.233 What decisions will BOEM make on the EP and within what timeframe?**

- (a) **Timeframe.** The Regional Supervisor will take one of the actions shown in the table in paragraph (b) of this section within 30 calendar days after the Regional Supervisor deems your EP submitted under § 550.231, or receives the last amendment to your proposed EP, whichever occurs later.
- (b) **BOEM decision.** By the deadline in paragraph (a) of this section, the Regional Supervisor will take one of the following actions:

The regional supervisor will . . .	If . . .	And then . . .
(1) Approve your EP,	It complies with all applicable requirements,	The Regional Supervisor will notify you in writing of the decision and may require you to meet certain conditions, including those to provide monitoring information.
(2) Require you to modify your proposed EP,	The Regional Supervisor finds that it is inconsistent with the lease, the Act, the regulations prescribed under the Act, or other Federal laws,	The Regional Supervisor will notify you in writing of the decision and describe the modifications you must make to your proposed EP to ensure it complies with all applicable requirements.
(3) Disapprove your EP,	Your proposed activities would probably cause serious harm or damage to life (including fish or other aquatic life); property; any mineral (in areas leased or not leased); the National security or defense; or the marine, coastal, or human environment; and you cannot modify your proposed activities to avoid such condition(s),	(i) The Regional Supervisor will notify you in writing of the decision and describe the reason(s) for disapproving your EP. (ii) BOEM may cancel your lease and compensate you under 43 U.S.C. 1334(a)(2)(C) and the implementing regulations in §§ 550.182, 550.184, and 550.185 and 30 CFR 556.77.

**§ 550.234 How do I submit a modified EP or resubmit a disapproved EP, and when will BOEM make a decision?**

- (a) **Modified EP.** If the Regional Supervisor requires you to modify your proposed EP under § 550.233(b)(2), you must submit the modification(s) to the Regional Supervisor in the same manner as for a new EP. You need submit only information related to the proposed modification(s).



- (b) **Resubmitted EP.** If the Regional Supervisor disapproves your EP under § 550.233(b)(3), you may resubmit the disapproved EP if there is a change in the conditions that were the basis of its disapproval.
- (c) **BOEM review and timeframe.** The Regional Supervisor will use the performance standards in § 550.202 to either approve, require you to further modify, or disapprove your modified or resubmitted EP. The Regional Supervisor will make a decision within 30 calendar days after the Regional Supervisor deems your modified or resubmitted EP to be submitted, or receives the last amendment to your modified or resubmitted EP, whichever occurs later.

### § 550.235 If a State objects to the EP's coastal zone consistency certification, what can I do?

If an affected State objects to the coastal zone consistency certification accompanying your proposed EP within the timeframe prescribed in § 550.233(a) or § 550.234(c), you may do one of the following:

- (a) **Amend your EP.** Amend your EP to accommodate the State's objection and submit the amendment to the Regional Supervisor for approval. The amendment needs to only address information related to the State's objection.
- (b) **Appeal.** Appeal the State's objection to the Secretary of Commerce using the procedures in 15 CFR part 930, subpart H. The Secretary of Commerce will either:
  - (1) Grant your appeal by finding, under section 307(c)(3)(B)(iii) of the CZMA (16 U.S.C. 1456(c)(3)(B)(iii)), that each activity described in detail in your EP is consistent with the objectives of the CZMA, or is otherwise necessary in the interest of National security; or
  - (2) Deny your appeal, in which case you may amend your EP as described in paragraph (a) of this section.
- (c) **Withdraw your EP.** Withdraw your EP if you decide not to conduct your proposed exploration activities.

### CONTENTS OF DEVELOPMENT AND PRODUCTION PLANS (DPP) AND DEVELOPMENT OPERATIONS COORDINATION DOCUMENTS (DOCD)

### § 550.241 What must the DPP or DOCD include?

Your DPP or DOCD must include the following:

- (a) **Description, objectives, and schedule.** A description, discussion of the objectives, and tentative schedule (from start to completion) of the development and production activities you propose to undertake. Examples of development and production activities include:
  - (1) Development drilling;
  - (2) Well test flaring;
  - (3) Installation of production platforms, satellite structures, subsea wellheads and manifolds, and lease term pipelines (see definition at § 550.105); and
  - (4) Installation of production facilities and conduct of production operations.
- (b) **Location.** The location and water depth of each of your proposed wells and production facilities. Include a map showing the surface and bottom-hole location and water depth of each proposed well, the surface location of each production facility, and the locations of all associated drilling unit and construction barge anchors.

- (c) **Drilling unit.** A description of the drilling unit and associated equipment you will use to conduct your proposed development drilling activities. Include a brief description of its important safety and pollution prevention features, and a table indicating the type and the estimated maximum quantity of fuels and oil that will be stored on the facility (see definition of “facility (3)” under § 550.105).
- (d) **Production facilities.** A description of the production platforms, satellite structures, subsea wellheads and manifolds, lease term pipelines (see definition at § 550.105), production facilities, umbilicals, and other facilities you will use to conduct your proposed development and production activities. Include a brief description of their important safety and pollution prevention features, and a table indicating the type and the estimated maximum quantity of fuels and oil that will be stored on the facility (see definition of “facility (3)” under § 550.105).
- (e) **Service fee.** You must include payment of the service fee listed in § 550.125.

### § 550.242 What information must accompany the DPP or DOCD?

The following information must accompany your DPP or DOCD.

- (a) General information required by § 550.243;
- (b) G&G information required by § 550.244;
- (c) Hydrogen sulfide information required by § 550.245;
- (d) Mineral resource conservation information required by § 550.246;
- (e) Biological, physical, and socioeconomic information required by § 550.247;
- (f) Solid and liquid wastes and discharges information and cooling water intake information required by § 550.248;
- (g) Air emissions information required by § 550.249;
- (h) Oil and hazardous substance spills information required by § 550.250;
- (i) Alaska planning information required by § 550.251;
- (j) Environmental monitoring information required by § 550.252;
- (k) Lease stipulations information required by § 550.253;
- (l) Mitigation measures information required by § 550.254;
- (m) Decommissioning information required by § 550.255;
- (n) Related facilities and operations information required by § 550.256;
- (o) Support vessels and aircraft information required by § 550.257;
- (p) Onshore support facilities information required by § 550.258;
- (q) Sulphur operations information required by § 550.259;
- (r) Coastal zone management information required by § 550.260;
- (s) Environmental impact analysis information required by § 550.261; and
- (t) Administrative information required by § 550.262.

## § 550.243 What general information must accompany the DPP or DOCD?

The following general information must accompany your DPP or DOCD:

- (a) **Applications and permits.** A listing, including filing or approval status, of the Federal, State, and local application approvals or permits you must obtain to carry out your proposed development and production activities.
- (b) **Drilling fluids.** A table showing the projected amount, discharge rate, and chemical constituents for each type (*i.e.*, water based, oil based, synthetic based) of drilling fluid you plan to use to drill your proposed development wells.
- (c) **Production.** The following production information:
  - (1) Estimates of the average and peak rates of production for each type of production and the life of the reservoir(s) you intend to produce; and
  - (2) The chemical and physical characteristics of the produced oil (see definition under [30 CFR 254.6](#)) that you will handle or store at the facilities you will use to conduct your proposed development and production activities.
- (d) **Chemical products.** A table showing the name and brief description, quantities to be stored, storage method, and rates of usage of the chemical products you will use to conduct your proposed development and production activities. You need list only those chemical products you will store or use in quantities greater than the amounts defined as Reportable Quantities in [40 CFR part 302](#), or amounts specified by the Regional Supervisor.
- (e) **New or unusual technology.** A description and discussion of any new or unusual technology (see definition under [§ 550.200](#)) you will use to carry out your proposed development and production activities. In the public information copies of your DPP or DOCD, you may exclude any proprietary information from this description. In that case, include a brief discussion of the general subject matter of the omitted information. If you will not use any new or unusual technology to carry out your proposed development and production activities, include a statement so indicating.
- (f) **Bonds, oil spill financial responsibility, and well control statements.** Statements attesting that:
  - (1) The activities and facilities proposed in your DPP or DOCD are or will be covered by an appropriate bond under [30 CFR part 556, subpart I](#);
  - (2) You have demonstrated or will demonstrate oil spill financial responsibility for facilities proposed in your DPP or DOCD, according to [30 CFR part 553](#); and
  - (3) You have or will have the financial capability to drill a relief well and conduct other emergency well control operations.
- (g) **Suspensions of production or operations.** A brief discussion of any suspensions of production or suspensions of operations that you anticipate may be necessary in the course of conducting your activities under the DPP or DOCD.
- (h) **Blowout scenario.** A scenario for a potential blowout of the proposed well in your DPP or DOCD that you expect will have the highest volume of liquid hydrocarbons. Include the estimated flow rate, total volume, and maximum duration of the potential blowout. Also, discuss the potential for the well to bridge over, the likelihood for surface intervention to stop the blowout, the availability of a rig to drill a relief well, and rig package constraints. Estimate the time it would take to drill a relief well.

- (i) **Contact.** The name, mailing address, (e-mail address if available), and telephone number of the person with whom the Regional Supervisor and the affected State(s) can communicate about your DPP or DOCD.

### § 550.244 What geological and geophysical (G&G) information must accompany the DPP or DOCD?

The following G&G information must accompany your DPP or DOCD:

- (a) **Geological description.** A geological description of the prospect(s).
- (b) **Structure contour maps.** Current structure contour maps (depth-based, expressed in feet subsea) showing depths of expected productive formations and the locations of proposed wells.
- (c) **Two dimensional (2-D) or three-dimensional (3-D) seismic lines.** Copies of migrated and annotated 2-D or 3-D seismic lines (with depth scale) intersecting at or near your proposed well locations. You are not required to conduct both 2-D and 3-D seismic surveys if you choose to conduct only one type of survey. If you have conducted both types of surveys, the Regional Supervisor may instruct you to submit the results of both surveys. You must interpret and display this information. Provide this information as an enclosure to only one proprietary copy of your DPP or DOCD.
- (d) **Geological cross-sections.** Interpreted geological cross-sections showing the depths of expected productive formations.
- (e) **Shallow hazards report.** A shallow hazards report based on information obtained from a high-resolution geophysical survey, or a reference to such report if you have already submitted it to the Regional Supervisor.
- (f) **Shallow hazards assessment.** For each proposed well, an assessment of any seafloor and subsurface geologic and manmade features and conditions that may adversely affect your proposed drilling operations.
- (g) **High resolution seismic lines.** A copy of the high-resolution survey line closest to each of your proposed well locations. Because of its volume, provide this information as an enclosure to only one proprietary copy of your DPP or DOCD. You are not required to provide this information if the surface location of your proposed well has been approved in a previously submitted EP, DPP, or DOCD.
- (h) **Stratigraphic column.** A generalized biostratigraphic/lithostratigraphic column from the surface to the total depth of each proposed well.
- (i) **Time-versus-depth chart.** A seismic travel time-versus-depth chart based on the appropriate velocity analysis in the area of interpretation and specifying the geodetic datum.
- (j) **Geochemical information.** A copy of any geochemical reports you used or generated.
- (k) **Future G&G activities.** A brief description of the G&G explorations and development G&G activities that you may conduct for lease or unit purposes after your DPP or DOCD is approved.

### § 550.245 What hydrogen sulfide (H<sub>2</sub>S) information must accompany the DPP or DOCD?

The following H<sub>2</sub>S information, as applicable, must accompany your DPP or DOCD:

- (a) **Concentration.** The estimated concentration of any H<sub>2</sub>S you might encounter or handle while you conduct your proposed development and production activities.

- (b) **Classification.** Under 30 CFR 250.490(c), a request that the Regional Supervisor classify the area of your proposed development and production activities as either H<sub>2</sub>S absent, H<sub>2</sub>S present, or H<sub>2</sub>S unknown. Provide sufficient information to justify your request.
- (c) **H<sub>2</sub>S Contingency Plan.** If you request that the Regional Supervisor classify the area of your proposed development and production activities as either H<sub>2</sub>S present or H<sub>2</sub>S unknown, an H<sub>2</sub>S Contingency Plan prepared under 30 CFR 250.490(f), or a reference to an approved or submitted H<sub>2</sub>S Contingency Plan that covers the proposed development and production activities.
- (d) **Modeling report.**
  - (1) If you have determined or estimated that the concentration of any H<sub>2</sub>S you may encounter or handle while you conduct your development and production activities will be greater than 500 parts per million (ppm), you must:
    - (i) Model a potential worst case H<sub>2</sub>S release from the facilities you will use to conduct your proposed development and production activities; and
    - (ii) Include a modeling report or modeling results, or a reference to such report or results if you have already submitted it to the Regional Supervisor.
  - (2) The analysis in the modeling report must be specific to the particular site of your development and production activities, and must consider any nearby human-occupied OCS facilities, shipping lanes, fishery areas, and other points where humans may be subject to potential exposure from an H<sub>2</sub>S release from your proposed activities.
  - (3) If any H<sub>2</sub>S emissions are projected to affect an onshore location in concentrations greater than 10 ppm, the modeling analysis must be consistent with the EPA's risk management plan methodologies outlined in 40 CFR part 68.

### § 550.246 What mineral resource conservation information must accompany the DPP or DOCD?

The following mineral resource conservation information, as applicable, must accompany your DPP or DOCD:

- (a) **Technology and reservoir engineering practices and procedures.** A description of the technology and reservoir engineering practices and procedures you will use to increase the ultimate recovery of oil and gas (e.g., secondary, tertiary, or other enhanced recovery practices). If you will not use enhanced recovery practices initially, provide an explanation of the methods you considered and the reasons why you are not using them.
- (b) **Technology and recovery practices and procedures.** A description of the technology and recovery practices and procedures you will use to ensure optimum recovery of oil and gas or sulphur.
- (c) **Reservoir development.** A discussion of exploratory well results, other reservoir data, proposed well spacing, completion methods, and other relevant well plan information.

### § 550.247 What biological, physical, and socioeconomic information must accompany the DPP or DOCD?

If you obtain the following information in developing your DPP or DOCD, or if the Regional Supervisor requires you to obtain it, you must include a report, or the information obtained, or a reference to such a report or information if you have already submitted it to the Regional Supervisor, as accompanying information:

- (a) **Biological environment reports.** Site-specific information on chemosynthetic communities, federally listed threatened or endangered species, marine mammals protected under the MMPA, sensitive underwater features, marine sanctuaries, critical habitat designated under the ESA, or other areas of biological concern.
- (b) **Physical environment reports.** Site-specific meteorological, physical oceanographic, geotechnical reports, or archaeological reports (if required under § 550.194).
- (c) **Socioeconomic study reports.** Socioeconomic information related to your proposed development and production activities.

### § 550.248 What solid and liquid wastes and discharges information and cooling water intake information must accompany the DPP or DOCD?

The following solid and liquid wastes and discharges information and cooling water intake information must accompany your DPP or DOCD:

- (a) **Projected wastes.** A table providing the name, brief description, projected quantity, and composition of solid and liquid wastes (such as spent drilling fluids, drill cuttings, trash, sanitary and domestic wastes, produced waters, and chemical product wastes) likely to be generated by your proposed development and production activities. Describe:
  - (1) The methods you used for determining this information; and
  - (2) Your plans for treating, storing, and downhole disposal of these wastes at your facility location(s).
- (b) **Projected ocean discharges.** If any of your solid and liquid wastes will be discharged overboard or are planned discharges from manmade islands:
  - (1) A table showing the name, projected amount, and rate of discharge for each waste type; and
  - (2) A description of the discharge method (such as shunting through a downpipe, adding to a produced water stream, etc.) you will use.
- (c) **National Pollutant Discharge Elimination System (NPDES) permit.**
  - (1) A discussion of how you will comply with the provisions of the applicable general NPDES permit that covers your proposed development and production activities; or
  - (2) A copy of your application for an individual NPDES permit. Briefly describe the major discharges and methods you will use for compliance.
- (d) **Modeling report.** A modeling report or the modeling results (if you modeled the discharges of your projected solid or liquid wastes in developing your DPP or DOCD), or a reference to such report or results if you have already submitted it to the Regional Supervisor.
- (e) **Projected cooling water intake.** A table for each cooling water intake structure likely to be used by your proposed development and production activities that includes a brief description of the cooling water intake structure, daily water intake rate, water intake through-screen velocity, percentage of water intake used for cooling water, mitigation measures for reducing impingement and entrainment of aquatic organisms, and biofouling prevention measures.

### § 550.249 What air emissions information must accompany the DPP or DOCD?

The following air emissions information, as applicable, must accompany your DPP or DOCD:

- (a) **Projected emissions.** Tables showing the projected emissions of criteria air pollutants, volatile organic compounds (VOC), and total suspended particulates (TSP) generated by your proposed development and production activities.
  - (1) For each source on or associated with the facility you will use to conduct your proposed development and production activities, you must list:
    - (i) The projected peak hourly emissions;
    - (ii) The total annual emissions in tons per year;
    - (iii) Emissions over the duration of the proposed development and production activities;
    - (iv) The frequency and duration of emissions; and
    - (v) The total of all emissions listed in paragraph (a)(1)(i) through (iv) of this section.
  - (2) If your proposed production and development activities would result in an increase in the emissions of a criteria air pollutant, VOC, or TSP from your facility to an amount greater than the amount specified in your previously approved DPP or DOCD, you must show the revised emission rates for each source as well as the incremental change for each source.
  - (3) You must provide the basis for all calculations, including engine size and rating, and applicable operational information.
  - (4) You must base the projected emissions on the maximum rated capacity of the equipment and the maximum throughput of the facility you will use to conduct your proposed development and production activities under its physical and operational design.
  - (5) If the specific drilling unit has not yet been determined, you must use the maximum emission estimates for the type of drilling unit you will use.
- (b) **Emission reduction measures.** A description of any proposed emission reduction measures, including the affected source(s), the emission reduction control technologies or procedures, the quantity of reductions to be achieved, and any monitoring system you propose to use to measure emissions.
- (c) **Processes, equipment, fuels, and combustibles.** A description of processes, processing equipment, combustion equipment, fuels, and storage units. You must include the frequency, duration, and maximum burn rate of any flaring activity.
- (d) **Distance to shore.** Identification of the distance of the site of your proposed development and production activities from the mean high water mark (mean higher high water mark on the Pacific coast) of the adjacent State.
- (e) **Non-exempt facilities.** A description of how you will comply with § 550.303 when the projected emissions reported under paragraph (a) of this section are greater than the respective emission exemption thresholds (EET) calculated using the formulas in § 550.303(d). When BOEM requires air quality dispersion modeling, you must use the guidelines in appendix W of 40 CFR part 51 for dispersion modeling with a model approved by the Director. You must also submit the best available meteorological information and data consistent with the model(s) used.
- (f) **Modeling report.** A modeling report or the modeling results (if § 550.303 requires you to use an approved air quality model to model projected air emissions in developing your DPP or DOCD), or a reference to such report or results if you have already submitted it to the Regional Supervisor.

[76 FR 64623, Oct. 18, 2011, as amended at 85 FR 34936, June 5, 2020]

## § 550.250 What oil and hazardous substance spills information must accompany the DPP or DOCD?

The following information regarding potential spills of oil (see definition under 30 CFR 254.6) and hazardous substances (see definition under 40 CFR part 116), as applicable, must accompany your DPP or DOCD:

- (a) **Oil spill response planning.** The material required under paragraph (a)(1) or (a)(2) of this section:
  - (1) An Oil Spill Response Plan (OSRP) for the facilities you will use to conduct your proposed development and production activities prepared according to the requirements of 30 CFR part 254, subpart B; or
  - (2) Reference to your approved regional OSRP (see 30 CFR 254.3) to include:
    - (i) A discussion of your regional OSRP;
    - (ii) The location of your primary oil spill equipment base and staging area;
    - (iii) The name(s) of your oil spill removal organization(s) for both equipment and personnel;
    - (iv) The calculated volume of your worst case discharge scenario (see 30 CFR 254.26(a)), and a comparison of the appropriate worst case discharge scenario in your approved regional OSRP with the worst case discharge scenario that could result from your proposed development and production activities; and
    - (v) A description of the worst case oil spill scenario that could result from your proposed development and production activities (see 30 CFR 254.26(b), (c), (d), and (e)).
- (b) **Modeling report.** If you model a potential oil or hazardous substance spill in developing your DPP or DOCD, a modeling report or the modeling results, or a reference to such report or results if you have already submitted it to the Regional Supervisor.

## § 550.251 If I propose activities in the Alaska OCS Region, what planning information must accompany the DPP?

If you propose development and production activities in the Alaska OCS Region, the following planning information must accompany your DPP:

- (a) **Emergency plans.** A description of your emergency plans to respond to a blowout, loss or disablement of a drilling unit, and loss of or damage to support craft; and
- (b) **Critical operations and curtailment procedures.** Critical operations and curtailment procedures for your development and production activities. The procedures must identify ice conditions, weather, and other constraints under which the development and production activities will either be curtailed or not proceed.

## § 550.252 What environmental monitoring information must accompany the DPP or DOCD?

The following environmental monitoring information, as applicable, must accompany your DPP or DOCD:

- (a) **Monitoring systems.** A description of any existing and planned monitoring systems that are measuring, or will measure, environmental conditions or will provide project-specific data or information on the impacts of your development and production activities.



- (b) **Incidental takes.** If there is reason to believe that protected species may be incidentally taken by planned development and production activities, you must describe how you will monitor for incidental take of:
  - (1) Threatened and endangered species listed under the ESA; and
  - (2) Marine mammals, as appropriate, if you have not already received authorization for incidental take of marine mammals as may be necessary under the MMPA.
- (c) **Flower Garden Banks National Marine Sanctuary (FGBNMS).** If you propose to conduct development and production activities within the protective zones of the FGBNMS, a description of your provisions for monitoring the impacts of oil spill on the environmentally sensitive resources of the FGBNMS.

### § 550.253 What lease stipulations information must accompany the DPP or DOCD?

A description of the measures you took, or will take, to satisfy the conditions of lease stipulations related to your proposed development and production activities must accompany your DPP or DOCD.

### § 550.254 What mitigation measures information must accompany the DPP or DOCD?

- (a) If you propose to use any measures beyond those required by the regulations in this part to minimize or mitigate environmental impacts from your proposed development and production activities, a description of the measures you will use must accompany your DPP or DOCD.
- (b) If there is reason to believe that protected species may be incidentally taken by planned development and production activities, you must include mitigation measures designed to avoid or minimize that incidental take of:
  - (1) Threatened and endangered species listed under the ESA; and
  - (2) Marine mammals, as appropriate, if you have not already received authorization for incidental take as may be necessary under the MMPA.

### § 550.255 What decommissioning information must accompany the DPP or DOCD?

A brief description of how you intend to decommission your wells, platforms, pipelines, and other facilities, and clear your site(s) must accompany your DPP or DOCD.

### § 550.256 What related facilities and operations information must accompany the DPP or DOCD?

The following information regarding facilities and operations directly related to your proposed development and production activities must accompany your DPP or DOCD.

- (a) **OCS facilities and operations.** A description and location of any of the following that directly relate to your proposed development and production activities:
  - (1) Drilling units;
  - (2) Production platforms;
  - (3) Right-of-way pipelines (including those that transport chemical products and produced water); and
  - (4) Other facilities and operations located on the OCS (regardless of ownership).

- (b) **Transportation system.** A discussion of the transportation system that you will use to transport your production to shore, including:
  - (1) Routes of any new pipelines;
  - (2) Information concerning barges and shuttle tankers, including the storage capacity of the transport vessel(s), and the number of transfers that will take place per year;
  - (3) Information concerning any intermediate storage or processing facilities;
  - (4) An estimate of the quantities of oil, gas, or sulphur to be transported from your production facilities; and
  - (5) A description and location of the primary onshore terminal.

### **§ 550.257 What information on the support vessels, offshore vehicles, and aircraft you will use must accompany the DPP or DOCD?**

The following information on the support vessels, offshore vehicles, and aircraft you will use must accompany your DPP or DOCD:

- (a) **General.** A description of the crew boats, supply boats, anchor handling vessels, tug boats, barges, ice management vessels, other vessels, offshore vehicles, and aircraft you will use to support your development and production activities. The description of vessels and offshore vehicles must estimate the storage capacity of their fuel tanks and the frequency of their visits to the facilities you will use to conduct your proposed development and production activities.
- (b) **Air emissions.** A table showing the source, composition, frequency, and duration of the air emissions likely to be generated by the support vessels, offshore vehicles, and aircraft you will use that will operate within 25 miles of the facilities you will use to conduct your proposed development and production activities.
- (c) **Drilling fluids and chemical products transportation.** A description of the transportation method and quantities of drilling fluids and chemical products (see § 550.243(b) and (d)) you will transport from the onshore support facilities you will use to the facilities you will use to conduct your proposed development and production activities.
- (d) **Solid and liquid wastes transportation.** A description of the transportation method and a brief description of the composition, quantities, and destination(s) of solid and liquid wastes (see § 550.248(a)) you will transport from the facilities you will use to conduct your proposed development and production activities.
- (e) **Vicinity map.** A map showing the location of your proposed development and production activities relative to the shoreline. The map must depict the primary route(s) the support vessels and aircraft will use when traveling between the onshore support facilities you will use and the facilities you will use to conduct your proposed development and production activities.

### **§ 550.258 What information on the onshore support facilities you will use must accompany the DPP or DOCD?**

The following information on the onshore support facilities you will use must accompany your DPP or DOCD:

- (a) **General.** A description of the onshore facilities you will use to provide supply and service support for your proposed development and production activities (e.g., service bases and mud company docks).

- (1) Indicate whether the onshore support facilities are existing, to be constructed, or to be expanded; and
  - (2) For DPPs only, provide a timetable for acquiring lands (including rights-of-way and easements) and constructing or expanding any of the onshore support facilities.
- (b) **Air emissions.** A description of the source, composition, frequency, and duration of the air emissions (attributable to your proposed development and production activities) likely to be generated by the onshore support facilities you will use.
- (c) **Unusual solid and liquid wastes.** A description of the quantity, composition, and method of disposal of any unusual solid and liquid wastes (attributable to your proposed development and production activities) likely to be generated by the onshore support facilities you will use. Unusual wastes are those wastes not specifically addressed in the relevant National Pollution Discharge Elimination System (NPDES) permit.
- (d) **Waste disposal.** A description of the onshore facilities you will use to store and dispose of solid and liquid wastes generated by your proposed development and production activities (see § 550.248(a)) and the types and quantities of such wastes.

### § 550.259 What sulphur operations information must accompany the DPP or DOCD?

If you are proposing to conduct sulphur development and production activities, the following information must accompany your DPP or DOCD:

- (a) **Bleedwater.** A discussion of the bleedwater that will be generated by your proposed sulphur activities, including the measures you will take to mitigate the potential toxic or thermal impacts on the environment caused by the discharge of bleedwater.
- (b) **Subsidence.** An estimate of the degree of subsidence expected at various stages of your sulphur development and production activities, and a description of the measures you will take to mitigate the effects of subsidence on existing or potential oil and gas production, production platforms, and production facilities, and to protect the environment.

### § 550.260 What Coastal Zone Management Act (CZMA) information must accompany the DPP or DOCD?

The following CZMA information must accompany your DPP or DOCD:

- (a) **Consistency certification.** A copy of your consistency certification under section 307(c)(3)(B) of the CZMA (16 U.S.C. 1456(c)(3)(B)) and 15 CFR 930.76(c) stating that the proposed development and production activities described in detail in this DPP or DOCD comply with (name of State(s)) approved coastal management program(s) and will be conducted in a manner that is consistent with such program(s); and
- (b) **Other information.** "Information" as required by 15 CFR 930.76(a) and 15 CFR 930.58(a)(2)) and "Analysis" as required by 15 CFR 930.58(a)(3).

### § 550.261 What environmental impact analysis (EIA) information must accompany the DPP or DOCD?

The following EIA information must accompany your DPP or DOCD:

- (a) **General requirements.** Your EIA must:

- (1) Assess the potential environmental impacts of your proposed development and production activities;
  - (2) Be project specific; and
  - (3) Be as detailed as necessary to assist the Regional Supervisor in complying with the NEPA of 1969 (42 U.S.C. 4321 *et seq.*) and other relevant Federal laws such as the ESA and the MMPA.
- (b) **Resources, conditions, and activities.** Your EIA must describe those resources, conditions, and activities listed below that could be affected by your proposed development and production activities, or that could affect the construction and operation of facilities or structures or the activities proposed in your DPP or DOCD.
- (1) Meteorology, oceanography, geology, and shallow geological or manmade hazards;
  - (2) Air and water quality;
  - (3) Benthic communities, marine mammals, sea turtles, coastal and marine birds, fish and shellfish, and plant life;
  - (4) Threatened or endangered species and their critical habitat;
  - (5) Sensitive biological resources or habitats such as essential fish habitat, refuges, preserves, special management areas identified in coastal management programs, sanctuaries, rookeries, and calving grounds;
  - (6) Archaeological resources;
  - (7) Socioeconomic resources (including the approximate number, timing, and duration of employment of persons engaged in onshore support and construction activities), population (including the approximate number of people and families added to local onshore areas), existing offshore and onshore infrastructure (including major sources of supplies, services, energy, and water), types of contractors or vendors that may place a demand on local goods and services, land use, subsistence resources and harvest practices, recreation, recreational and commercial fishing (including seasons, location, and type), minority and lower income groups, and CZMA programs;
  - (8) Coastal and marine uses such as military activities, shipping, and mineral exploration or development; and
  - (9) Other resources, conditions, and activities identified by the Regional Supervisor.
- (c) **Environmental impacts.** Your EIA must:
- (1) Analyze the potential direct and indirect impacts (including those from accidents, cooling water intake structures, and those identified in relevant ESA biological opinions such as, but not limited to, those from noise, vessel collisions, and marine trash and debris) that your proposed development and production activities will have on the identified resources, conditions, and activities;
  - (2) Describe the type, severity, and duration of these potential impacts and their biological, physical, and other consequences and implications;
  - (3) Describe potential measures to minimize or mitigate these potential impacts;
  - (4) Describe any alternatives to your proposed development and production activities that you considered while developing your DPP or DOCD, and compare the potential environmental impacts; and

- (5) Summarize the information you incorporate by reference.
- (d) **Consultation.** Your EIA must include a list of agencies and persons with whom you consulted, or with whom you will be consulting, regarding potential impacts associated with your proposed development and production activities.
- (e) **References cited.** Your EIA must include a list of the references that you cite in the EIA.

### § 550.262 What administrative information must accompany the DPP or DOCD?

The following administrative information must accompany your DPP or DOCD:

- (a) **Exempted information description (public information copies only).** A description of the general subject matter of the proprietary information that is included in the proprietary copies of your DPP or DOCD or its accompanying information.
- (b) **Bibliography.**
  - (1) If you reference a previously submitted EP, DPP, DOCD, study report, survey report, or other material in your DPP or DOCD or its accompanying information, a list of the referenced material; and
  - (2) The location(s) where the Regional Supervisor can inspect the cited referenced material if you have not submitted it.

#### REVIEW AND DECISION PROCESS FOR THE DPP OR DOCD

### § 550.266 After receiving the DPP or DOCD, what will BOEM do?

- (a) **Determine whether deemed submitted.** Within 25 working days after receiving your proposed DPP or DOCD and its accompanying information, the Regional Supervisor will deem your DPP or DOCD submitted if:
  - (1) The submitted information, including the information that must accompany the DPP or DOCD (refer to the list in § 550.242), fulfills requirements and is sufficiently accurate;
  - (2) You have provided all needed additional information (see § 550.201(b)); and
  - (3) You have provided the required number of copies (see § 550.206(a)).
- (b) **Identify problems and deficiencies.** If the Regional Supervisor determines that you have not met one or more of the conditions in paragraph (a) of this section, the Regional Supervisor will notify you of the problem or deficiency within 25 working days after the Regional Supervisor receives your DPP or DOCD and its accompanying information. The Regional Supervisor will not deem your DPP or DOCD submitted until you have corrected all problems or deficiencies identified in the notice.
- (c) **Deemed submitted notification.** The Regional Supervisor will notify you when your DPP or DOCD is deemed submitted.

### § 550.267 What actions will BOEM take after the DPP or DOCD is deemed submitted?

- (a) **State, local government, CZMA consistency, and other reviews.** Within 2 working days after the Regional Supervisor deems your DPP or DOCD submitted under § 550.266, the Regional Supervisor will use receipted mail or alternative method to send a public information copy of the DPP or DOCD and its accompanying information to the following:

- (1) **The Governor of each affected State.** The Governor has 60 calendar days after receiving your deemed-submitted DPP or DOCD to submit comments and recommendations. The Regional Supervisor will not consider comments and recommendations received after the deadline.
  - (2) **The executive of any affected local government who requests a copy.** The executive of any affected local government has 60 calendar days after receipt of your deemed-submitted DPP or DOCD to submit comments and recommendations. The Regional Supervisor will not consider comments and recommendations received after the deadline. The executive of any affected local government must forward all comments and recommendations to the respective Governor before submitting them to the Regional Supervisor.
  - (3) **The CZMA agency of each affected State.** The CZMA consistency review period under section 307(c)(3)(B)(ii) of the CZMA (16 U.S.C.1456(c)(3)(B)(ii)) and 15 CFR 930.78 begins when the States CZMA agency receives a copy of your deemed-submitted DPP or DOCD, consistency certification, and required necessary data/information (see 15 CFR 930.77(a)(1)).
- (b) **General public.** Within 2 working days after the Regional Supervisor deems your DPP or DOCD submitted under § 550.266, the Regional Supervisor will make a public information copy of the DPP or DOCD and its accompanying information available for review to any appropriate interstate regional entity and the public at the appropriate BOEM Regional Public Information Office. Any interested Federal agency or person may submit comments and recommendations to the Regional Supervisor. Comments and recommendations must be received by the Regional Supervisor within 60 calendar days after the DPP or DOCD including its accompanying information is made available.
  - (c) **BOEM compliance review.** The Regional Supervisor will review the development and production activities in your proposed DPP or DOCD to ensure that they conform to the performance standards in § 550.202.
  - (d) **Amendments.** During the review of your proposed DPP or DOCD, the Regional Supervisor may require you, or you may elect, to change your DPP or DOCD. If you elect to amend your DPP or DOCD, the Regional Supervisor may determine that your DPP or DOCD, as amended, is subject to the requirements of § 550.266.

### § 550.268 How does BOEM respond to recommendations?

- (a) **Governor.** The Regional Supervisor will accept those recommendations from the Governor that provide a reasonable balance between the National interest and the well-being of the citizens of each affected State. The Regional Supervisor will explain in writing to the Governor the reasons for rejecting any of his or her recommendations.
- (b) **Local governments and the public.** The Regional Supervisor may accept recommendations from the executive of any affected local government or the public.
- (c) **Availability.** The Regional Supervisor will make all comments and recommendations available to the public upon request.

### § 550.269 How will BOEM evaluate the environmental impacts of the DPP or DOCD?

The Regional Supervisor will evaluate the environmental impacts of the activities described in your proposed DPP or DOCD and prepare environmental documentation under the National Environmental Policy Act (NEPA) (42 U.S.C.4321 *et seq.*) and the implementing regulations (40 CFR parts 1500 through 1508).

- (a) **Environmental impact statement (EIS) declaration.** At least once in each OCS planning area (other than the Western and Central GOM Planning Areas), the Director will declare that the approval of a proposed DPP is a major Federal action, and BOEM will prepare an EIS.
- (b) **Leases or units in the vicinity.** Before or immediately after the Director determines that preparation of an EIS is required, the Regional Supervisor may require lessees and operators of leases or units in the vicinity of the proposed development and production activities for which DPPs have not been approved to submit information about preliminary plans for their leases or units.
- (c) **Draft EIS.** The Regional Supervisor will send copies of the draft EIS to the Governor of each affected State and to the executive of each affected local government who requests a copy. Additionally, when BOEM prepares a DPP EIS, and the Federally-approved CZMA program for an affected State requires a DPP NEPA document for use in determining consistency, the Regional Supervisor will forward a copy of the draft EIS to the State's CZMA agency. The Regional Supervisor will also make copies of the draft EIS available to any appropriate Federal agency, interstate regional entity, and the public.

**§ 550.270 What decisions will BOEM make on the DPP or DOCD and within what timeframe?**

- (a) **Timeframe.** The Regional Supervisor will act on your deemed-submitted DPP or DOCD as follows:
  - (1) The Regional Supervisor will make a decision within 60 calendar days after the latest of the day that:
    - (i) The comment period provided in § 550.267(a)(1), (a)(2), and (b) closes;
    - (ii) The final EIS for a DPP is released or adopted; or
    - (iii) The last amendment to your proposed DOCD is received by the Regional Supervisor.
  - (2) Notwithstanding paragraph (a)(1) of this section, BOEM will not approve your DPP or DOCD until either:
    - (i) All affected States with approved CZMA programs concur, or have been conclusively presumed to concur, with your DPP or DOCD consistency certification under section 307(c)(3)(B)(i) and (ii) of the CZMA (16 U.S.C. 1456(c)(3)(B)(i) and (ii)); or
    - (ii) The Secretary of Commerce has made a finding authorized by section 307(c)(3)(B)(iii) of the CZMA (16 U.S.C. 1456(c)(3)(B)(iii)) that each activity described in the DPP or DOCD is consistent with the objectives of the CZMA, or is otherwise necessary in the interest of National security.
- (b) **BOEM decision.** By the deadline in paragraph (a) of this section, the Regional Supervisor will take one of the following actions:

The regional supervisor will . . .	If . . .	And then . . .
(1) Approve your DPP or DOCD,	It complies with all applicable requirements,	The Regional Supervisor will notify you in writing of the decision and may require you to meet certain conditions, including those to provide monitoring information.
(2) Require you to	It fails to make adequate provisions for safety, environmental protection, or conservation of	The Regional Supervisor will notify you in writing of the decision and describe the

The regional supervisor will . . .	If . . .	And then . . .
modify your proposed DPP or DOCD,	natural resources or otherwise does not comply with the lease, the Act, the regulations prescribed under the Act, or other Federal laws,	modifications you must make to your proposed DPP or DOCD to ensure it complies with all applicable requirements.
(3) Disapprove your DPP or DOCD,	Any of the reasons in § 550.271 apply,	(i) The Regional Supervisor will notify you in writing of the decision and describe the reason(s) for disapproving your DPP or DOCD; and (ii) BOEM may cancel your lease and compensate you under 43 U.S.C. 1351(h)(2)(C) and the implementing regulations in §§ 550.183 through 550.185 and 30 CFR 556.77.

**§ 550.271 For what reasons will BOEM disapprove the DPP or DOCD?**

The Regional Supervisor will disapprove your proposed DPP or DOCD if one of the four reasons in this section applies:

- (a) **Non-compliance.** The Regional Supervisor determines that you have failed to demonstrate that you can comply with the requirements of the Outer Continental Shelf Lands Act, as amended (Act), implementing regulations, or other applicable Federal laws.
- (b) **No consistency concurrence.**
  - (1) An affected State has not yet issued a final decision on your coastal zone consistency certification (see 15 CFR 930.78(a)); or
  - (2) An affected State objects to your coastal zone consistency certification, and the Secretary of Commerce, under section 307(c)(3)(B)(iii) of the CZMA (16 U.S.C. 1456(c)(3)(B)(iii)), has not found that each activity described in the DPP or DOCD is consistent with the objectives of the CZMA or is otherwise necessary in the interest of National security.
  - (3) If the Regional Supervisor disapproved your DPP or DOCD for the sole reason that an affected State either has not yet issued a final decision on, or has objected to, your coastal zone consistency certification (see paragraphs (b)(1) and (2) in this section), the Regional Supervisor will approve your DPP or DOCD upon receipt of concurrence by the affected State, at the time concurrence of the affected State is conclusively presumed, or when the Secretary of Commerce makes a finding authorized by section 307(c)(3)(B)(iii) of the CZMA (16 U.S.C. 1456(c)(3)(B)(iii)) that each activity described in your DPP or DOCD is consistent with the objectives of the CZMA, or is otherwise necessary in the interest of National security. In that event, you do not need to resubmit your DPP or DOCD for approval under § 550.273(b).
- (c) **National security or defense conflicts.** Your proposed activities would threaten National security or defense.



- (d) **Exceptional circumstances.** The Regional Supervisor determines because of exceptional geological conditions, exceptional resource values in the marine or coastal environment, or other exceptional circumstances that all of the following apply:
- (1) Implementing your DPP or DOCD would cause serious harm or damage to life (including fish and other aquatic life), property, any mineral deposits (in areas leased or not leased), the National security or defense, or the marine, coastal, or human environment;
  - (2) The threat of harm or damage will not disappear or decrease to an acceptable extent within a reasonable period of time; and
  - (3) The advantages of disapproving your DPP or DOCD outweigh the advantages of development and production.

### § 550.272 If a State objects to the DPP's or DOCD's coastal zone consistency certification, what can I do?

If an affected State objects to the coastal zone consistency certification accompanying your proposed or disapproved DPP or DOCD, you may do one of the following:

- (a) **Amend or resubmit your DPP or DOCD.** Amend or resubmit your DPP or DOCD to accommodate the State's objection and submit the amendment or resubmittal to the Regional Supervisor for approval. The amendment or resubmittal needs to only address information related to the State's objections.
- (b) **Appeal.** Appeal the State's objection to the Secretary of Commerce using the procedures in 15 CFR part 930, subpart H. The Secretary of Commerce will either:
  - (1) Grant your appeal by finding under section 307(c)(3)(B)(iii) of the CZMA (16 U.S.C.1456(c)(3)(B)(iii)) that each activity described in detail in your DPP or DOCD is consistent with the objectives of the CZMA, or is otherwise necessary in the interest of National security; or
  - (2) Deny your appeal, in which case you may amend or resubmit your DPP or DOCD, as described in paragraph (a) of this section.
- (c) **Withdraw your DPP or DOCD.** Withdraw your DPP or DOCD if you decide not to conduct your proposed development and production activities.

### § 550.273 How do I submit a modified DPP or DOCD or resubmit a disapproved DPP or DOCD?

- (a) **Modified DPP or DOCD.** If the Regional Supervisor requires you to modify your proposed DPP or DOCD under § 550.270(b)(2), you must submit the modification(s) to the Regional Supervisor in the same manner as for a new DPP or DOCD. You need submit only information related to the proposed modification(s).
- (b) **Resubmitted DPP or DOCD.** If the Regional Supervisor disapproves your DPP or DOCD under § 550.270(b)(3), and except as provided in § 550.271(b)(3), you may resubmit the disapproved DPP or DOCD if there is a change in the conditions that were the basis of its disapproval.
- (c) **BOEM review and timeframe.** The Regional Supervisor will use the performance standards in § 550.202 to either approve, require you to further modify, or disapprove your modified or resubmitted DPP or DOCD. The Regional Supervisor will make a decision within 60 calendar days after the Regional Supervisor deems your modified or resubmitted DPP or DOCD to be submitted, or receives the last amendment to your modified or resubmitted DPP or DOCD, whichever occurs later.

POST-APPROVAL REQUIREMENTS FOR THE EP, DPP, AND DOCD

**§ 550.280 How must I conduct activities under the approved EP, DPP, or DOCD?**

- (a) **Compliance.** You must conduct all of your lease and unit activities according to your approved EP, DPP, or DOCD and any approval conditions. If you fail to comply with your approved EP, DPP, or DOCD:
  - (1) You may be subject to BOEM enforcement action, including civil penalties; and
  - (2) The lease(s) involved in your EP, DPP, or DOCD may be forfeited or cancelled under 43 U.S.C. 1334(c) or (d). If this happens, you will not be entitled to compensation under § 550.185(b) and 30 CFR 556.77.
- (b) **Emergencies.** Nothing in this subpart or in your approved EP, DPP, or DOCD relieves you of, or limits your responsibility to take appropriate measures to meet emergency situations. In an emergency situation, the Regional Supervisor may approve or require departures from your approved EP, DPP, or DOCD.

**§ 550.281 What must I do to conduct activities under the approved EP, DPP, or DOCD?**

- (a) **Approvals and permits.** Before you conduct activities under your approved EP, DPP, or DOCD you must obtain the following approvals and or permits, as applicable, from the District Manager or BSEE Regional Supervisor:
  - (1) Approval of applications for permits to drill (APDs) (see 30 CFR 250.410);
  - (2) Approval of production safety systems (see 30 CFR 250.800);
  - (3) Approval of new platforms and other structures (or major modifications to platforms and other structures) (see 30 CFR 250.905);
  - (4) Approval of applications to install lease term pipelines (see 30 CFR 250.1007); and
  - (5) Other permits, as required by applicable law.
- (b) **Conformance.** The activities proposed in these applications and permits must conform to the activities described in detail in your approved EP, DPP, or DOCD.
- (c) **Separate State CZMA consistency review.** APDs, and other applications for licenses, approvals, or permits to conduct activities under your approved EP, DPP, or DOCD including those identified in paragraph (a) of this section, are not subject to separate State CZMA consistency review.
- (d) **Approval restrictions for permits for activities conducted under EPs.** The Regional Supervisor will not approve any APDs or other applications for licenses, approvals, or permits under your approved EP until either:
  - (1) All affected States with approved coastal zone management programs concur, or are conclusively presumed to concur, with the coastal zone consistency certification accompanying your EP under section 307(c)(3)(B)(i) and (ii) of the CZMA (16 U.S.C. 1456(c)(3)(B)(i) and (ii)); or
  - (2) The Secretary of Commerce finds, under section 307(c)(3)(B)(iii) of the CZMA (16 U.S.C. 1456(c)(3)(B)(iii)) that each activity covered by the EP is consistent with the objectives of the CZMA or is otherwise necessary in the interest of National security;
  - (3) If an affected State objects to the coastal zone consistency certification accompanying your approved EP after BOEM has approved your EP, you may either:

- (i) Revise your EP to accommodate the State's objection and submit the revision to the Regional Supervisor for approval; or
- (ii) Appeal the State's objection to the Secretary of Commerce using the procedures in 15 CFR part 930, subpart H. The Secretary of Commerce will either:
  - (A) Grant your appeal by making the finding described in paragraph (d)(2) of this section; or
  - (B) Deny your appeal, in which case you may revise your EP as described in paragraph (d)(3)(i) of this section.

### § 550.282 Do I have to conduct post-approval monitoring?

After approving your EP, DPP, or DOCD, the Regional Supervisor may direct you to conduct monitoring programs, including monitoring in accordance with the ESA and the MMPA. You must retain copies of all monitoring data obtained or derived from your monitoring programs and make them available to the BOEM upon request. The Regional Supervisor may require you to:

- (a) **Monitoring plans.** Submit monitoring plans for approval before you begin the work; and
- (b) **Monitoring reports.** Prepare and submit reports that summarize and analyze data and information obtained or derived from your monitoring programs. The Regional Supervisor will specify requirements for preparing and submitting these reports.

### § 550.283 When must I revise or supplement the approved EP, DPP, or DOCD?

- (a) **Revised OCS plans.** You must revise your approved EP, DPP, or DOCD when you propose to:
  - (1) Change the type of drilling rig (e.g., jack-up, platform rig, barge, submersible, semisubmersible, or drillship), production facility (e.g., caisson, fixed platform with piles, tension leg platform), or transportation mode (e.g., pipeline, barge);
  - (2) Change the surface location of a well or production platform by a distance more than that specified by the Regional Supervisor;
  - (3) Change the type of production or significantly increase the volume of production or storage capacity;
  - (4) Increase the emissions of an criteria air pollutant, VOC, or TSP to an amount that exceeds the amount specified in your approved EP, DPP, or DOCD;
  - (5) Significantly increase the amount of solid or liquid wastes to be handled or discharged;
  - (6) Request a new H<sub>2</sub>S area classification, or increase the concentration of H<sub>2</sub>S to a concentration greater than that specified by the Regional Supervisor;
  - (7) Change the location of your onshore support base either from one State to another or to a new base or a base requiring expansion; or
  - (8) Change any other activity specified by the Regional Supervisor.
- (b) **Supplemental OCS plans.** You must supplement your approved EP, DPP, or DOCD when you propose to conduct activities on your lease(s) or unit that require approval of a license or permit which is not described in your approved EP, DPP, or DOCD. These types of changes are called supplemental OCS plans.

[76 FR 64623, Oct. 18, 2011, as amended at 85 FR 34936, June 5, 2020]

### § 550.284 How will BOEM require revisions to the approved EP, DPP, or DOCD?

- (a) **Periodic review.** The Regional Supervisor will periodically review the activities you conduct under your approved EP, DPP, or DOCD and may require you to submit updated information on your activities. The frequency and extent of this review will be based on the significance of any changes in available information and onshore or offshore conditions affecting, or affected by, the activities in your approved EP, DPP, or DOCD.
- (b) **Results of review.** The Regional Supervisor may require you to revise your approved EP, DPP, or DOCD based on this review. In such cases, the Regional Supervisor will inform you of the reasons for the decision.

### § 550.285 How do I submit revised and supplemental EPs, DPPs, and DOCDs?

- (a) **Submittal.** You must submit to the Regional Supervisor any revisions and supplements to approved EPs, DPPs, or DOCDs for approval, whether you initiate them or the Regional Supervisor orders them.
- (b) **Information.** Revised and supplemental EPs, DPPs, and DOCDs need include only information related to or affected by the proposed changes, including information on changes in expected environmental impacts.
- (c) **Procedures.** All supplemental EPs, DPPs, and DOCDs, and those revised EPs, DPPs, and DOCDs that the Regional Supervisor determines are likely to result in a significant change in the impacts previously identified and evaluated, are subject to all of the procedures under §§ 550.231 through 550.235 for EPs and §§ 550.266 through 550.273 for DPPs and DOCDs.

### §§ 550.286-550.295 [Reserved]

#### CONSERVATION INFORMATION DOCUMENTS (CID)

### § 550.296 When and how must I submit a CID or a revision to a CID?

- (a) You must submit one original and two copies of a CID to the appropriate OCS Region at the same time you first submit your DOCD or DPP for any development of a lease or leases located in water depths greater than 400 meters (1,312 feet). You must also submit a CID for a Supplemental DOCD or DPP when requested by the Regional Supervisor. The submission of your CID must be accompanied by payment of the service fee listed in § 550.125.
- (b) If you decide not to develop a reservoir you committed to develop in your CID, you must submit one original and two copies of a revision to the CID to the appropriate OCS Region. The revision to the CID must be submitted within 14 calendar days after making your decision not to develop the reservoir and before the reservoir is bypassed. The Regional Supervisor will approve or disapprove any such revision to the original CID. If the Regional Supervisor disapproves the revision, you must develop the reservoir as described in the original CID.

### § 550.297 What information must a CID contain?

- (a) You must base the CID on wells drilled before your CID submittal that define the extent of the reservoirs. You must notify BOEM of any well that is drilled to total depth during the CID evaluation period and you may be required to update your CID.
- (b) You must include all of the following information if available. Information must be provided for each hydrocarbon-bearing reservoir that is penetrated by a well that would meet the producibility requirements of § 550.115 or § 550.116:

- (1) General discussion of the overall development of the reservoir;
- (2) Summary spreadsheets of well log data and reservoir parameters (*i.e.*, sand tops and bases, fluid contacts, net pay, porosity, water saturations, pressures, formation volume factor);
- (3) Appropriate well logs, including digital well log (*i.e.*, gamma ray, resistivity, neutron, density, sonic, caliper curves) curves in an acceptable digital format;
- (4) Sidewall core/whole core and pressure-volume-temperature analysis;
- (5) Structure maps, with the existing and proposed penetration points and subsea depths for all wells penetrating the reservoirs, fluid contacts (or the lowest or highest known levels in the absence of actual contacts), reservoir boundaries, and the scale of the map;
- (6) Interpreted structural cross sections and corresponding interpreted seismic lines or block diagrams, as necessary, that include all current wellbores and planned wellbores on the leases or units to be developed, the reservoir boundaries, fluid contacts, depth scale, stratigraphic positions, and relative biostratigraphic ages;
- (7) Isopach maps of each reservoir showing the net feet of pay for each well within the reservoir identified at the penetration point, along with the well name, labeled contours, and scale;
- (8) Estimates of original oil and gas in-place and anticipated recoverable oil and gas reserves, all reservoir parameters, and risk factors and assumptions;
- (9) Plat map at the same scale as the structure maps with existing and proposed well paths, as well as existing and proposed penetrations;
- (10) Wellbore schematics indicating proposed perforations;
- (11) Proposed wellbore utility chart showing all existing and proposed wells, with proposed completion intervals indicated for each borehole;
- (12) Appropriate pressure data, specified by date, and whether estimated or measured;
- (13) Description of reservoir development strategies;
- (14) Description of the enhanced recovery practices you will use or, if you do not plan to use such practices, an explanation of the methods you considered and reasons you do not intend to use them;
- (15) For each reservoir you do not intend to develop:
  - (i) A statement explaining the reason(s) you will not develop the reservoir, and
  - (ii) Economic justification, including costs, recoverable reserve estimate, production profiles, and pricing assumptions; and
- (16) Any other appropriate data you used in performing your reservoir evaluations and preparing your reservoir development strategies.

### **§ 550.298 How long will BOEM take to evaluate and make a decision on the CID?**

- (a) The Regional Supervisor will make a decision within 150 calendar days of receiving your CID. If BOEM does not act within 150 calendar days, your CID is considered approved.
- (b) BOEM may suspend the 150-calendar-day evaluation period if there is missing, inconclusive, or inaccurate data, or when a well reaches total depth during the evaluation period. BOEM may also suspend the evaluation period when a well penetrating a hydrocarbon-bearing structure reaches total depth during the

evaluation period and the data from that well is needed for the CID. You will receive written notification from the Regional Supervisor describing the additional information that is needed, and the evaluation period will resume once BOEM receives the requested information.

- (c) The Regional Supervisor will approve or deny your CID request based on your commitment to develop economically producible reservoirs according to sound conservation, engineering, and economic practices.

## § 550.299 What operations require approval of the CID?

You may not begin production before you receive BOEM approval of the CID.

## Subpart C - Pollution Prevention and Control

### §§ 550.300-550.301 [Reserved]

### § 550.302 Definitions concerning air quality.

For purposes of §§ 550.303 and 550.304 of this part:

**Attainment area** means, for any criteria air pollutant, an area which is shown by monitored data or which 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 control technology (BACT)** means an emission limitation based on the maximum degree of reduction for each criteria air pollutant and VOC subject to regulation, taking into account energy, environmental and economic impacts, and other costs. The BACT shall be verified on a case-by-case basis by the Regional Supervisor and may include reductions achieved through the application of processes, systems, and techniques for the control of each criteria air pollutant and VOC.

**Criteria air pollutant** means any air pollutant for which the EPA has established a primary or secondary national ambient air quality standard pursuant to section 109 of the Clean Air Act.

**Emission exemption threshold (EET)** means the rate of projected emissions, calculated for a criteria air pollutant or VOC or TSP, above which a facility would be subject to the requirements of § 550.303(e) through (i) or § 550.304(b) through (e).

**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), Development and Production Plan (DPP), or Development Operations Coordination Document (DOCD).

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

**Facility** means any installation or device permanently or temporarily attached to the seabed which is used for exploration, development, and production activities for oil, gas, or sulphur and which emits or has the potential to emit any air pollutant from one or more sources. All equipment directly associated with the installation or device shall be considered part of a single facility if the equipment is dependent on, or affects the processes of, the installation or device. During production, multiple installations or devices will be considered to be a single facility if the installations or devices are directly related to the production of oil, gas, or sulphur at a single site. Any vessel used to transfer production from an offshore facility shall be considered part of the facility while physically attached to it.

**National Ambient Air Quality Standard (NAAQS)** means a national air quality standard for any given criteria air pollutant, established pursuant to section 109 of the Clean Air Act.

**Nonattainment area** means, for any criteria air pollutant, an area which is shown by monitored data or which 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.

**Projected emissions** mean emissions, either controlled or uncontrolled, from a source(s).

**Source** means an emission point. Several sources may be included within a single facility.

**Temporary facility** means activities associated with the construction of platforms offshore or with facilities related to exploration for or development of offshore oil and gas resources which are conducted in one location for less than 3 years.

**Volatile organic compound (VOC)** means any organic compound that is emitted to the atmosphere as a vapor. Unreactive compounds are excluded from the preceding sentence of this definition.

[76 FR 64623, Oct. 18, 2011, as amended at 85 FR 34936, June 5, 2020]

### **§ 550.303 Facilities described in a new or revised Exploration Plan, Development and Production Plan, or Development Operations Coordination Document.**

- (a) **New plans.** All Exploration Plans, Development and Production Plans, and Development Operations Coordination Documents shall include the information required to make the necessary findings under paragraphs (d) through (i) of this section, and the lessee shall comply with the requirements of this section as necessary.
- (b) **Applicability of § 550.303 to existing facilities.**
  - (1) The Regional Supervisor may review any Exploration Plan, Development and Production Plan, or Development Operations Coordination Document to determine whether any facility described in the plan should be subject to review under this section and has the potential to significantly affect the air quality of an onshore area. To make these decisions, the Regional Supervisor shall consider the distance of the facility from shore, the size of the facility, the number of sources planned for the facility and their operational status, and the air quality status of the onshore area.
  - (2) For a facility identified by the Regional Supervisor in paragraph (b)(1) of this section, the Regional Supervisor shall require the lessee to refer to the information required in § 550.218 or § 550.249 of this part and to submit only that information required to make the necessary findings under paragraphs (d) through (i) of this section. The lessee shall submit this information within 120 days of the Regional Supervisor's determination or within a longer period of time at the discretion of the Regional Supervisor. The lessee shall comply with the requirements of this section as necessary.
- (c) **Revised facilities.** All revised Exploration Plans, Development and Production Plans, and Development Operations Coordination Documents shall include the information required to make the necessary findings under paragraphs (d) through (i) of this section. The lessee shall comply with the requirements of this section as necessary.
- (d) **Exemption formulas.** To determine whether a facility described in an initial, modified, supplemental, or revised Exploration Plan, Development and Production Plan, or Development Operations Coordination Document is exempt from further air quality review, the lessee must use the highest annual-total amount of emissions from the facility calculated for each criteria air pollutant, VOC, and TSP listed in § 550.249(a)

or § 550.218(a) and compare these emissions to the emission exemption threshold (EET) calculated using the following formulas:  $EET = 3400 \cdot D^{2/3}$  for carbon monoxide (CO); and  $EET = 33.3 \cdot D$  for total suspended particulates (TSP), sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), utilizing NO<sub>2</sub> as the indicator pollutant for NO<sub>x</sub>, and VOC (where EET is the emission exemption threshold expressed in short tons per year, and D is the distance of the proposed facility from the closest onshore area of a State expressed in statute miles). If the amount of these projected emissions is less than or equal to the emission exemption threshold (EET) for the corresponding criteria air pollutant, VOC, and TSP, the facility is exempt from further air quality review required under paragraphs (e) through (i) of this section.

(e) **Significance levels (SLs).**

- (1) For a facility not exempt under paragraph (d) of this section, the lessee must use a BOEM approved air quality model to determine whether projected emissions from the facility result in an onshore ambient air concentration above any SL set forth in the following table:

Table 1 to Paragraph (e)(1) - Significance Levels (SLs)

	Averaging time				
	1 hour (mg/m <sup>3</sup> )	3 hour (µg/m <sup>3</sup> )	8 hour (mg/m <sup>3</sup> )	24 hour (µg/m <sup>3</sup> )	Annual (µg/m <sup>3</sup> )
Criteria Air Pollutant:					
Sulfur Dioxide		25.0		5.0	1.0
PM <sub>10</sub>				5.0	1.0
PM <sub>2.5</sub>				1.2	0.3
Nitrogen Dioxide <sup>1</sup>					1.0
Carbon Monoxide	2.0		0.5		

<sup>1</sup> NO<sub>2</sub> is the indicator pollutant for NO<sub>x</sub>.

- (2) In the event that the emissions of TSP exceed the EET for TSP, the lessee must use a BOEM approved air quality model to determine whether the projected emissions from the facility result in an onshore ambient air concentration above the SL for either PM<sub>10</sub> or PM<sub>2.5</sub>.

(f) **Significance determinations.**

- (1) The projected emissions of any criteria air pollutant from any facility that result in an onshore ambient air concentration above a SL determined under paragraph (e) of this section for that criteria air pollutant will be deemed to significantly affect the air quality of the onshore area for that criteria air pollutant.
- (2) The projected emissions of VOC from any facility which is not exempt under paragraph (d) of this section will be deemed to significantly affect the air quality of the onshore area for VOC.

(g) **Controls required.**

- (1) The projected emissions of any criteria air pollutant from any facility, except a temporary facility, which significantly affect the quality of a nonattainment area, shall be fully reduced. This shall be done through the application of BACT and, if additional reductions are necessary, through the application of additional emission controls or through the acquisition of offshore or onshore offsets.



(2) The projected emissions of any criteria air pollutant from any facility which significantly affect the air quality of an attainment or unclassifiable area shall be reduced through the application of BACT.

(i)

(A) Except for temporary facilities, the lessee also shall use an approved air quality model to determine whether the emissions of TSP or SO<sub>2</sub> that remain after the application of BACT cause the following maximum allowable increases over the baseline concentrations established in 40 CFR 52.21 to be exceeded in the attainment or unclassifiable area:

### Maximum Allowable Concentration Increases

[µg/m<sup>3</sup>]

Air pollutant	Averaging times		
	Annual mean <sup>1</sup>	24-hour maximum	3-hour maximum
Class I:			
TSP	5	10	
SO <sub>2</sub>	2	5	25
Class II:			
TSP	19	37	
SO <sub>2</sub>	20	91	512
Class III:			
TSP	37	75	
SO <sub>2</sub>	40	182	700

<sup>1</sup> For TSP - geometric; For SO<sub>2</sub> - arithmetic.

(B) No concentration of an criteria air pollutant shall exceed the concentration permitted under the national secondary ambient air quality standard or the concentration permitted under the national primary air quality standard, whichever concentration is lowest for the criteria air pollutant for the period of exposure. For any period other than the annual period, the applicable maximum allowable increase may be exceeded during one such period per year at any one onshore location.

(ii) If the maximum allowable increases are exceeded, the lessee shall apply whatever additional emission controls are necessary to reduce or offset the remaining emissions of TSP or SO<sub>2</sub> so that concentrations in the onshore ambient air of an attainment or unclassifiable area do not exceed the maximum allowable increases.

(3)

(i) The projected emissions of VOC from any facility, except a temporary facility, which significantly affect the onshore air quality of a nonattainment area shall be fully reduced. This shall be done through the application of BACT and, if additional reductions are necessary, through the application of additional emission controls or through the acquisition of offshore or onshore offsets.

- (ii) The projected emissions of VOC from any facility which significantly affect the onshore air quality of an attainment area shall be reduced through the application of BACT.

(4)

- (i) If projected emissions from a facility significantly affect the onshore air quality of both a nonattainment and an attainment or unclassifiable area, the regulatory requirements applicable to projected emissions significantly affecting a nonattainment area shall apply.
- (ii) If projected emissions from a facility significantly affect the onshore air quality of more than one class of attainment area, the lessee must reduce projected emissions to meet the maximum allowable increases specified for each class in paragraph (g)(2)(i) of this section.

(h) **Controls required on temporary facilities.** The lessee must apply BACT to reduce projected emissions of any criteria air pollutant or VOC from a temporary facility that significantly affect the air quality of an onshore area of a State.

(i) **Emission offsets.** When emission offsets are to be obtained, the lessee must demonstrate that the offsets are equivalent in nature and quantity to the projected emissions that must be reduced after the application of BACT; a binding commitment exists between the lessee and the owner or owners of the source or sources; the appropriate air quality control jurisdiction has been notified of the need to revise the State Implementation Plan to include the information regarding the offsets; and the required offsets come from sources which affect the air quality of the area significantly affected by the lessee's offshore operations.

(j) **Review of facilities with emissions below the emission exemption thresholds.** If, during the review of a new, modified, or revised Exploration Plan, Development and Production Plan, or Development Operations Coordination Document, the Regional Supervisor determines or an affected State submits information to the Regional Supervisor which demonstrates, in the judgment of the Regional Supervisor, that projected emissions from an otherwise exempt facility will, either individually or in combination with other facilities in the area, significantly affect the air quality of an onshore area, then the Regional Supervisor shall require the lessee to submit additional information to determine whether emission control measures are necessary. The lessee shall be given the opportunity to present information to the Regional Supervisor which demonstrates that the exempt facility is not significantly affecting the air quality of an onshore area of the State.

(k) **Emission monitoring requirements.** The lessee shall monitor, in a manner approved or prescribed by the Regional Supervisor, emissions from the facility. The lessee shall submit this information monthly in a manner and form approved or prescribed by the Regional Supervisor.

(l) **Collection of meteorological data.** The Regional Supervisor may require the lessee to collect, for a period of time and in a manner approved or prescribed by the Regional Supervisor, and submit meteorological data from a facility.

[76 FR 64623, Oct. 18, 2011, as amended at 85 FR 34937, June 5, 2020]

## § 550.304 Existing facilities.

(a) **Process leading to review of an existing facility.**

- (1) An affected State may request that the Regional Supervisor supply basic emission data from existing facilities when such data are needed for the updating of the State's emission inventory. In submitting the request, the State must demonstrate that similar offshore and onshore facilities in areas under the State's jurisdiction are also included in the emission inventory.
  - (2) The Regional Supervisor may require lessees of existing facilities to submit basic emission data to a State submitting a request under paragraph (a)(1) of this section.
  - (3) The State submitting a request under paragraph (a)(1) of this section may submit information from its emission inventory which indicates that emissions from existing facilities may be significantly affecting the air quality of the onshore area of the State. The lessee shall be given the opportunity to present information to the Regional Supervisor which demonstrates that the facility is not significantly affecting the air quality of the State.
  - (4) The Regional Supervisor shall evaluate the information submitted under paragraph (a)(3) of this section and shall determine, based on the basic emission data, available meteorological data, and the distance of the facility or facilities from the onshore area, whether any existing facility has the potential to significantly affect the air quality of the onshore area of the State.
  - (5) If the Regional Supervisor determines that no existing facility has the potential to significantly affect the air quality of the onshore area of the State submitting information under paragraph (a)(3) of this section, the Regional Supervisor shall notify the State of and explain the reasons for this finding.
  - (6) If the Regional Supervisor determines that an existing facility has the potential to significantly affect the air quality of an onshore area of the State submitting information under paragraph (a)(3) of this section, the Regional Supervisor shall require the lessee to refer to the information requirements under § 550.218 or § 550.249 of this part and submit only that information required to make the necessary findings under paragraphs (b) through (e) of this section. The lessee shall submit this information within 120 days of the Regional Supervisor's determination or within a longer period of time at the discretion of the Regional Supervisor. The lessee shall comply with the requirements of this section as necessary.
- (b) **Exemption formulas.** To determine whether an existing facility is exempt from further air quality review, the lessee must use the highest annual-total amount of emissions from the facility calculated for each criteria air pollutant, VOC, and TSP listed in § 550.249(a) or § 550.218(a) and compare these emissions to the emission exemption threshold (EET) calculated using the following formulas:  $EET = 3400 * D^{2/3}$  for carbon monoxide (CO); and  $EET = 33.3 * D$  for total suspended particulates (TSP), sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), utilizing NO<sub>2</sub> as the indicator pollutant for NO<sub>x</sub> and VOC (where EET is the emission exemption threshold expressed in short tons per year, and D is the distance of the proposed facility from the closest onshore area of a State expressed in statute miles). If the amount of these projected emissions is less than or equal to the emission exemption threshold (EET) for the corresponding criteria air pollutant, VOC, and TSP, the facility is exempt from further air quality review required under paragraphs (c) through (e) of this section.
- (c) **Significance levels.** For a facility not exempt under paragraph (b) of this section, the lessee must use a BOEM approved air quality model to determine whether the projected emissions from the facility result in an onshore ambient air concentration above any SL set forth in § 550.303(e). In the event that the emissions of TSP exceed the EET for TSP, the lessee must use a BOEM approved air quality model to determine whether the projected emissions from the facility result in an onshore ambient air concentration above the SL for either PM<sub>10</sub> or PM<sub>2.5</sub>.
- (d) **Significance determinations.**

- (1) The projected emissions of any criteria air pollutant from any facility that result in an onshore ambient air concentration above an SL determined under paragraph (c) of this section for that criteria air pollutant, will be deemed to significantly affect the air quality of the onshore area for that criteria air pollutant.
  - (2) The projected emissions of VOC from any facility, which is not exempt under paragraph (b) of this section, will be deemed to significantly affect the air quality of the onshore area for VOC.
- (e) **Controls required.**
- (1) The projected emissions of any criteria air pollutant or VOC that significantly affect the air quality of an onshore area must be reduced through the application of BACT.
  - (2) The lessee shall submit a compliance schedule for the application of BACT. If it is necessary to cease operations to allow for the installation of emission controls, the lessee may apply for a suspension of operations under the provisions of 30 CFR 250.174.
- (f) **Review of facilities with emissions below the emission exemption thresholds.** If, during the review of the information required under paragraph (a)(6) of this section, the Regional Supervisor determines or an affected State submits information to the Regional Supervisor which demonstrates, in the judgment of the Regional Supervisor, that projected emissions from an otherwise exempt facility will, either individually or in combination with other facilities in the area, significantly affect the air quality of an onshore area, then the Regional Supervisor shall require the lessee to submit additional information to determine whether control measures are necessary. The lessee shall be given the opportunity to present information to the Regional Supervisor which demonstrates that the exempt facility is not significantly affecting the air quality of an onshore area of the State.
- (g) **Emission monitoring requirements.** The lessee shall monitor, in a manner approved or prescribed by the Regional Supervisor, emissions from the facility following the installation of emission controls. The lessee shall submit this information monthly in a manner and form approved or prescribed by the Regional Supervisor.
- (h) **Collection of meteorological data.** The Regional Supervisor may require the lessee to collect, for a period of time and in a manner approved or prescribed by the Regional Supervisor, and submit meteorological data from a facility.

[76 FR 64623, Oct. 18, 2011, as amended at 85 FR 34937, June 5, 2020]

## Subpart D - Leasing Maps and Diagrams

### § 550.400 Leasing maps and diagrams.

- (a) Any area of the OCS, which has been appropriately platted as provided in paragraph (b) of this section, may be leased for any mineral not included in an existing lease issued under the Act or meeting the requirements of subsection (a) of section 6 of the Act. Before any lease is offered or issued an area may be:
  - (1) Withdrawn from disposition pursuant to section 12(a) of the Act; or
  - (2) Designated as an area or part of an area restricted from operation under section 12(d) of the Act.
- (b) BOEM will prepare leasing maps and official protraction diagrams of areas of the OCS. The areas included in each mineral lease will be in accordance with the appropriate leasing map or official protraction diagram.

[81 FR 18152, Mar. 30, 2016]

## Subparts E-I [Reserved]

### Subpart J - Pipelines and Pipeline Rights-of-Way

#### § 550.1011 Bond requirements for pipeline right-of-way holders.

- (a) When you apply for, or are the holder of, a right-of-way, you must:
  - (1) Provide and maintain a \$300,000 bond (in addition to the bond coverage required in 30 CFR part 256 and 30 CFR part 556) that guarantees compliance with all the terms and conditions of the rights-of-way you hold in an OCS area; and
  - (2) Provide additional security if the Regional Director determines that a bond in excess of \$300,000 is needed.
- (b) For the purpose of this paragraph, there are three areas:
  - (1) The Gulf of Mexico and the area offshore the Atlantic Coast;
  - (2) The areas offshore the Pacific Coast States of California, Oregon, Washington, and Hawaii; and
  - (3) The area offshore the Coast of Alaska.
- (c) If, as the result of a default, the surety on a right-of-way grant bond makes payment to the Government of any indebtedness under a grant secured by the bond, the face amount of such bond and the surety's liability shall be reduced by the amount of such payment.
- (d) After a default, a new bond in the amount of \$300,000 shall be posted within 6 months or such shorter period as the Regional Supervisor may direct. Failure to post a new bond shall be grounds for forfeiture of all grants covered by the defaulted bond.

### 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:		

	SRI BOEM-0127 (2 copies)	Reservoir reclassification
(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.

### Subparts L-M [Reserved]

### Subpart N - Outer Continental Shelf Civil Penalties

#### OUTER CONTINENTAL SHELF LANDS ACT CIVIL PENALTIES



## § 550.1400 How does BOEM begin the civil penalty process?

This subpart explains BOEM's civil penalty procedures whenever a lessee, operator or other person engaged in oil, gas, sulphur or other minerals operations in the OCS has a violation. Whenever BOEM determines, on the basis of available evidence, that a violation occurred and a civil penalty review is appropriate, it will prepare a case file. BOEM will appoint a Reviewing Officer.

### § 550.1401 Index table.

The following table is an index of the sections in this subpart:

(a) Definitions	§ 550.1402
(b) What is the maximum civil penalty?	§ 550.1403
(c) Which violations will BOEM review for potential civil penalties?	§ 550.1404
(d) When is a case file developed?	§ 550.1405
(e) When will BOEM notify me and provide penalty information?	§ 550.1406
(f) How do I respond to the letter of notification?	§ 550.1407
(g) When will I be notified of the Reviewing Officer's decision?	§ 550.1408
(h) What are my appeal rights?	§ 550.1409

### § 550.1402 Definitions.

Terms used in this subpart have the following meaning:

**Case file** means a BOEM document file containing information and the record of evidence related to the alleged violation.

**Civil penalty** means a fine. It is a BOEM regulatory enforcement tool used in addition to Notices of Incidents of Noncompliance and directed suspensions of production or other operations.

**Reviewing Officer** means a BOEM employee assigned to review case files and assess civil penalties.

**Violation** means failure to comply with the Outer Continental Shelf Lands Act (OCSLA) or any other applicable laws, with any regulations issued under the OCSLA, or with the terms or provisions of leases, licenses, permits, rights-of-way, or other approvals issued under the OCSLA.

**Violator** means a person responsible for a violation.

### § 550.1403 What is the maximum civil penalty?

The maximum civil penalty is \$48,862 per day per violation.

[87 FR 15335, Mar. 18, 2022]

### § 550.1404 Which violations will BOEM review for potential civil penalties?

BOEM will review each of the following violations for potential civil penalties:

- (a) Violations that you do not correct within the period BOEM grants;
- (b)-(c) [Reserved]

- (d) Violations of the oil spill financial responsibility requirements at 30 CFR part 553.

### **§ 550.1405 When is a case file developed?**

BOEM will develop a case file during its investigation of the violation, and forward it to a Reviewing Officer if any of the conditions in § 550.1404 exist. The Reviewing Officer will review the case file and determine if a civil penalty is appropriate. The Reviewing Officer may administer oaths and issue subpoenas requiring witnesses to attend meetings, submit depositions, or produce evidence.

### **§ 550.1406 When will BOEM notify me and provide penalty information?**

If the Reviewing Officer determines that a civil penalty should be assessed, the Reviewing Officer will send the violator a letter of notification. The letter of notification will include:

- (a) The amount of the proposed civil penalty;
- (b) Information on the violation(s); and
- (c) Instruction on how to obtain a copy of the case file, schedule a meeting, submit information, or pay the penalty.

### **§ 550.1407 How do I respond to the letter of notification?**

You have 30 calendar days after you receive the Reviewing Officer's letter to either:

- (a) Request, in writing, a meeting with the Reviewing Officer;
- (b) Submit additional information; or
- (c) Pay the proposed civil penalty.

### **§ 550.1408 When will I be notified of the Reviewing Officer's decision?**

At the end of the 30 calendar days or after the meeting and submittal of additional information, the Reviewing Officer will review the case file, including all information you submitted, and send you a decision. The decision will include the amount of any final civil penalty, the basis for the civil penalty, and instructions for paying or appealing the civil penalty.

### **§ 550.1409 What are my appeal rights?**

- (a) When you receive the Reviewing Officer's final decision, you have 60 days to either pay the penalty or file an appeal in accordance with 30 CFR part 590, subpart A.
- (b) If you file an appeal, you must either:
  - (1) Submit a surety bond in the amount of the penalty to the appropriate Leasing Office in the Region where the penalty was assessed, following instructions that the Reviewing Officer will include in the final decision; or
  - (2) Notify the appropriate Leasing Office, in the Region where the penalty was assessed, that you want your lease-specific/area-wide bond on file to be used as the bond for the penalty amount.
- (c) If you choose the alternative in paragraph (b)(2) of this section, the BOEM Regional Director may require additional security (*i.e.*, security in excess of your existing bond) to ensure sufficient coverage during an appeal. In that event, the Regional Director will require you to post the supplemental bond with the

regional office in the same manner as under § 556.53(d) through (f) of this chapter. If the Regional Director determines the appeal should be covered by a lease-specific abandonment account then you must establish an account that meets the requirements of § 556.56.

- (d) If you do not either pay the penalty or file a timely appeal, BOEM will take one or more of the following actions:
  - (1) We will collect the amount you were assessed, plus interest, late payment charges, and other fees as provided by law, from the date you received the Reviewing Officer's final decision until the date we receive payment;
  - (2) We may initiate additional enforcement, including, if appropriate, cancellation of the lease, right-of-way, license, permit, or approval, or the forfeiture of a bond under this part; or
  - (3) We may bar you from doing further business with the Federal Government according to Executive Orders 12549 and 12689, and section 2455 of the Federal Acquisition Streamlining Act of 1994, 31 U.S.C. 6101. The Department of the Interior's regulations implementing these authorities are found at 43 CFR part 12, subpart D.

#### FEDERAL OIL AND GAS ROYALTY MANAGEMENT ACT CIVIL PENALTIES DEFINITIONS

### § 550.1450 What definitions apply to this subpart?

The terms used in this subpart have the same meaning as in 30 U.S.C. 1702.

#### PENALTIES AFTER A PERIOD TO CORRECT

### § 550.1451 What may BOEM do if I violate a statute, regulation, order, or lease term relating to a Federal oil and gas lease?

- (a) If we believe that you have not followed any requirement of a statute, regulation, order, or lease term for any Federal oil or gas lease, we may send you a Notice of Noncompliance informing you what the violation is and what you need to do to correct it to avoid civil penalties under 30 U.S.C. 1719(a) and (b).
- (b) We will serve the Notice of Noncompliance by registered mail or personal service using the most current address on file as maintained by the BOEM Leasing Office in your respective Region.

### § 550.1452 What if I correct the violation?

The matter will be closed if you correct all of the violations identified in the Notice of Noncompliance within 20 days after you receive the Notice (or within a longer time period specified in the Notice).

### § 550.1453 What if I do not correct the violation?

- (a) We may send you a Notice of Civil Penalty if you do not correct all of the violations identified in the Notice of Noncompliance within 20 days after you receive the Notice of Noncompliance (or within a longer time period specified in that Notice). The Notice of Civil Penalty will tell you how much penalty you must pay for each day, beginning with the date of the Notice of Noncompliance, for each violation identified in the Notice of Noncompliance for as long as you do not correct the violation. The maximum civil penalty amount for each day for each uncorrected violation is as specified in 30 CFR 1241.52(a)(2).

- (b) If you do not correct all of the violations identified in the Notice of Noncompliance within 40 days after you receive the Notice of Noncompliance (or 20 days following the expiration of a longer time period specified in that Notice), we may increase the penalty for each day, beginning with the date of the Notice of Noncompliance, for each violation for as long as you do not correct the violation. The maximum civil penalty amount for each day for each uncorrected violation is as specified in 30 CFR 1241.52(b).

[86 FR 38559, July 22, 2021]

### **§ 550.1454 How may I request a hearing on the record on a Notice of Noncompliance?**

You may request a hearing on the record on a Notice of Noncompliance by filing a request within 30 days of the date you received the Notice of Noncompliance with the Hearings Division (Departmental), Office of Hearings and Appeals, U.S. Department of the Interior, 351 South West Temple, Suite 6.300, Salt Lake City, Utah 84101. You may do this regardless of whether you correct the violations identified in the Notice of Noncompliance.

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

### **§ 550.1455 Does my request for a hearing on the record affect the penalties?**

- (a) If you do not correct the violations identified in the Notice of Noncompliance, the penalties will continue to accrue even if you request a hearing on the record.
- (b) You may petition the Hearings Division (Departmental) of the Office of Hearings and Appeals, to stay the accrual of penalties pending the hearing on the record and a decision by the Administrative Law Judge under § 550.1472.
  - (1) You must file your petition within 45 calendar days of receiving the Notice of Noncompliance.
  - (2) To stay the accrual of penalties, you must post a bond or other surety instrument, or demonstrate financial solvency, using the standards and requirements as prescribed in §§ 550.1490 through 550.1497, for the principal amount of any unpaid amounts due that are the subject of the Notice of Noncompliance, including interest thereon, plus the amount of any penalties accrued before the date a stay becomes effective.
  - (3) The Hearings Division will grant or deny the petition under 43 CFR 4.21(b).

### **§ 550.1456 May I request a hearing on the record regarding the amount of a civil penalty if I did not request a hearing on the Notice of Noncompliance?**

- (a) You may request a hearing on the record to challenge only the amount of a civil penalty when you receive a Notice of Civil Penalty, if you did not previously request a hearing on the record under § 550.1454. If you did not request a hearing on the record on the Notice of Noncompliance under § 550.1454, you may not contest your underlying liability for civil penalties.
- (b) You must file your request within 10 days after you receive the Notice of Civil Penalty with the Hearings Division (Departmental), Office of Hearings and Appeals, U.S. Department of the Interior, 351 South West Temple, Suite 6.300, Salt Lake City, Utah 84101.

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

PENALTIES WITHOUT A PERIOD TO CORRECT

### § 550.1460 May I be subject to penalties without prior notice and an opportunity to correct?

The Federal Oil and Gas Royalty Management Act sets out several specific violations for which penalties accrue without an opportunity to first correct the violation.

- (a) [Reserved]
- (b) Under 30 U.S.C. 1719(d), you may be subject to civil penalties up to the maximum amount specified in 30 CFR 1241.60(b)(2) for each violation for each day that it continues if you:
  - (1) Knowingly or willfully prepare, maintain, or submit false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information.
  - (2) [Reserved]

[76 FR 64623, Oct. 18, 2011, as amended at 86 FR 38559, July 22, 2021]

### § 550.1461 How will BOEM inform me of violations without a period to correct?

We will inform you of any violation, without a period to correct, by issuing a Notice of Noncompliance and Civil Penalty explaining the violation, how to correct it, and the penalty assessment. We will serve the Notice of Noncompliance and Civil Penalty by registered mail or personal service using your address of record as specified under 30 CFR part 1218, subpart H.

### § 550.1462 How may I request a hearing on the record on a Notice of Noncompliance regarding violations without a period to correct?

You may request a hearing on the record of a Notice of Noncompliance regarding violations without a period to correct by filing a request within 30 days after you receive the Notice of Noncompliance with the Hearings Division (Departmental), Office of Hearings and Appeals, U.S. Department of the Interior, 351 South West Temple, Suite 6.300, Salt Lake City, Utah 84101. You may do this regardless of whether you correct the violations identified in the Notice of Noncompliance.

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

### § 550.1463 Does my request for a hearing on the record affect the penalties?

- (a) If you do not correct the violations identified in the Notice of Noncompliance regarding violations without a period to correct, the penalties will continue to accrue even if you request a hearing on the record.
- (b) You may ask the Hearings Division (Departmental) to stay the accrual of penalties pending the hearing on the record and a decision by the Administrative Law Judge under § 550.1472.
  - (1) You must file your petition within 45 calendar days after you receive the Notice of Noncompliance.
  - (2) To stay the accrual of penalties, you must post a bond or other surety instrument, or demonstrate financial solvency, using the standards and requirements as prescribed in §§ 550.1490 through 550.1497, for the principal amount of any unpaid amounts due that are the subject of the Notice of Noncompliance, including interest thereon, plus the amount of any penalties accrued before the date a stay becomes effective.
  - (3) The Hearings Division will grant or deny the petition under 43 CFR 4.21(b).

### **§ 550.1464 May I request a hearing on the record regarding the amount of a civil penalty if I did not request a hearing on the Notice of Noncompliance?**

- (a) You may request a hearing on the record to challenge only the amount of a civil penalty when you receive a Notice of Civil Penalty regarding violations without a period to correct, if you did not previously request a hearing on the record under § 550.1462. If you did not request a hearing on the record on the Notice of Noncompliance under § 550.1462, you may not contest your underlying liability for civil penalties.
- (b) You must file your request within 10 days after you receive Notice of Civil Penalty with the Hearings Division (Departmental), Office of Hearings and Appeals, U.S. Department of the Interior, 351 South West Temple, Suite 6.300, Salt Lake City, Utah 84101.

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

#### GENERAL PROVISIONS

### **§ 550.1470 How does BOEM decide what the amount of the penalty should be?**

We determine the amount of the penalty by considering the severity of the violations, your history of compliance, and if you are a small business.

### **§ 550.1471 Does the penalty affect whether I owe interest?**

If you do not pay the penalty by the date required under § 550.1475(d), BOEM will assess you late payment interest on the penalty amount at the same rate interest is assessed under 30 CFR 1218.54.

### **§ 550.1472 How will the Office of Hearings and Appeals conduct the hearing on the record?**

If you request a hearing on the record under § 550.1454, § 550.1456, § 550.1462, or § 550.1464, the hearing will be conducted by a Departmental Administrative Law Judge from the Office of Hearings and Appeals. After the hearing, the Administrative Law Judge will issue a decision in accordance with the evidence presented and applicable law.

### **§ 550.1473 How may I appeal the Administrative Law Judge's decision?**

If you are adversely affected by the Administrative Law Judge's decision, you may appeal that decision to the Interior Board of Land Appeals under 43 CFR part 4, subpart E.

### **§ 550.1474 May I seek judicial review of the decision of the Interior Board of Land Appeals?**

Under 30 U.S.C. 1719(j), you may seek judicial review of the decision of the Interior Board of Land Appeals. A suit for judicial review in the District Court will be barred unless filed within 90 days after the final order.

### **§ 550.1475 When must I pay the penalty?**

- (a) You must pay the amount of the Notice of Civil Penalty issued under § 550.1453 or § 550.1461, if you do not request a hearing on the record under § 550.1454, § 550.1456, § 550.1462, or § 550.1464
- (b) If you request a hearing on the record under § 550.1454, § 550.1456, § 550.1462, or § 550.1464, but you do not appeal the determination of the Administrative Law Judge to the Interior Board of Land Appeals under § 550.1473, you must pay the amount assessed by the Administrative Law Judge.

- (c) If you appeal the determination of the Administrative Law Judge to the Interior Board of Land Appeals, you must pay the amount assessed in the IBLA decision.
- (d) You must pay the penalty assessed within 40 days after:
  - (1) You received the Notice of Civil Penalty, if you did not request a hearing on the record under either § 550.1454, § 550.1456, § 550.1462, or § 550.1464;
  - (2) You received an Administrative Law Judge's decision under § 550.1472, if you obtained a stay of the accrual of penalties pending the hearing on the record under § 550.1455(b) or § 550.1463(b) and did not appeal the Administrative Law Judge's determination to the IBLA under § 550.1473;
  - (3) You received an IBLA decision under § 550.1473 if the IBLA continued the stay of accrual of penalties pending its decision and you did not seek judicial review of the IBLA's decision; or
  - (4) A final non-appealable judgment of a court of competent jurisdiction is entered, if you sought judicial review of the IBLA's decision and the Department or the appropriate court suspended compliance with the IBLA's decision pending the adjudication of the case.
- (e) If you do not pay, that amount is subject to collection under the provisions of § 550.1477.

### **§ 550.1476 Can BOEM reduce my penalty once it is assessed?**

Under 30 U.S.C. 1719(g), the Director or his or her delegate may compromise or reduce civil penalties assessed under this part.

### **§ 550.1477 How may BOEM collect the penalty?**

- (a) BOEM may use all available means to collect the penalty including, but not limited to:
  - (1) Requiring the lease surety, for amounts owed by lessees, to pay the penalty;
  - (2) Deducting the amount of the penalty from any sums the United States owes to you; and
  - (3) Using judicial process to compel your payment under 30 U.S.C. 1719(k).
- (b) If the Department uses judicial process, or if you seek judicial review under § 550.1474 and the court upholds assessment of a penalty, the court shall have jurisdiction to award the amount assessed plus interest assessed from the date of the expiration of the 90-day period referred to in § 550.1474. The amount of any penalty, as finally determined, may be deducted from any sum owing to you by the United States.

## CRIMINAL PENALTIES

### **§ 550.1480 May the United States criminally prosecute me for violations under Federal oil and gas leases?**

If you commit an act for which a civil penalty is provided at 30 U.S.C. 1719(d) and § 550.1460(b), the United States may pursue criminal penalties as provided at 30 U.S.C. 1720, in addition to any authority for prosecution under other statutes.

## BONDING REQUIREMENTS

### § 550.1490 What standards must my BOEM-specified surety instrument meet?

- (a) A BOEM-specified surety instrument must be in a form specified in BOEM instructions. BOEM will give you written information and standard forms for BOEM-specified surety instrument requirements.
- (b) BOEM will use a bank-rating service to determine whether a financial institution has an acceptable rating to provide a surety instrument adequate to indemnify the lessor from loss or damage.
  - (1) Administrative appeal bonds must be issued by a qualified surety company which the Department of the Treasury has approved.
  - (2) Irrevocable letters of credit or certificates of deposit must be from a financial institution acceptable to BOEM with a minimum 1-year period of coverage subject to automatic renewal up to 5 years.

### § 550.1491 How will BOEM determine the amount of my bond or other surety instrument?

- (a) BOEM bond-approving officer may approve your surety if he or she determines that the amount is adequate to guarantee payment. The amount of your surety may vary depending on the form of the surety and how long the surety is effective.
  - (1) The amount of the BOEM-specified surety instrument must include the principal amount owed under the Notice of Noncompliance or Notice of Civil Penalty plus any accrued interest we determine is owed plus projected interest for a 1-year period.
  - (2) Treasury book-entry bond or note amounts must be equal to at least 120 percent of the required surety amount.
- (b) If your appeal is not decided within 1 year from the filing date, you must increase the surety amount to cover additional estimated interest for another 1-year period. You must continue to do this annually on the date your appeal was filed. We will determine the additional estimated interest and notify you of the amount so you can amend your surety instrument.
- (c) You may submit a single surety instrument that covers multiple appeals. You may change the instrument to add new amounts under appeal or remove amounts that have been adjudicated in your favor or that you have paid, if you:
  - (1) Amend the single surety instrument annually on the date you filed your first appeal; and
  - (2) Submit a separate surety instrument for new amounts under appeal until you amend the instrument to cover the new appeals.

## FINANCIAL SOLVENCY REQUIREMENTS

### § 550.1495 How do I demonstrate financial solvency?

- (a) To demonstrate financial solvency under this part, you must submit an audited consolidated balance sheet, and, if requested by the BOEM bond-approving officer, up to 3 years of tax returns to BOEM using the U.S. Postal Service, private delivery, courier, or overnight delivery at:
  - (1) For Alaska OCS: BOEM Alaska OCS Region, 3801 Centerpoint Drive, Suite 500, Anchorage, AK 99503, (907) 334-5200.
  - (2) For Gulf of Mexico and Atlantic OCS: BOEM Gulf of Mexico OCS Region, 1201 Elmwood Park Boulevard, New Orleans, LA 70123-2394, (800) 200-4853.



- (3) For Pacific OCS: BOEM Pacific OCS Region, 760 Paseo Camarillo, Suite 102 (CM 102), Camarillo, CA 93010, (805) 384-6305.
- (b) You must submit an audited consolidated balance sheet annually, and, if requested, additional annual tax returns on the date BOEM first determined that you demonstrated financial solvency as long as you have active appeals, or whenever BOEM requests.
- (c) If you demonstrate financial solvency in the current calendar year, you are not required to redemonstrate financial solvency for new appeals of orders during that calendar year unless you file for protection under any provision of the U.S. Bankruptcy Code (Title 11 of the United States Code), or BOEM notifies you that you must redemonstrate financial solvency.

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

### § 550.1496 How will BOEM determine if I am financially solvent?

- (a) BOEM bond-approving officer will determine your financial solvency by examining your total net worth, including, as appropriate, the net worth of your affiliated entities.
- (b) If your net worth, minus the amount we would require as surety under §§ 550.1490 and 550.1491 for all orders you have appealed is greater than \$300 million, you are presumptively deemed financially solvent, and we will not require you to post a bond or other surety instrument.
- (c) If your net worth, minus the amount we would require as surety under §§ 550.1490 and 550.1491 for all orders you have appealed is less than \$300 million, you must submit the following to BOEM by one of the methods in § 550.1495(a):
  - (1) A written request asking us to consult a business-information, or credit-reporting service or program to determine your financial solvency; and
  - (2) A nonrefundable \$50 processing fee:
    - (i) You must pay the processing fee to us following the requirements for making payments found in 30 CFR 550.126. You are required to use Electronic Funds Transfer (EFT) for these payments;
    - (ii) You must submit the fee with your request under paragraph (c)(1) of this section, and then annually on the date we first determined that you demonstrated financial solvency, as long as you are not able to demonstrate financial solvency under paragraph (a) of this section and you have active appeals.
- (d) If you request that we consult a business-information or credit-reporting service or program under paragraph (c) of this section:
  - (1) We will use criteria similar to that which a potential creditor would use to lend an amount equal to the bond or other surety instrument we would require under §§ 550.1490 and 550.1491;
  - (2) For us to consider you financially solvent, the business-information or credit-reporting service or program must demonstrate your degree of risk as low to moderate:
    - (i) If our bond-approving officer determines that the business-information or credit-reporting service or program information demonstrates your financial solvency to our satisfaction, our bond-approving officer will not require you to post a bond or other surety instrument under §§ 550.1490 and 550.1491;

- (ii) If our bond-approving officer determines that the business-information or credit-reporting service or program information does not demonstrate your financial solvency to our satisfaction, our bond-approving officer will require you to post a bond or other surety instrument under §§ 550.1490 and 550.1491 or pay the obligation.

### § 550.1497 When will BOEM monitor my financial solvency?

- (a) If you are presumptively financially solvent under § 550.1496(b), BOEM will determine your net worth as described under §§ 550.1496(b) and (c) to evaluate your financial solvency at least annually on the date we first determined that you demonstrated financial solvency as long as you have active appeals and each time you appeal a new order.
- (b) If you ask us to consult a business-information or credit-reporting service or program under § 550.1496(c), we will consult a service or program annually as long as you have active appeals and each time you appeal a new order.
- (c) If our bond-approving officer determines that you are no longer financially solvent, you must post a bond or other BOEM-specified surety instrument under §§ 550.1490 and 550.1491.

### Subparts O-S [Reserved]