

times the Standard and Poor's BBB bond rate applicable under § 206.458(b)(2)(v) of this subpart.

[61 FR 5481, Feb. 12, 1996, as amended 64 FR 43289, Aug. 10, 1999]

## PART 207—SALES AGREEMENTS OR CONTRACTS GOVERNING THE DISPOSAL OF LEASE PRODUCTS

### Subpart A—General Provisions

Sec.

207.1 Required recordkeeping.

207.2 Definitions.

207.3 Contracts made pursuant to new form leases.

207.4 Contracts made pursuant to old form leases.

207.5 Contract and sales agreement retention.

### Subpart B—Oil, Gas and OCS Sulfur, General [Reserved]

### Subpart C—Federal and Indian Oil [Reserved]

### Subpart D—Federal and Indian Gas [Reserved]

### Subpart E—Solid Minerals, General [Reserved]

### Subpart F—Coal [Reserved]

### Subpart G—Other Solid Minerals [Reserved]

### Subpart H—Geothermal Resources [Reserved]

### Subpart I—OCS Sulfur [Reserved]

AUTHORITY: 5 U.S.C. 301 *et seq.*; 25 U.S.C. 396 *et seq.*; 25 U.S.C. 396a *et seq.*; 25 U.S.C. 2101 *et seq.*; 30 U.S.C. 181 *et seq.*; 30 U.S.C. 351 *et seq.*; 30 U.S.C. 1001 *et seq.*; 30 U.S.C. 1701 *et seq.*; 31 U.S.C. 3716 *et seq.*; 31 U.S.C. 9701; 43 U.S.C. 1301 *et seq.*; 43 U.S.C. 1331 *et seq.*; and 43 U.S.C. 1801 *et seq.*

SOURCE: 53 FR 1225, Jan. 15, 1988, unless otherwise noted.

### Subpart A—General Provisions

#### § 207.1 Required recordkeeping.

(a) The information collection and recordkeeping requirements contained in this part have been approved by OMB under 44 U.S.C. 3501 *et seq.* and assigned OMB Clearance Number 1010-

0061. The information collected will be used to determine a proper transportation allowance for the cost of transporting royalty oil from the lease to a delivery point remote from the lease. The information is required in order to obtain a benefit and is collected in accordance with the Federal Oil and Gas Royalty Management Act of 1982, 30 U.S.C. 1701 *et seq.*

(b) Public reporting burden is estimated to average 30 minutes per year for each record keeper to maintain copies of sales contracts, agreements, or other documents relevant to the valuation of production. Send any comments regarding this burden estimate or any other aspect of this requirement to the Information Collection Clearance Officer, Minerals Management Service, 381 Elden Street, Herndon, VA 22070, and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project 1010-0061, Washington, DC 20503.

[57 FR 41864, Sept. 14, 1992, as amended at 58 FR 64901, Dec. 10, 1994]

#### § 207.2 Definitions.

The definitions in part 206 of this title are applicable to this part.

#### § 207.3 Contracts made pursuant to new form leases.

On November 29, 1950 (15 FR 8585), a new lease form was adopted (Form 4-1158, 15 FR 8585) containing provisions whereby the lessee agrees that nothing in any contract or other arrangement made for the sale or disposal of oil, gas, natural gasoline, and other products of the leased land, shall be construed as modifying any of the provisions of the lease, including, but not limited to, provisions relating to gas waste, taking royalty-in-kind, and the method of computing royalties due as based on a minimum valuation and in accordance with the oil and gas valuation regulations. A contract or agreement pursuant to a lease containing such provisions may be made without obtaining prior approval of the United States as lessor, but must be retained as provided in § 207.5 of this subpart.

## Minerals Management Service, Interior

§ 208.1

### § 207.4 Contracts made pursuant to old form leases.

(a) Old form leases are those containing provisions prohibiting sales or disposal of oil, gas, natural gasoline, and other products of the lease except in accordance with a contract or other arrangement approved by the Secretary of the Interior, or by the Director of the Minerals Management Service or his/her representative. A contract or agreement made pursuant to an old form lease may be made without obtaining approval if the contract or agreement contains either the substance of or is accompanied by the stipulation set forth in paragraph (b) of this section, signed by the seller (lessee or operator).

(b) The stipulation, the substance of which must be included in the contract, or be made the subject matter of a separate instrument properly identifying the leases affected thereby, is as follows:

It is hereby understood and agreed that nothing in the written contract or in any approval thereof shall be construed as affecting any of the relations between the United States and its lessee, particularly in matters of gas waste, taking royalty in kind, and the method of computing royalties due as based on a minimum valuation and in accordance with the terms and provisions of the oil and gas valuation regulations applicable to the lands covered by said contract.

### § 207.5 Contract and sales agreement retention.

Copies of all sales contracts, posted price bulletins, etc., and copies of all agreements, other contracts, or other documents which are relevant to the valuation of production are to be maintained by the lessee and made available upon request during normal working hours to authorized MMS, State or Indian representatives, other MMS or BLM officials, auditors of the General Accounting Office, or other persons authorized to receive such documents, or shall be submitted to MMS within a reasonable period of time, as determined by MMS. Any oral sales arrangement negotiated by the lessee must be placed in written form and retained by the lessee. Records shall be retained in accordance with 30 CFR part 212.

### Subpart B—Oil, Gas, and OCS Sulfur, General [Reserved]

### Subpart C—Federal and Indian Oil [Reserved]

### Subpart D—Federal and Indian Gas [Reserved]

### Subpart E—Solid Minerals, General [Reserved]

### Subpart F—Coal [Reserved]

### Subpart G—Other Solid Minerals [Reserved]

### Subpart H—Geothermal Resources [Reserved]

### Subpart I—OCS Sulfur [Reserved]

## PART 208—SALE OF FEDERAL ROYALTY OIL

### Subpart A—General Provisions

- Sec.
- 208.1 General.
  - 208.2 Definitions.
  - 208.3 Information collection.
  - 208.4 Royalty oil sales to eligible refiners.
  - 208.5 Notice of royalty oil sale.
  - 208.6 General application procedures.
  - 208.7 Determination of eligibility.
  - 208.8 Transportation and delivery.
  - 208.9 Agreements.
  - 208.10 Notices.
  - 208.11 Surety requirements.
  - 208.12 Payment requirements.
  - 208.13 Reporting requirements.
  - 208.14 Civil and criminal penalties.
  - 208.15 Audits.
  - 208.16 How to appeal a contracting officer's decision that you receive.
  - 208.17 Suspensions for national emergencies.

AUTHORITY: 5 U.S.C. 301 *et seq.*; 30 U.S.C. 181 *et seq.*, 351 *et seq.*, 1701 *et seq.*; 31 U.S.C. 9701; 41 U.S.C. 601 *et seq.*; 43 U.S.C. 1301 *et seq.*, 1331 *et seq.*, and 1801 *et seq.*

SOURCE: 52 FR 41913, Oct. 30, 1987, unless otherwise noted.

### Subpart A—General Provisions

#### § 208.1 General.

The regulations in this part govern the sale of royalty oil by the United