

The NewsRoom

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Input Sought on Two Proposed Cost Recovery Initiatives

WASHINGTON-The Minerals Management Service is seeking comments on two separate proposed cost recovery initiatives for services and activities the agency provides to the offshore oil and gas industry related to operations and leasing in the Outer Continental Shelf.

The first request for comments is in the form of a proposed rulemaking to establish new fixed fees, while the second request for comments refers to an Advanced Notice of Proposed Rulemaking (ANPR) regarding additional cost recovery fees for future collection.

The first MMS request was published as a [proposed rule](#) in the Federal Register on March 15, 2005. This proposed rule requests comments on new fixed fees as well as changes in existing fees for services provided by MMS. The proposal estimates that the new and increased fees of \$2 million are necessary to recover MMS's actual costs of performing the below listed actions.

Under the proposed rule, seven services provided by MMS would incur fees for the first time, two services would incur fee increases, and three services would see a fee decrease.

Service	Current Fee	Proposed Fee
Change in Designation of Operator	none	\$140
Suspensions of Operations/Suspensions of Production	none	\$1,700
500 feet from Lease/Unit Line Production requests	none	\$3,100
Gas Cap Production Requests	none	\$4,000
Downhole Commingling Requests	none	\$4,600
Voluntary Unitization Proposal or Unit Expansion	none	\$10,000
Unitization Revision and Modification	none	\$720
Pipeline ROW Assignment	\$60	\$160
Non-required Document Filings	\$25	\$170
Record Title/Operations Rights (Transfer).	\$185	\$160
Pipeline Right of Way Grant Applications	\$2,350	\$1,100
Pipeline conversion of Lease Term to ROW	\$300	\$180

Comments on the proposed rule are due by April 14, 2005.

The second request for comments is an [ANPR](#) published in today's Federal Register. MMS is seeking comments on new cost recovery fees called for in the agency's FY 2006 budget request. The fees selected in the ANPR are different from those in the Proposed Rule. MMS anticipates that the new fees proposed in the ANPR would result in \$13.5 million in cost recovery for the agency.

The plans and permits identified in the ANPR for potential fees include:

- Exploration Plans
- Development and Production Plans
- Deep Water Operations Plans
- Applications for Permit to Drill
- Applications for Permit to Modify
- Applications to Remove a Platform
- Platform Approvals

- Conservation Information Documents
- G&G Permits
- Sand and Gravel Permits

Comments on the ANPR are due by April 25, 2005.

Federal agencies are authorized to recover costs of providing services to non-federal entities, such as industry, through provisions in the Independent Offices Appropriations Act of 1952 (IOAA) 31 USC 9701.

Revenues collected under both today's ANPR and the proposed rule would be used by MMS to recover the actual costs of these activities, which are critical for oil and gas exploration and development, and for protecting the environment and promoting safety in the OCS.

Comments on both rules may be submitted electronically through MMS's Public Connect on-line system at <https://occonnect.mms.gov>, or through Federal Rulemaking Portal at <http://www.regulations.gov>. Important specific instructions for submitting comments, as well as alternate methods of commenting, are explained in detail in both the ANPR and the proposed rule.

MMS, part of the U.S. Department of the Interior, oversees 1.76 billion acres of the Outer Continental Shelf, managing offshore energy and minerals while protecting the human, marine, and coastal environments through advanced science and technology research. The OCS provides 30 percent of oil and 23 percent of natural gas produced domestically, and sand used for coastal restoration. MMS's collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, with Fiscal Year 2004 disbursements of approximately \$8 billion and more than \$143 billion since 1982. The Land and Water Conservation Fund, which pays for cooperative conservation, grants to states, and Federal land acquisition, gets nearly \$1 billion a year.

Relevant Web Sites:
[MMS Main Website](#)

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[MMS: Securing Ocean Energy & Economic Value for America](#)
U.S. Department of the Interior