



4310-VH-P

DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

30 CFR Part 250

[Docket ID: BSEE-2016-0003; 17XE1700DX EEEE500000 EX1SF0000.DAQ000]

RIN 1014-AA31

Adjustments to Cost Recovery Fees Relating to the Regulation of Oil, Gas, and Sulfur Activities on the Outer Continental Shelf

AGENCY: Bureau of Safety and Environmental Enforcement, Interior.

ACTION: Proposed rule.

SUMMARY: The Bureau of Safety and Environmental Enforcement (BSEE) currently charges a fee for 31 different services (hereafter “cost recovery fees”) it provides to non-Federal recipients. The services were identified by BSEE’s predecessor agency, the Minerals Management Service (MMS). This proposed rule would revise and clarify the existing fees; add new fees for certain services; revise and codify the existing conditions for refunding fees; and clarify the acceptable methods of fee payment. This proposed rule would enable BSEE to recover its full costs associated with providing these services to recipients of special benefits beyond those accruing to the general public.

DATES: BSEE will consider all comments received by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. BSEE may not consider comments received after this date. Submit comments to the Office of Management and Budget (OMB) on the information collection burden in this proposed rule by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments on the proposed rule by any of the following methods. Please use the Regulatory Identifier Number (RIN) 1014-AA31 as an identifier to your message. *See also* Public Availability of Comments under Procedural Matters.

- Submit comments electronically. Go to <http://www.regulations.gov> and search for “BSEE-2016-0003.” Follow the instructions to submit public comments and view supporting and related materials available for this rulemaking. BSEE will post all relevant comments.
- Mail or hand-carry comments to the Department of the Interior (DOI); Bureau of Safety and Environmental Enforcement; Attention: Regulations and Standards Branch; 45600 Woodland Road, Sterling, VA 20166. Please reference *Adjustment of Service Fees Relating to the Regulation of Oil, Gas, and Sulfur Activities on the Outer Continental Shelf, AA31* in your comments and include your name and return address.
- Comments on the information collection contained in this proposed rule are separate from those on the substance of the proposed rule. Send comments on the information collection burden in this rule to: OMB, Interior Desk Officer, 202-395-5806 (fax); email OIRA_submissions@omb.eop.gov. Please also send a copy to BSEE at regs@bsee.gov, fax number (703) 787-1546, or by the address listed above.
- Public Availability of Comments—Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

FOR FURTHER INFORMATION CONTACT: Kimberly Monaco, Budget Analyst,
Office of Budget at (703) 787-1658, *Kimberly.Monaco@bsee.gov*.

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I. Background

A. BSEE Statutory and Regulatory Authority

In accordance with the Independent Offices Appropriation Act, 1952, 31 U.S.C. 9701 and the Office of Management and Budget (OMB) Circular A-25¹, BSEE is required to assess a charge against each identifiable non-Federal recipient of special benefits derived from BSEE services beyond those received by the public at large. The charge BSEE assesses is legally sufficient if it recovers BSEE's full cost to provide the service.

OMB Circular A-25 requires a Federal agency to conduct a biennial review of its user charges to determine whether adjustments are necessary and to review other agency programs to determine whether new fees should be established for any services it provides. BSEE reviewed its 31 services and pre-production site visits along with the associated cost recovery fees to determine whether the cost of providing each of the

¹ Office of Management and Budget (OMB) Circular A-25 Revised, User Charges, July 8, 1993, and Transmittal Memorandum 1.

services supports the existing fee structure in the existing regulations. BSEE's methodology for calculating its direct and indirect costs to perform the 31 services and the pre-production site visits is found later in this document. Results from the direct and indirect cost calculations indicate that 17 fees should be increased, eight fees reduced, and six fees subdivided into two tiers by complexity, with six of the subdivided fees increasing above the existing undivided fee, and six decreasing. The results also indicate that the existing pre-production site visit fees for two of the facility production safety system applications should be decreased for visits to facilities offshore and increased for visits to facilities while in a shipyard. Finally, the results suggest that new pre-production site visit fees should be implemented for the four facility production safety system applications that did not previously include site visit fees. The details of these proposed fees are shown in the Service Fee Table later in this document.

The fees are codified in BSEE's regulations at 30 CFR 250.125(a). This proposed rule would: 1) amend 31 of the cost recovery fees in existing § 250.125; 2) establish two tiers of fees within the Deepwater Operations Plans (DWOPs), New Pipeline Applications, Pipeline Modification Applications for both Lease Term and Right-of-way (ROW) Pipelines, ROW Pipeline Grant Applications, and Unitization Revisions fee categories; 3) add four new pre-production site visit cost recovery fees to the existing two pre-production site visit fees to support the review and approval, if necessary, of production safety system applications; 4) revise the two existing pre-production site visit cost recovery fees; 5) amend and codify conditions for granting fee payment refunds in

the existing Notice to Lessees and Operators (NTL) No. 2009-N09²; 6) amend § 250.126 to provide clarification on the payment of cost recovery fees and the acceptable payment methods; and 7) include descriptions of the two complexity-based levels of service fees in 30 CFR 250.292 (DWOPs), § 250.1000 (Applications to install or modify lease term pipelines), § 250.1015 (Applications for pipeline ROW grants)), and § 250.1303 (Requests for voluntary unitization).

In addition to BSEE's in-depth review of the bureau's existing cost recovery fees, the need for adjustments is further supported by the fact that, with the exception of adjustments for inflation, BSEE's cost recovery fees have not been adjusted since the 2005 and 2006 rulemakings establishing the fees (*see* 70 FR 49871 (August 25, 2005) and 71 FR 40904 (July 19, 2006)). Over the last ten years, offshore operations have moved into deeper, more complex, and more hostile environments. This evolution of offshore operations has resulted in increasingly technical and more complex requests submitted by operators. Reviewing and approving these requests requires extensive communication and collaboration between offshore operators, BSEE engineers, and BSEE subject matter experts (SMEs) who are knowledgeable about the safety and environmental aspects of the current technologies and operational challenges, which require additional time and more experienced, senior-level individuals at higher pay grades to review and approve. In addition, the Consolidated Appropriations Act of 2012 authorized BSEE to "establish higher minimum rates of basic pay for employees of the Department of the Interior in the Gulf of Mexico Region in the Geophysicist (GS-1313), Geologist (GS-1350), and Petroleum Engineer (GS-0881) job series at grades 5 through

² Minerals Management Service, MMS Policy on Refund Requests for Service Fees, NTL No. 2009-N09, November 1, 2009.

15 at rates no greater than 25 percent above the minimum rates of basic pay normally scheduled . . . ” Public Law 112–74, sec. 121 (c) (Dec. 23, 2011). In August 2015, the Office of Personnel Management (OPM) increased the special pay for the job series identified in Public Law 112–74, sec. 121 (c) (Dec. 23, 2011) to 35 percent above basic pay and also used its authority to establish the same 35 percent special pay rate for the Inspectors (GS-1801) job series. These special pay rates have allowed the Bureau to be competitive with the oil and gas industry in attracting and retaining qualified personnel, but have increased the bureau’s personnel costs. For these reasons, BSEE’s costs to provide certain services have increased over the levels set out in the existing regulations including, but not limited to, the costs to process applications for permits to drill and applications for permits to modify. For other services, the proposed fees may be lower than the existing fees due to an overall reduced cost to provide those services (*i.e.*, efficiencies).

The proposed adjustments are based on an analysis of BSEE’s costs for providing services from fiscal year (FY) 2013 to FY 2015. The proposed fee adjustments are necessary to more accurately align fees with the cost of BSEE’s services provided to the non-Federal recipients. BSEE invites comments on each of the proposed fee adjustments described later in this document.

B. Summary of Existing Cost Recovery Fees Regulations and Basis for Proposed Amendments

Existing §§ 250.125 and 250.126 set out the amount of cost recovery fees for each BSEE service and provide instructions for making payments. Section 250.125(a) lists the 31 cost recovery fees currently imposed by BSEE for specific services. Section 250.125(b) requires that payment of the applicable fee(s) must accompany the request for

service and provides that all fees are non-refundable. Section 250.125(c) requires the submission of a written request and accompanying payment within 72 hours of a BSEE verbal approval. Section 250.126 requires that all cost recovery fees be paid electronically through www.pay.gov.

BSEE proposes to amend § 250.125 by revising the fees for specific services based on its in-depth review and incorporating guidance from NTL No. 2009-N09 regarding conditions for granting fee payment refunds. BSEE proposes amendments to § 250.126 to provide clarification on the payment of cost recovery fees and the acceptable payment methods. BSEE also proposes to amend the following other sections of 30 CFR part 250 that are subject to the proposed § 250.125 amendments in this document: § 250.292 (DWOPs); § 250.1000 (Applications to install or modify lease term pipelines); § 250.1015 (Applications for pipeline ROW grants); and § 250.1303 (Requests for voluntary unitization).

What Fees Would This Proposed Rule Adjust?

BSEE is proposing adjustments to its 31 existing cost recovery fees to fully account for the costs of providing the services listed in the Service Fee Table below.

Additionally, BSEE is proposing to amend § 250.125(a) to:

1. Subdivide into two categories and add different fee levels for six types of cost recovery fees (DWOPs, New Pipeline Applications, Pipeline Modification Applications for both Lease Term and ROW Pipelines, ROW Pipeline Grant Applications, and Unitization Revisions) to accurately reflect the varying levels of

complexity of the requested services and the corresponding levels of costs to BSEE from providing those services³; and

2. Add four new pre-production site visit fees and revise the two existing pre-productions site visit fees to support the review and approval of production safety system applications, if a site visit is deemed necessary. These new and revised site visit fees are proposed to be included in §§ 250.125(a)(5) – (10).

The following table lists the type of service to be performed by BSEE when it receives a plan, application, permit, or other request; the associated regulatory citation for each type of request; the existing and proposed fee; and the proposed acceptable payment type for each service. The proposed payment types are credit card and electronic check through the Automated Clearing House (ACH-debit). Because the current U.S. Treasury limit on credit card payments is \$24,999.99, an ACH-debit must be used for payments of \$25,000 or more.

In the Service Fee Table below, the existing regulations are in regular font; *proposed text is in italic font*; **and new fees are in bold font**. The fifth column, payment type, is provided to explain the options for payment for a particular service.

SERVICE FEE TABLE

Service— processing of the following:	30 CFR Citation	Existing Fee	Proposed Fee	Payment Type
(1) Suspension of Operations/ Suspension of Production (SOO/SOP) Request	§ 250.171(e).	\$2,123	\$3,055	Credit Card or ACH-debit
(2) Deepwater Operations Plan	§ 250.292(q).	\$3,599		

³ The complexity-based fees for these services are specified in proposed §§ 250.125(a)(2), (15)-(17), (19), and (28) and in the Service Fee Table in this document.

Service— processing of the following:	30 CFR Citation	Existing Fee	Proposed Fee	Payment Type
<i>(a) Deepwater Operations Plan – Simple</i>			\$14,290	Credit Card or ACH-debit
<i>(b) Deepwater Operations Plan- Complex (New Technology)</i>			\$70,333	ACH-debit Only
(3) Application for Permit to Drill (APD; Form BSEE- 0123)	§ 250.410(d); § 250.513(b); § 250.1617(a).	\$2,113	\$10,420	Credit Card or ACH-debit
(4) Application for Permit to Modify (APM; Form BSEE- 0124)	§ 250.465(b); § 250.513(b); § 250.613(b); § 250.1618(a); § 250.1704(g).	\$125	\$1,680	Credit Card or ACH-debit
(5) New Facility Production Safety System Application for Facility with More than 125 Components	§ 250.842.	\$5,426 \$14,280 additional fee will be charged if BSEE conducts a pre-production inspection of a facility offshore, and \$7,426 for an inspection of a facility while in a shipyard. A component is a piece of equipment or an ancillary system that is protected by one or more of the safety devices required by American Petroleum Institute (API) Recommended Practice (RP) 14C (as incorporated by reference in § 250.198).	\$3,976 \$13,534 additional fee will be charged if BSEE conducts a pre- production inspection of a facility offshore, and \$14,567 for an inspection of a facility while in a shipyard. A component is a piece of equipment or an ancillary system that is protected by one or more of the safety devices required by API RP 14C (as incorporated by reference in § 250.198).	Credit Card or ACH-debit
(6) New Facility Production Safety System Application for Facility with 25- 125 Components	§ 250.842.	\$1,314 \$8,967 additional fee will be charged if BSEE conducts a pre-production inspection of a facility offshore, and \$5,141 for an inspection of a facility while in a shipyard.	\$548 \$8,508 additional fee will be charged if BSEE conducts a pre- production inspection of a facility offshore, and \$9,818 for an inspection of a facility while in a shipyard.	Credit Card or ACH-debit

Service— processing of the following:	30 CFR Citation	Existing Fee	Proposed Fee	Payment Type
(7) New Facility Production Safety System Application for Facility with Fewer than 25 Components	§ 250.842.	\$652	\$463 \$4,338 additional fee will be charged if BSEE conducts a pre-production inspection of a facility offshore, and \$1,967 for an inspection of a facility while in a shipyard.	Credit Card or ACH-debit
(8) Production Safety System Application – Modification with More than 125 Components Reviewed	§ 250.842.	\$605	\$1,278 \$9,313 additional fee will be charged if BSEE conducts a pre-production inspection of a facility offshore, and \$8,100 for an inspection of a facility while in a shipyard.	Credit Card or ACH-debit
(9) Production Safety System Application – Modification with 25-125 Components Reviewed	§ 250.842.	\$217	\$439 \$6,765 additional fee will be charged if BSEE conducts a pre-production inspection of a facility offshore, and \$7,326 for an inspection of a facility while in a shipyard.	Credit Card or ACH-debit
(10) Production Safety System Application – Modification with Fewer than 25 Components Reviewed	§ 250.842.	\$92	\$386 \$4,513 additional fee will be charged if BSEE conducts a pre-production inspection of a facility offshore, and \$2,141 for an inspection of a facility while in a shipyard.	Credit Card or ACH-debit
(11) Platform Application – Installation – Under the Platform Verification Program	§ 250.905(1).	\$22,734	\$28,311	ACH-debit Only
(12) Platform Application – Installation – Fixed Structure Under the Platform Approval Program	§ 250.905(1).	\$3,256	\$1,914	Credit Card or ACH-debit
(13) Platform Application – Installation –	§ 250.905(1).	\$1,657	\$1,914	Credit Card or ACH-debit

Service— processing of the following:	30 CFR Citation	Existing Fee	Proposed Fee	Payment Type
Caisson/Well Protector				
(14) Platform Application – Modification/Repair	§ 250.905(l).	\$3,884	\$1,975	Credit Card or ACH-debit
(15) New Pipeline Application (Lease Term)		\$3,541		
<i>(a) New Pipeline Application (Lease Term) – Shallow Water (less than 1000 ft.)</i>	§ 250.1000(b).		\$1,584	Credit Card or ACH-debit
<i>(b) New Pipeline Application (Lease Term) – Deepwater (greater than 1000 ft.)</i>			\$3,663	Credit Card or ACH-debit
(16) Pipeline Application – Modification (Lease Term)		\$2,056		
<i>(a) Pipeline Application – Modification (Lease Term) – Minor</i>	§ 250.1000(b).		\$651	Credit Card or ACH-debit
<i>(b) Pipeline Application – Modification (Lease Term) – Major</i>			\$1,696	Credit Card or ACH-debit
(17) Pipeline Application – Modification (ROW)		\$4,169		
<i>(a) Pipeline Application – Modification (ROW) – Minor</i>	§ 250.1000(b).		\$455	Credit Card or ACH-debit
<i>(b) Pipeline Application – Modification (ROW) – Major</i>			\$1,800	Credit Card or ACH-debit
(18) Pipeline Repair Notification	§ 250.1008(e).	\$388	\$557	Credit Card or ACH-debit
(19) Pipeline ROW Grant Application		\$2,771		
<i>(a) Pipeline ROW Grant Application – Shallow Water (less</i>	§ 250.1015(a).		\$1,662	Credit Card or ACH-debit

Service— processing of the following:	30 CFR Citation	Existing Fee	Proposed Fee	Payment Type
<i>than 1000 ft.)</i>				
<i>(b) Pipeline ROW Grant Application – Deepwater (greater than 1000 ft.)</i>			\$3,796	Credit Card or ACH-debit
(20) Pipeline Conversion of Lease Term to ROW	§ 250.1015(a).	\$236	\$494	Credit Card or ACH-debit
(21) Pipeline ROW Assignment	§ 250.1018(b).	\$201	\$397	Credit Card or ACH-debit
(22) 500 Feet From Lease/Unit Line Production Request	§ 250.1156(a).	\$3,892	\$5,440	Credit Card or ACH-debit
(23) Gas Cap Production Request	§ 250.1157.	\$4,953	\$11,962	Credit Card or ACH-debit
(24) Downhole Commingling Request	§ 250.1158(a).	\$5,779	\$14,064	Credit Card or ACH-debit
(25) Complex Surface Commingling and Measurement Application	§ 250.1202(a); § 250.1203(b); § 250.1204(a).	\$4,056	\$8,205	Credit Card or ACH-debit
(26) Simple Surface Commingling and Measurement Application	§ 250.1202(a); § 250.1203(b); § 250.1204(a).	\$1,371	\$3,514	Credit Card or ACH-debit
(27) Voluntary Unitization Proposal or Unit Expansion	§ 250.1303(d).	\$12,619	\$27,288	ACH-debit Only
(28) Unitization Revision		\$896		
<i>(a) Unitization Revision – Exhibit A, Exhibit B, and Successor Unit Operator/Sub- operator</i>	§ 250.1303(d).		\$1,683	Credit Card or ACH-debit
<i>(b) Unitization Revision – Exhibit C</i>			\$3,255	Credit Card or ACH-debit
(29) Application to Remove a Platform or Other Facility	§ 250.1727.	\$4,684	\$2,846	Credit Card or ACH-debit
(30) Application to Decommission a Pipeline (Lease Term)	§ 250.1751(a) or § 250.1752(a).	\$1,142	\$857	Credit Card or ACH-debit
(31) Application to Decommission a	§ 250.1751(a) or	\$2,170	\$980	Credit Card or

Service— processing of the following:	30 CFR Citation	Existing Fee	Proposed Fee	Payment Type
Pipeline (ROW)	§ 250.1752(a).			ACH-debit

How Did BSEE Determine the Costs to be Recovered by the Proposed Fees?

Federal agency policy covering full cost recovery through user charges is outlined in OMB Circular A-25. According to OMB Circular A-25, BSEE should assess fees to recover the bureau’s full costs of providing the services to the offshore oil and gas industry, rather than market price, because BSEE is acting on behalf of the United States to issue offshore oil and gas permits, approve DWOPs, and provide the other listed services. Therefore, BSEE used the full cost recovery approach, described in paragraph 6.d.1 of OMB Circular A-25, to assess the cost of each process.

For each of the services provided by BSEE, the process begins with the submission of an application, plan, permit, or other request by an operator. BSEE typically provides the service requested when an operator submits a request and the associated user fee. The output of each service is BSEE’s issuance of the permit or application/plan approval or denial.

In order to determine the current cost of BSEE’s services, BSEE assessed and itemized its services through data collection and dialogue with BSEE personnel in its Gulf of Mexico Regional Office (GOMR) and other BSEE SMEs. This process included the identification of each task undertaken by BSEE to review and approve each type of plan, application, permit, or other request. These tasks include: the initiating event or BSEE’s receipt of a request for service; the identification of personnel to perform the review of the plan, application, permit, or other request; the review of the plan, application, permit, or other request; and the issuance of the permit or approval/denial of

the application/plan. This information and the time spent performing each task were used to calculate BSEE's service costs, consistent with the procedures in OMB Circular A-25, as explained in the following discussion.

How Were The Direct Costs Calculated?

The direct costs assessed as part of the full cost recovery analysis are direct labor costs, *e.g.*, direct salary costs and fringe benefits for BSEE staff performing the requested services. Direct labor costs were established using the average work time provided by BSEE staff members for each task. The average time was then multiplied by the 2016 Office of Personnel Management's (OPM) General Schedule (GS) pay grade hourly rate for the employee responsible for completing that task. The GS pay grade was calculated at a step 5 level, which was estimated to be the average step within each pay grade. A range of GS pay grades are involved in certain actions (*i.e.*, specific tasks might be accomplished by either a GS-7, 9, or 11 employee). In this case, BSEE averaged the hourly rate for a step 5 at all the grade levels that could accomplish the task to create an average hourly rate for that specific task.

The following 2016 OPM GS rate tables were used to identify the appropriate hourly rate for the employee responsible for completing each task:

(1) For any task completed by a petroleum engineer, OPM's 2016 special rate tables 711 and 712 were utilized. These tables provide petroleum engineers in GOMR and the Pacific OCS Region (POCSR) with a 35 percent increase above OPM's "Base" pay rate.

(2) For any task completed by a geologist or geophysicist, OPM's 2016 special rate table 711 was utilized. This table provides geologists and geophysicists in Jefferson, LA and Camarillo, CA with a 35 percent increase above OPM's "Base" pay rate. Jefferson,

LA includes the GOMR New Orleans District where the majority of these positions are located.

(3) For all other tasks not covered by (1) or (2) above, the GS “REST OF UNITED STATES” 2016 rate table was used.

Along with direct labor salary costs, OMB Circular A-25 requires the collection of direct labor costs classified as fringe benefits, which usually includes paid leave, medical insurance, and retirement. Historically, BSEE has calculated the fringe benefits as 28 percent of the direct salary costs and refers to that percentage as the “fringe benefit factor.” The fringe benefit factor was applied to all labor categories and grades for all cost recovery fee calculations.

How Were The Indirect Costs Calculated?

In accordance with OMB Circular A-25, indirect costs include personnel fringe benefits, all physical overhead costs, and management and supervisory costs. In accordance with OMB Circular A-25, BSEE assessed indirect costs for all headquarters, Regional, and District personnel and operations involved in the provision of services that are the subject of this proposed rule. These indirect costs include salaries and fringe benefits of personnel providing ancillary support functions, material and supply costs, utilities, and other costs that are allocated across all services provided by BSEE. BSEE has an extensive activity-based costing code table and cost capture database (Cost and Performance Management Tool (CPMT)) that categorizes all BSEE costs as either direct or indirect. Data from CPMT, going back to FY 2007, were analyzed to develop an appropriate methodology for estimating the indirect costs component of the cost recovery fees.

Indirect costs were estimated using the historical ratio of indirect to direct costs observed at the headquarters, Regional, or District levels. From FY 2007 through FY 2015, the ratio was consistently between 51 and 56 percent. An average ratio of 53.51 percent was used. This percentage was applied to each service’s direct cost to derive an indirect cost estimate for each service. The following table provides the indirect to direct cost data and ratios for BSEE and the Bureau of Ocean Energy Management’s (BOEM) predecessor agencies, MMS and the Bureau of Ocean Energy Management, Regulation, and Enforcement, from FY 2007 – FY 2011 and for BSEE from FY 2013 – FY 2015.⁴ FY 2012 data were not included due to inaccurate tracking that occurred as BSEE and BOEM were established at the beginning of that fiscal year.

DIRECT AND INDIRECT COST DATA¹

Fiscal Year	Direct Total Cost (\$ Millions)	Indirect Total Cost (\$ Millions)	Indirect/Direct Cost Ratio (Percent)
2007	\$205.62	\$110.75	53.86%
2008	\$203.42	\$114.35	56.22%
2009	\$219.36	\$120.14	54.77%
2010	\$222.91	\$114.88	51.54%
2011	\$244.25	\$135.10	55.31%
2013	\$113.27	\$58.26	51.43%
2014	\$138.21	\$74.50	53.91%
2015	\$159.97	\$81.68	51.06%
Average			53.51%

⁴ BSEE and BOEM were created on October 1, 2011 as part of the DOI reorganization and division of responsibilities formerly exercised by MMS.

Why Are Two Fee Levels Proposed for Some Service Categories?

Two fee levels are proposed for certain applications, plans, permits, and other requests for BSEE services (*e.g.*, simple DWOP vs. complex DWOP, or shallow water pipeline application (lease term) vs. deepwater pipeline application (lease term)) based on the varying levels of complexity, and resulting costs, associated with processing those requests. The six categories of BSEE services for which two tiers of complexity-based fees are proposed are identified in the following list, along with clarification for operators on which fee is more appropriate with regard to an application, plan, permit, or other request for these services:

1. DWOP: The complexity of processing a DWOP varies and depends on whether it includes new or unusual technology, as well as the scope and scale of the proposed development project.

a. DWOP – Complex: An operator would submit payment for this service when a DWOP meets any of the following criteria:

- The plan contains new or unusual technology, as defined in 30 CFR 250.200(b), and the new or unusual technology:
 - requires a high degree of specialized knowledge;
 - exceeds the limits of existing engineering standards;
 - conflicts with existing engineering standards; or
 - warrants an additional level of review due to the risk associated with implementation; or
- The plan includes installation of a new floating production facility.

b. DWOP – Simple: An operator would submit payment for this service for all DWOPs that do not meet the criteria for Deepwater Operation Plans – Complex. This includes, but is not limited to:

- A new or unusual technology as defined in 30 CFR 250.200(b) that does not require a high degree of specialized knowledge.
- A new or unusual technology that is a modification or repair to an existing floating production facility or project.
- A subsea tieback to a new or existing floating production facility.
- A material change, addition or revision to an existing, previously approved project.
- A subsea tieback/additional well(s) for which only minor or no updates for subsea production safety system are necessary.
- Addition of a new subsea development to a new or existing floating production facility.

2. New Pipeline Application (Lease Term): The complexity of processing an application varies and is dependent on the water depth of the pipeline.

a. New Pipeline Application (Lease Term) – Shallow Water: An operator would submit payment for this service when the pipeline in a New Pipeline Application (Lease Term) is located in its entirety in water depths less than or equal to 1,000 feet (ft.).

b. New Pipeline Application (Lease Term) – Deepwater: An operator would submit payment for this service when any portion of the pipeline in a New Pipeline Application (Lease Term) is located in water depths greater than 1,000 ft.

3. Pipeline Application – Modification (Lease Term): The complexity of processing an application varies and is dependent on the complexity of the modification.

a. Pipeline Application – Modification (Lease Term) – Major: An operator would submit payment for this service when a Pipeline Application – Modification (Lease Term) contains a route modification request. Actions which constitute a “route modification” include, but are not limited to, changing a pipeline route, installing a new portion of pipeline, decommissioning a portion of pipeline, and changing service or flow direction of a pipeline.

b. Pipeline Application – Modification (Lease Term) – Minor: An operator would submit payment for this service for all other Pipeline Applications – Modification (Lease Term) requests (*i.e.*, for all Pipeline Applications – Modification (Lease Term) requests that do not contain a route modification).

4. Pipeline Application – Modification (ROW): The complexity of processing an application varies and is dependent on the complexity of the modification.

a. Pipeline Application – Modification (ROW) – Major. An operator would submit payment for this service when a Pipeline Application – Modification (ROW) contains a route modification request. Actions that constitute a “route modification” include, but are not limited to, changing a pipeline route, installing a new portion of pipeline, decommissioning a portion of pipeline, and changing service or flow direction of a pipeline.

b. Pipeline Application – Modification (ROW) – Minor: An operator would submit payment for this service for all other Pipeline Applications – Modification (ROW) requests (*i.e.*, for all Pipeline Applications – Modification (ROW) requests that do not

contain a route modification). An example is an ROW Grant Modification request for cessation of operations.

5. Pipeline ROW Grant Application: The complexity of processing an application varies and is dependent on the water depth of the pipeline.

a. Pipeline ROW Grant Application – Shallow Water: An operator would submit payment for this service when the pipeline in a Pipeline ROW Grant Application is located in its entirety in water depths less than or equal to 1,000 ft.

b. Pipeline ROW Grant Application – Deepwater: An operator would submit payment for this service when any portion of the pipeline in a Pipeline ROW Grant Application is located in water depths greater than 1,000 ft.

6. Unitization Revision: BSEE currently charges one fee for the review of a Unitization Revision; however, the complexity of processing the application and resulting cost vary based on the specific exhibits being revised in the signed unit agreement. Typical unitization applications contain an Exhibit A, which is the lease plat identifying the unit area; Exhibit B, which is a listing of the component leases and ownership of each; and Exhibit C, which is a listing of the participation and allocation by lease. Payment for unitization revision services are as follows:

a. Unitization Revision – Exhibit A, Exhibit B, and Designation of Successor Unit Operator/Sub-operator: The Unit Operator would submit payment for this service when a Unitization Revision is submitted for approval that revises Exhibit A and/or Exhibit B of the signed unit agreement or designates a Successor Unit Operator and/or Successor Unit Sub-operator.

b. Unitization Revision – Exhibit C: The Unit Operator would submit payment for this service when a Unitization Revision is submitted for approval that revises Exhibit C of the signed unit agreement.

Why Are There Proposed New and Adjusted Fees for Some Services That Involve BSEE Site Visits?

In accordance with existing § 250.800, production must not commence until the production safety system has been approved and a pre-production inspection has been requested by the lessee. If a BSEE application reviewer decides that a pre-production inspection is necessary as part of the production safety system application review and approval process, then a team of engineers and inspectors visits the facility offshore (*e.g.*, a mobile offshore drilling unit) or at a shipyard.

Existing §§ 250.125(a)(5) and (6) establish fees for visiting a facility offshore or in a shipyard for two of the six production safety system applications, when necessary, as part of the BSEE review and approval process. Visits to an offshore facility or a shipyard can become necessary in order to verify that safety devices are in the proper locations or to identify if they are missing when compared with the associated application submitted for approval. Any necessary corrections to production safety systems can typically be handled more easily while construction work is ongoing in a shipyard, rather than when the facility is offshore.

BSEE's costs for travel to offshore facilities and shipyard locations and for services, as part of the application review process, can be recovered in accordance with OMB Circular A-25. Estimates for BSEE's costs for these services include costs for transportation, lodging, and labor hours for each labor category involved.

As illustrated in the Service Fee Table, under §§ 250.125(a)(7)-(a)(10), BSEE proposes four new fees for production safety system visits to offshore facilities or shipyards.

BSEE also proposes to amend the two existing fees for production safety system inspection visits to offshore facilities or shipyards under §§ 250.125(a)(5) and 250.125(a)(6). The proposed new and amended fees would affect:

1. New Facility Production Safety System Application for Facility with more than 125 components;
2. New Facility Production Safety System Application for Facility with 25-125 components;
3. New Facility Production Safety System Application for Facility with fewer than 25 components;
4. Production Safety System Application – Modification with more than 125 components reviewed;
5. Production Safety System Application – Modification with 25-125 components reviewed; and
6. Production Safety System Application – Modification with fewer than 25 components reviewed.

Why are the adjustments to BSEE's cost recovery fees necessary?

As previously mentioned, offshore operations have changed dramatically over the last ten years, which has led to adjustments in the review and approval process for a large portion of the services BSEE provides to industry. BSEE proposes the listed fee levels based on the assessment of the bureau's full costs to provide the associated services using the methodology described above. However, this full-cost methodology is not entirely comparable to the methodologies used in the 2005 and 2006 rulemakings that initially

established the fees. The following examples provide the general rationale for some of the fee adjustments as compared to the fees in existing regulations.

1. BSEE's assessment of its costs for processing complex DWOPs indicates that six employees, ranging in grades from GS-5 through GS-14, will spend between 310 and 1,094 hours reviewing, analyzing, and processing these plans. As previously discussed, the increased complexity of offshore operations has required additional senior-level employees to spend added time reviewing and approving these plans. This is particularly true with regard to the increased processing time of DWOPs and the associated increased costs to BSEE. In addition, the existing \$3,599 fee for processing both complex and simple DWOPs does not account for the special pay that many BSEE employees receive for reviewing and approving these plans and the higher indirect cost ratio. The fee assessed for DWOP review has also not been adjusted since a 2006 rulemaking that established the existing fee. The adjusted fee is the result of calculations performed with input from BSEE Regional Offices and takes into account the increased complexity of submitted DWOPs due to the use of new or unusual technologies and the increased scope or scale of proposed plans. Based on its assessment, BSEE proposes to subdivide the DWOP processing fees and assess a \$70,333 fee for processing complex DWOPs in 250.125(a)(2)(ii).

2. Similarly, BSEE proposes subdividing the fees for processing unitization revisions based on its assessment of the bureau's direct and indirect costs. Typically, seven BSEE positions, ranging in grades from GS-5 through GS-15, spend between 6.6 and 29.7 hours processing unitization revisions impacting exhibits A and B, while six BSEE positions spend between 8.5 to 71.9 hours processing unitization revisions impacting exhibit C. As is the case with the existing DWOP fee, the existing \$896 fee for processing unitization

revisions does not account for the special pay that many BSEE employees receive for reviewing and approving these documents and the higher indirect cost ratio. Based on its assessment, BSEE proposes a \$1,683 fee for processing a unitization revision related to exhibits A and B and a \$3,255 fee for processing a unitization revision related to exhibit C in 250.125(a)(28)(i) and (ii).

3. BSEE is also proposing to reduce some existing fees based on its assessment of the bureau's full costs to process applications and requests. For example, BSEE's assessment indicated that five BSEE employees, ranging in grades from GS-5 through GS-14, will spend between 5.8 and 12.5 hours processing an application for a minor lease term pipeline modification, resulting in \$651 in full bureau costs. Since the existing fee of \$2,056 was established, efficiencies have resulted in lower costs to process applications and requests (*e.g.*, a technician now performs certain steps in the process previously performed by an engineer). Based on this assessment, BSEE proposes to subdivide and reduce the existing fee for processing both major and minor applications for lease term pipeline modifications in § 250.125(a)(16)(i).

C. Request for comments on potential future fees

Due to the large number of revised applications received by BSEE and the associated costs to BSEE to process them, BSEE is currently evaluating the need for additional fees for revised applications for permits to drill (R-APD) and revised applications for permits to modify (R-APM). Accordingly, BSEE requests comments on whether separate fee levels for R-APD and R-APM should be proposed in a future rulemaking. BSEE also requests comments on the factors that should be the basis for determining the separate fee levels for R-APDs and R-APMs (*e.g.*, complexity, water depth, etc.).

II. PROCEDURAL MATTERS

Regulatory Planning and Review (Executive Orders (E.O.) 12866 and 13563)

E.O. 12866 provides that OMB, Office of Information and Regulatory Affairs (OIRA), will review all significant rules. BSEE has determined that this proposed rule is not a significant regulatory action as defined by section 3(f) of E.O. 12866 because:

- It is not expected to have an annual effect on the economy of \$100 million or more;
- It would not adversely affect in a material way the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities;
- It would not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency;
- It would not alter the budgetary impact of entitlements, grants, user fees, or loan programs, or the rights or obligations of their recipients; and
- It would not raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in E.O. 12866.

Accordingly, BSEE has not prepared an economic analysis, and OIRA has not reviewed this proposed rule.

E.O. 13563 reaffirms the principles of E.O. 12866 while calling for improvements in the Nation's regulatory system to promote predictability, to reduce uncertainty, and to use the best, most innovative, and least burdensome tools for achieving regulatory ends. E.O. 13563 directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. It also emphasizes that regulations must be based on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. BSEE is developing this rule in a manner consistent with these requirements.

Regulatory Flexibility Act

The DOI certifies that this proposed rule would not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.* (RFA). The RFA, at 5 U.S.C. 603, requires agencies to prepare an initial regulatory flexibility analysis to determine whether a regulation would have a significant economic impact on a substantial number of small entities. Further, under the Small Business Regulatory Enforcement Fairness Act of 1996, at section 212 of Pub. Law 104-121 (March 29, 1996), an agency is required to produce compliance guidance for small entities if the rule would have a significant economic impact.

The Initial Regulatory Flexibility Analysis prepared by BSEE assessed the impact of this proposed rule on small entities, as defined by the applicable Small Business Administration (SBA) size standards. BSEE has determined that this proposed rule potentially affects operators and holders of Federal oil and gas leases, as well as right-of-

way holders, on the OCS. This includes an estimated 99 businesses with active operations. Businesses that operate under this rule fall under the SBA’s North American Industry Classification System (NAICS) codes 211111 (Crude Petroleum and Natural Gas Extraction) and 213111 (Drilling Oil and Gas Wells). For these NAICS classifications, a small business is defined as one with fewer than 1,251 employees (for NAICS 211111) and fewer than 1,001 (for NAICS 213111). Based on these criteria, 54 of the potentially impacted businesses are considered small and 45 are considered large businesses. BSEE considers that a rule has an impact on a “substantial number of small entities” when the total number of small entities impacted by the rule is equal to or exceeds 10 percent of the relevant universe of impacted entities. Approximately 55% of the businesses that would be affected by this rule are considered small; therefore, BSEE has determined that this rule would impact a substantial number of small businesses under the RFA.

BSEE’s analysis estimates the incremental costs for small operators, lease holders, and right-of-way holders in the offshore oil and natural gas industry. Costs already incurred as a result of existing fees were not considered as costs of this proposed rule because they are part of the baseline. Among the 54 small businesses involved in offshore operations, the average annual corporate sales volume, from the latest available data, for the year 2014, is \$186 million, which is approximately \$192 million in 2016 dollars.

The following “Change in Cost per Small Entity” table provides an analysis and derivation of the estimated average cost, per small firm, that would be incurred per year as a result of the proposed rule. The first column of the table displays the list of services provided, as they appeared earlier in the Service Fee Table. The second column displays

an estimate of the total counts of these services expected over the three fiscal year period 2016-2018. The third and fourth columns show the existing fee, and the proposed fee, respectively, for each service provided. The fifth column then displays, for each service, the expected change in total costs over the three-year period, on the basis of the data in the previous columns (the change in fees and the counts of services). The sixth column reflects the estimated proportion of the change in cost per small firm based on BSEE's data regarding counts of services across firms from FY 2013 to FY 2015. Finally, the seventh column reflects the estimated change in cost per small firm per fiscal year, by taking the annualized product of columns five and six. The estimated additional costs of the proposed rule from service fee changes totals approximately \$8,875 per small firm per year, or an estimated 0.0046 percent of an average small business's sales.

CHANGE IN COST PER SMALL ENTITY BY PROPOSED RULE PROVISION ¹
(NEGATIVES IN PARENTHESES)

Service Provided		Estimated (Est.) Total Counts for All Operators in FY 2016 - FY 2018	Existing Fee Per Incidence	Proposed Fee Per Incidence	Change in Total Cost for All Firms in FY 2016 - FY 2018	Est. Proportion of Cost Per Small Firm	Est. Change in Cost Per Small Firm, Per FY
1	Suspension of Operations/ Suspension of Production (SOO/SOP) Request	468	\$ 2,123	\$ 3,055	\$ 436,176	0.0085	\$ 1,235
2a	Deepwater Operations Plan - Simple	19	\$ 3,599	\$ 14,290	\$ 203,129	0.0074	\$ 502
2b	Deepwater Operations Plan -	11	\$ 3,599	\$ 70,333	\$ 734,074	0.0074	\$ 1,813

CHANGE IN COST PER SMALL ENTITY BY PROPOSED RULE PROVISION ¹
(NEGATIVES IN PARENTHESES)

Service Provided		Estimated (Est.) Total Counts for All Operators in FY 2016 - FY 2018	Existing Fee Per Incidence	Proposed Fee Per Incidence	Change in Total Cost for All Firms in FY 2016 - FY 2018	Est. Proportion of Cost Per Small Firm	Est. Change in Cost Per Small Firm, Per FY
	Complex						
3	Application for Permit to Drill (APD; Form BSEE-0123)	244	\$ 2,113	\$ 10,420	\$ 2,026,908	0.0082	\$ 5,544
4	Application for Permit to Modify (APM; Form BSEE-0124)	540	\$ 125	\$ 1,680	\$ 839,700	0.0094	\$ 2,622
5	New Facility Production Safety System Application for facility with more than 125 components	3	\$ 5,426	\$ 3,976	\$ (4,350)	0.0085	\$ (12)
	Pre-Production inspection Facility Offshore	3	\$ 14,280	\$ 13,534	\$ (2,238)	0.0085	\$ (6)
	Pre-Production inspection Facility in a Shipyard	3	\$ 7,426	\$ 14,567	\$ 21,423	0.0085	\$ 61
6	New Facility Production Safety System Application for facility	12	\$ 1,314	\$ 548	\$ (9,192)	0.0085	\$ (26)

CHANGE IN COST PER SMALL ENTITY BY PROPOSED RULE PROVISION ¹
(NEGATIVES IN PARENTHESES)

Service Provided		Estimated (Est.) Total Counts for All Operators in FY 2016 - FY 2018	Existing Fee Per Incidence	Proposed Fee Per Incidence	Change in Total Cost for All Firms in FY 2016 - FY 2018	Est. Proportion of Cost Per Small Firm	Est. Change in Cost Per Small Firm, Per FY
	with 25-125 components						
	Pre-Production inspection Facility Offshore	3	\$ 8,967	\$ 8,508	\$ (1,377)	0.0085	\$ (4)
	Pre-Production inspection Facility in a Shipyard	3	\$ 5,141	\$ 9,818	\$ 14,031	0.0085	\$ 40
7	New Facility Production Safety System Application for facility with fewer than 25 components	29	\$ 652	\$ 463	\$ (5,481)	0.0085	\$ (15)
	Pre-Production inspection Facility Offshore	3	\$ -	\$ 4,338	\$ 13,014	0.0085	\$ 37
	Pre-Production inspection Facility in a Shipyard	3	\$ -	\$ 1,967	\$ 5,901	0.0085	\$ 17
8	Production Safety System Application – Modification with more	404	\$ 605	\$ 1,278	\$ 271,892	0.0085	\$ 768

CHANGE IN COST PER SMALL ENTITY BY PROPOSED RULE PROVISION ¹
(NEGATIVES IN PARENTHESES)

Service Provided		Estimated (Est.) Total Counts for All Operators in FY 2016 - FY 2018	Existing Fee Per Incidence	Proposed Fee Per Incidence	Change in Total Cost for All Firms in FY 2016 - FY 2018	Est. Proportion of Cost Per Small Firm	Est. Change in Cost Per Small Firm, Per FY
	than 125 components reviewed						
	Pre-Production inspection Facility Offshore	3	\$ -	\$ 9,313	\$ 27,939	0.0085	\$ 79
	Pre-Production inspection Facility in a Shipyard	3	\$ -	\$ 8,100	\$ 24,300	0.0085	\$ 69
9	Production Safety System Application – Modification with 25-125 components reviewed	1,424	\$ 217	\$ 439	\$ 316,128	0.0085	\$ 893
	Pre-Production inspection Facility Offshore	3	\$ -	\$ 6,765	\$ 20,295	0.0085	\$ 57
	Pre-Production inspection Facility in a Shipyard	3	\$ -	\$ 7,326	\$ 21,978	0.0085	\$ 62
10	Production Safety System Application – Modification	880	\$ 92	\$ 386	\$ 258,720	0.0085	\$ 731

CHANGE IN COST PER SMALL ENTITY BY PROPOSED RULE PROVISION ¹
(NEGATIVES IN PARENTHESES)

Service Provided		Estimated (Est.) Total Counts for All Operators in FY 2016 - FY 2018	Existing Fee Per Incidence	Proposed Fee Per Incidence	Change in Total Cost for All Firms in FY 2016 - FY 2018	Est. Proportion of Cost Per Small Firm	Est. Change in Cost Per Small Firm, Per FY
	n with fewer than 25 components reviewed						
	Pre-Production inspection Facility Offshore	3	\$ -	\$ 4,513	\$ 13,539	0.0085	\$ 38
	Pre-Production inspection Facility in a Shipyard	3	\$ -	\$ 2,141	\$ 6,423	0.0085	\$ 18
11	Platform Application – Installation – Under the Platform Verification Program	5	\$ 22,734	\$ 28,311	\$ 27,885	0.0111	\$ 103
12	Platform Application – Installation – Fixed Structure Under the Platform Approval Program	27	\$ 3,256	\$ 1,914	\$ (36,234)	0.0106	\$ (128)
13	Platform Application – Installation – Caisson/ Well Protector	41	\$ 1,657	\$ 1,914	\$ 10,537	0.0126	\$ 44

CHANGE IN COST PER SMALL ENTITY BY PROPOSED RULE PROVISION ¹
(NEGATIVES IN PARENTHESES)

Service Provided		Estimated (Est.) Total Counts for All Operators in FY 2016 - FY 2018	Existing Fee Per Incidence	Proposed Fee Per Incidence	Change in Total Cost for All Firms in FY 2016 - FY 2018	Est. Proportion of Cost Per Small Firm	Est. Change in Cost Per Small Firm, Per FY
14	Platform Application – Modification/Repair	108	\$ 3,884	\$ 1,975	\$ (206,172)	0.0075	\$ (514)
15a	New Pipeline Application (Lease Term) - Shallow water (less than 1000 ft.)	12	\$ 3,541	\$ 1,584	\$ (23,484)	0.0038	\$ (30)
15b	New Pipeline Application (Lease Term) - Deepwater (greater than 1000 ft.)	369	\$ 3,541	\$ 3,663	\$ 45,018	0.0038	\$ 58
16a	Pipeline Application – Modification (Lease Term) - Minor	361	\$ 2,056	\$ 651	\$ (507,205)	0.0040	\$ (673)
16b	Pipeline Application – Modification (Lease Term) - Major	11	\$ 2,056	\$ 1,696	\$ (3,960)	0.0040	\$ (5)
17a	Pipeline Application –	631	\$ 4,169	\$ 455	\$ (2,343,534)	0.0083	\$ (6,462)

CHANGE IN COST PER SMALL ENTITY BY PROPOSED RULE PROVISION ¹
(NEGATIVES IN PARENTHESES)

Service Provided		Estimated (Est.) Total Counts for All Operators in FY 2016 - FY 2018	Existing Fee Per Incidence	Proposed Fee Per Incidence	Change in Total Cost for All Firms in FY 2016 - FY 2018	Est. Proportion of Cost Per Small Firm	Est. Change in Cost Per Small Firm, Per FY
	Modification (ROW) - Minor						
17b	Pipeline Application - Modification (ROW) - Major	21	\$ 4,169	\$ 1,800	\$ (49,749)	0.0083	\$ (137)
18	Pipeline Repair Notification	397	\$ 388	\$ 557	\$ 67,093	0.0081	\$ 181
19a	Pipeline ROW Grant Application - Shallow water (less than 1000 ft.)	121	\$ 2,771	\$ 1,662	\$ (134,189)	0.0092	\$ (409)
19b	Pipeline ROW Grant Application - Deepwater (greater than 1000 ft.)	77	\$ 2,771	\$ 3,796	\$ 78,925	0.0092	\$ 241
20	Pipeline Conversion of Lease Term to ROW	35	\$ 236	\$ 494	\$ 9,030	0.0116	\$ 35
21	Pipeline ROW Assignment	800	\$ 201	\$ 397	\$ 156,800	0.0092	\$ 478
22	500 Feet From Lease/Unit Line Production Request	69	\$ 3,892	\$ 5,440	\$ 106,812	0.0093	\$ 330

CHANGE IN COST PER SMALL ENTITY BY PROPOSED RULE PROVISION ¹
(NEGATIVES IN PARENTHESES)

Service Provided		Estimated (Est.) Total Counts for All Operators in FY 2016 - FY 2018	Existing Fee Per Incidence	Proposed Fee Per Incidence	Change in Total Cost for All Firms in FY 2016 - FY 2018	Est. Proportion of Cost Per Small Firm	Est. Change in Cost Per Small Firm, Per FY
23	Gas Cap Production Request	87	\$ 4,953	\$ 11,962	\$ 609,783	0.0035	\$ 709
24	Downhole Com-mingling Request	138	\$ 5,779	\$ 14,064	\$ 1,143,330	0.0048	\$ 1,828
25	Complex Surface Com-mingling and Measurement Application	164	\$ 4,056	\$ 8,205	\$ 680,436	0.0082	\$ 1,863
26	Simple Surface Com-mingling and Measurement Application	251	\$ 1,371	\$ 3,514	\$ 537,893	0.0082	\$ 1,473
27	Voluntary Unitization Proposal or Unit Expansion	50	\$ 12,619	\$ 27,288	\$ 733,450	0.0021	\$ 522
28a	Unitization Revision - Exhibit A, Exhibit B, and Successor Unit Operator/ Suboperator	154	\$ 896	\$ 1,683	\$ 121,198	0.0076	\$ 309
28b	Unitization	21	\$ 896	\$ 3,255	\$ 49,539	0.0076	\$ 126

CHANGE IN COST PER SMALL ENTITY BY PROPOSED RULE PROVISION ¹
(NEGATIVES IN PARENTHESES)

Service Provided		Estimated (Est.) Total Counts for All Operators in FY 2016 - FY 2018	Existing Fee Per Incidence	Proposed Fee Per Incidence	Change in Total Cost for All Firms in FY 2016 - FY 2018	Est. Proportion of Cost Per Small Firm	Est. Change in Cost Per Small Firm, Per FY
	Revision - Exhibit C						
29	Application to Remove a Platform or Other Facility	687	\$ 4,684	\$ 2,846	\$ (1,262,706)	0.0089	\$ (3,729)
30	Application to Decommission a Pipeline (Lease Term)	707	\$ 1,142	\$ 857	\$ (201,495)	0.0050	\$ (333)
31	Application to Decommission a Pipeline (ROW)	503	\$ 2,170	\$ 980	\$ (598,570)	0.0077	\$ (1,526)
TOTAL²							\$ 8,874
As a Percent of the Average Sales Revenue of Small Firms (\$192 million)							0.0046

¹Estimated dollar amounts are in 2016 dollars.

² Numbers may not add up due to rounding.

BSEE has concluded the additional costs of the proposed rule would impose an insignificant, negligible burden on small entities.

Small Business Regulatory Enforcement Fairness Act

The proposed rule is not a major rule under the Small Business Regulatory Enforcement Fairness Act, 5 U.S.C. 804(2). This proposed rule:

- (a) Would not have an annual effect on the economy of \$100 million or more;
- (b) Would not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and
- (c) Would not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises.

The requirements would apply to all entities operating on the Outer Continental Shelf (OCS) regardless of company designation as a small business. For more information on costs affecting small businesses, see the *Regulatory Flexibility Act* portion of this document.

Your comments are important. The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the actions of BSEE, call 1-888-734-3247. You may comment to the SBA without fear of retaliation. Allegations of discrimination/retaliation filed with the SBA will be investigated for appropriate action.

Unfunded Mandates Reform Act of 1995

This proposed rule would not impose an unfunded mandate on State, local, or tribal governments or the private sector of more than \$100 million per year. The proposed rule would not have a significant or unique effect on State, local, or tribal governments or the private sector. Therefore, a statement containing the information required by the Unfunded Mandates Reform Act, 2 U.S.C. 1501 *et seq.*, is not required.

Takings Implication Assessment (E.O. 12630)

Under the criteria in E.O. 12630, this proposed rule does not have significant takings implications. The proposed rule is not a governmental action capable of interference with constitutionally protected property rights. Therefore, a Takings Implication Assessment is not required.

Federalism (E.O. 13132)

Under the criteria in E.O. 13132, this proposed rule does not have federalism implications. This proposed rule would not substantially and directly affect the relationship between the Federal and State governments. To the extent that State and local governments have a role in OCS activities, this proposed rule would not affect that role. A federalism assessment is not required.

Civil Justice Reform (E.O. 12988)

This proposed rule complies with the requirements of E.O. 12988. Specifically, this proposed rule:

- (1) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation; and
- (2) Meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

Consultation with Indian Tribal Governments (E.O. 13175)

Under the criteria in E.O. 13175 and the Department's tribal consultation policy, we have evaluated this proposed rule and have determined that it has no substantial direct effects on federally recognized Indian tribes, or on the relationship or distribution of power and responsibilities between the Federal Government and Indian tribes, and that consultation under the Department's tribal consultation policy is not required.

Paperwork Reduction Act (PRA) of 1995

This proposed rule contains a collection of information that will be submitted to OMB for review and approval under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). As part of our continuing effort to reduce paperwork and respondent burdens, BSEE invites the public and other Federal agencies to comment on any aspect of the non-hour cost burden. If you wish to comment on the information collection (IC) aspects of this proposed rule, you may send your comments directly to OMB and send a copy of your comments to the Regulations and Standards Branch (*see* the ADDRESSES section of this proposed rule). Please reference *Adjustments to Cost Recovery Fees Relating to the Regulation of Oil, Gas, and Sulfur Activities on the Outer Continental Shelf*, 1014-NEW, in your comments. BSEE specifically requests comments concerning: the need for the information, its practical utility, the accuracy of the agency's burden estimate, and ways to minimize the burden. You may obtain a copy of the supporting statement for the new collection of information by contacting the Bureau's Information Collection Clearance Officer at (703) 787-1607. To see a copy of the entire IC request (ICR) submitted to OMB, go to <http://www.reginfo.gov> (select Information Collection Review, Currently Under Review).

The PRA provides that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. OMB is required to make a decision concerning the collection of information contained in these proposed regulations 30 to 60 days after publication of this document in the *Federal Register*. Therefore, a comment to OMB is best assured of having its full effect if OMB receives it by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

The title of the collection of information for this rule is 30 CFR Part 250, *Adjustments to Cost Recovery Fees*. The proposed regulations pertain to BSEE updating its 31 cost recovery fees, including additional fees for site visits if deemed necessary. These proposed changes are designed to recover the full cost BSEE incurs for providing these services.

Potential respondents comprise Federal OCS oil, gas, and sulfur operators and lessees, as well as pipeline ROW holders. Responses to this collection of information are required to obtain or retain a benefit and are mandatory. The frequency of response varies depending upon the requirement. The IC does not include questions of a sensitive nature. BSEE will protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and DOI's implementing regulations (43 CFR Part 2), 30 CFR 250.197, *Data and information to be made available to the public or for limited inspection*, and 30 CFR Part 252, *OCS Oil and Gas Information Program*.

OMB approved the IC burden of the existing 30 CFR part 250 regulations under Control Numbers 1014-0022, Subpart A (84,391 hour burden, \$1,371,458 non-hour cost burden; expiration 8/31/17); 1014-0024, Subpart B (\$39,589 non-hour cost burden; expiration 11/30/2018); 1014-0025 Applications for Permit to Drill (\$862,104 non-hour cost burden, expiration 4/30/2017); 1014-0026, Applications for Permit to Modify (\$361,625 non-hour cost burden, expiration 5/31/2017); 1014-0003, Subpart H (\$323,481 non-hour cost burden; expiration 12/31/2017); 1014-0011, Subpart I, (\$392,874 non-hour cost burden, expiration 5/31/2017); 1014-0016, Subpart J (\$1,508,968 non-hour cost burden, expiration 8/31/2018); 1014-0019, Subpart K (\$1,361,176 non-hour cost burden, expiration 1/31/2019); 1014-0002, Subpart L (\$322,479 non-hour cost burden, expiration 10/31/16); 1014-0015, Subpart M (\$138,188 non-hour cost burden, expiration

12/31/2017); and 1014-0010, Subpart Q (\$1,686,396 non-hour cost burden, expiration 10/31/2016), respectively.

If this proposed rule is finalized and codified, the various non-hour cost burdens and one new hour burden will be removed from this collection of information and consolidated with their primary information collection burden under their respective OMB Control Numbers.

Hour burdens are included in the regulatory requirements of various OMB-approved ICRs, of which only one is changing and discussed in this ICR.

HOUR BURDEN TABLE

Citation 30 CFR 250	Reporting and Recordkeeping Requirements	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
Subpart A				
125; 126; 292; 1000; 1015; 1303	Cost recovery fees, applications, confirmation receipts, etc., verbal approvals pertaining to fees.	Cost Recovery Fees and related items are covered individually throughout Part 250		0
125(c)	Request refund, including a reason for the refund, within 150 days of the initial payment.	3 min.	200 requests	10
TOTAL			200 responses	10 hours

BSEE currently receives approximately \$7,000,000 in cost recovery fees (non-hour cost burdens) annually. This proposed rulemaking would increase that total by approximately \$9,000,000 for a total of \$16,000,000 in cost recovery fees. The following table provides a breakdown of the non-hour cost burdens for this proposed rulemaking.

[Existing non-hour cost burden/cost recovery fees are in regular font; *proposed non-hour cost burden/cost recovery fees and text are in italic font*; **new fees are in bold font**]

NON-HOUR COST BURDEN TABLE

Citation 30 CFR part 250	Service/Cost Recovery Fee	Non-Hour Cost Burdens
Subpart A		
171(e)	Suspension of Operations and/or Suspension of Production (SOO/SOP) Request	\$2,123 x 646 requests = \$1,371,458 \$3,055 x 646 requests = \$1,973,530
Subpart B		
292(q)	Deepwater Operations Plan [<i>simple and complex</i>]	\$3,599 x 11 plans = \$39,589 \$14,290 x 7 <i>simple DWOPs</i> = \$100,030 \$70,333 x 4 <i>complex DWOPs</i> = \$281,332
Applications for Permit to Drill		
410(d); 513(b); 1617(a)	Application for Permit to Drill [initial permit]	\$2,113 x 408 applications = \$862,104 \$10,420 x 408 applications = \$4,251,360
Application for Permit to Modify		
465(b); 513(b); 613(b); 1618(a); 1704(g)	Application for Permit to Modify [initial permit]	\$125 x 2,893 applications = \$361,625 \$1,680 x 2,893 applications = \$4,860,240
Subpart H		
842	New Facility Production Safety System Application for facility with more than 125 components	\$5,426 x 1 application = \$5,426 \$3,976 x 1 application = \$3,976
	Pre-production Inspection – offshore	\$14,280 x 1 offshore = \$14,280 \$13,534 x 1 offshore = \$13,534
	Pre-production Inspection – shipyard	\$7,426 x 1 shipyard = \$7,426 \$14,567 x 1 shipyard = \$14,567
842	New Facility Production Safety System Application for facility with 25-125 components	\$1,314 x 4 applications = \$5,256 \$548 x 4 applications = \$2,192
	Pre-production Inspection – offshore	\$8,967 x 1 offshore visit = \$8,967 \$8,508 x 1 offshore visit = \$8,508
	Pre-production Inspection – shipyard	\$5,141 x 1 shipyard = \$5,141 \$9,818 x 1 shipyard = \$9,818
842	New Facility Production Safety System Application for facility with fewer than 25 components	\$652 x 10 applications = \$6,520 \$463 x 10 applications = \$4,630
	Pre-production Inspection – offshore	\$4,338 x 1 offshore visit = \$4,338
	Pre-production Inspection – shipyard	\$1,967 x 1 shipyard = \$1,967
842	Production Safety System Application – Modification with	\$605 x 174 applications = \$105,270

Citation 30 CFR part 250	Service/Cost Recovery Fee	Non-Hour Cost Burdens
	more than 125 components reviewed	$\$1,278 \times 174 \text{ applications} = \$222,372$
	Pre-production Inspection – offshore	$\\$9,313 \times 1 \text{ shipyard visit} = \\$9,313$
	Pre-production Inspection – shipyard	$\\$8,100 \times 1 \text{ shipyard visit} = \\$8,100$
842	Production Safety System Application – Modification with 25-125 components reviewed	$\$217 \times 615 \text{ applications} = \$133,455$
	Pre-production Inspection – offshore	$\\$6,765 \times 1 \text{ offshore} = \\$6,765$
	Pre-production Inspection – shipyard	$\\$7,326 \times 1 \text{ shipyard} = \\$7,326$
842	Production Safety System Application – Modification with fewer than 25 components reviewed	$\$92 \times 345 \text{ applications} = \$31,740$
	Pre-production Inspection – offshore	$\$386 \times 345 \text{ applications} = \$133,170$
	Pre-production Inspection – shipyard	$\\$4,513 \times 1 \text{ offshore} = \\$4,513$ $\\$2,141 \times 1 \text{ shipyard} = \\$2,141$
Subpart I		
905(1)	Platform Application – Installation – Under the Platform Verification Program	$\$22,734 \times 3 = \$68,202$
905(1)	Platform Application – Installation – Fixed Structure Under the Platform Approval Program	$\$28,311 \times 3 = \$84,933$
905(1)	Platform Application – Installation – Caisson/Well Protector	$\$3,256 \times 12 = \$39,072$
905(1)	Platform Application – Modification/Repair	$\$1,914 \times 12 = \$22,968$
		$\$1,657 \times 20 = \$33,140$
		$\$1,914 \times 20 = \$38,280$
		$\$3,884 \times 65 \text{ applications} = \$252,460$
		$\$1,975 \times 65 \text{ applications} = \$128,375$
Subpart J		

Citation 30 CFR part 250	Service/Cost Recovery Fee	Non-Hour Cost Burdens
1000(b)	Submit application and all required information and notices to install new <i>lease term pipeline</i> (L/T P/L).	\$3,541 x 61 L/T P/L applications = \$216,001
	<i>Submit application and all required information and notices to modify a L/T P/L – Shallow Water (less than 1,000 ft.)</i>	\$1,584 x 2 applications = \$3,168
	<i>Submit application and all required information and notices to modify a L/T P/L – Deepwater (greater than 1,000 ft.)</i>	\$3,663 x 59 applications = \$216,117
1000(b)	Submit application and all required information and notices to modify a L/T P/L	\$2,056 x 102 L/T P/L applications = \$209,712
	<i>Submit application and all required information and notices to modify a L/T P/L - Minor</i>	\$651 x 99 minor modifications = \$64,449
	<i>Submit application and all required information and notices to modify a L/T P/L - Major</i>	\$1,696 x 3 major modifications = \$5,088
1000(b)	Pipeline Application Modification (ROW)	\$4,169 x 190 applications = \$792,110
	<i>Pipeline Application Modification (ROW) - Minor</i>	\$455 x 184 minor applications = \$83,720
	<i>Pipeline Application Modification (ROW) - Major</i>	\$1,800 x 6 major applications = \$10,800
1008(e)	Pipeline Repair Notification	\$388 x 156 = \$60,528
	<i>Pipeline Repair Notification</i>	\$557 x 156 notifications = \$86,892
1015(a)	Pipeline ROW Grant Application	\$2,771 x 62 applications = \$171,802
	<i>Pipeline ROW Grant Application – Shallow Water (less than 1,000 ft.)</i>	\$1,662 x 38 ROWs in shallow water = \$63,156
	<i>Pipeline ROW Grant Application – Deepwater (greater than 1,000 ft.)</i>	\$3,796 x 24 ROWs in Deepwater = \$91,104
1015(a)	Pipeline Conversion of Lease Term to ROW	\$236 x 15 applications = \$3,540
		\$494 x 15 applications = \$7,410
1018(b)	Pipeline ROW Assignment	\$201 x 275 P/L ROW requests = \$55,275
		\$397 x 275 P/L ROW requests = \$109,175
Subpart K		
1156(a)	500 Feet From Lease/Unit Line Production Request	\$3,892 x 20 requests = \$77,840
		\$5,440 x 20 requests = \$108,800

Citation 30 CFR part 250	Service/Cost Recovery Fee	Non-Hour Cost Burdens
1157	Gas Cap Production Request	\$4,953 x 22 requests = \$108,966
		<i>\$11,962 x 22 requests = \$263,164</i>
1158(a)	Downhole Commingling Request	\$5,779 x 30 requests = \$173,370
		<i>\$14,064 x 30 requests = \$421,920</i>
Subpart L		
1202(a); 1203(b); 1204(a).	Complex Surface Commingling and Measurement Application	\$4,056 x 67 applications = \$271,752
		<i>\$8,205 x 67 applications = \$549,735</i>
1202(a); 1203(b); 1204(a).	Simple Surface Commingling and Measurement Application	\$1,371 x 37 applications = \$50,727
		<i>\$3,514 x 37 applications = \$130,018</i>
Subpart M		
1303(d)	Voluntary Unitization Proposal or Unit Expansion	\$12,619 x 8 requests = \$100,952
		<i>\$27,288 x 8 requests = \$218,304</i>
	Unitization Revision	\$896 x 41 revisions = \$36,736
	<i>Unitization Revision – Exhibit A, Exhibit B, and Successor Unit Operator/Sub-operator</i>	<i>\$1,683 x 36 Exhibit A/B = \$60,588</i>
	<i>Unitization Revision – Exhibit C</i>	<i>\$3,255 x 5 Exhibit C = \$16,275</i>
Subpart Q		
1727	Application to Remove a Platform or Other Facility	\$4,684 x 240 applications = \$1,124,160
		<i>\$2,846 x 240 applications = \$683,040</i>
1751(a); 1752(a)	Application to Decommission a Pipeline (Lease Term)	\$1,142 x 213 applications = \$243,246
		<i>\$857 x 213 applications = \$182,541</i>
1751(a); 1752(a)	Application to Decommission a Pipeline (ROW)	\$2,170 x 147 applications = \$318,990
		<i>\$980 x 147 applications = \$144,060</i>
NEW NON-HOUR COST BURDEN		\$44,463
<i>REVISED NON-HOUR COST BURDEN</i>		<i>\$15,943,324</i>
TOTAL NEW and Revised Non-Hour Cost Burdens		\$15,987,787

Although the total new and revised Non-Hour Cost Burdens are estimated to be \$16 million based on 3-year averages of the number of plans, applications, and permits, due to recent declines in the number of these submissions, BSEE anticipates that collections will more closely approximate \$11 million in FY 2018.

For further information on this non-hour burden estimation process, refer to 5 CFR 1320.3(b)(1) and (2), or contact the BSEE Information Collection Clearance Officer at (703) 787-1607.

National Environmental Policy Act (NEPA) of 1969

This proposed rule meets the criteria set forth in 516 Departmental Manual (DM) 15.4C(1) for a categorical exclusion because it involves modification of existing regulations, the impacts of which would be limited to administrative or economic effects with minimal environmental impacts. BSEE also analyzed this proposed rule to determine if extraordinary circumstances, set forth in 43 CFR 46.215, exist that would require BSEE to prepare an environmental assessment or an environmental impact statement for actions otherwise eligible for a categorical exclusion. BSEE concluded that this proposed rule does not trigger any of the criteria for extraordinary circumstances and, therefore, has not prepared an environmental assessment or an environmental impact statement.

Data Quality Act

In developing this proposed rule, we did not conduct or use a study, experiment, or survey requiring peer review under the Data Quality Act (Public Law 106-554 § 515).

Effects on the Nation's Energy Supply (E.O. 13211)

This proposed rule is not a significant energy action under the definition in E.O. 13211 because:

- It is not a significant regulatory action under E.O. 12866;
- It is not likely to have a significant adverse effect on the supply, distribution, or use of energy; and

- It has not been designated as a significant energy action by the Administrator of OIRA.

Clarity of this Regulation

We are required by E.O. 12866, E.O. 12988, E.O. 13563, and by the Presidential Memorandum of June 1, 1998, to write all rules in plain language. This means that each rule we publish must:

- Be logically organized;
- Use the active voice to address readers directly;
- Use clear language rather than jargon;
- Be divided into short sections and sentences; and
- Use lists and tables wherever possible.

If you feel that we have not met these requirements, send us comments by one of the methods listed in the ADDRESSES section. To better help us revise the rule, your comments should be as specific as possible. For example, you should tell us the numbers of the sections or paragraphs that you find unclear, which sections or sentences are too long, the sections where you feel lists or tables would be useful, *etc.*

List of Subjects in 30 CFR Part 250

Administrative practice and procedure, Continental Shelf, Environmental impact statements, Environmental protection, Government contracts, Investigations, Oil and gas exploration, Penalties, Reporting and recordkeeping requirements, Sulfur.

Dated: October 31, 2016

Amanda C. Leiter
Acting Assistant Secretary, Land and Minerals Management

For the reasons stated in the preamble, the Bureau of Safety and Environmental Enforcement (BSEE) proposes to amend 30 CFR Part 250 as follows:

PART 250 – OIL AND GAS AND SULFUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

1. Authority citation for part 250 continues to read as follow:

Authority: 30 U.S.C. 1751; 31 U.S.C. 9701, 33 U.S.C. 1321(j)(1)(C), 43 U.S.C. 1334.

2. Revise § 250.125 by:

- a. Revising the table in paragraph (a) to read as follows;
- b. Redesignating paragraph (c) as paragraph (d);
- c. Removing paragraph (b) and adding new paragraphs (b) and (c) to read as follows:

§ 250.125 Service fees.

(a) * * *

Service Fee Table

Service—processing of the following:	Fee Amount	30 CFR Citation
(1) Suspension of Operations/Suspension of Production (SOO/SOP) Request	\$3,055	§ 250.171(e).
(2) Deepwater Operations Plan		
(i) Deepwater Operations Plan – Simple	\$14,290	§ 250.292(q).
(ii) Deepwater Operations Plan – Complex (New Technology)	\$70,333	
(3) Application for Permit to Drill (APD; Form BSEE-0123)	\$10,420	§ 250.410(d); § 250.513(b); § 250.1617(a).
(4) Application for Permit to Modify (APM; Form BSEE-0124)	\$1,680	§ 250.465(b); § 250.513(b); § 250.613(b); § 250.1618(a); § 250.1704(g).
(5) New Facility Production Safety System Application for Facility with More than 125 Components	\$3,976 \$13,534 additional fee will be charged if BSEE conducts a pre-production inspection of a facility offshore, and \$14,567 for an inspection	§ 250.842.

Service—processing of the following:	Fee Amount	30 CFR Citation
	<p>of a facility while in a shipyard.</p> <p>A component is a piece of equipment or an ancillary system that is protected by one or more of the safety devices required by API RP 14C (as incorporated by reference in § 250.198).</p>	
(6) New Facility Production Safety System Application for Facility with 25-125 Components	<p>\$548</p> <p>\$8,508 additional fee will be charged if BSEE conducts a pre-production inspection of a facility offshore, and \$9,818 for an inspection of a facility while in a shipyard.</p>	§ 250.842.
(7) New Facility Production Safety System Application for Facility with Fewer than 25 Components	<p>\$463</p> <p>\$4,338 additional fee will be charged if BSEE conducts a pre-production inspection of a facility offshore, and \$1,967 for an inspection of a facility while in a shipyard.</p>	§ 250.842.
(8) Production Safety System Application – Modification with More than 125 Components Reviewed	<p>\$1,278</p> <p>\$9,313 additional fee will be charged if BSEE conducts a pre-production inspection of a facility offshore, and \$8,100 for an inspection of a facility while in a shipyard.</p>	§ 250.842.
(9) Production Safety System Application – Modification with 25-125 Components Reviewed	<p>\$439</p> <p>\$6,765 additional fee will be charged if BSEE conducts a pre-production inspection of a facility offshore, and \$7,326 for an inspection of a facility while in a shipyard.</p>	§ 250.842.
(10) Production Safety System Application – Modification with Fewer than 25 Components Reviewed	<p>\$386</p> <p>\$4,513 additional fee will be charged if BSEE conducts a pre-production inspection of a facility offshore, and \$2,141 for an inspection</p>	§ 250.842.

Service—processing of the following:	Fee Amount	30 CFR Citation
	of a facility while in a shipyard.	
(11) Platform Application – Installation – Under the Platform Verification Program	\$28,311	§ 250.905(l).
(12) Platform Application – Installation – Fixed Structure Under the Platform Approval Program	\$1,914	§ 250.905(l).
(13) Platform Application – Installation – Caisson/Well Protector	\$1,914	§ 250.905(l).
(14) Platform Application – Modification/Repair	\$1,975	§ 250.905(l).
(15) New Pipeline Application (Lease Term)		
(i) New Pipeline Application (Lease Term) – Shallow Water (less than 1,000 ft.)	\$1,584	§ 250.1000(b).
(ii) New Pipeline Application (Lease Term) – Deepwater (greater than 1,000 ft.)	\$3,663	
(16) Pipeline Application – Modification (Lease Term)		
(i) Pipeline Application – Modification (Lease Term) – Minor	\$651	§ 250.1000(b).
(ii) Pipeline Application – Modification (Lease Term) – Major	\$1,696	
(17) Pipeline Application – Modification Right-of-Way (ROW)		
(i) Pipeline Application – Modification (ROW) – Minor	\$455	§ 250.1000(b).
(ii) Pipeline Application – Modification (ROW) – Major	\$1,800	
(18) Pipeline Repair Notification	\$557	§ 250.1008(e).
(19) Pipeline ROW Grant Application		
(i) Pipeline ROW Grant Application – Shallow Water (less than 1,000 ft.)	\$1,662	§ 250.1015(a).
(ii) Pipeline ROW Grant Application – Deepwater (greater than 1,000 ft.)	\$3,796	
(20) Pipeline Conversion of Lease Term to ROW	\$494	§ 250.1015(a).
(21) Pipeline ROW Assignment	\$397	§ 250.1018(b).
(22) 500 Feet From Lease/Unit Line Production Request	\$5,440	§ 250.1156(a).
(23) Gas Cap Production Request	\$11,962	§ 250.1157.
(24) Downhole Commingling Request	\$14,064	§ 250.1158(a).
(25) Complex Surface Commingling and Measurement Application	\$8,205	§ 250.1202(a); § 250.1203(b); § 250.1204(a).
(26) Simple Surface Commingling and Measurement Application	\$3,514	§ 250.1202(a); § 250.1203(b); § 250.1204(a).
(27) Voluntary Unitization Proposal or Unit Expansion	\$27,288	§ 250.1303(d).
(28) Unitization Revision		
(i) Unitization Revision – Exhibit A, Exhibit B, and Successor Unit Operator/Sub-operator	\$1,683	§ 250.1303(d).
(ii) Unitization Revision – Exhibit C	\$3,225	

Service—processing of the following:	Fee Amount	30 CFR Citation
(29) Application to Remove a Platform or Other Facility	\$2,846	§ 250.1727.
(30) Application to Decommission a Pipeline (Lease Term)	\$857	§ 250.1751(a) or § 250.1752(a).
(31) Application to Decommission a Pipeline (ROW)	\$980	§ 250.1751(a) or § 250.1752(a).

(b) Fees specified in paragraph (a) must be paid electronically using one of the methods required by § 250.126. Proof of payment of the fees listed in paragraph (a) must accompany the submission of the application or other request for service. Once a fee is paid, it is nonrefundable, except as provided in paragraph (c). If your application is returned to you as incomplete, you are not required to submit a new fee with the amended application.

(c) BSEE will issue a refund in certain situations.

(1) You are eligible for a refund if you submit:

(i) More than one payment with a single request;

(ii) An incorrect fee or fee amount; or

(iii) A payment without submitting any application or other request and the matter does not proceed further.

(2) If you meet the criteria for a refund, you must submit a completed Refund Request form, which can be found at <http://www.bsee.gov/About-BSEE/Fees-for-Services/>. On the Refund Request form, in the “*Memo (reason requesting refund)” section, you must list the reason for the refund. You must use the information from your original proof of payment to prepare your refund request.

(3) You must submit all refund requests to BSEE within 150 days of the initial service fee payment. If you do not submit your request within the 150-day timeframe, BSEE will not issue a refund.

(4) If you have any questions pertaining to refund eligibility or to the preparation of the refund request, contact the appropriate Regional Office.

3. Revise § 250.126 to read as follows:

§ 250.126 Electronic payment instructions.

(a) You must file all payments under any provision of this part electronically, as provided in paragraphs (a)(1) or (a)(2) of this section.

(1) If you submit an application through the eWell website at <https://ewell.bsee.gov/ewell/>, you must use the interactive payment feature in that system, which directs you through pay.gov to make a payment. A copy of your pay.gov payment confirmation or pay.gov receipt serves as proof of your payment.

(2) For applications not submitted through eWell, you may make a payment through the Fees for Services page on the BSEE website at <http://www.bsee.gov/About-BSEE/Fees-for-Services/> or directly through the pay.gov website. A copy of your pay.gov payment confirmation or pay.gov receipt serves as proof of your payment and must accompany the submission of the application or other request for service.

(b) Payments at or below the current U.S. Treasury credit card limit may be made using a credit card or through the automated clearing house (ACH-debit). Payments above the current U.S. Treasury credit card limit must be made through ACH-debit.

(c) BSEE does not accept wire transfer electronic payments.

4. In § 250.292, revise paragraph (q) to read as follows:

§ 250.292 What must the DWOP contain?

* * * * *

(q) Payment of the service fee listed in § 250.125. The service fee is divided into two levels based on the complexity of the plan, as shown in the following table.

Application Type	Description
(1) Complex plans	Plans containing: i. "new or unusual technology" as defined by § 250.200 and such technology: A. requires a high degree of specialized knowledge; B. exceeds the limits of existing engineering standards; C. conflicts with existing engineering standards; or D. warrants an additional level of review due to the risk associated with implementation. ii. installation of a new floating production facility.
(2) Simple plans	All other plans.

5. Revise § 250.1000 by:

- a. Redesignating paragraphs (c) through (e) as paragraphs (e) through (g); and.
- b. Adding new paragraphs (c) and (d) to read as follows:

§ 250.1000 General requirements

* * * * *

(c) The service fee for a New Pipeline Application (Lease Term) is divided into two levels based on water depth, as shown in the following table:

Application Type	Description
(1) Shallow water applications	Applications for new lease term pipelines that will be located in their entirety within water depths of 1,000 feet or less.

(2) Deepwater applications	Applications for new lease term pipelines, any portion of which will be located in water depths greater than 1,000 feet
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(d) The service fee for a Pipeline Application – Modification (Lease Term) and a Pipeline Application – Modification (Right-of-way) are divided into two levels based on complexity, as shown in the following table:

Application Type	Description
(1) Major Applications	Applications containing a route modification.
(2) Minor Applications	All other applications.

* * * * *

6. In § 250.1015, revise paragraph (a) to read as follows:

§ 250.1015 Applications for pipeline right-of-way grants

(a) You must submit to the Regional Supervisor an original and three copies of an application for a new or modified pipeline ROW grant. The application must address those items required by §§ 250.1007(a) or (b) of this subpart, as applicable. It must also state the primary purpose for which you will use the ROW grant. If the ROW has been used before the application is made, the application must state the date such use began, by whom, and the date the applicant obtained control of the ROW. When you file your application, you must pay the rental required under § 250.1012 of this subpart, as well as the service fees listed in § 250.125 of this part for a pipeline ROW grant to install a new pipeline, or to convert an existing lease term pipeline into an ROW pipeline. An application to modify an approved ROW grant must be accompanied by the additional rental required under § 250.1012, if applicable. You must file a separate application for

each ROW. The service fee for a pipeline ROW grant application is divided into two levels based on water depth, as shown in the following table:

Application Type	Description
(1) Shallow water applications	Applications for a pipeline ROW grant for pipelines that will be located in their entirety within water depths of 1,000 feet or less.
(2) Deepwater applications	Applications for a pipeline ROW grant for pipelines, any portion of which will be located in water depths greater than 1,000 feet.

* * * * *

7. In § 250.1303, revise paragraph (d) to read as follows:

§ 250.1303 How do I apply for voluntary unitization?

* * * * *

(d) You must pay the service fee listed in § 250.125 of this part with your request for a voluntary unitization proposal or the expansion of a previously approved voluntary unit to include additional acreage. Additionally, you must pay the service fee listed in § 250.125 with your request for unitization revision. The service fee for a request for unitization revision is divided into two levels, as shown in the following table:

Application Type	Description
(1) Exhibits A and B	Applications for revisions to Exhibit A and/or Exhibit B or designation of Successor Unit Operators and/or Successor Unit Sub-operators.
(2) Exhibit C	Applications for revisions to Exhibit C.

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