employees. The likely respondents and recordkeepers are individuals, business or other for-profit institutions, state or local governments, federal agencies, and nonprofit institutions.

Estimated total annual reporting and recordkeeping burden: 36,920,000 hours.

The estimated annual burden per respondent or recordkeeper varies from 10 minutes to 20 hours, depending on individual circumstances, with an estimated average of 1.3 hours.

Estimated number of respondents and recordkeepers: 28,400,000.

Estimated annual frequency of responses: On occasion.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

Special Analyses

It has been determined that this notice of proposed rulemaking is not a significant regulatory action as defined in EO 12866. Therefore, a regulatory assessment is not required. It is hereby certified that these regulations do not have a significant economic impact on a substantial number of small entities. This certification is based on the fact that, by increasing the receipt threshold from $25 to $75, these regulations are expected to reduce the existing recordkeeping requirements of taxpayers, including small entities, from 49,375,000 hours to 36,920,000 hours. The regulations do not otherwise significantly alter the reporting or recordkeeping duties of small entities. Therefore, a Regulatory Flexibility Analysis under the Regulatory Flexibility Act (5 U.S.C. chapter 6) is not required. Pursuant to section 7805(f) of the Internal Revenue Code, this notice of proposed rulemaking will be submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Comments and Requests for a Public Hearing

Before adopting these proposed regulations as final regulations, consideration will be given to any comments that are submitted timely (and in the manner described in ADDRESSES portion of this preamble) to the IRS. The IRS is considering publishing a revenue procedure implementing § 1.274–5T(f)(4)(ii) of the temporary regulations (that is, prescribing rules under which an employee may make an adequate accounting to his employer by submitting an expense voucher or equivalent without submitting documentary evidence such as receipts) for federal government agencies that use the published procedures. In addition, the IRS is considering whether there are circumstances or conditions under which the IRS could extend these procedures beyond federal government agencies, and requests comments in this regard. The IRS also requests comments on what procedures (such as internal controls) should be required in any rules that permit a taxpayer to satisfy the substantiation requirements of section 274(d) for purposes of deducting business expenses reimbursed to employees who have accounted for their expenses only by means of an expense voucher or equivalent without documentary evidence such as receipts. All comments will be available for public inspection and copying. A public hearing will be scheduled and held upon written request by any person who submits written comments on the proposed rules. Notice of the time and place for the hearing will be published in the **Federal Register**.

Drafting Information

The principal author of these proposed regulations is Donna M. Crisalli, Office of the Assistant Chief Counsel (Income Tax and Accounting). However, personnel from other offices of the IRS and Treasury Department participated in their development.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Proposed Amendments to the Regulations

Accordingly, 26 CFR part 1 is proposed to be amended as follows:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 is amended by adding an entry to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

Section 1.274–5 also issued under 26 U.S.C. 274(d). * * *

Par. 2. Section 1.274–5 is added to read as follows:

§ 1.274–5 Substantiation requirements.

(a) through (c)(2)(iii)(A) [Reserved]. For further guidance, see § 1.274–5T.

(c)(2)(iii)(B) [The text of paragraph (c)(2)(iii)(B) is the same as the text in § 1.274–5T published elsewhere in this issue of the **Federal Register**].

(c)(2)(iv) through (f)(3) [Reserved]. For further guidance, see § 1.274–5T.

(f)(4) through (f)(4)(iii) [The text of paragraphs (f)(4) through (f)(4)(iii) is the same as the text in § 1.274–5T published elsewhere in this issue of the **Federal Register**].

(f)(5) through (1) [Reserved]. For further guidance, see § 1.274–5T.

Margaret Milner Richardson,

Commissioner of Internal Revenue.

[FR Doc. 97–7094 Filed 3–24–97; 8:45 am]

BILLING CODE 4830–01–U

FEDERAL MEDIATION AND CONCILIATION SERVICE

29 CFR Part 1404

Arbitration Policy; Roster of Arbitrators, and Procedures for Arbitration Services

AGENCY: Federal Mediation and Conciliation Service.

ACTION: Correction to proposed rule.

SUMMARY: A proposed rule on arbitration policy contained an error in page costs. This document is intended to correct that error.

FOR FURTHER INFORMATION CONTACT: Peter L. Regner, (202) 606–8181.

SUPPLEMENTARY INFORMATION: In proposed rule document 97–6305 beginning on page 11797, in the **Federal Register** issue of Thursday, March 13, 1997, make the following correction:

In the appendix to 29 CFR Part 1404 on page 11805, under ''List and biographical sketches of arbitrators in specific areas'', the term ''$10 per page'' should read ''$.10 per page''.

John Calhoun Wells,

Director.

[FR Doc. 97–7463 Filed 3–24–97; 8:45 am]

BILLING CODE 6732–01–M

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 253

RIN 1010–AC33

Oil Spill Financial Responsibility for Offshore Facilities

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Notice of proposed rulemaking.

SUMMARY: MMS is proposing new requirements for demonstrating oil spill financial responsibility (OSFR) for cleanup and damages from oil discharges due to oil exploration, production, and associated pipeline facilities. This rule will apply to operations located in: the Outer Continental Shelf (OCS); State waters seaward of the line of ordinary low water along that portion of the coast that is in direct contact with the open sea; and in coastal inland waters, such as bays and estuaries, seaward of the line of ordinary low water along that portion of the coast that is not in direct contact with the open sea. This rule implements the authority of the Oil Pollution Act of 1990 (OPA).

DATES: MMS will consider all comments received by June 23, 1997. We may not fully consider comments received after June 23, 1997.

ADDRESSES: Mail or hand-carry comments to the Department of the Interior, Minerals Management Service, Mail Stop 4700, 381 Elden Street, Herndon, Virginia 20170–4817; Attention: Rules Processing Team.

FOR FURTHER INFORMATION CONTACT: Ray Beittel, Performance and Safety Branch, at (703) 787–1591.

SUPPLEMENTARY INFORMATION: Title I of OPA (33 U.S.C. 2701 *et seq.*), as amended by the Coast Guard Authorization Act of 1996 (Pub. L. 104–324), provides at section 1016 that parties responsible for offshore facilities establish and maintain OSFR for those facilities according to methods determined acceptable to the President. Section 1016 supersedes the offshore facility OSFR provisions of the Outer Continental Shelf Lands Act Amendments (OCSLAA) of 1978. The Presidential Executive Order (E.O.) implementing OPA (E.O. 12777; October 18, 1991) assigned the offshore facility OSFR certification function to the Department of the Interior (DOI). The Secretary of the Interior, in turn, delegated this function to MMS.

The regulation proposed today replaces the current offshore facility OSFR regulation written pursuant to the OCSLAA. The OCSLAA regulation is limited to facilities located in the OCS and sets the amount of OSFR that must be demonstrated by responsible parties at $35 million. The regulation proposed today covers both the OCS and State waters lying seaward of the line of ordinary low water. Today's proposal also requires responsible parties to demonstrate as much as $150 million in OSFR if MMS believes it is justified by the risks from potential oil spills from covered offshore facilities.

The minimum amount of OSFR that must be demonstrated under the proposed regulation is $35 million for covered facilities located in the OCS and $10 million for covered facilities located in State waters. The proposed regulation provides a conditional exemption for persons responsible for facilities having a potential worst case oil-spill discharge of 1,000 barrels or less.

Background

The initial OSFR program for offshore facilities was developed under Title III of the OCSLAA and administered by the U.S. Coast Guard (USCG). OPA replaced and rescinded the Title III OSFR requirements. However, section 1016(h) of OPA provides that any regulation relating to OSFR remain in force until superseded by a new regulation issued under OPA. Therefore, the existing USCG OSFR regulations for offshore facilities in the OCS (33 CFR part 135) remain in effect until this proposed rule becomes final.

The Secretary of Transportation has authority for vessel oil pollution financial responsibility, and the USCG regulates the financial responsibility program for vessels. However, a well drilled from a mobile offshore drilling unit (MODU), which is a type of vessel, is an offshore facility under the proposed rule.

Upon request from the USCG, MMS will provide available information for any covered offshore facility (COF) involved in an oil pollution incident including:

(1) The lease, permit, or right of use and easement (RUE) for the area in which the COF is located;

(2) The designated applicant and guarantors and their contacts for claims;

(3) Agents for service of process; and

(4) Amounts guaranteed.

Section-by-Section Discussion

Subpart A

§ 253.1 What is the purpose of this regulation? This is an introductory section explaining that this part establishes the requirements for OSFR for COF's under Title I of OPA, 33 U.S.C. 2701 *et seq.*

§ 253.3 How are the terms used in this regulation defined? This section contains definitions of terms used in this part. Some of these definitions are based on terms in OPA and differ from how MMS normally uses them. The principal definitions will be addressed later in this preamble in the context in which they are used.

§ 253.5 What is the authority for collecting OSFR information? This section explains that the information collected under this part is used to ensure compliance with the OSFR requirements in OPA.

Subpart B

§ 253.10 What facilities does this regulation cover? This introductory section provides a general statement of applicability. It states that this part applies to any ''COF'' or any ''lease'' or ''permit'' issued under, or a ''RUE'' granted under the Outer Continental Shelf Lands Act (OCSLA) or applicable State law. This applicability concept incorporates many defined terms.

An important term in these rules is COF which is based on requirements in OPA. There are three tests to determine whether your facility is a COF. First, it must be a structure, group of structures, a well (including a well drilled from an MODU), equipment, pipeline, or device used for exploring for, drilling for, or producing oil. This includes platforms, gathering lines, subsea completions, and other equipment common to oil production activities. Facilities that are used to store, handle, transfer, or process oil and that are related to the oil production process also are included. Thus, a platform with equipment to initially treat oil (dewatering, desanding, etc.) is covered.

OPA excludes from the COF definition vessels and pipelines licensed under the Deepwater Port Act of 1974 (33 U.S.C. 1501 *et seq.*). Also within the coverage of this first test are facilities used to transport oil, which includes transportation pipelines (gathering lines are part of production facilities) and pipeline appurtenances. If a well is drilled from a MODU, the well could be a COF under the proposed regulation, but the MODU could not. However, the MODU owner or operator is required to demonstrate OSFR for the MODU according to USCG regulations at 33 CFR part 138.

Under the proposed rule, for a facility to be a COF, it must pass two other tests. First, it must be located seaward of the line of ordinary low water along that portion of the coast that is in direct contact with the open sea, or located in coastal inland waters, such as bays and estuaries, seaward of the line of ordinary low water along that portion of the coast that is not in direct contact with the open sea. This concept comes directly from the 1996 amendments to OPA (see section 1016(c)(1)). It clearly includes the Federal OCS and each State's territorial sea.

The line of ordinary low water along that portion of the coast that is in direct contact with the open sea was defined by the courts for each coastal State

where there might be a COF. This adjudicated line, known as the ''coastline,'' represents both the seaward limit of inland waters and the base for establishing a State's seaward boundary that separates State waters from the Federal OCS.

It is clear that OSFR regulations should apply to areas seaward of the coastline. It also seems clear that ''coastal inland waters, such as bays and estuaries, seaward of the line of ordinary low water along that portion of the coast that is not in direct contact with the open sea'' lie landward of the coastline. However, OPA does not define the extent of these coastal inland waters, and the record of Congress for the 1996 amendments to OPA offers no clarification or statement of intent. Thus, MMS is afforded some discretion in determining the extent to which areas lying landward of the coastline should be covered by this proposed regulation.

We considered two options for defining the phrase ''coastal inland waters, such as bays and estuaries, seaward of the line of ordinary low water along that portion of the coast that is not in direct contact with the open sea.'' In developing these options, we focused on the three relevant statutory phrases: line of ordinary low water, coastal inland waters, and bays and estuaries.

The first option for defining places landward of the coastline that are covered by the rule includes the submerged coastal areas subject to tidal influence. That is, if an area affected by the tide is normally submerged, even at low tide, it is seaward of the line of ordinary low water. As such, it is covered by the rule. Given the dynamic nature of coastal geologic processes, especially in places like the Mississippi River Delta, the area covered by this option could change with time. As a result, a person responsible for a facility currently located on dry land is not subject to the proposed rule today. However, if that facility is later inundated as a result of shoreline erosion, the facility might become a COF.

The area covered by this option does not include large inland water bodies affected by the tides (e.g., the Great Salt Lake) because none lie along the coast. Likewise, smaller landlocked water bodies located along the coast are not included because they are not affected by the tides. The area that is covered by this option includes coastal bays, river mouths to the extent there is a tidal influence, and coastal wetlands that are submerged at low tide.

A second option for defining places landward of the coastline that are covered by the rule includes the area affected by the tides lying between the coastline and a parallel line that is a fixed distance from the coastline. This band of coastal inland waters does not change unless the adjudicated coastline changes. The band should be wide enough to cover the prominent coastal bays and estuaries. We believe an appropriate width is 50 to 100 miles, although some may not consider locations 100 miles inland to be ''along the coast.'' Conversely, if the band is narrow, some bays and estuaries along the coast might not be covered completely. For example, a 50-mile band excludes the furthest reaches of San Francisco Bay and all of the Lake Pontchartrain estuary.

MMS incorporated the first coastal inland waters option into the proposed rule because we believe it is more consistent with the word and spirit of OPA. However, we have neither finally determined this option to be the best one, nor have we decided that the two options considered are the only suitable ones. As such, we invite your comments on both options and your recommendations for others that might be appropriate. In particular, we would like your opinion on how wide the coastal band should be if the second option is adopted. Given the known locations of existing coastal oil facilities, we found little difference between the options regarding who is subject to the proposed rule. If you have evidence that this finding may be inaccurate, please submit it to us with your comments on the proposed rule.

The last test to be a COF is that a facility must have a worst case oil-spill discharge potential of more than 1,000 barrels. MMS could require a facility with a lesser spill potential to be covered if we determine in writing that OSFR must be demonstrated. Also, a person may agree to cover a facility with OSFR even if it does not exceed the worst case oil-spill threshold. As explained in more detail below, this would occur if a person is providing maximum blanket coverage for all its facilities under the blanket.

For this proposed rule to apply, the COF must be on a lease, permit (defined as a permit for geological exploration), or RUE issued under OCSLA or applicable State law.

MMS recognizes the possibility that a transportation pipeline could begin offshore and move production onshore. In that event, under § 253.10(b), the pipeline is covered to the point it reaches the first accessible flow shutoff device landward of the line of ordinary low water.

§ 253.11 Who must demonstrate OSFR? MMS's proposal is that every lease, permit, or RUE with a COF would have only one person who demonstrates OSFR. This person is the designated applicant.

The designated applicant is required to submit Form MMS 1016 and agree to demonstrate OSFR on behalf of all the responsible parties for the lease, permit, or RUE. If the designated applicant is not a responsible party, it must agree to be liable for oil pollution damages, cleanup costs, and other claims under OPA jointly and severally with the responsible parties. MMS's intent is that the responsible parties agree who the one designated applicant should be on their behalf. MMS also wants that person to be liable for any damages or other claims so a claimant or the Oil Spill Liability Trust Fund (the Fund) does not have to pursue anyone other than the person who agreed to be the designated applicant. Of course, the other responsible parties still remain liable if the designated applicant does not satisfy the liability.

Under paragraph (b), if the land within a lease with a COF also is subject to a permit or RUE with a COF, there must be a designated applicant for the lease and a designated applicant for each permit or RUE. They may be the same person, but a Form MMS 1017 designating the applicants for the different COF's must be filed with MMS.

Paragraph (c) requires the designated applicant for a lease with a COF to be either a lessee (who is a responsible party under these rules and OPA) or the designated operator (who, if not a lessee, does not meet the definition of responsible party). However, the designated operator for an OCS lease or unit must be the same party that is the designated operator under 30 CFR 250.8. That rule requires the designated operator to fulfill the lessee's obligations under the OCSLA and MMS regulations. Therefore, it makes sense for that person to demonstrate OSFR and to accept liability on behalf of the lessees. For leases not in the OCS, to ensure that any nonlessee designated applicant is a person with similar responsibilities for spill prevention and cleanup to those of a Federal OCS operator, paragraph (c)(2) requires that such applicant be an operator under a lease or unit operating agreement that provides the operator is responsible for compliance with all the laws and regulations applicable to the lease or unit. Otherwise, that operator could not be a designated applicant under the proposed rules, and a lessee

is required to demonstrate OSFR for the lease.

Paragraph (d) provides that only the permittee may be a designated applicant for a permit with a COF. Under paragraph (e), for a RUE with a COF, who the designated applicant may be depends on whether the COF is a pipeline. If it is, then an owner or operator of each pipeline segment on the RUE must be a designated applicant. For a RUE with a COF that is not a pipeline segment, the holder of the RUE is the designated applicant. If there also is a pipeline segment on the RUE, both the owner or operator of the pipeline segment and the holder of the RUE must be designated applicants. Again, the designated applicant for each of these situations could be the same person, but the designation is required to be separately denominated on the Form MMS 1017.

Paragraph (f) is a catchall provision allowing MMS to require a different designated applicant if MMS determines that the circumstances warrant a different person than the rules otherwise prescribe.

§ 253.12 Who determines whether I must demonstrate OSFR? As a general matter, it is the obligation of those persons who could be responsible parties to determine if there is a COF on their lease, permit, or RUE. MMS recognizes that this rule is unusual since it regulates persons who do not operate in the Federal OCS and are not otherwise subject to MMS jurisdiction. These persons may need help in interpreting their obligation under the rules, especially in marginal situations. In other words, the person may not be sure whether the lease, permit, or RUE is geographically covered or whether its facility has a sufficient worst case oil-spill potential to warrant a demonstration of OSFR. In this circumstance, you could ask MMS whether the rule applies to you. You are required to submit sufficient information for MMS to make the determination.

§ 253.13 How much OSFR must I demonstrate? This section explains the amount of OSFR a designated applicant must demonstrate. If you have only one COF for your lease, permit, or RUE, paragraph (b) of the section has a table with different amounts of OSFR depending on the worst case oil-spill discharge volume for your COF. For a COF in the Federal OCS, the amount of OSFR ranges from $35 million to $150 million. For a COF not in the Federal OCS, it ranges from $10 million to $150 million.

If you have two or more COF's on the lease, permit, or RUE, then you must demonstrate the highest amount of OSFR that applies to any of the COF's. Thus, if you had three production platforms on a lease, then you must demonstrate the amount of OSFR based on the one with the highest worst case oil-spill potential.

If you are the designated applicant for more than one lease, permit, or RUE with a COF, you are required to demonstrate the highest amount of OSFR that applies to any of them. By way of illustration, assume you had one lease with two production platforms requiring $10 million of OSFR and the other requiring $35 million, and you had a second lease with a platform requiring $10 million of OSFR. You are required to demonstrate $35 million in OSFR which covers all the COF's on both leases.

The table in paragraph (a) of this section clarifies that if you have leases, permits, and RUE's located in the Federal OCS and State waters, you must demonstrate the highest amount of OSFR that applies to any of the COF's on those leases, permits, or RUE's regardless of which jurisdiction they are located in.

In addition to setting out the amount of OSFR for a COF based on whether it is located in the Federal OCS and its worst case oil-spill discharge volume, paragraph (b) allows MMS to increase the OSFR amount to a maximum of $150 million based on the relative operational, environmental, human health, and other risks posed by the quality or quantity of oil handled. The dollar amounts in the table are based on estimates of the per-barrel costs of oil-spill removal and damages as generated by the ''Spillcalc'' element of MMS General Purpose Environmental Cost Model (GPECM).

The GPECM was developed to support the MMS 5-Year OCS Oil and Gas Leasing Program. The average of the calculated high-range oil-spill removal and damages costs for the offshore regions analyzed in the GPECM (Atlantic, Gulf of Mexico, California, Washington-Oregon, Alaska) is about $900 per barrel in 1993 dollars. For simplicity, the table uses a cost factor of $1,000 and the largest volume covered by a spill discharge bracket to establish the required OSFR amount for any COF that fits into the bracket.

Under paragraph (b)(3), MMS could require an OSFR demonstration in excess of the table amounts based on the relative operational, human health, and other risks your COF poses. As noted above, the maximum still is $150 million.

§ 253.14 How do I determine the worst case oil-spill discharge volume? Designated applicants are instructed to use the same method of calculating worst case discharges they use in preparing oil spill response plans for MMS or another Federal agency administering section 311 of the Federal Water Pollution Control Act.

§ 253.15 What are my general OSFR compliance responsibilities? This section spells out the designated applicant's obligation to maintain continuous coverage for all leases, permits, and RUE's with COF's.

Subpart C

§ 253.20 What are the methods for evidencing OSFR? This section authorizes the use of self-insurance, insurance, guarantees or surety bonds to evidence OSFR. In addition, the Director may approve alternative methods under § 253.32.

§§ 253.21 through 253.28 How can I use self-insurance as OSFR evidence? These sections establish two methods for qualifying as a self-insurer: a net-worth test and a test involving the pledge of unencumbered assets. The self-insurance application must be supported by audited financial statements.

The section contains formulae for calculating the level of self-insurance for which you qualify under each self-insurance method. These formulae are different from those MMS currently uses to determine whether a person qualifies as a self-insurer under 33 CFR part 135. The revised formulae are intended to provide a more realistic assessment of net worth by better reflecting current business practices and economic conditions.

An independent certified public accounting firm has reviewed the proposed formulae and has recommended certain changes to ensure their suitability for making self-insurance determinations. You are encouraged to request a copy of this report from the address listed at the beginning of this notice and provide MMS comments on the formulae and the contractor's recommendations. We will consider your comments and the contractor's recommendations in developing the formulae that will be included in the final rule.

§ 253.29 How can I use insurance as OSFR evidence? This section establishes minimum qualifications of insurers and the documentation required to support insurance as OSFR evidence. An insurer must be a syndicate of Lloyds of London, a member of the Institute of London Underwriters, or rated ''secure'' or better by A.M. Best, Standard and Poor's, or an equivalent rating service. While you may obtain insurance

coverage in layers, the rule limits the number of layers in relation to the amount of coverage provided.

§ 253.30 How can I use a guarantee as OSFR evidence? This section allows a designated applicant to use a single guarantee to meet all or part of its OSFR obligation. A guarantee is a promise of indemnification by a single indemnitor who meets the qualifications for self-insurance under §§ 253.21 through 253.28.

§ 253.31 How can I use a surety bond as OSFR evidence? This section allows a designated applicant to use a surety bond as OSFR evidence if the bond is issued by a surety acceptable to the Department of the Treasury and licensed in the State (or the State adjacent to that portion of the OCS) where at least one COF is located.

§ 253.32 Are there alternative methods to evidence OSFR? This section authorizes the MMS Director, within his/her sole discretion, to accept letters of credit, pooling arrangements, or other alternative methods of evidencing OSFR that provide equivalent assurance of the prompt satisfaction of claims that is equivalent to the methods authorized in the proposed regulations.

Subpart D

§ 253.40 What OSFR evidence must I submit to MMS? This section describes the forms that must be submitted as part of the OSFR evidence. Designated applicants are directed to submit a single demonstration for all leases, permits, and RUE's for which they are designated applicants.

§ 253.41 What terms must I include in my OSFR evidence? The rule specifies the terms and conditions under which OSFR instruments can be terminated. Notice to MMS of intent to cancel and replacement of the terminated instruments is required unless the COF is permanently abandoned. Requirements for including in each OSFR instrument information about direct action for claims and service of process also is covered in this section.

§ 253.42 How can I amend my OSFR demonstration? This section describes how to add or delete COF's from an existing OSFR demonstration. You must submit information on additional leases, permits, or RUE's at least 30 days before they are added or deleted.

§ 253.43 When is my OSFR demonstration effective? This section provides that MMS notify designated applicants when it determines whether the evidence submitted is adequate to demonstrate OSFR. It also states how long an OSFR demonstration is effective.

§ 253.44 When must I comply with this regulation? This section establishes a schedule for complying with this rule. You are allowed not more than 60 days after the effective date of the final regulation to submit to MMS your evidence of OSFR for all the COF's on all the leases, permits, and RUE's for which you are the designated applicant.

§ 253.45 To whom do I submit my OSFR evidence? Submissions are made to the listed address of MMS Oil Spill Financial Responsibility Program.

Subpart E

§ 253.50 How can my OSFR evidence be refused or invalidated? Generally, MMS would give a 15-day notice of its intent to invalidate an OSFR demonstration. However, we could immediately invalidate an OSFR demonstration if a person is no longer the designated applicant or permits the cancellation or termination of the insurance policy, surety bond, or guarantee on which your demonstration is based.

§ 253.51 What are the penalties for not complying with this part? Failure to comply with these regulations could result in penalties of up to $25,000 per COF per day. The maximum civil penalties are stated along with a reference to the appeals process of 30 CFR part 250. MMS has considered the civil penalty amounts that should be applied to this part, and the amounts may be those shown in the following table.

AMOUNTS OF CIVIL PENALTIES PER COF FOR NONCOMPLIANCE WITH OIL SPILL FINANCIAL RESPONSIBILITY REQUIREMENTS (OSFR) [1]

Category of noncompliance	Period of noncompliance		
	First week	Second and third weeks	After 3 weeks
Failure to submit OSFR evidence	$500	$750 per week	$250 per day.
Lapse in OSFR coverage	$750	$1,000 per week	$300 per day.
Cancellation of OSFR without alternative coverage	$2,500	$5,000 per week	$1,000 per day.
Failure to correct an erroneous or inadequate submission within 30 Days of MMS request [2].	$100	$250 per week	$1,000 per week.

Notes:
[1] Penalties will be doubled each time there is an additional violation within 1 calendar year of the first violation, up to a maximum of $25,000 per day. The penalty amounts in this table will be updated periodically as needed to ensure compliance.
[2] Includes under-subscribed insurance slips, use of insurers not rated ''secure'' or better, errors in lease, permit, or RUE identification and similar problems with the OSFR evidence submitted.

This section also provides for penalties that are greater or less than the amounts shown in the table, depending on specific factors listed in OPA.

Subpart F

§ 253.60 How must a claim be presented? This section prescribes the process a claimant follows to recover the costs of oil-spill removal and damages from the designated applicant, its guarantor, or the Fund. The general approach is to present claims first to the designated applicant and then, if necessary, to the designated applicant's guarantor or the Fund.

§ 253.61 When is a guarantor subject to direct action for claims? This section specifies the situations in which a designated applicant's guarantor is subject to suit on claims for oil spill removal and damage costs directly by a claimant. It also states the protections from direct action a guarantor is allowed under OPA.

The 1996 amendments to OPA limit the assertion of a claim against a guarantor to three circumstances: (1) The United States makes a claim for removal costs and damages for compensation paid by the Fund; (2) the responsible party denies or fails to pay a claim on grounds of insolvency; and (3) the responsible party has filed for bankruptcy. OPA does not expressly address the common circumstance of numerous responsible parties for a single offshore facility and whether all

responsible parties must be insolvent before the claimant may pursue the guarantor. MMS believes that it should be sufficient for the claimant to demonstrate only that the designated applicant is insolvent before it could pursue the guarantor. The claimant should not be required to pursue multiple responsible parties in that circumstance because, for some COF's, there could be over 20 responsible parties. Thus, the proposed rule allows recourse to a guarantor if the designated applicant is insolvent or in bankruptcy. MMS does not believe it would serve OPA's objective of prompt payment to force a claimant to determine whether each and every responsible party is insolvent or in bankruptcy before a claim could be asserted against a guarantor.

MMS specifically invites comments on this issue. We specifically invite comments on whether the final rule should instead adopt the alternative of limiting action against a guarantor by private claimants to cases where every responsible party has denied or failed to pay on grounds of insolvency, or where every single responsible party has petitioned for bankruptcy.

§ 253.62 What are the designated applicant's obligations regarding a claim? This section specifies whom the designated applicant must notify upon receipt of a claim for oil discharge removal and damages.

Appendix

This section presents the nine MMS forms and a cover sheet the designated applicant is required to use to submit OSFR information to MMS. These forms are referenced throughout the OSFR regulations. You must submit to MMS only those forms that apply to your OSFR demonstration. You are not allowed to alter a form in any way.

Author

Ray L. Beittel, Performance and Standards Branch, MMS, prepared this document.

E.O. 12886

This proposed rule does not meet the criteria for a significant rule requiring review by the Office of Management and Budget (OMB) under E.O. 12866.

All of the oil and gas companies currently operating in the OCS, including those considered to be small businesses, comply with the existing OSFR regulations (i.e., 33 CFR part 135). MMS does not expect that these companies will incur any significant operating cost increases from complying with the proposed rule. Also, of the estimated 20 oil and gas companies operating in State coastal waters that would be affected by the proposed rule, all but three hold, have applied for, or have held a Certificate of Financial Responsibility under 30 CFR part 135. If these three companies use insurance to demonstrate OSFR under the proposed rule, the estimated annual cost of the insurance is $35,000 per company, which represents an industry-wide cost of $105,000.

The proposed rule should not generate any adverse effects on competition, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises in domestic or export markets. Therefore, OMB review of this proposed regulation under E.O. 12866 is unnecessary.

Regulatory Flexibility Act

The Small Business Administration defines small business as a company employing 500 or fewer people. There are many small oil and gas exploration, production, and transportation businesses operating in the Federal OCS and in State coastal waters. MMS estimates that approximately 20 of the oil and gas businesses operating in State coastal waters are subject to this proposed regulation. We consider 8 of those 20 to be large businesses because they each employ more than 500 people. All but 3 of the 12 small businesses in this group currently demonstrate or have demonstrated $35 million in OSFR under current regulation. We expect that under the proposed regulation those three businesses will be required to demonstrate $10 million in OSFR. It is reasonable to assume that each company would use insurance as the means for demonstrating OSFR, and the annual premium for such insurance will be about $35,000 per company. Thus, the total annual economic impact on small businesses under this proposed regulation is estimated to be $105,000.

The amount of oil a company produces is generally proportional to its size. We do not expect smaller companies to operate any individual facilities that produce, store, or transport more than 35,000 barrels of oil per day. If a smaller company undertakes a project with higher production levels, such as the deep-water ventures in the Gulf of Mexico, we expect it to do so in partnership with a larger company that can demonstrate OSFR by qualifying as a self-insurer. We further expect that the larger company will be selected as the designated applicant under the proposed regulations and demonstrate OSFR on behalf of the smaller partner. Therefore, we do not expect that implementing the proposed regulations will require small businesses to demonstrate OSFR for amounts greater than $35 million.

MMS expects the proposed regulations will have no adverse effect on oil company service industries, such as the supply vessel and service vessel industries. The persons responsible for such vessels already comply with separate OSFR requirements under 33 CFR part 135.

Paperwork Reduction Act

This proposed rule contains a collection of information which has been submitted to OMB for review and approval under section 3507(d) of the Paperwork Reduction Act of 1995. As part of our continuing effort to reduce paperwork and respondent burden, MMS invites the public and other Federal agencies to comment on any aspect of the reporting burden. Submit your comments to the Office of Information and Regulatory Affairs, OMB, Attention Desk Officer for the Department of the Interior (OMB control number 1010–XXXX), 725 17th Street, NW., Washington, DC 20503. Send a copy of your comments to the Minerals Management Service; Attention: Rules Processing Team; Mail Stop 4700; 381 Elden Street; Herndon, Virginia 20170–4817.

You may obtain a copy of the proposed collection of information and supporting statement by contacting the Bureau's Information Collection Clearance Officer at (703) 787–1242. The Paperwork Reduction Act of 1995 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 may make a decision to approve or disapprove this collection of information after 30 days from receipt of our request. Therefore, your comments are best assured of being considered if OMB receives them within that time period. However, MMS will consider all comments received during the comment period for this notice of proposed rulemaking.

The title of this collection of information is ''30 CFR Part 253, Oil Spill Financial Responsibility for Offshore Facilities.'' The information collected consists of the following, and the estimated burden for each is shown in parentheses:

- Form MMS 1016, Designated Applicant Information Certification (1 hour)
- Form MMS 1017, Designation of Applicant (9 hours)
- Form MMS 1018, Self-insurance or Guarantee Information (1 hour)

- Form MMS 1019, Insurance Certificate (120 hours)
- Form MMS 1020, Surety Bond (24 hours)
- Forms MMS 1021, Lease Listing (3 hours)
- Form MMS 1022, Permit or Right of Use and Easement Listing (3 hours)
- Form MMS 1023, Lease Changes (1 hour)
- Form MMS 1024, Permit or Right of Use and Easement Changes (1 hour)
- Letter requesting a determination of applicability of the regulation (2 hours)
- Proposal to accept an alternative method to demonstrate OSFR (no burden—we anticipate no requests but have provided the option in the rule)
- Written notice to MMS of change in ability to comply (1 hour)
- Claims (no burden-MMS will not be involved in the claims process; the regulations only provide procedures for claimants to follow; MMS will not be advised of claims activity, and we will have no way of estimating the numbers).

MMS will use the information to verify compliance with OPA, to confirm that applicants possess the required amounts of OSFR for a potential worst case oil spill discharge of more than 1,000 barrels (or a lesser amount if MMS determines the risk justifies it), and to establish a reference source of names, addresses, and telephone numbers of parties responsible for COF's and their designated agents and guarantors for claims associated with oil pollution.

Respondents will be approximately 600 holders of leases, permits, and RUE's in the OCS and in State coastal waters who appoint approximately 200 designated applicants. Other respondents will be the designated applicants' insurance agents and brokers, bonding companies, and indemnitors. MMS receives approximately 2,631 responses each year. The frequency of submission will vary, but most will respond at least once per year. We estimate the total annual burden of this collection of information to be 20,381 reporting hours and zero recordkeeping hours. Based on $35 per hour, the total burden hour cost to respondents is estimated to be $713,335. The public reporting burden for this information will vary by form and collection (as shown above). The burden per response is averaged to be 8 hours, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the information collection.

In addition to the hour burden, some respondents will bear the cost of demonstrating OSFR. The amount of OSFR currently required in the OCS under the OCSLA is $35 million, the same as the minimum level of OSFR required in the OCS under OPA. The estimated annual cost to OCS operators of providing evidence of OSFR for that amount is $21.6 million. This cost is already borne by all operators in the OCS under the OCSLA provisions. No additional costs to OCS operators are attributable to the proposed rule. New annual costs of approximately $850,000 will be imposed on persons operating in State coastal waters. There is currently no Federal requirement for demonstrating OSFR in State coastal waters, and the entire $850,000 is a new cost imposed by the proposed rule. Therefore, MMS estimates the total annual cost for OSFR demonstrations to be $22.5 million.

MMS will summarize written responses to this notice and address them in the final rule. All comments will become a matter of public record.

1. MMS specifically solicits comments on the following questions:

(a) Is the proposed collection of information necessary for the proper performance of MMS's functions, and will it be useful?

(b) Are the estimates of the burden hours of the proposed collection reasonable?

(c) Do you have any suggestions that enhance the quality, clarity, or usefulness of the information to be collected?

(d) Is there a way to minimize the information collection burden on those who are to respond, including through the use of appropriate automated electronic, mechanical, or other forms of information technology?

2. In addition, the Paperwork Reduction Act of 1995 requires agencies to estimate the total annual cost burden to respondents or recordkeepers resulting from the collection of information. MMS needs your comments on this item. Your response should split the cost estimate into two components: (a) Total capital and startup cost and (b) annual operation, maintenance, and purchase of services. Your estimates should consider the costs to generate, maintain, and disclose or provide the information. You should describe the methods you use to estimate major cost factors, including system and technology acquisition, expected useful life of capital equipment, discount rate(s), and the period over which you incur costs. Capital and startup costs include, among other items, computers and software you purchase to prepare for collecting information; monitoring, sampling, drilling, and testing equipment; and record storage facilities. Generally, your estimates should not include equipment or services purchased: before October 1, 1995; to comply with requirements not associated with the information collection; for reasons other than to provide information or keep records for the Government; or as part of customary and usual business or private practices.

Takings Implication Assessment

DOI has determined that this proposed rule does not represent a governmental action capable of interfering with constitutionally protected property rights. Thus, DOI does not need to prepare a Takings Implication Assessment under E.O. 12630, Governmental Actions and Interference with Constitutionally Protected Property Rights.

E.O. 12988

DOI has certified to OMB that the proposed rule meets the applicable reform standards provided in section 3(a) and 3(b)(2) of E.O. 12988.

Unfunded Mandates Reform Act of 1995

DOI has determined and certifies under the Unfunded Mandates Reform Act, 2 U.S.C. 1502 *et seq.*, that this rule will not impose a cost of $100 million or more in any given year on State, local, and tribal governments or the private sector.

National Environmental Policy Act

DOI has determined that this action does not constitute a major Federal action significantly affecting the quality of the human environment; therefore, an environmental impact statement is not required.

List of Subjects in 30 CFR Part 253

Continental shelf, Environmental protection, Insurance, Oil and gas exploration, Oil pollution, Penalties, Pipelines, Public lands—mineral resources, Public lands—rights-of-way, Reporting and recordkeeping requirements, and Surety bonds.

Dated: March 13, 1997.

Bob Armstrong,

Assistant Secretary, Land and Minerals Management.

For the reasons stated above, MMS proposes to add a new part 253 to Chapter II of Title 30 of the CFR as follows:

PART 253—OIL SPILL FINANCIAL RESPONSIBILITY FOR OFFSHORE FACILITIES

Subpart A—General

Sec.
253.1 What is the purpose of this regulation?
253.3 How are the terms used in this regulation defined?
253.5 What is the authority for collecting Oil Spill Financial Responsibility (OSFR) information?

Subpart B—Applicability And Amount of OSFR

253.10 What facilities does this regulation cover?
253.11 Who must demonstrate OSFR?
253.12 Who determines whether I must demonstrate OSFR?
253.13 How much OSFR must I demonstrate?
253.14 How do I determine the worst case oil-spill discharge volume?
253.15 What are my general OSFR compliance responsibilities?

Subpart C—Methods for Evidencing OSFR

253.20 What are the methods for evidencing OSFR?
253.21 How can I use self-insurance as OSFR evidence?
253.22 How do I establish the amount of self-insurance allowed as OSFR evidence?
253.23 What information must I submit to support my net worth qualifications?
253.24 When I submit audited financial statements in connection with my net worth, what standards must they meet?
253.25 What financial test procedures must I use to evaluate the amount of self-insurance allowed as OSFR evidence based on net worth?
253.26 What information must I submit to support my net assets qualifications?
253.27 When I submit audited financial statements in connection with my net assets, what standards must they meet?
253.28 What financial test procedures must I use to evaluate the amount of self-insurance allowed as OSFR evidence based on net assets?
253.29 How can I use insurance as OSFR evidence?
253.30 How can I use a guarantee as OSFR evidence?
253.31 How can I use a surety bond as OSFR evidence?
253.32 Are there alternative methods to demonstrate OSFR?

Subpart D—Requirements for Submitting OSFR Information

253.40 What OSFR evidence must I submit to MMS?
253.41 What terms must I include in my OSFR evidence?
253.42 How can I amend my OSFR demonstration?
253.43 When is my OSFR demonstration effective?
253.44 When must I comply with this regulation?
253.45 To whom do I submit my OSFR evidence?

Subpart E—Revocation and Penalties

253.50 How can my OSFR evidence be refused or invalidated?
253.51 What are the penalties for not complying with this part?

Subpart F—Claims for Oil-Spill Removal Costs and Damages

253.60 How must a claim be presented?
253.61 When is a guarantor subject to direct action for claims?
253.62 What are the designated applicant's obligations regarding a claim?

Appendix—Forms for Submitting OSFR Information

Authority: 33 U.S.C. 2701 *et seq.*

Subpart A—General

§ 253.1 What is the purpose of this regulation?

This part establishes the requirements for demonstrating OSFR for covered offshore facilities under Title I of the Oil Pollution Act of 1990 (OPA), as amended, 33 U.S.C. 2701 *et seq.*

§ 253.3 How are the terms used in this regulation defined?

Claim means a request, made in writing for a sum certain, for compensation for damages or removal costs resulting from an incident.

Claimant means any person or government who presents a claim for compensation under OPA.

Covered offshore facility (COF) means a facility:

(1) Including any structure, group of structures (including wells), mobile offshore drilling unit, equipment, pipeline, or device (other than a vessel or other than a pipeline or deep water port licensed under the Deepwater Port Act of 1974 (33 U.S.C. 1501 *et seq.*)) used for exploring for, drilling for, or producing oil (including storing, handling, transferring, or processing oil associated with such production activities) or used for transporting oil from such facilities. This includes a well drilled by a MODU, but it does not include the MODU;

(2) That is located in the area along the coast that is affected by the tides and is submerged when free from disturbing influences or in the area offshore therefrom; and

(3) That has a worst case oil-spill discharge potential of more than 1,000 barrels of oil, or that has a worst case oil-spill discharge potential of less than 1,000 barrels of oil if MMS determines in writing that OSFR must be demonstrated for the facility.

Designated applicant means a person designated by the responsible parties to demonstrate OSFR for COF's on a lease, permit, or right of use and easement.

Director means the Director of the Minerals Management Service.

Fund means the Oil Spill Liability Trust Fund established by section 9509 of the Internal Revenue Service Code of 1986 (26 U.S.C. 9509).

Guarantee means an agreement to indemnify a designated applicant upon its satisfaction of a claim.

Guarantor means a person other than the designated applicant who provides a guaranty.

Guaranty means any acceptable form of OSFR evidence provided by a guarantor including a guarantee, insurance, or surety bond.

Incident means any occurrence or series of occurrences having the same origin resulting in the discharge or substantial threat of discharge of oil.

Indemnitor means a person providing a guarantee for a designated applicant using self-insurance.

Independent accountant means a certified public accountant who is certified by one of the States or a chartered accountant certified by the country of incorporation.

Insolvent has the meaning set forth in 11 U.S.C. 101 and generally refers to a financial condition in which the sum of a person's debts is greater than the value of the person's property.

Lease means any form of authorization issued under the Outer Continental Shelf Lands Act or State law which allows oil and gas exploration or production in the area covered by the authorization.

Lessee means a person holding a leasehold interest in an oil or gas lease including an owner of record title or a holder of operating rights (working interest owner).

Oil means oil of any kind or in any form, including but not limited to, petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoil but does not include petroleum, including crude oil or any fraction thereof, which is specifically listed or designated as a hazardous substance under subparagraphs (A) through (F) of section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) (42 U.S.C. 9601) and which is subject to the provisions of CERCLA. Oil includes hydrocarbons produced at the wellhead in liquid form. Condensate is oil, including condensate that has been separated from gas before pipeline injection.

Outer Continental Shelf (OCS) means the term ''Outer Continental Shelf'' as defined in section 2(a) of the OCS Lands Act (OCSLA) (43 U.S.C. 1331(a)).

Permit means an authorization, license, or permit for geological exploration issued under section 11 of the OCSLA (43 U.S.C. 1340) or applicable State law.

Person means an individual, corporation, partnership, association, State, municipality, commission, or political subdivision of a State or any interstate body.

Pipeline means all the pipeline segments and any associated equipment and appurtenances used or intended for use in the transportation of oil or natural gas. A pipeline segment is any portion of a pipeline connecting two COF's, any COF to shore, a COF and a subsea tie-in, or two subsea tie-ins.

Responsible party means for a COF:

(1) Other than a pipeline, the lessee or permittee of the area in which the COF is located, or the holder of a right of use and easement granted under applicable State law or the OCSLA (43 U.S.C. 1301–1356) for the area in which the COF is located (if the holder is a different person than the lessee or permittee). A responsible party is not a Federal agency, State, municipality, commission, or political subdivision of a State, or any interstate body that as owner transfers possession and right to use the property to another person by lease, assignment, or permit;

(2) That is a pipeline, any person owning or operating the pipeline; and

(3) That is abandoned, the persons who would have been the responsible parties for the COF immediately prior to abandonment.

Right of use and easement (RUE) means any authorization other than a lease or permit to use the OCS or State land seaward of the line of ordinary low water along the coast. It includes pipeline rights-of-way.

State means the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Marianas, and any other territory or possession of the United States.

§ 253.5 What is the authority for collecting Oil Spill Financial Responsibility (OSFR) information?

(a) The Office of Management and Budget (OMB) has approved the information collection requirements in this part 253 under 44 U.S.C. 3501 *et seq.* and assigned OMB control number 1010–XXXX.

(b) MMS collects the information to ensure that a party responsible for a COF has the financial resources necessary to pay for cleanup and damages that could be caused by oil discharges from the COF. MMS uses the information to ensure compliance of offshore lessees, owners, and operators of offshore facilities with OPA; to establish eligibility of designated applicants for OSFR certification; and to establish a reference source of names, addresses, and telephone numbers of responsible parties for offshore facilities and their designated agents and guarantors for claims associated with oil pollution from designated offshore facilities. The requirement to provide the information is mandatory. No confidential or proprietary information must be submitted. All information collected will be treated according to the requirements of the Freedom of Information Act (5 U.S.C. 552).

(c) 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.

(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 2200, 381 Elden Street, Herndon, Virginia 20170–4817; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Attention: Desk Officer for the Department of the Interior (1010–XXXX), 725 17th Street NW., Washington, DC 20503.

Subpart B—Applicability and Amount of OSFR

§ 253.10 What facilities does this regulation cover?

(a) This part applies to any COF on any lease or permit issued or on any RUE granted under the OCSLA or applicable State law.

(b) For a pipeline flowing landward across the line of ordinary low water, this part applies seaward of the point the pipeline reaches the first accessible flow shutoff device landward of the line of ordinary low water.

§ 253.11 Who must demonstrate OSFR?

(a) A designated applicant must show OSFR. A designated applicant may be a responsible party or another person authorized under this section. Every lease, permit, or RUE with a COF must have a single designated applicant.

(1) If there is more than one responsible party, those responsible parties must use Form MMS 1017 to select a designated applicant. The designated applicant must submit Form MMS 1016 and agree to demonstrate OSFR on behalf of all the responsible parties.

(2) If you are a designated applicant who is not a responsible party, you must agree to be liable for claims under OPA jointly and severally with the responsible parties.

(b) If the land within a lease with a COF includes a permit or RUE with a COF, there must be a designated applicant for:

(1) The lease;

(2) Each permit with a COF; and

(3) Each RUE with a COF.

(c) The designated applicant for a lease with a COF must be either:

(1) A lessee; or

(2) The designated operator for the OCS lease under 30 CFR 250.8; the unit operator designated under a federally approved unit including the OCS lease. For a lease or unit not in the OCS, the operator designated under the lease or unit operating agreement for the lease may be the designated applicant only if the operating agreement provides that the operator is responsible for compliance with all the laws and regulations applicable to the lease or unit.

(d) The designated applicant for a permit with a COF must be the permittee.

(e) The designated applicant for a RUE with a COF must be the holder of the RUE or, if there is a pipeline on the RUE, the owner or operator of the pipeline.

(f) MMS may require the designated applicant for a lease, permit, or RUE to be a person other than a person identified in paragraphs (c) through (e) of this section if MMS determines there is inadequate demonstration of OSFR.

§ 253.12 Who determines whether I must demonstrate OSFR?

You may ask MMS whether this part applies to you. You must submit a request for a determination of OSFR applicability according to § 253.45. You must include in your request any information that will assist MMS in making the determination. MMS may require you to submit other information before making a determination of OSFR applicability.

§ 253.13 How much OSFR must I demonstrate?

(a) The following general parameters apply to the amount of OSFR that you must demonstrate:

If you are the designated applicant for	then you must demonstrate . . .
A lease, permit, or RUE with only one COF	The amount of OSFR that applies to the COF.
A lease, permit, or RUE with more than one COF	The highest amount of OSFR that applies to any of the COF's.
More than one lease, permit, or RUE with one or more COF's	The highest amount of OSFR that applies to any of the COF's on any of the leases, permits, or RUE's.
Leases, permits, and RUE's located in both OCS and State lands with one or more COF's.	The highest amount of OSFR that applies to any of the COF's located on the leases, permits, or RUE's.

(b) The amount of OSFR applicable to a lease, permit, or RUE is as follows:

(1) For a COF located wholly or partially in the OCS:

COF worst case oil-spill discharge volume	Applicable amount of OSFR
Up to 35,000 barrels	$35,000,000
Over 35,000 but not more than 70,000 barrels	70,000,000
Over 70,000 but not more than 105,000 barrels	105,000,000
Over 105,000 barrels	150,000,000

(2) For a COF not located in the OCS:

COF worst case oil-spill discharge volume	Applicable amount of OSFR
Up to 10,000 barrels	$10,000,000
Over 10,000 but not more than 35,000 barrels	35,000,000
Over 35,000 but not more than 70,000 barrels	70,000,000
Over 70,000 but not more than 105,000 barrels	105,000,000
Over 105,000 barrels	150,000,000

(3) The Director may determine that you must demonstrate an amount of OSFR greater than the amount in paragraph (b)(1) and (2) of this section based on the relative operational, environmental, human health, and other risks your COF poses. The amount that the Director may require will be one or more levels higher than the amount indicated in paragraph (b)(1) or (2) of this section for your COF. The Director will not require an OSFR demonstration that exceeds $150 million.

§ 253.14 How do I determine the worst case oil-spill discharge volume?

(a) To calculate the amount of OSFR you must demonstrate for a facility under § 253.13(b), you must use the worst case oil-spill discharge volume that you determined under whichever of the following regulations applies:

(1) 30 CFR part 254-Response Plans for Facilities Located Seaward of the Coast Line;

(2) 40 CFR part 112-Oil Pollution Prevention; or

(3) 49 CFR part 194-Response Plans for Onshore Oil Pipelines.

(b) If you are a designated applicant and you choose to demonstrate $150 million in OSFR, you are not required to determine any worst case oil-spill discharge volumes, since that is the maximum amount of OSFR required by this part.

§ 253.15 What are my general OSFR compliance responsibilities?

(a) You must maintain continuous OSFR coverage for all your leases, permits, and RUE's with COF's.

(b) You must ensure that new OSFR evidence is bound before your current evidence lapses or is canceled and that coverage for a new COF is bound before the COF goes into operation.

(c) You may use self-insurance to demonstrate OSFR and find that you no longer qualify for that amount of self-insurance, based upon your latest audited financial statements. If this happens, you must demonstrate supplemental means of OSFR acceptable to MMS by whichever of the following dates comes first:

(1) Sixty calendar days after you receive your latest financial statement; or

(2) The first calendar day of the 5th month after the close of your fiscal year.

(d) You must notify MMS in writing within 15 calendar days after a change occurs (e.g., you or your indemnitor petitions for bankruptcy under Title 11, U.S.C.) that would prevent you or your guarantors from complying with requirements to accept direct action for claims or meeting any other OSFR obligations. You must take any action MMS directs to ensure an acceptable OSFR demonstration.

(e) If you deny payment of a claim presented to you under § 253.60(b) or (d), you must give the claimant a written explanation for your denial.

Subpart C—Methods for evidencing OSFR

§ 253.20 What are the methods for evidencing OSFR?

You may satisfy your OSFR requirements by using one or a combination of the following methods to demonstrate OSFR:

(a) Self-insurance under §§ 253.21 through 253.28;

(b) Insurance under § 253.29;

(c) A guarantee under § 253.30;

(d) A surety bond under § 253.31; or

(e) An alternative method the Director approves under § 253.32.

§ 253.21 How can I use self-insurance as OSFR evidence?

(a) If you use self-insurance to satisfy all or part of your obligation to demonstrate OSFR, you must annually pass either a net worth test or an unencumbered net asset test.

(b) You must submit a complete and unaltered Form MMS 1018 with each application to demonstrate OSFR using self-insurance.

(c) You may submit to MMS your initial application to demonstrate OSFR using self-insurance at any time.

(d) You must submit your application to renew OSFR using self-insurance by the first calendar day of the 5th month after the close of your fiscal year.

§ 253.22 How do I establish the amount of self-insurance allowed as OSFR evidence?

To establish the amount of self-insurance allowed, you must submit evidence of your net worth (see § 253.23) or your unencumbered assets (see § 253.26).

§ 253.23 What information must I submit to support my net worth qualifications?

You must support your net worth qualifications with information contained in your previous fiscal year's audited financial statements.

(a) Audited financial statements must be in the form of:

(1) An annual report, prepared in accordance with the generally accepted accounting practices of the United States or other international accounting practices determined to be equivalent by MMS; or

(2) A Form 10–K, prepared in accordance with Securities and Exchange Commission regulations.

(b) Audited financial statements must be submitted together with a letter signed by your treasurer highlighting:

(1) The State or the country of incorporation;

(2) The total value of the stockholders' equity as shown on the balance sheet;

(3) The net value of the plant, property, and equipment shown on the balance sheet; and

(4) The net value of the identifiable U.S. assets and the identifiable total assets in the auditor's notes to the financial statements (i.e., a geographic segmented business note).

§ 253.24 When I submit audited financial statements in connection with my net worth, what standards must they meet?

(a) Your audited financial statements must be bound.

(b) Your audited financial statements must include the unqualified opinion by an independent accountant that:

(1) The financial statements are free from material misstatement, and

(2) The audit was conducted in accordance with the generally accepted auditing standards of the United States or other international auditing standards MMS determines to be equivalent.

(c) The financial information you submit must be expressed in U.S. dollars. If this information was originally reported in another form of currency, you must provide a conversion factor to U.S. dollars that was effective on the last day of the fiscal year pertinent to your financial statements. You also must identify the market source of the currency exchange rate.

§ 253.25 What financial test procedures must I use to evaluate the amount of self-insurance allowed as OSFR evidence based on net worth?

(a) Divide the total value of the stockholder's/owners' equity listed on the balance sheet by 10.

(b) Divide the net value of the identifiable U.S. assets by the net value of the identifiable total assets.

(c) Multiply the net value of plant, property, and equipment shown on the balance sheet by the number calculated under paragraph (b) of this section and divide the resultant product by 10.

(d) The smaller of the numbers calculated under paragraphs (a) or (c) of this section is the maximum allowable amount you may use to demonstrate OSFR under this method.

§ 253.26 What information must I submit to support my net assets qualifications?

You must support your net assets qualifications with the information required by § 253.23(a) and a list of pledged, unencumbered, and unimpaired U.S. assets whose value will not be affected by an oil discharge from a COF. The assets must be plant, property, or equipment. You must submit a letter signed by you or your treasurer:

(a) Identifying which assets are pledged;

(b) Certifying that the assets are unencumbered, including contingent encumbrances;

(c) Promising that the identified assets will not be sold, subjected to a security interest, or otherwise encumbered throughout the specified fiscal year; and

(d) Specifying:

(1) The State of the country of incorporation;

(2) The total value of the stockholder's/owners' equity;

(3) The identification and location of the pledged U.S. assets; and

(4) The value of the pledged U.S. assets using the same valuation method used in your audited financial statements.

§ 253.27 When I submit audited financial statements in connection with my net assets, what standards must they meet?

Any audited financial statements that you submit must:

(a) Meet the standards in § 253.24; and

(b) Include a certification by the independent accountant who audited the financial statements that:

(1) The value of the unencumbered assets is reasonable and

(2) There are no encumbrances on the asset.

§ 253.28 What financial test procedures must I use to evaluate the amount of self-insurance allowed as OSFR evidence based on net assets?

(a) Divide the total value of the stockholders'/owners' equity listed on the balance sheet by 4.

(b) Divide the value of the unencumbered U.S. assets by 2.

(c) The smaller number calculated under paragraphs (a) or (b) of this section is the maximum allowable amount you may use to demonstrate OSFR under this method.

§ 253.29 How can I use insurance as OSFR evidence?

(a) If you use insurance to satisfy all or part of your obligation to demonstrate OSFR, you may use only insurance certificates issued by insurers that are:

(1) Syndicates of Lloyds of London;

(2) Members of the Institute of London Underwriters; or

(3) Other foreign or domestic insurers that have achieved a ''Secure'' rating of claims paying ability in their latest review by A.M. Best's Insurance Reports, Standard & Poor's Insurance Rating Services, or other equivalent rating made by a rating service acceptable to MMS.

(b) You must submit information about your insurers to MMS on a completed and unaltered Form MMS 1019. The information you submit must:

(1) Include all the information required by § 253.41 of this part; and

(2) Be executed on one original insurance certificate showing all participating insurers and their respective percentage of participation in this risk. The certificate must bear the original signatures of each insurer's underwriter or of their lead underwriters, underwriting managers, or delegated brokers, depending on the underwriting arrangement.

(3) For each insurance company on the insurance certificate, indicate the insurer's rating of claims paying ability and the rating service that issued the rating.

(c) The insurance you provide to MMS as OSFR evidence may be divided into layers, subject to the following restrictions:

(1) The total amount of insurance must equal the total amount of OSFR you must demonstrate as determined under § 253.13 of this part;

(2) No more than four insurance layers may be used, including the base layer;

(3) If the total amount of insurance is $35 million or less, it must not be layered. Insurance for greater amounts may be layered in multiples of $35 million. If the amount of insurance is $150 million, one $45 million layer is allowed;

(4) Each insurer's participation in the covered insurance risk must be expressed as a percentage of a whole layer with no intermediate, horizontal layering permitted;

(5) You may use an insurance deductible. If your insurance is layered, the deductible amount must apply only to the base layer. You must use one or more of the other MMS-approved OSFR methods to establish an insurance deductible; and

(6) Each insurance layer submitted as OSFR evidence must be presented on a separate Form MMS 1019.

§ 253.30 How can I use a guarantee as OSFR evidence?

(a) You may use only one guarantee issued by only one indemnitor to satisfy all or part of your obligation to demonstrate OSFR.

(b) Your indemnitor must complete an unaltered Form MMS 1018 and provide a guarantee that:

(1) Includes all the information required by § 253.41 of this part; and

(2) Does not exceed the amounts calculated using the net worth and net assets tests specified under §§ 253.21 through 253.28 of this part.

(c) You may submit to MMS your initial application to demonstrate OSFR using a guarantee at any time. You must submit your application to renew OSFR using a guarantee by the first calendar day of the 5th month after the close of your indemnitor's fiscal year.

§ 253.31 How can I use a surety bond as OSFR evidence?

(a) Each bonding company that issues a surety bond that you submit to MMS as OSFR evidence must:

(1) Be licensed to do business in the State in which the surety bond is executed;

(2) Be certified by the U.S. Treasury Department as an acceptable surety for Federal obligations and listed in the current Treasury Circular No. 570; and

(3) Provide the surety bond on Form MMS 1020 without alteration specifying the terms of your surety agreement for claims filed against you under OPA; and

(4) Be in compliance with applicable statutes regulating surety company participation in insurance-type risks.

(b) A surety bond that you submit as OSFR evidence must include all the information required by § 253.41 of this part.

§ 253.32 Are there alternative methods to demonstrate OSFR?

The Director may accept other methods to demonstrate OSFR that provide equivalent assurance of timely satisfaction of claims. This may include pools of guarantors, letters of credit, or other comparable methods. Submit your proposal, together with all the supporting documents, to the Director at the address in § 253.45. The Director's decision whether to approve your alternative method to evidence OSFR is solely at the Director's discretion and is not subject to administrative appeal under 30 CFR part 290 or 43 CFR part 4.

Subpart D—Requirements for Submitting OSFR Information

§ 253.40 What OSFR evidence must I submit to MMS?

(a) You must submit to MMS:

(1) A single demonstration of OSFR that covers all the COF's on all the leases, permits, and RUE's for which you are the designated applicant;

(2) A completed and unaltered Form MMS 1016;

(3) MMS forms that identify your leases (MMS 1021), permits (MMS 1022), and RUE's (MMS 1022), and the methods you used to demonstrate OSFR for any COF's (forms are available from the address in § 253.45); and

(4) Any insurance certificates, guarantees, and surety bonds used as OSFR evidence for the leases, permits, and RUE's for which you are the designated applicant.

(b) You must sign each MMS form submitted to MMS as part of an OSFR demonstration. You also must attach to Form MMS 1016 evidence of your authority to sign if:

(1) You submit OSFR evidence on behalf of a designated applicant; and

(2) You are not disclosed as an individual (sole proprietor), designated applicant, or a managing partner of a partnership-designated applicant.

§ 253.41 What terms must I include in my OSFR evidence?

Each instrument you submit as OSFR evidence must specify:

(a) The effective date, and except for a surety bond, the expiration date;

(b) That termination of the instrument will not affect the liability of the instrument issuer for claims arising from an incident that occurred on or before the effective date of termination;

(c) That the instrument will remain in force until the termination date or until:

(1) Thirty calendar days after MMS and the designated applicant receive from the instrument issuer a notification of intent to cancel;

(2) MMS receives from the designated applicant other acceptable OSFR evidence; or

(3) All the COF's to which the instrument applies are permanently abandoned in compliance with 30 CFR part 250 or equivalent State requirements;

(d) That the instrument issuer agrees to direct action for claims made under OPA up to the guaranty amount, subject to the defenses in paragraph (f) of this section and following the procedures in § 253.60 of this part;

(e) An agent in the United States for service of process; and

(f) That the instrument issuer will not use any defenses against a claim made under OPA except:

(1) All the rights and defenses that would be available to a designated applicant or responsible party for whom the guaranty was provided; and

(2) The incident leading to the claim for removal costs or damages was caused by willful misconduct of a responsible party for whom the designated applicant demonstrated OSFR.

§ 253.42 How can I amend my OSFR demonstration?

(a) If you want to add lease, permit, or RUE areas not included in your initial OSFR demonstration, you must submit to MMS a completed Form MMS 1023 or Form MMS 1024. If applicable, you also must submit any additional guarantees, surety bonds, insurance certificates, or other instruments required to extend the coverage of your original OSFR demonstration to the COF's on the areas to be added. You do not need to resubmit previously accepted audited financial statements for the current fiscal year. You must ensure that MMS receives this information at least 30 days before the areas are to be added.

(b) If you want to drop lease, permit, or RUE areas included in your initial OSFR demonstration, you must submit to MMS a completed Form MMS 1023 or Form MMS 1024. You must ensure that MMS receives this information at least 30 days before the leases, permits, or RUE's are to be dropped.

§ 253.43 When is my OSFR demonstration effective?

(a) MMS will notify you in writing after we determine whether your evidence is acceptable to demonstrate OSFR, and your demonstration is effective upon MMS acceptance. If we

find that you have not submitted all the information needed to demonstrate OSFR, we may require you to provide additional information before we determine whether your OSFR evidence is acceptable.

(b) Except in the case of self-insurance or guarantee, MMS acceptance of OSFR evidence is valid until the surety bond, insurance certificate, or other accepted OSFR instrument expires. In the case of self-insurance or guarantee, acceptance is valid until the first day of the 5th month after the close of your or your indemnitor's current fiscal year.

§ 253.44 When must I comply with this regulation?

You must submit to MMS your evidence of OSFR for all the COF's on all the leases, permits, and RUE's for which you are the designated applicant no later than 60 days after May 21, 1997.

§ 253.45 To whom do I submit my OSFR evidence?

All correspondence and required submissions relative to this part must be addressed to: U.S. Department of the Interior, Minerals Management Service, Gulf of Mexico Region, Oil Spill Financial Responsibility Program, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123.

Subpart E—Revocation and Penalties

§ 253.50 How can my OSFR evidence be refused or invalidated?

(a) If MMS determines that any OSFR evidence you submit fails to comply with the requirements of this part, we may refuse to accept it. If we refuse to accept your OSFR evidence, we will notify you in writing. You must take any corrective action included with that notification.

(b) MMS may immediately and without prior notice invalidate your OSFR demonstration if you:

(1) Are no longer the designated applicant for the COF included in your demonstration; or

(2) Permit the cancellation or termination of the insurance policy, surety bond, or guarantee upon which the continued validity of the demonstration is based.

(c) If MMS determines you are not complying with the requirements of this part for any reason other than paragraph (b) of this section, we may notify you of our intent to invalidate your OSFR demonstration. Unless you take the corrective action MMS specifies within 15 calendar days from the date you receive such a notice, we will invalidate your OSFR demonstration.

§ 253.51 What are the penalties for not complying with this part?

(a) If you fail to comply with the requirements of OPA and this part, you are subject to a civil penalty of up to $25,000 per COF per day of violation (that is, each day you operate a COF without acceptable evidence of OSFR). For any COF with more than one responsible party, each responsible party is subject to a civil penalty of up to $25,000 per COF per day of violation.

(b) MMS will determine the date of a noncompliance. MMS will assess penalties in accordance with an OSFR penalty schedule using the procedures found at 30 CFR part 250, subpart N. You may obtain a copy of the penalty schedule from MMS at the address in § 253.45 of this part.

(c) MMS may assess a civil penalty against you that is greater or less than the amount in the penalty schedule after taking into account the factors in section 4303(a) of OPA (33 U.S.C. 2716a).

(d) If you fail to correct a deficiency in the OSFR evidence for a COF, the Director may suspend operation of a COF in the OCS under 30 CFR 250.10 or seek judicial relief, including an order suspending the operation of any COF.

Subpart F—Claims for Oil Spill Removal Costs and Damages

§ 253.60 How must a claim be presented?

(a) You must present your claim for removal costs and damages first to the designated applicant for the COF that is the source of the incident resulting in your claim.

(b) If the designated applicant denies your claim under paragraph (a) of this section for a reason in § 253.61(b), you may elect to present your claim to:

(1) The designated applicant's guarantor if there is a guarantor;

(2) The Fund using the procedures at 33 CFR part 136; or

(3) Any of the responsible parties for the COF that is the source of the incident resulting in your claim.

(c) If the designated applicant fails to pay your claim under paragraph (a) of this section for a reason in § 253.61(b), you may elect to present your claim to:

(1) The designated applicant's guarantor if there is a guarantor;

(2) The Fund using the procedures at 33 CFR part 136 if at least 90 days have passed since you first presented your claim to the designated applicant; or

(3) Any of the responsible parties for the COF that is the source of the incident resulting in your claim.

(d) If the designated applicant denies your claim under paragraph (a) of this section for a reason not in § 253.61(b), you may elect to:

(1) Start a court action against the designated applicant and/or any of the parties responsible for the COF that is the source of the incident resulting in your claim;

(2) Present your claim to the Fund using the procedures found at 33 CFR part 136; or

(3) Any of the responsible parties for the COF that is the source of the incident resulting in your claim.

(e) If the designated applicant fails to pay your claim under paragraph (a) of this section within 90 days for a reason not in § 253.61(b), you may elect to:

(1) Start a court action against the designated applicant and/or any of the parties responsible for the COF that is the source of the incident resulting in your claim;

(2) Present your claim to the Fund using the procedures at 33 CFR part 136; or

(3) Any of the responsible parties for the COF that is the source of the incident resulting in your claim.

(f) If the guarantor denies your claim under paragraph (b)(1) of this section, you may elect to:

(1) Start a court action against the guarantor; or

(2) Present your claim to the Fund using the procedures at 33 CFR part 136.

(g) If the guarantor fails to pay your claim under paragraph (c)(1) of this section within 90 days after it was first presented to the designated applicant, you may elect to:

(1) Start a court action against the guarantor; or

(2) Present your claim to the Fund using the procedures at 33 CFR part 136.

(h) You may ask MMS for assistance if you are uncertain whether the guarantor is subject to your claim under paragraphs (b)(1) or (c)(1) of this section. Submit your request for assistance to the address in § 253.45. You must include with your request any information that will assist MMS in determining whether you may present your claim to the guarantor.

§ 253.61 When is a guarantor subject to direct action for claims?

You are subject to direct action for any claim asserted by:

(a) The United States or for any compensation paid by the Fund under OPA, including compensation claim processing costs; and

(b) A claimant other than the United States if the designated applicant has:

(1) Denied or failed to pay a claim because of being insolvent; or

(2) Filed a petition for bankruptcy under Title 11, U.S.C.

§ 253.62 What are the designated applicant's obligations regarding a claim?

When you receive a claim for removal costs and damages, you must notify within 15 calendar days of receipt of a claim:

(a) Your guarantor(s); and

(b) The responsible parties for whom you are acting as the designated applicant.

Appendix—Forms for Submitting OSFR Information

Minerals Management Service Oil Pollution Act of 1990

Application for Certification of Oil Spill Financial Responsibility

OMB Control Number 1010–XXXX

Expiration Date: _____

Paperwork Reduction Act Statement

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) requires us to inform you that the Minerals Management Service (MMS) collects this information to:

1. Provide a standard method for establishing eligibility for certification of oil spill financial responsibility (OSFR) for offshore facilities;

2. Identify and maintain a record of those offshore facilities that have a potential oil-spill liability;

3. Establish and maintain a continuous record, over the liability term specified in Title I of the Oil Pollution Act of 1990, of financial evidence and instruments established to pay claims for oil-spill cleanup and damages resulting from operations conducted on offshore facilities and the transportation of oil from offshore platforms and wells;

4. Establish and maintain a continuous record of responsible parties, as defined in Title I of the Oil Pollution Act of 1990, and their agents for certification of OSFR for offshore facilities; and

5. Establish and maintain a continuous record, over the liability term specified in Title I of the Oil Pollution Act of 1990, of persons to contact and U.S. agents for service of process for claims associated with oil spills from offshore facilities.

The MMS will routinely use the information to:

1. Ensure compliance of offshore lessees and owners and operators of offshore facilities with Title I of the Oil Pollution Act of 1990;

2. Establish eligibility of applicants for certification of OSFR; and

3. Establish a reference source of names, addresses, and telephone numbers of responsible parties for offshore facilities and their designated agents and guarantors for claims associated with oil pollution from designated offshore facilities.

Response to this request is mandatory (33 U.S.C. 2716). No confidential or proprietary information must be submitted. OSFR demonstrations, including supporting audited financial statements, will be subject to review under the Freedom of Information Act (5 U.S.C. 552).

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 Office of Management and Budget (OMB) Control Number. The combined public reporting burden for an application for certification of oil spill financial responsibility is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the application. The average burden for each of the nine forms that could comprise an application is:

Form MMS 1016, Designated Applicant Information .....1 hour
Form MMS 1017, Designation of Applicant .....9 hours
Form MMS 1018, Self-insurance or Guarantee Information .....1 hour
Form MMS 1019, Insurance Certificate ..... 120 hours
Form MMS 1020, Surety Bond .....24 hours
Form MMS 1021, Lease Listing .....3 hours
Form MMS 1022, Permit or Right of Use and Easement Listing .....3 hours
Form MMS 1023, Lease Changes.....1 hour
Form MMS 1024, Permit or Right of Use and Easement Changes .....1 hour

Direct comments regarding the burden estimate or any other aspect of this collection to the Information Collection Clearance Officer, Mail Stop 2200, Minerals Management Service, 381 Elden Street, Herndon, VA 20170–4817; and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Desk Officer for the Department of the Interior (OMB No. 1010–XXXX), 725 17th Street, NW, Washington, DC 20503.

BILLING CODE 4310–MR–P

MINERALS MANAGEMENT SERVICE

DESIGNATED APPLICANT INFORMATION CERTIFICATION

OIL POLLUTION ACT OF 1990

APPLICATION FOR CERTIFICATION OF OIL SPILL FINANCIAL RESPONSIBILITY

(TYPE OR PRINT ALL INFORMATION EXCEPT SIGNATURES)

AGENCY USE ONLY	
COFR NUMBER	APPLICANT NUMBER

Pg. 1 of 1
MMS–1016
OMB No. 1010 –_____
Expiration Date: _____

1. DESIGNATED APPLICANT: _____
COMPANY LEGAL NAME

_____
ADDRESS

_____
CITY STATE ZIP CODE

_____ ( ) _____
CONTACT PERSON AREA CODE and TELEPHONE NUMBER

_____ ( ) _____
CONTACT PERSON'S TITLE AREA CODE and FAX NUMBER

2. SUMMARY OF EVIDENCE OF OIL SPILL FINANCIAL RESPONSIBILITY:

Type of Evidence	Amount (in U.S. Dollars)	Effective Date of Evidence	Expiration Date of Evidence
Self-Insurance	$		
Guarantee	$		
Surety Bonds	$		
Insurance	$		
Other:	$		
TOTAL AMOUNT	$		

3. I, AS AN OFFICER OF THE COMPANY, HEREBY CERTIFY THE INFORMATION CONTAINED HEREIN, INCLUDING ALL INFORMATION IN THE ATTACHED FORMS SUPPORTING THIS APPLICATION, IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE. I AGREE TO ESTABLISH AND MAINTAIN OIL SPILL FINANCIAL RESPONSIBILITY ON BEHALF OF ALL THE PARTIES RESPONSIBLE FOR THE LEASES, PERMITS, AND RIGHTS OF USE AND EASEMENT COVERED BY THIS APPLICATION. I AGREE TO BE LIABLE FOR CLAIMS UNDER THE ACT JOINTLY AND SEVERALLY WITH ALL THE PARTIES RESPONSIBLE FOR THE LEASES, PERMITS AND RIGHTS OF USE AND EASEMENT COVERED BY THIS APPLICATION. I WILL IMMEDIATELY NOTIFY THE OIL SPILL FINANCIAL RESPONSIBILITY PROGRAM OF ANY CHANGES IN THE INFORMATION INCLUDED IN THIS APPLICATION.

_____ _____
NAME SIGNATURE

_____ _____
TITLE DATE

4. MY DESIGNATED U.S. AGENT FOR SERVICE OF PROCESS IS: _____
NAME

_____
ADDRESS

_____
CITY STATE ZIP CODE

( ) _____ ( ) _____
AREA CODE AND TELEPHONE NUMBER AREA CODE AND FAX NUMBER

MINERALS MANAGEMENT SERVICE

DESIGNATION OF APPLICANT

OIL POLLUTION ACT OF 1990

APPLICATION FOR CERTIFICATION OF OIL SPILL FINANCIAL RESPONSIBILITY

(TYPE OR PRINT ALL INFORMATION EXCEPT SIGNATURES)

AGENCY USE ONLY

COFR NUMBER | APPLICANT NUMBER | RESPONSIBLE PARTY NUMBER

Pg. 1 of 1
MMS–1017
OMB No. 1010 –_____
Expiration Date: _____

1. DESIGNATED APPLICANT: _____
COMPANY LEGAL NAME

_____
ADDRESS

_____
CITY STATE ZIP CODE

2. RESPONSIBLE PARTY: _____
COMPANY LEGAL NAME

_____
ADDRESS

_____
CITY STATE ZIP CODE

_____
CONTACT PERSON

_____
CONTACT PERSON'S TITLE

(____) _____ (____) _____
AREA CODE AND TELEPHONE NUMBER AREA CODE AND FAX NUMBER

3. I, AS AN OFFICER OF THE RESPONSIBLE PARTY COMPANY, NAME THE DESIGNATED APPLICANT IDENTIFIED ABOVE TO ACT FOR MY COMPANY FOR THE CERTIFICATION OF OIL SPILL FINANCIAL RESPONSIBILITY IN ACCORDANCE WITH THE OIL POLLUTION ACT OF 1990 AND 30 CFR 253 FOR THE ATTACHED LIST OF LEASES, PERMITS, AND RIGHTS OF USE AND EASEMENT. I WILL ENSURE THAT THE DESIGNATED APPLICANT ESTABLISHES AND MAINTAINS OIL SPILL FINANCIAL RESPONSIBILITY FOR THESE NAMED LEASES, PERMITS, AND RIGHTS OF USE AND EASEMENT IN ACCORDANCE WITH 30 CFR 253 AND IN THE AMOUNTS SPECIFIED BY THE MINERALS MANAGEMENT SERVICE. I CERTIFY THAT MY COMPANY WILL BE JOINTLY, SEVERALLY, AND STRICTLY LIABLE, TOGETHER WITH THE OTHER RESPONSIBLE PARTIES, FOR ALL OIL SPILL REMOVAL COSTS AND DAMAGES IN ACCORDANCE WITH THE OIL POLLUTION ACT OF 1990. THIS DESIGNATION IS EFFECTIVE BEGINNING ON _____ (DATE). I WILL NOTIFY THE MINERALS MANAGEMENT SERVICE IN WRITING WHEN THIS DESIGNATION IS CANCELED.

_____ _____
NAME SIGNATURE

_____ _____
TITLE DATE

4. MY DESIGNATED U.S. AGENT FOR SERVICE OF PROCESS IS: _____
NAME

_____
ADDRESS

_____
CITY STATE ZIP CODE

(____) _____ (____) _____
AREA CODE AND TELEPHONE NUMBER AREA CODE AND FAX NUMBER

MINERALS MANAGEMENT SERVICE

SELF-INSURANCE OR GUARANTEE INFORMATION

OIL POLLUTION ACT OF 1990

APPLICATION FOR CERTIFICATION OF OIL SPILL FINANCIAL RESPONSIBILITY

(TYPE OR PRINT ALL INFORMATION EXCEPT SIGNATURES)

AGENCY USE ONLY

COFR NUMBER	APPLICANT NUMBER	INDEMNITOR NUMBER

Pg. 1 of 1
MMS–1018
OMB No. 1010 –_____
Expiration Date: _____

1. DESIGNATED APPLICANT: _____
COMPANY LEGAL NAME

2. FOR THE PURPOSE OF THIS APPLICATION THE UNDERSIGNED IS ACTING IN THE FOLLOWING CAPACITY:

☐ SELF-INSURER (30 CFR 253.21 AND 30 CFR 253.41) ☐ INDEMNITOR (30 CFR 253.23 AND 30 CFR 253.41)

3. THE AMOUNT OF COVERAGE FOR WHICH EVIDENCE OF OIL SPILL FINANCIAL RESPONSIBILITY IS BEING ESTABLISHED IS:

FROM	$	TO	$
	LOWER LIMIT (Must Complete)		UPPER LIMIT (Must Complete)

4. THIS COVERAGE IS EFFECTIVE: _____ (MM/DD/YY) AND EXPIRES ON THE FIRST CALENDAR DAY OF THE FIFTH MONTH AFTER THE CLOSE OF THE SELF-INSURER'S OR INDEMNITOR'S FISCAL YEAR, WHICH ENDS: _____ (MM/DD/YY).

5. SELF-INSURER OR INDEMNITOR PROVIDING EVIDENCE OF OIL SPILL FINANCIAL RESPONSIBILITY FOR THE DESIGNATED APPLICANT:

_____
COMPANY LEGAL NAME

_____
ADDRESS

_____
CITY STATE ZIP CODE

_____ ( ) _____
CONTACT PERSON FOR CLAIMS AREA CODE and TELEPHONE NUMBER

_____ ( ) _____
CONTACT PERSON'S TITLE AREA CODE and FAX NUMBER

6. THE UNDERSIGNED, AS AN OFFICER OF THE ABOVE NAMED SELF-INSURER OR INDEMNITOR COMPANY, AGREES TO THE CONDITIONS STATED IN 30 CFR 253.21 THROUGH 30 CFR 253.28 AND 30 CFR 253.41, AND TO NOTIFY THE OIL SPILL FINANCIAL RESPONSIBILITY PROGRAM IN THE EVENT THE DESIGNATED APPLICANT OR THE INDEMNITOR IS NO LONGER ABLE TO MAINTAIN EVIDENCE OF OIL SPILL FINANCIAL RESPONSIBILITY TO THE EXTENTSTATED IN SECTION 3 ABOVE (REF. 30 CFR 253.15).

_____ _____
NAME SIGNATURE

_____ _____
TITLE DATE

7. THE DESIGNATED U.S. AGENT FOR SERVICE OF PROCESS IS:

_____
NAME

_____
ADDRESS

_____
CITY STATE ZIP CODE

( ) _____ ( ) _____
AREA CODE AND TELEPHONE NUMBER AREA CODE AND FAX NUMBER

MINERALS MANAGEMENT SERVICE

INSURANCE CERTIFICATE

OIL POLLUTION ACT OF 1990
APPLICATION FOR CERTIFICATION OF OIL SPILL FINANCIAL RESPONSIBILITY
(TYPE OR PRINT ALL INFORMATION EXCEPT SIGNATURES)

AGENCY USE ONLY

COFR NUMBER	APPLICANT NUMBER	BROKER/AGENTNUMBER

Pg. 1 OF 4
MMS–1019
OMB No. 1010 –_____
Expiration Date: _____

1. DESIGNATED APPLICANT: _____
COMPANY LEGAL NAME

2. THE AMOUNT OF INSURANCE COVERAGE ESTABLISHED AS EVIDENCE OF OIL SPILL FINANCIAL RESPONSIBILITY FOR THE DESIGNATED APPLICANT (HEREAFTER THE INSURED) BY THE NAMED INSURERS IN COMPLIANCE WITH TITLE I OF THE OIL POLLUTION ACT OF 1990 (HEREAFTER THE ACT) AND PART 253 OF TITLE 30, CODE OF FEDERAL REGULATIONS (CFR), FOR ANY ONE INCIDENT IS:

FROM $_____ (STARTING AMOUNT ABOVE ANY DEDUCTIBLE OR EXCESS AMOUNT) TO $_____ (UPPER LIMIT OF THIS INSURANCE LAYER)

THE FOLLOWING INSURANCE OPTION HAS BEEN SELECTED TO PROVIDE THIS COVERAGE:

- ☐ Full Option—Insurance is provided for the first full $ ___ million without deductible.
- ☐ Deductible Option—Insurance is provided for the amount of $ ___ million less the deductible amount of $ _____ .
- ☐ Excess Option—Insurance is provided for the amount of $ ___ million in excess of the amount of $ _____ million.

3. THIS COVERAGE IS EFFECTIVE: _____ (MM/DD/YY) AT _____ (CENTRAL STANDARD TIME) AND EXPIRES: _____ (MM/DD/YY) AT _____ (CENTRAL STANDARD TIME)

The termination date and time shall be the date and time this instrument expires or, if prior thereto, the date cancellation is effective. Expiration shall be effective with or without written notice. Termination does not affect the liability of the insurers in connection with an oil discharge occurring before the termination date (Ref. 30 CFR 253.41(b)).

4. INSURANCE AGENT OR BROKER FOR THIS INSURANCE CERTIFICATE:

_____
COMPANY NAME

_____
STREET ADDRESS

_____ , _____ , _____ _____
CITY STATE COUNTRY (IF NOT U.S.A.) ZIP CODE

(____)_____ (____)_____
AREA CODE AND TELEPHONE NUMBER AREA CODE AND FAX NUMBER

I, as an authorized representative of the insurance agent or broker identified above, certify that the information contained in this insurance certificate is accurate and correct, and that this insurance certificate and the named insurers comply with the requirements stated in 30 CFR 253.29. I agree to maintain and provide to the Designated Applicant and the Minerals Management Service (MMS), on demand, any delegations of authority to a broker or an underwriter of another insurer or underwriting manager to bind a named insurer to all risks and liabilities specified in Title I of the Act. I further agree to notify, in accordance with 30 CFR 253.41(c), the Designated Applicant and the MMS Oil Spill Financial Responsibility Program, by written notice sent by certified mail, of the intent to terminate this insurance certificate prior to the end of the coverage period specified above.

_____ NAME _____ SIGNATURE

_____ TITLE _____ DATE

MMS–1019 Pg. 2 OF 4

5. THE NAMED INSURERS, LISTED BELOW, CERTIFY THAT THE DESIGNATED APPLICANT IS INSURED BY THE NAMED INSURERS FOR THE OFFSHORE FACILITIES, SPECIFIED BY THE SELECTED OFFSHORE FACILITY COVERAGE OPTION, AGAINST LIABILITY FOR REMOVAL COSTS AND DAMAGES TO WHICH THE DESIGNATED APPLICANT COULD BE SUBJECTED UNDER TITLE I OF THE ACT AND 30 CFR 253 WITHIN THE INSURANCE LAYER SPECIFIED.

   THE FOLLOWING OFFSHORE FACILITY COVERAGE OPTION HAS BEEN SELECTED:

   ☐ General Option—All offshore facilities on all leases, permits, and rights of use and easement for which the Insured is the Designated Applicant.

   ☐ Schedule Option—All offshore facilities on the list of leases, permits, and rights of use and easement on the Designated Applicant's attached information form and schedule of properties forms, all dated _____.

6. THE NAMED INSURERS AGREE THAT ANY SUIT FOR CLAIM FOR WHICH THE INSURED MAY BE LIABLE UNDER TITLE I OF THE ACT MAY BE BROUGHT DIRECTLY AGAINST THE NAMED INSURERS FOR CLAIMS ASSERTED BY THE U.S. GOVERNMENT OR, IN THE CASE OF THE INSURED'S INSOLVENCY OR PETITION FOR BANKRUPTCY UNDER CHAPTER 11, U.S. CODE, FOR CLAIMS ASSERTED BY OTHER CLAIMANTS.

7. THE NAMED INSURERS AGREE THAT IN THE EVENT OF A DIRECT CLAIM, THE NAMED INSURERS SHALL BE ENTITLED TO INVOKE ONLY (1) THE RIGHTS AND DEFENSES PERMITTED BY TITLE I OF THE ACT TO THE INSURED AND (2) THE DEFENSE THAT THE INCIDENT GIVING RISE TO THE CLAIM WAS CAUSED BY THE WILLFUL MISCONDUCT OF THE INSURED.

8. THE NAMED INSURERS DESIGNATE THE FOLLOWING U.S. AGENT FOR SERVICE OF PROCESS FOR THIS INSURANCE CERTIFICATE:

_____
NAME

_____
ADDRESS

_____, _____ _____
CITY STATE ZIP CODE

( ) _____ ( ) _____
AREA CODE AND TELEPHONE NUMBER AREA CODE AND FAX NUMBER

If the designated U.S. Agent for Service of Process cannot be served due to death, disability, or unavailability, the Director, U.S. Coast Guard National Pollution Funds Center, is the U.S. Agent for Service of Process.

9. THE FOLLOWING NAMED INSURERS HEREBY CERTIFY THEIR PARTICIPATION ON THIS INSTRUMENT:

INSURER'S NAME	PERCENT RISK	AUTHORIZED SIGNATURE	NAME AND TITLE OF BINDING OFFICIAL	INSURANCE RATING	INSURANCE RATING SERVICE	DATE OF RATING (MM/YY)
SUBTOTAL PERCENTAGE OF RISK						

MMS–1019 Pg. 4 OF 4

CONTINUATION OF INSURERS CERTIFICATION OF THEIR PARTICIPATION ON THIS INSTRUMENT:

INSURER'S NAME	PERCENT RISK	AUTHORIZED SIGNATURE	NAME AND TITLE OF BINDING OFFICIAL	INSURANCE RATING	INSURANCE RATING SERVICE	DATE OF RATING (MM/YY)
SUBTOTAL FROM PREVIOUS PAGE						
TOTAL PERCENTAGE OF RISK (MUST EQUAL 100%)						

MINERALS MANAGEMENT SERVICE

SURETY BOND

OIL POLLUTION ACT OF 1990

APPLICATION FOR CERTIFICATION OF OIL SPILL FINANCIAL RESPONSIBILITY

(TYPE OR PRINT ALL INFORMATION EXCEPT SIGNATURES)

AGENCY USE ONLY

COFR NUMBER | APPLICANT NUMBER | SURETY NUMBER

Pg. 1 OF 2
MMS–1020
OMB No. 1010 –_____
Expiration Date: _____

1. DESIGNATED APPLICANT: _____
COMPANY LEGAL NAME

2. SURETY COMPANY BOND NUMBER: _____

3. KNOW ALL MEN BY THESE PRESENTS, that we, _____ of _____ (STATE), U.S.A., as Designated Applicant (hereinafter called Principal), and _____, a company created and existing under the laws of _____ (STATE), and authorized to do business in the United States, as Surety (hereinafter called Surety), and are held and firmly bound unto the United States of America and other claimants for damages and removal cost liability under Title I of the Oil Pollution Act of 1990 (hereinafter called Act) in the penal sum of $_____, for which payment, well and truly to be made, we bind ourselves and our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents under the terms and conditions prescribed in Part 253 of Title 30 Code of Federal Regulations.

This bond is written to ensure compliance by the Principal with the requirements of section 1016(c) of the Act; and shall inure to the benefit of claimants under Title I of the Act.

The condition of this obligation is that if the Principal shall pay or cause to be paid to claimants any sum or sums for which the Principal may be held legally liable under Title I of the Act, then this obligation, to the extent of such payment, shall be void, otherwise to remain in full force and effect.

4. The liability of the Surety shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penalty of the bond. In no event shall the Surety's obligation hereunder exceed the amount of the penalty, provided the Surety furnishes written notice to the MMS forthwith of all claims filed, judgments rendered, and payments made by the Surety under this bond.

Any claim for which the Principal may be liable under Title I of the Act may be brought directly against the Surety for claims asserted by the U.S. Government or, in the case of the Principal's insolvency or petition for bankruptcy under Chapter 11, U.S. Code, for claims asserted by other claimants. In the event of a direct claim, the Surety shall be entitled to invoke only (1) the rights and defenses permitted by Title I of the Act to the Principal and (2) the defense that the incident giving rise to the claim was caused by the willful misconduct of the Principal.

MMS–1020 Pg. 2 OF 2

5. This bond is effective the _____ day of _____ (MONTH), _____ (YEAR), 12:01 a.m., standard time at the address of the Surety as stated herein and shall continue in force until terminated as hereinafter provided. The Principal or the Surety may at any time terminate this bond by written notice sent by certified mail to the other party with a copy (plainly indicating the original notice was sent by certified mail) to the MMS at its regional office in New Orleans, Louisiana, by certified mail. The termination becomes effective thirty (30) calendar days after actual receipt by the MMS of written notice. The Surety shall not be liable hereunder in connection with an incident occurring after the termination of this bond as herein provided; but termination shall not affect the liability of the Surety in connection with an incident occurring before the termination becomes effective.

6. The Surety designates the following U.S. Agent for Service of Process:

_____
NAME

_____
ADDRESS

_____
CITY STATE ZIP CODE

( ) _____ ( ) _____
AREA CODE AND TELEPHONE NUMBER AREA CODE AND FAX NUMBER

If the designated U.S. Agent for Service of Process cannot be served due to death, disability, or unavailability, the Director, U.S. Coast Guard National Pollution Funds Center, is the U.S. Agent for Service of Process.

7. In witness whereof, the Principal and the Surety have executed this instrument on the _____ day of _____ (MONTH), _____ (YEAR).

PRINCIPAL:

_____
SIGNATURE (OF A COMPANY OFFICER WHO IS A CORPORATE PRINCIPAL)

_____
NAME (OF THE COMPANY OFFICER)

_____ (CORPORATE SEAL)
TITLE (OF THE COMPANY OFFICER)

SURETY:

_____
COMPANY NAME

_____
ADDRESS

_____
CITY STATE ZIP CODE

_____
SIGNATURE (OF CORPORATE SURETY)

_____
NAME (OF CORPORATE SURETY)

_____ (CORPORATE SEAL)
TITLE (OF CORPORATE SURETY)

MINERALS MANAGEMENT SERVICE

LEASE LISTING

OIL POLLUTION ACT OF 1990

APPLICATION FOR CERTIFICATION OF OIL SPILL FINANCIAL RESPONSIBILITY

(TYPE OR PRINT ALL INFORMATION EXCEPT SIGNATURES)

AGENCY USE ONLY	
COFR NUMBER	APPLICANT NUMBER

Pg. 1 of 1
MMS–1021
OMB No. 1010 –_____
Expiration Date: _____

1. DESIGNATED APPLICANT: _____
COMPANY LEGAL NAME

2. THE FOLLOWING LIST COMPRISES PART OR ALL OF _____ LEASES TO BE COVERED BY MY APPLICATION FOR CERTIFICATION OF OIL SPILL FINANCIAL RESPONSIBILITY.
NUMBER

_____ NAME OF CORPORATE OFFICER

_____ SIGNATURE OF CORPORATE OFFICER

_____ TITLE OF CORPORATE OFFICER

_____ DATE

3. LEASES:

AREA	BLOCK	LEASE NUMBER	STATE OR FEDERAL LOCATION (Specify State name or OCS)	POTENTIAL WORST CASE OIL SPILL DISCHARGE (In barrels)

IF ADDITIONAL SPACE IS REQUIRED TO LIST LEASES, ADDITIONAL COPIES OF THIS PAGE MAY BE ATTACHED AS CONTINUATION PAGES.

MINERALS MANAGEMENT SERVICE

PERMIT OR RIGHT OF USE AND EASEMENT LISTING

OIL POLLUTION ACT OF 1990

APPLICATION FOR CERTIFICATION OF OIL SPILL FINANCIAL RESPONSIBILITY

(TYPE OR PRINT ALL INFORMATION EXCEPT SIGNATURES)

AGENCY USE ONLY	
COFR NUMBER	APPLICANT NUMBER

Pg. 1 of 1
MMS–1022
OMB No. 1010 –_____
Expiration Date: _____

1. DESIGNATED APPLICANT: _____
COMPANY LEGAL NAME

2. THE FOLLOWING LIST COMPRISES PART OR ALL OF _____ PERMITS OR RIGHTS OF USE AND EASEMENT TO BE
NUMBER
COVERED BY MY APPLICATION FOR CERTIFICATION OF OIL SPILL RESPONSIBILITY.

_____ NAME OF CORPORATE OFFICER

_____ SIGNATURE OF CORPORATE OFFICER

_____ TITLE OF CORPORATE OFFICER

_____ DATE

3. PERMIT OR RIGHTS OF USE AND EASEMENT:

PERMIT NUMBER	RIGHTS OF USE AND EASEMENT NUMBER	PIPELINE SEGMENT NUMBER (If any)	STATE OR FEDERAL LOCATION (Specify State name or OCS)	POTENTIAL WORST CASE OIL SPILL DISCHARGE (In barrels)

IF ADDITIONAL SPACE IS REQUIRED, ADDITIONAL COPIES OF THIS PAGE MAY BE ATTACHED AS CONTINUATION PAGES.

MINERALS MANAGEMENT SERVICE

LEASE CHANGES

OIL POLLUTION ACT OF 1990

APPLICATION FOR CERTIFICATION OF OIL SPILL FINANCIAL RESPONSIBILITY

(TYPE OR PRINT ALL INFORMATION EXCEPT SIGNATURES)

AGENCY USE ONLY	
COFR NUMBER	APPLICANT NUMBER

Pg. 1 of 1
MMS–1023
OMB No. 1010 –_____
Expiration Date: _____

1. DESIGNATED APPLICANT: _____
COMPANY LEGAL NAME

2. THE FOLLOWING LIST COMPRISES PART OR ALL OF _____ CHANGES TO LEASES COVERED BY MY APPLICATION FOR
NUMBER
CERTIFICATION OF OIL SPILL FINANCIAL RESPONSIBILITY OF _____ .
DATE

_____ NAME OF CORPORATE OFFICER

_____ SIGNATURE OF CORPORATE OFFICER

_____ TITLE OF CORPORATE OFFICER

_____ DATE

3. LEASES ADDED:

AREA	BLOCK	LEASE NUMBER	STATE OR FEDERAL LOCATION (Specify State name or OCS)	EFFECTIVE DATE (MM/DD/YY)	POTENTIAL WORST CASE OIL SPILL DISCHARGE (In barrels)	PREVIOUS DESIGNATED APPLICANT

4. LEASES DELETED:

AREA	BLOCK	LEASE NUMBER	STATE OR FEDERAL LOCATION (Specify State name or OCS)	EFFECTIVE DATE (MM/DD/YY)	POTENTIAL WORST CASE OIL SPILL DISCHARGE (In barrels)	NEW DESIGNATED APPLICANT

5. POTENTIAL WORST CASE OIL SPILL DISCHARGE CHANGES:

AREA	BLOCK	LEASE NUMBER	STATE OR FEDERAL LOCATION (Specify State name or OCS)	EFFECTIVE DATE (MM/DD/YY)	OLD POTENTIAL WORST CASE OIL SPILL DISCHARGE (In barrels)	NEW POTENTIAL WORST CASE OIL SPILL DISCHARGE (In barrels)

IF ADDITIONAL SPACE IS REQUIRED TO LIST LEASES, ADDITIONAL COPIES OF THIS PAGE MAY BE ATTACHED AS CONTINUATION PAGES.

MINERALS MANAGEMENT SERVICE

PERMIT OR RIGHT OF USE AND EASEMENT CHANGES

OIL POLLUTION ACT OF 1990

APPLICATION FOR CERTIFICATION OF OIL SPILL FINANCIAL RESPONSIBILITY

(TYPE OR PRINT ALL INFORMATION EXCEPT SIGNATURES)

AGENCY USE ONLY	
COFR NUMBER	APPLICANT NUMBER

Pg. 1 of 1
MMS–1024
OMB No. 1010 –_____
Expiration Date: _____

1. DESIGNATED APPLICANT: _____
COMPANY LEGAL NAME

2. THE FOLOWING LIST COMPRISES PART OR ALL OF _____ CHANGES TO PERMITS OR RIGHTS OF USE AND EASEMENT
NUMBER
COVERED BY MY APPLICATION FOR CERTIFICATION OF OIL SPILL FINANCIAL RESPONSIBILITY OF _____ .
DATE

_____ NAME OF CORPORATE OFFICER

_____ SIGNATURE OF CORPORATE OFFICER

_____ TITLE OF CORPORATE OFFICER

_____ DATE

3. PERMITS OR RIGHTS OF USE AND EASEMENT ADDED:

PERMIT NUMBER	RIGHT OF USE AND EASEMENT NUMBER	PIPELINE SEGMENT NUMBER ,	STATE OR FEDERAL LOCATION (Specify State name or OCS)	EFFECTIVE DATE (MM/DD/YY)	POTENTIAL WORST CASE OIL SPILL DISCHARGE (In barrels)	PREVIOUS DESIGNATED APPLICANT

4. PERMITS OR RIGHTS OF USE AND EASEMENT DELETED:

PERMIT NUMBER	RIGHT OF USE AND EASEMENT NUMBER	PIPELINE SEGMENT NUMBER	STATE OR FEDERAL LOCATION (Specify State name or OCS)	EFFECTIVE DATE (MM/DD/YY)	POTENTIAL WORST CASE OIL SPILL DISCHARGE (In barrels)	NEW DESIGNATED APPLICANT

5. POTENTIAL WORST CASE OIL SPILL DISCHARGE CHANGES:

PERMIT NUMBER	RIGHT OF USE AND EASEMENT NUMBER	PIPELINE SEGMENT NUMBER	STATE OR FEDERAL LOCATION (Specify State name or OCS)	EFFECTIVE DATE (MM/DD/YY)	OLD POTENTIAL WORST CASE OIL SPILL DISCHARGE (In barrels)	NEW POTENTIAL WORST CASE OIL SPILL DISCHARGE (In barrels)

IF ADDITIONAL SPACE IS REQUIRED, ADDITIONAL COPIES OF THIS PAGE MAY BE ATTACHED AS CONTINUATION PAGES.

[FR Doc. 97–7270 Filed 3–24–97; 8:45 am]
BILLING CODE 4310–MR–C

Office of Surface Mining Reclamation and Enforcement

30 CFR Part 920

[MD–041–FOR]

Maryland Regulatory Program

AGENCY: Office of Surface Mining Reclamation and Enforcement (OSM), Interior.

ACTION: Proposed rule; public comment period and opportunity for public hearing.

SUMMARY: OSM is announcing receipt of a proposed amendment to the Maryland regulatory program (hereinafter the ''Maryland program'' under the Surface Mining Control and Reclamation Act of 1977 (SMCRA). The proposed amendment consists of changes to provisions of the Maryland regulations pertaining to bonding. The amendment is intended to revise the Maryland program to be consistent with the corresponding Federal regulations and SMCRA.

DATES: Written comments must be received by 4:00 p.m. E.S.T. April 24, 1997. If requested, a public hearing on the proposed amendment will be held on April 21, 1997. Requests to speak at the hearing must be received by 4:00 p.m., E.S.T., on April 9, 1997.

ADDRESSES: Written comments and requests to speak at the hearing should be mailed or hand delivered to George Rieger, Program Manager, at the address listed below.

Copies of the Maryland program, the proposed amendment, a listing of any scheduled public hearings, and all written comments received in response to this document will be available for public review at the addresses listed below during normal business hours, Monday through Friday, excluding holidays. Each requester may receive one free copy of the proposed amendment by contracting OSM's Appalachian Regional Coordinating Center.

George Rieger, Program Manager, OSM, Appalachian Regional Coordinating Center, 3 Parkway Center, Pittsburgh, PA 15220. Telephone: (412) 937–2153.

Maryland Bureau of Mines, 160 South Water Street, Frostburg, Maryland 21532. Telephone: (301) 689–4136.

FOR FURTHER INFORMATION CONTACT:

George Rieger, Program Manager, Appalachian Regional Coordinating Center, at (412) 937–2153.

SUPPLEMENTARY INFORMATION:

I. Background on the Maryland Program

On December 1, 1980, the Secretary of the Interior conditionally approved the Maryland program. Background information on the Maryland program, including the Secretary's findings, the disposition of comments, and the conditions of approval can be found in the December 1, 1980, **Federal Register** (45 FR 79449). Subsequent actions concerning the conditions of approval and program amendments can be found at 30 CFR 920.12, 920.15, and 920.16.

II. Description of the Proposed Amendment

By letter dated March 6, 1997 (Administrative Record No. MD–552.18), Maryland submitted a proposed amendment to its program pursuant to SMCRA in response to required amendments at 30 CFR 920.16 (h), (i), (j), and (n). Maryland is revising the Code of Maryland Regulations (COMAR) at section 26.20.14.01B—Performance Bonds and is formally submitting actuarial study which reviews the adequacy of its alternative bonding system. Specifically, Maryland proposes to require that a performance bond be conditioned upon the permittee faithfully performing every requirement of Subtitle 5 of the Annotated Code of Maryland, the Regulatory Program, the permit, and the reclamation plan.