

with lease terms or if the lessee defaults on the conditions under which a bond and other security was accepted, the Regional Director will take action to forfeit all or part of a bond or other security.

Section 256.62 Assignment of Leases or Interests Therein

Under the proposed rulemaking, § 256.62 would be modified to clarify and make explicit existing authority that—

(1) The approval of a lease assignment is subject to the lessee furnishing bond coverage pursuant to the revised bonding requirements.

(2) Having a lease assignment become effective any date other than the first day of the lease month following the filing of documents is at the discretion of the Regional Director.

(3) Approval of an assignment by the Regional Director does not relieve the assignor of accrued lease obligations if the assignee subsequently fails to perform.

(4) Approval of an assignment will not be given until the assignee submits an acceptable level of surety coverage.

(5) When the lessee is not the sole lessee, the Regional Director will look first to the designated operator to perform lease obligations, but all lessees are jointly and severally liable for their performance.

(6) The assignee assumes a responsibility to remedy all existing environmental problems on the tract and to properly abandon all wells and reclaim the lease site.

Section 256.64 Requirements for Filing Transfers

Under the proposed rulemaking, § 256.64 would be modified to clarify that—

(1) Neither the transfer of operating rights, nor the creation of a sublease(s), releases the lessee from performance of any obligation under any lease or under any regulation.

(2) The lessee(s) are jointly and severally liable with sublessees and operating rights owners (to the extent of their interests) for the performance of each obligation under the lease and under the governing regulations with each party holding an interest at the time the obligation was accruing.

The provisions of these proposed rules have been designed to meet the objectives to: (1) ensure lessee's financial capability to perform lease obligations, (2) protect the environment from threat of harm which might result from a lessee's failure to timely carry out proper well abandonment and site clearance operations on a lease, (3)

achieve a reasonable degree of protection at a minimum increase in costs to the lessee or lease operator, and (4) select a method of attaining these goals which impact equitably on all parties who would be affected.

The MMS does not have authorized funds available to use to correct a noncompliance or default when the cost of corrective action exceeds the funds available under a forfeited bond and other security.

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Executive Order (E.O.) 12866

This proposed rule is not a significant rule under E.O. 12866.

Regulatory Flexibility Act

The Department of the Interior (DOI) has determined that this proposed rule will not have a significant effect on a substantial number of small entities because, in general, the entities that engage in offshore exploration, development, and production activities including pipeline transportation across the OCS are not considered small due to the technical expertise, financial resources, and experience necessary to safely conduct such activities in an environmentally responsible manner.

Paperwork Reduction Act

This proposed rule does not contain new information collection requirements which require approval by the Office of Management and Budget (OMB). The information collection requirements in 30 CFR part 256 are approved by OMB under approval No. 1010-0006.

Takings Implication Assessment

The DOI certifies that this proposed rule does not represent a governmental action capable of interference with constitutionally protected property rights. Thus, a Takings Implication Assessment need not be prepared pursuant to E.O. 12630, Government Action and Interference with Constitutionally Protected Property Rights.

E.O. 12778

The DOI has certified to OMB that this proposed rule meets the applicable civil justice reform standards provided in Sections 2(a) and 2(b)(2) of E.O. 12778.

National Environmental Policy Act

The DOI determined that this action does not constitute a major Federal action significantly affecting the quality of the human environment; therefore, an

Environment Impact Statement is not required.

List of Subjects

30 CFR Part 250

Continental shelf, Environmental impact statements, Environmental protection, Government contracts, Incorporation by reference, Investigations, Mineral royalties, Oil and gas development and production, Oil and gas exploration, Oil and gas reserves, Penalties, Pipelines, Public lands—mineral resources, Public lands—rights-of-way, Reporting and recordkeeping requirements, Sulphur development and production, Sulphur exploration, Surety bonds.

30 CFR Part 251

Continental shelf, Freedom of information, Oil and gas exploration, Public lands—mineral resources, Reporting and recordkeeping requirements, Research.

30 CFR Part 256

Administrative practice and procedure, Continental shelf, Government contracts, Incorporation by reference, Oil and gas exploration, Public lands—mineral resources, Reporting and recordkeeping requirements, Surety bonds.

Dated: September 5, 1995.

Bob Armstrong,
Assistant Secretary, Land and Minerals Management.

For the reasons set forth in the preamble, MMS proposes to amend 30 CFR parts 250, 251, and 256 as follows:

PART 250—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

1. The authority citation for part 250 is revised to read as follows:

Authority: 43 U.S.C. 1334.

2. In § 250.110, the existing paragraph is designated as paragraph (a) and a new paragraph (b) is added to read as follows:

§ 250.110 General requirements.

* * * * *

(b) The obligations to plug and abandon wellbores, remove platforms or other facilities, and to clear the ocean of obstructions accrue when the well is drilled, the platform or other facility is installed, or the obstruction is created and continue until the requirements of subpart G are fully accomplished. These obligations are the joint and several responsibility of all lessees.

3. In § 250.159, paragraph (b)(1) is revised to read as follows: