

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 206

RIN 1010-AC00

Revision of Valuation Regulations Governing Oil and Gas Transportation and Processing Allowances, and Coal Washing and Transportation Allowances

AGENCY: Minerals Management Service, Interior.

ACTION: Correcting amendments.

SUMMARY: This document contains corrections to final regulations concerning oil and gas and coal allowances on Federal and Indian leases which were published in the Federal Register on Monday, February 12, 1996, (61 FR 5447).

DATES: Effective on March 1, 1996.

FOR FURTHER INFORMATION CONTACT: David S. Guzy, Chief, Rules and Procedures Staff, Royalty Management Program, Minerals Management Service, telephone (303) 231-3432, fax (303) 231-3194, e-Mail David\_Guzy@smtp.mms.gov.

SUPPLEMENTARY INFORMATION:

Background

The Minerals Management Service (MMS) is making corrections to a final rule published in the Federal Register on February 12, 1996 (61 FR 5447). This final rule, effective March 1, 1996, amended 30 CFR part 206-PRODUCT VALUATION regulations for oil and gas transportation and processing allowances for production from Federal leases. It also amended the regulations for coal washing and transportation allowances for production from Federal leases. The final rule did not change the existing regulations applicable to Indian leases.

Need for Correction

As published, the final regulations in 30 CFR part 206 contain errors which may prove to be misleading and need to be clarified.

List of Subjects in 30 CFR Part 206

Coal, Continental Shelf, Geothermal energy, Government contracts, Indian lands, Mineral royalties, Natural gas, Petroleum, Public lands—mineral resources, Reporting and recordkeeping requirements.

Accordingly, 30 CFR part 206 is corrected by making the following correcting amendments:

PART 206—PRODUCT VALUATION

1. The authority citation for part 206 continues to read as follows:

Authority: 5 U.S.C. 301 et seq.; 25 U.S.C. 396 et seq., 396a et seq., 2101 et seq.; 30 U.S.C. 181 et seq., 351 et seq., 1001 et seq., 1701 et seq.; 31 U.S.C. 9701.; 43 U.S.C. 1301 et seq., 1331 et seq., and 1801 et seq.

Subpart B—Indian Oil

§ 206.51 Definitions [Corrected]

2. In § 206.51, definition of gross proceeds, remove the word "terminating" in the third sentence and add, in its place, the word "terminaling."

3. In § 206.51, definition of tar sands, remove the word "either," the comma after the word "temperature," and the phrase "or contains quarrying." End the sentence with a period.

§ 206.53 [Corrected]

4. In § 206.53(c), remove the word "proved" in the second sentence and add, in its place, the word "approved."

Subpart D—Federal Gas

§ 206.151 [Corrected]

5. In § 206.151, definition of gross proceeds, remove the next-to-last word in the first sentence, "oil," and add, in its place, the words "gas, residue gas, and gas plant products." Also, remove the third sentence.

§ 206.156 [Corrected]

6. In § 206.156(d), remove the word "oil" in the last sentence, and add, in its place, the words "unprocessed gas, residue gas, and gas plant products."

§ 206.158 [Corrected]

7. In § 206.158(e), remove the word "transportation" in the second sentence and add, in its place, the word "processing." Also remove the word "oil" in the second sentence and add, in its place, the words "gas plant products."

8. In § 206.159 paragraph (a)(1)(i), remove the word "transportation" in the last sentence and add, in its place, the word "processing." In paragraph (e)(2), remove the word "transporting" and add, in its place, the word "processing."

9. In the last section in Subpart D, § 206.106, correct the section number to read "206.160."

Subpart E—Indian Gas

§ 206.172 [Corrected]

10. In § 206.172(h), remove both instances of the words "pursuant to" and add, in their place, the word "under."

§ 206.173 [Corrected]

11. In § 206.173(a)(2), remove the word "section" immediately before the words "of this part" and add, in its place, "§ 206.52."

§ 206.174 [Corrected]

12. In § 206.174(d)(2), remove the reference "202.171(c)" in the first sentence, and add, in its place, "202.151(b) and (c)."

§ 206.176 [Corrected]

13. In § 206.176(c)(3), remove the last sentence and add, in its place, the sentence "Under no circumstances will the value for royalty purposes be reduced to zero."

§ 206.177 [Corrected]

14. In § 206.177 paragraph (b)(3)(ii), first sentence, remove the letter "(i)" after the word "paragraph" and add, in its place, the words "(b)(3)(i) of this section." In paragraph (d)(1), first sentence, remove the word "processing," and add, in its place, the word "transportation."

Subpart F—Federal Coal

§ 206.251 [Corrected]

15. In § 206.251, definition of like-quality coal, add the word "that" before the word "has."

§ 206.258 [Corrected]

16. In § 206.258(a), remove the second sentence and add, in its place, the sentence "Under no circumstances will the authorized washing allowance and the transportation allowance reduce the value for royalty purposes to zero."

§ 206.259 [Corrected]

17. In § 206.259(c)(2)(ii), second sentence, remove the word "processing" and add, in its place, the word "washing."

18. In § 206.261, revise paragraph (b) to read as follows:

§ 206.261 Transportation allowances—general.

\* \* \* \* \*

(b) Under no circumstances will the authorized washing allowance and the transportation allowance reduce the value for royalty purposes to zero.

\* \* \* \* \*

19. In § 206.262, remove reserved paragraph (c)(2)(iv), redesignate paragraph (c)(2)(v) as paragraph (c)(2)(iv), add paragraphs (d)(2) and

(d)(3), and revise paragraph (e)(2). The added and revised text reads as follows:

**§ 206.262 Determination of transportation allowances.**

\* \* \* \* \*

(d) \* \* \*

(2) If a lessee erroneously reports a transportation allowance which results in an underpayment of royalties, interest shall be paid on the amount of that underpayment.

(3) Interest required to be paid by this section shall be determined in accordance with 30 CFR 218.202.

(e) \* \* \*

(2) The lessee must submit a corrected Form MMS-2014 to reflect actual costs, together with any payments, in accordance with instructions provided by MMS.

\* \* \* \* \*

**§ 206.263 [Corrected]**

20. In § 206.263(b), remove the words "pursuant to" and add, in its place, the word "under." Also, remove the word "in" and add, in its place, the word "is."

**§ 206.264 [Corrected]**

21. In § 206.264, remove the first word "In" and add, in its place the word "If."

**Subpart J—Indian Coal**

**§ 206.451 [Corrected]**

22. In § 206.451, definition of *like-quality coal*, add the word "that" before the word "has."

23. In § 206.457, revise the last sentence of paragraph (a) to read as follows:

**§ 206.457 Washing allowances—general.**

(a) \* \* \* Under no circumstances will the authorized washing allowance and the transportation allowance reduce the value for royalty purposes to zero.

\* \* \* \* \*

24. In § 206.460 revise paragraph (b) to read as follows:

**§ 206.460 Transportation allowances—general.**

\* \* \* \* \*

(b) Under no circumstances will the authorized washing allowance and the transportation allowance reduce the value for royalty purposes to zero.

\* \* \* \* \*

**§ 206.461 [Corrected]**

25. In § 206.461(e)(1), last sentence, add the word "entitled" before the word "to."

**§ 206.462 [Corrected]**

26. In § 206.462 paragraph (b), remove the word "in" and add, in its place, the

word "is." In paragraph (c), remove the section number "206.251" and add, in its place, "206.451."

**§ 206.463 [Corrected]**

27. In § 206.463, remove the first word "In" and add, in its place, the word "If."

**§ 206.464 [Corrected]**

28. In § 206.464(a), remove the section number "206.465" in the sentence and add, in its place, "206.456."

Dated: August 3, 1999.

**Lucy Querques Denett,**

*Associate Director for Royalty Management.*

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**DEPARTMENT OF TRANSPORTATION**

**Coast Guard**

**33 CFR Part 100**

[CGD08-99-049]

RIN 2115-AE46

**Special Local Regulations; Rising Sun Regatta Ohio River Mile 505.0-507.0, Rising Sun, IN**

**AGENCY:** Coast Guard, DOT.

**ACTION:** Temporary final rule.

**SUMMARY:** Special local regulations are being adopted for the Rising Sun Inboard Hydroplane Races. This event will be held on September 11 & 12, 1999 from 11 a.m. until 6 p.m. at Rising Sun, Indiana. These regulations are needed to provide for the safety of life on navigable waters during the event.

**EFFECTIVE DATE:** These regulations are effective from 11 a.m. until 6 p.m. on September 11, 1999 and from 11 a.m. to 6 p.m. on September 12, 1999.

**ADDRESSES:** Unless otherwise indicated, all documents referred to in this regulation are available for review at Marine Safety Office, Louisville, 600 Martin Luther King Jr. Place, Room 360, Louisville, KY 40202-2230.

**FOR FURTHER INFORMATION CONTACT:** Lieutenant Jeff Johnson, Chief, Port Management Department, USCG Marine Safety Office, Louisville, KY at (502) 582-5194, ext. 39.

**SUPPLEMENTARY INFORMATION:**

*Drafting information.* The drafters of this regulation are Lieutenant Jeff Johnson, Project Officer, Chief, Port Management Department, USCG Marine Safety Office, Louisville, KY, and LTJG Michele Woodruff, Project Attorney, Eighth Coast Guard District Legal Office.

**Regulatory History**

In accordance with 5 U.S.C. 553, a notice of proposed rule making for these regulations has not been published, and good cause exists for making them effective in less than 30 days from the date of publication. Following normal rule making procedures would be impracticable. The details of the event were not finalized in sufficient time to publish proposed rules in advance of the event or to provide for a delayed effective date.

**Background and Purpose**

The marine event requiring this regulation is a series of high-speed hydroplane boat races. The event is sponsored by Community Heritage Promotions. The course to be followed by the race participants will be marked by precisely placed marker buoys, mid-channel on the Ohio River, between river miles 505.0-507.0. Commercial vessels will be permitted to transit the area every three hours.

**Regulatory Evaluation**

This rule is not a significant regulatory action under section 3(f) of Executive Order 12866 and does not require an assessment of potential costs and benefits under section 6(a)(3) of that order. The Office of Management and Budget has not reviewed it under that order. It is not significant under the regulatory policies and procedures of the Department of Transportation (DOT) (44 FR 11040; February 26, 1979). The Coast Guard expects the economic impact of this rule to be so minimal that a full Regulatory Evaluation under paragraph 10e of the regulatory policies and procedures of DOT is unnecessary because of the event's short duration.

**Small Entities**

The Coast Guard finds that the impact on small entities, if any, is not substantial. Therefore, the Coast Guard certifies under section 605(b) of the Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.*, that this temporary rule will not have a significant economic impact on a substantial number of small entities because of the event's short duration.

**Collection of Information**

This rule contains no information collection requirements under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*).

**Federalism Assessment**

The Coast Guard has analyzed this action in accordance with the principles and criteria of Executive Order 12612 and has determined that this rule does not raise sufficient federalism