

**Ocean Energy Bureau, Interior**

**§ 203.82**

REQUIRED REPORTS

**§ 203.81 What supplemental reports do royalty-relief applications require?**

(a) You must send us the supplemental reports, indicated in the fol-

lowing table by an X, that apply to your field. Sections 203.83 through 203.91 describe these reports in detail.

Required reports	End-of-life lease	Deep water		
		Expansion project	Pre-act lease	Development project
(1) Administrative information Report .....	X	X	X	X
(2) Net revenue & relief justification report .....	X			
(3) Economic viability & relief justification report (RSVP model inputs justified by other required reports) .....		X	X	X
(4) G&G report. ....		X	X	X
(5) Engineering report. ....		X	X	X
(6) Production report. ....		X	X	X
(7) Deep water cost report .....		X	X	X
(8) Fabricator's confirmation report. ....		X	X	X
(9) Post-production development report. ....		X	X	X

(b) You must certify that all information in your application, fabricator's confirmation and post-production development reports is accurate, complete, and conforms to the most recent content and presentation guidelines available from the MMS Regional office for your region.

(c) With your application and post-production development report, you must submit an additional report prepared by an independent CPA that:

(1) Assesses the accuracy of the historical financial information in your report; and

(2) Certifies that the content and presentation of the financial data and information conform to our most recent guidelines on royalty relief. This means the data and information must—

(i) Include only eligible costs that are incurred during the qualification months; and

(ii) Be shown in the proper format.

(d) You must identify the people in the CPA firm who prepared the reports referred to in paragraph (c) of this section and make them available to us to respond to questions about the historical financial information. We may also further review your records to support this information.

[63 FR 2618, Jan. 16, 1998, as amended at 67 FR 1879, Jan. 15, 2002; 73 FR 69516, Nov. 18, 2008]

**§ 203.82 What is MMS's authority to collect this information?**

The Office of Management and Budget (OMB) approved the information collection requirements in part 203 under 44 U.S.C. 3501 *et seq.* and assigned OMB control number 1010-0071.

(a) We use the information to determine whether royalty relief will result in production that wouldn't otherwise occur. We rely largely on your information to make these determinations.

(1) Your application for royalty relief must contain enough information on finances, economics, reservoirs, G&G characteristics, production, and engineering estimates for us to determine whether:

(i) We should grant relief under the law, and

(ii) The requested relief will ultimately recover more resources and return a reasonable profit on project investments.

(2) Your fabricator confirmation and post-production development reports must contain enough information for us to verify that your application reasonably represented your plans.

(b) Applicants (respondents) are Federal OCS oil and gas lessees. Applications are required to obtain or retain a benefit. Therefore, if you apply for royalty relief, you must provide this information. We will protect information considered proprietary under applicable law and under regulations at § 203.63(b) and part 250 of this chapter.

### § 203.83

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

(d) Send comments regarding any aspect of the collection of information under this part, including suggestions for reducing the burden, to the Information Collection Clearance Officer, Minerals Management Service, Mail Stop 5438, 1849 C Street, NW., Washington, DC 20240.

[63 FR 2618, Jan. 16, 1998, as amended at 65 FR 2875, Jan. 19, 2000; 74 FR 46907, Sept. 14, 2009]

### § 203.83 What is in an administrative information report?

This report identifies the field or lease for which royalty relief is requested and must contain the following items:

- (a) The field or lease name;
- (b) The serial number of leases we have assigned to the field, names of the lease title holders of record, the lease operators, and whether any lease is part of a unit;
- (c) Well number, API number, location, and status of each well that has been drilled on the field or lease or project (not required for non-oil and gas leases);
- (d) The location of any new wells proposed under the terms of the application (not required for non-oil and gas leases);
- (e) A description of field or lease history;
- (f) Full information as to whether you will pay royalties or a share of production to anyone other than the United States, the amount you will pay, and how much you will reduce this payment if we grant relief;
- (g) The type of royalty relief you are requesting;
- (h) Confirmation that we approved a DOCD or supplemental DOCD (Deep Water expansion project applications only); and
- (i) A narrative description of the development activities associated with the proposed capital investments and an explanation of proposed timing of

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the activities and the effect on production (Deep Water applications only).

[63 FR 2618, Jan. 16, 1998, as amended at 67 FR 1879, Jan. 15, 2002]

### § 203.84 What is in a net revenue and relief justification report?

This report presents cash flow data for 12 qualifying months, using the format specified in the “Guidelines for the Application, Review, Approval, and Administration of Royalty Relief for End-of-Life Leases”, U.S. Department of the Interior, MMS. Qualifying months for an oil and gas lease are the most recent 12 months out of the last 15 months that you produced at least 100 BOE per day on average. Qualifying months for other than oil and gas leases are the most recent 12 of the last 15 months having some production.

(a) The cash flow table you submit must include historical data for:

- (1) Lease production subject to royalty;
  - (2) Total revenues;
  - (3) Royalty payments out of production;
  - (4) Total allowable costs; and
  - (5) Transportation and processing costs.
- (b) Do not include in your cash flow table the non-allowable costs listed at 30 CFR 220.013 or:
- (1) OCS rental payments on the lease(s) in the application;
  - (2) Damages and losses;
  - (3) Taxes;
  - (4) Any costs associated with exploratory activities;
  - (5) Civil or criminal fines or penalties;
  - (6) Fees for your royalty relief application; and
  - (7) Costs associated with existing obligations (e.g., royalty overrides or other forms of payment for acquiring the lease, depreciation on previously acquired equipment or facilities).

(c) We may, in reviewing and evaluating your application, disallow costs when you have not shown they are necessary to operate the lease, or if they are inconsistent with end-of-life operations.

[63 FR 2618, Jan. 16, 1998, as amended at 63 FR 57249, Oct. 27, 1998]