

**§ 1.904(f)-2 Recapture of overall foreign losses.**

\* \* \* \* \*

(c) \* \* \* (1) [The text of the proposed amendments to § 1.904(f)-2(c)(1) is the same as the text of § 1.904(f)-2T(c)(1) published elsewhere in this issue of the **Federal Register**.]

\* \* \* \* \*

(5) \* \* \*

*Example 4.* [The text of the proposed amendments to § 1.904(f)-2(c)(5) *Example 4.* is the same as the text of § 1.904(f)-2T(c)(5) *Example 4.* published elsewhere in this issue of the **Federal Register**.]

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**Par. 5.** Sections 1.904(f)-7 and 1.904(f)-8 are added to read as follows:

**§ 1.904(f)-7 Separate limitation loss and the separate limitation loss account.**

[The text of proposed § 1.904(f)-7 is the same as the text of § 1.904(f)-7T(a) through (f) published elsewhere in this issue of the **Federal Register**.]

**§ 1.904(f)-8 Recapture of separate limitation loss accounts.**

[The text of proposed § 1.904(f)-8 is the same as the text of § 1.904(f)-8T(a) through (c) published elsewhere in this issue of the **Federal Register**.]

**Par. 6.** Section 1.904(g)-0 is added to read as follows:

**§ 1.904(g)-0 Outline of regulation provisions.**

\* \* \* \* \*

*§ 1.904(g)-1 Overall domestic loss and the overall domestic loss account.*

[The text of the entries for this section is the same as the text for § 1.904(g)-1T(a) through (f) in § 1.904(g)-0T published elsewhere in this issue of the **Federal Register**.]

*§ 1.904(g)-2 Recapture of overall domestic losses.*

[The text of the entries for this section is the same as the text for § 1.904(g)-2T(a) through (d) in § 1.904(g)-0T published elsewhere in this issue of the **Federal Register**.]

*§ 1.904(g)-3 Ordering rules for the allocation of net operating losses, net capital losses, U.S. source losses, and separate limitation losses, and for recapture of separate limitation losses, overall foreign losses, and overall domestic losses.*

[The text of the entries for this section is the same as the text for § 1.904(g)-3T(a) through (i) in § 1.904(g)-0T published elsewhere in this issue of the **Federal Register**.]

**Par. 7.** Sections 1.904(g)-1, 1.904(g)-2, and 1.904(g)-3 are added to read as follows:

**§ 1.904(g)-1 Overall domestic loss and the overall domestic loss account.**

[The text of proposed § 1.904(g)-1 is the same text of § 1.904(g)-1T(a)

through (f) published elsewhere in this issue of the **Federal Register**.]

**§ 1.904(g)-2 Recapture of overall domestic losses.**

[The text of proposed § 1.904(g)-2 is the same text of § 1.904(g)-2T(a) through (d) published elsewhere in this issue of the **Federal Register**.]

**§ 1.904(g)-3 Ordering rules for the allocation of net operating losses, net capital losses, U.S. source losses, and separate limitation losses, and for recapture of separate limitation losses, overall foreign losses, and overall domestic losses.**

[The text of proposed § 1.904(g)-3 is the same text of § 1.904(g)-3T(a) through (i) published elsewhere in this issue of the **Federal Register**.]

**Par. 8.** Section 1.1502-9 is revised to read as follows:

**§ 1.1502-9 Consolidated overall foreign losses and separate limitation losses.**

[The text of proposed § 1.1502-9 is the same as the text of § 1.1502-9T(a) through (e) published elsewhere in this issue of the **Federal Register**.]

Linda E. Stiff,

*Deputy Commissioner for Services and Enforcement.*

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**DEPARTMENT OF THE INTERIOR****Minerals Management Service**

**30 CFR Parts 203, 250, 251, 256, 280, 281, and 290**

[Docket ID: MMS-2007-OMM-0065]

RIN 1010-AD43

**Electronic Payment of Fees for Outer Continental Shelf Activities**

**AGENCY:** Minerals Management Service (MMS), Interior.

**ACTION:** Proposed rule.

**SUMMARY:** The MMS proposes that all lessees, operators, permittees, and rights-of-way holders pay all fees for processing plans, applications, and permits electronically. The MMS believes this proposed rule would aid industry in payment processing, and reduce payment processing errors. This proposed rule would improve MMS processing efficiency and facilitate the correction of industry payment errors. The MMS would not accept checks, money orders, or cashier's checks for payment of fees after the effective date of the final rule.

**DATES:** Submit comments by February 19, 2008. The MMS may not fully

consider comments received after this date.

**ADDRESSES:** You may submit comments on the rulemaking by any of the following methods. Please use the Regulation Identifier Number (RIN) 1010-AD43 as an identifier in your message. See also Public Availability of Comments under Procedural Matters.

• *Federal eRulemaking Portal:* <http://www.regulations.gov>. Select "Minerals Management Service" from the agency drop-down menu, then click "submit." In the Docket ID column, select MMS-2007-OMM-0065 to submit public comments and to view supporting and related materials available for this rulemaking. Information on using Regulations.gov, including instructions for accessing documents, submitting comments, and viewing the docket after the close of the comment period, is available through the site's "User Tips" link. All comments submitted will be posted to the docket.

• Mail or hand-carry comments to the Department of the Interior; Minerals Management Service; Attention: Regulations and Standards Branch (RSB); 381 Elden Street, MS-4024, Herndon, Virginia 20170-4817. Please reference "Electronic Payment of Fees for Outer Continental Shelf Activities, 1010-AD43" in your comments and include your name and return address.

**FOR FURTHER INFORMATION CONTACT:** Kirk Malstrom, Petroleum Engineer, Offshore Minerals Management, Office of Offshore Regulatory Programs at (703) 787-1751.

**SUPPLEMENTARY INFORMATION:****Background**

This proposed rule would require a lessee, operator, pipeline right-of-way (ROW) holder, or permittee to submit payments for cost recovery service fees electronically. The idea for paying electronically is not a new concept and industry has been informed of MMS's intentions to collect fees electronically in the Notice to Lessees (NTL) No. 2006-N05 Payment Method for New and Existing Cost Recovery Fees. As stated in NTL No. 2006-N05, MMS prefers and strongly urges applicants to pay their fees using credit card or Automated Clearing House (ACH) payments through the Pay.Gov Web site. Launched in October 2000, Pay.Gov is a secure government-wide collection portal, developed to meet the U.S. Treasury's commitment to process collections electronically using internet technologies. Pay.Gov has been developed to help Federal agencies meet the directives outlined in the Government Paperwork Elimination

Act, primarily the reduction of paper transactions through the utilization of electronic processing via the Internet. By using an electronic payment system, MMS and industry have an efficient method to aid in the payment process.

The MMS has made Pay.Gov available for payment of cost recovery fees since early 2006 and accepted electronic Pay.Gov payments for all applications since September 2006. To show industry's acceptance of electronic payments, currently more than 94 percent of cost recovery fees are paid electronically through Pay.Gov. This proposed rule would require all fees to be paid electronically. The MMS is aware of a few companies not paying electronically, but MMS has determined that the costs to use Pay.Gov are negligible compared to that of operating on the Outer Continental Shelf (OCS).

Electronic payment through Pay.Gov is more efficient and less prone to mistakes than check payments. Examples of check payment errors include incorrect date, incorrect payment amount, check sent to a different address than application, and closing an account shortly after the check is sent to MMS. Check payment errors can result in delay or lead to denial of an application or permit due to non-payment. To rectify a check payment error additional time and expense are required from industry, MMS, or both. If payment errors are made through Pay.Gov, the refund process is easier due to system records and controls. With 100% electronic payment, the internal MMS processes to secure, verify and deposit check payments can be eliminated.

The MMS does not believe that this proposed rule would place an additional burden on industry. Industry has been advised by NTL No. 2006-N05 and MMS staff about our future intent to require electronic payments. Most companies voluntarily pay electronically and have been satisfied with the functionality and performance of the Pay.Gov system. For the remaining companies that have opted not to pay electronically, the time between the publishing of the proposed and final rule would provide sufficient opportunity to implement internal processes to pay fees by ACH or credit card.

The MMS intends to accept only Pay.Gov payments for cost recovery service fees. Checks, money orders, and cashier's checks will no longer be accepted after the effective date of the final rule. If you process your applications through eWell, you are already directed to Pay.Gov in order to pay application fees online.

Since MMS has accepted payments electronically, industry has provided verbal feedback to MMS requesting the availability of declining deposit accounts. The basic proposal, as an alternative to Pay.Gov, would permit a company conducting business on the OCS to deposit funds with MMS. The MMS would then draw down those funds as the company submits applications requiring fees. The company would be notified when its balance reached a trigger level and the company would replenish the account. Invoices would periodically be sent to the customer.

The MMS does not have a financial system that can track, invoice, and manage declining deposit accounts. The existing bureau financial system cannot handle deferred revenue. Since we do not have system functionality, the declining deposit accounts would be tracked manually. A manual process would increase the cost for processing cost recovery payments, increase the potential for errors, and result in increased fees charged to industry. Therefore, MMS will not consider implementing declining deposit accounts.

The MMS plans to adjust certain cost recovery fees according to inflation in the final rule. These fees have not been updated to include inflation since the Cost Recovery Final Rule published on July 19, 2006 (71 FR 40904).

#### Procedural Matters

##### *Regulatory Planning and Review (Executive Order (E.O.) 12866)*

This proposed rule is not a significant rule as determined by the Office of Management and Budget (OMB) and is not subject to review under E.O. 12866.

(1) This proposed rule would not have an effect of \$100 million or more on the economy. It would not adversely affect in a material way the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities. This proposed rule would simply require all fees be paid electronically through Pay.Gov.

(2) This proposed rule would not create a serious inconsistency or otherwise interfere with an action taken or planned by another agency. By requiring electronic payment through the Pay.Gov system, MMS is supporting the President's Management Agenda of expanding electronic government or "E-Government."

(3) This proposed rule would not alter the budgetary effects of entitlements, grants, user fees or loan programs, or the rights or obligations of their recipients.

(4) This proposed rule would not raise novel legal or policy issues.

##### *Regulatory Flexibility Act*

The Department of the Interior certifies that this proposed rule would not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*).

The changes proposed in the rule would affect lessees, operators of leases, pipeline right-of-way (ROW) holders in the OCS, and permittees. This could include about 130 active Federal oil and gas lessees, 88 pipeline ROW holders, and 10 geophysical companies. Small lessees that operate under this rule mostly fall under the Small Business Administration's (SBA) North American Industry Classification System Codes (NAICS) 211111, Crude Petroleum and Natural Gas Extraction and 213111, Drilling Oil and Gas Wells. For these NAICS code classifications, a small company is one with fewer than 500 employees. Based on these criteria, an estimated 70 percent of these companies are considered small. This rule, therefore, affects a substantial number of small entities.

The changes proposed in the rule would not have a significant economic effect on a substantial number of small entities because Pay.Gov credit card or ACH payments do not increase the amount of money a company would pay in cost recovery fees. We do not expect any company to incur significant other costs because no special software or other equipment would be required to pay through Pay.Gov or ACH. We have no information that any company would incur any costs associated with accounting processes, changes in business procedures, or other compliance costs.

Your comments are important. The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the actions of MMS, call 1-888-734-3247. You may comment to the Small Business Administration without fear of retaliation. Disciplinary action for retaliation by an MMS employee may include suspension or termination from employment with the DOI.

*Small Business Regulatory Enforcement Fairness Act*

The proposed rule is not a major rule under 5 U.S.C. 804(2) of the Small Business Regulatory Enforcement Fairness Act. This proposed rule:

- a. Would not have an annual effect on the economy of \$100 million or more.
- b. Would not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions.
- c. Would not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based enterprises to compete with foreign-based enterprises.

*Unfunded Mandates Reform Act*

This proposed rule would not impose an unfunded mandate on State, local, or tribal governments or the private sector of more than \$100 million per year. The proposed rule would not have a significant or unique effect on State, local, or tribal governments or the private sector. A statement containing the information required by the Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

*Takings Implication Assessment (E.O. 12630)*

Under the criteria in E.O. 12630, this proposed rule does not have significant takings implications. The proposed rule is not a governmental action capable of interference with constitutionally protected property rights. A takings implication assessment is not required.

*Federalism (E.O. 13132)*

Under the criteria in E.O. 13132, this proposed rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment. This proposed rule would not substantially and directly affect the relationship between the Federal and State governments. To the extent that State and local governments have a role in OCS activities, this proposed rule would not affect that role. A Federalism Assessment is not required.

*Civil Justice Reform (E.O. 12988)*

This rule complies with the requirements of E.O. 12988. Specifically, this rule:

- (a) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity, be written to minimize litigation, and promote simplification and burden reduction; and
- (b) Meets the criteria of section 3(b)(2) requiring that all regulations be written

in clear language and contain clear legal standards.

*Consultation With Indian Tribes (E.O. 13175)*

Under the criteria in E.O. 13175, we have evaluated this proposed rule and determined that it has no substantial direct effects on federally recognized Indian tribes. There are no Indian or tribal lands in the OCS.

*Paperwork Reduction Act*

The proposed rule contains no new reporting or recordkeeping requirements, and an OMB submission under the Paperwork Reduction Act (PRA) is not required. The PRA provides that an agency may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. Until OMB approves a collection of information and assigns a control number, you are not required to respond. The proposed regulations will specify that all operators, lessees, and ROW holders must now use Pay.Gov for every fee that will be submitted to MMS. The proposed revisions in this rulemaking refer to, but do not change, information collection requirements in numerous current regulations. The OMB approved the referenced information collection requirements under OMB Control Numbers 1010-0071, 1010-0114, 1010-0151, 1010-0141, 1010-0067, 1010-0043, 1010-0059, 1010-0149, 1010-0050, 1010-0051, 1010-0086, 1010-0142, 1010-0048, 1010-0006, and 1010-0072, respectively.

*National Environmental Policy Act*

This rule does not constitute a major Federal action significantly affecting the quality of the human environment. The MMS has analyzed this rule under the criteria of the National Environmental Policy Act and 516 Departmental Manual 2, Appendix 1.10, and determined that it falls within the categorical exclusion for "regulations \* \* \* that are of an administrative, financial, legal, technical, or procedural nature and whose environmental effects are too broad, speculative, or conjectural to lend themselves to meaningful analysis." The MMS completed a Categorical Exclusion Review for this action and concluded that the rulemaking does not represent an exception to the established criteria for categorical exclusion; therefore, preparation of an environmental analysis or environmental impact statement will not be required.

*Data Quality Act*

In developing this rule we did not conduct or use a study, experiment, or

survey requiring peer review under the Data Quality Act (Pub. L. 106-554, app. C Section 515, 114 Stat. 2763, 2763A-153-154).

*Effects on the Energy Supply (E.O. 13211)*

This rule is not a significant energy action under the definition in E.O. 13211. A Statement of Energy Effects is not required.

*Clarity of this Regulation*

We are required by E.O. 12866, E.O. 12988, and by the Presidential Memorandum of June 1, 1998, to write all rules in plain language. This means that each rule we publish must:

- (a) Be logically organized;
- (b) Use the active voice to address readers directly;
- (c) Use clear language rather than jargon;
- (d) Be divided into short sections and sentences; and
- (e) Use lists and tables wherever possible.

If you feel that we have not met these requirements, send us comments by one of the methods listed in the **ADDRESSES** section. To better help us revise the rule, your comments should be as specific as possible. For example, you should tell us the numbers of the sections or paragraphs that you find unclear, which sections or sentences are too long, the sections where you feel lists or tables would be useful, etc.

**Public Availability of Comments**

Before including your address, phone number, e-mail address, or other personal identifying information in your comment, you should be aware that your entire comment including your personal identifying information may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

**List of Subjects in***30 CFR Part 203*

Continental shelf, Mineral royalties, Oil and gas exploration, Public lands—mineral resources.

*30 CFR Part 250*

Administrative practice and procedure, Continental shelf, Pipelines, Public lands—mineral resources, Public lands—rights-of-way, Reporting and recordkeeping requirements.

**30 CFR Part 251**

Continental shelf, Public lands—mineral resources, Reporting and recordkeeping requirements.

**30 CFR Part 256**

Administrative practice and procedure, Public lands—mineral resources, Public lands—rights-of-way, Reporting and recordkeeping requirements.

**30 CFR Part 280**

Public lands—mineral resources, Reporting and recordkeeping requirements.

**30 CFR Part 281**

Administrative practice and procedure, Mineral royalties, Public lands—mineral resources, Reporting and recordkeeping requirements.

**30 CFR Part 290**

Administrative practice and procedure.

Dated: December 10, 2007.

**C. Stephen Allred,**

*Assistant Secretary—Land and Minerals Management.*

For the reasons stated in the preamble, the Minerals Management Service (MMS) proposes to amend 30 CFR parts 203, 250, 251, 256, 280, 281, and 290 as follows:

**PART 203—RELIEF OR REDUCTION IN ROYALTY RATES**

1. The authority citation for part 203 is revised to read as follows:

**Authority:** 25 U.S.C. 396; 25 U.S.C. 2107; 30 U.S.C. 189, 241; 30 U.S.C. 359; 30 U.S.C. 1023; 30 U.S.C. 1751; 31 U.S.C. 9701; and 43 U.S.C. 1334.

2. Section 203.3 is revised to read as follows:

**§ 203.3 Do I have to pay a fee to request royalty relief?**

When you submit an application or ask for a preview assessment, you must include a fee to reimburse us for our costs of processing your application or assessment. Federal policy and law require us to recover the cost of services that confer special benefits to identifiable non-Federal recipients. The Independent Offices Appropriation Act (31 U.S.C. 9701), Office of Management and Budget Circular A'25, and the Omnibus Appropriations Bill (Pub. L. 104'134, 110 Stat. 1321, April 26, 1996) authorize us to collect these fees.

(a) We will specify the necessary fees for each of the types of royalty relief applications and possible MMS audits in a Notice to Lessees. We will periodically update the fees to reflect

changes in costs, as well as provide other information necessary to administer royalty relief.

(b) You must file all payments electronically through the Pay.Gov Web site and you must include a copy of the Pay.Gov confirmation receipt page with your application or assessment. The Pay.Gov Web site may be accessed through links on the MMS Offshore Web site at: <http://www.mms.gov/offshore/> homepage or directly through Pay.Gov at: <https://www.pay.gov/paygov/>.

**PART 250—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF**

3. The authority citation for part 250 is revised to read as follows:

**Authority:** 31 U.S.C. 9701, 43 U.S.C. 1334.

4. Section 250.126 is revised to read as follows:

**§ 250.126 Electronic payment instructions.**

You must file all payments electronically through Pay.Gov. This includes, but is not limited to, all OCS applications or filing fee payments. The Pay.Gov Web site may be accessed through links on the MMS Offshore Web site at: <http://www.mms.gov/offshore/> homepage or directly through Pay.Gov at: <https://www.pay.gov/paygov/>.

(a) *Payment of fees associated with electronic applications.* If you submitted an application through eWell, you must use the interactive payment feature in that system which directs you through Pay.Gov.

(b) *Payment of fees for applications not submitted electronically.* For applications not submitted electronically through eWell, you must use credit card or automated clearing house (ACH) payments through the Pay.Gov Web site and you must include a copy of the Pay.Gov confirmation receipt page with your application.

5. Section 250.160(h) is revised to read as follows:

**§ 250.160 When will MMS grant me a right-of-use and easement, and what requirements must I meet?**

\* \* \* \* \*

(h) You may make the rental payments required by paragraph (g)(1) and (g)(2) of this section on an annual basis, for a 5-year period, or for multiples of 5 years. You must make the first payment electronically through Pay.Gov and you must include a copy of the Pay.Gov confirmation receipt page with your right-of-use and easement application. You must make all subsequent payments electronically

through Pay.Gov before the respective time periods begin.

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**PART 251—GEOLOGICAL AND GEOPHYSICAL (G&G) EXPLORATIONS OF THE OUTER CONTINENTAL SHELF**

6. The authority citation for part 251 is revised to read as follows:

**Authority:** 31 U.S.C. 9701, 43 U.S.C. 1334.

7. Section 251.5(a) is revised to read as follows:

**§ 251.5 Applying for permits or filing Notices.**

(a) *Permits.* You must submit a signed original and three copies of the MMS permit application form (Form MMS—327). The form includes names of persons, type, location, purpose, dates of activity, and environmental and other information. A nonrefundable service fee of \$1,900 must be paid electronically through Pay.Gov at: <https://www.pay.gov/paygov/>, and you must include a copy of the Pay.Gov confirmation receipt page with your application.

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**PART 256—LEASING OF SULPHUR OR OIL AND GAS IN THE OUTER CONTINENTAL SHELF**

8. The authority citation for part 256 is revised to read as follows:

**Authority:** 31 U.S.C. 9701, 42 U.S.C. 6213, 43 U.S.C. 1334.

9. Section 256.64(a)(8) is revised to read as follows:

**§ 256.64 How to file transfers.**

\* \* \* \* \*

(a) \* \* \*

(8) You must pay electronically through Pay.Gov at: <https://www.pay.gov/paygov/> the service fee listed in § 256.63 of this subpart and you must include a copy of the Pay.Gov confirmation receipt page with your application for approval of any instrument of transfer you are required to file (Record Title/Operating Rights (Transfer) Fee). Where multiple transfers of interest are included in a single instrument, a separate fee applies to each individual transfer of interest. For any document you are not required to file by these regulations but which you submit for record purposes, you must also pay electronically through Pay.Gov the service fee listed in § 256.63 (Non-required Document Filing Fee) per lease affected, and you must include a copy of the Pay.Gov confirmation receipt page with your document. Such documents may be

rejected at the discretion of the authorized officer.

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#### **PART 280—PROSPECTING FOR MINERALS OTHER THAN OIL, GAS, AND SULPHUR ON THE OUTER CONTINENTAL SHELF**

10. The authority citation for part 280 is revised to read as follows:

**Authority:** 31 U.S.C. 9701, 43 U.S.C. 1334.

11. Section 280.12(a) is revised to read as follows:

##### **§ 280.12 What must I include in my application or notification?**

(a) *Permits.* You must submit to the Regional Director a signed original and three copies of the permit application form (Form MMS-134) at least 30 days before the startup date for activities in the permit area. If unusual circumstances prevent you from meeting this deadline, you must immediately contact the Regional Director to arrange an acceptable deadline. The form includes names of persons, type, location, purpose, and dates of activity, as well as environmental and other information. A nonrefundable service fee of \$1,900 must be paid electronically through Pay.Gov at: <https://www.pay.gov/paygov/>, and you must include a copy of the Pay.Gov confirmation receipt page with your application.

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#### **PART 281—LEASING OF MINERALS OTHER THAN OIL, GAS, AND SULPHUR IN THE OUTER CONTINENTAL SHELF**

12. The authority citation for part 281 is revised to read as follows:

**Authority:** 43 U.S.C. 1334.

13. Section 281.41(a)(2) is revised to read as follows:

##### **§ 281.41 Requirements for filing for transfers.**

(a) \* \* \*

(2) An application for approval of any instrument required to be filed shall not be accepted unless a nonrefundable fee of \$50 is paid electronically through Pay.Gov at: <https://www.pay.gov/paygov/> and a copy of the Pay.Gov confirmation receipt page is included with your application. For any document you are not required to file by these regulations but which you submit for record purposes, you must also pay electronically through Pay.Gov the service fee listed in § 256.63 (Non-required Document Filing Fee) per lease affected, and you must include a copy of the Pay.Gov confirmation receipt

page with your document. Such documents may be rejected at the discretion of the authorized officer.

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#### **PART 290—APPEAL PROCEDURES**

14. The authority citation for part 290 continues to read as follows:

**Authority:** 5 U.S.C. 301; 25 U.S.C. 396, 2107; 30 U.S.C. 189, 359, 1023, 1701 *et seq.*, 1751(a); 31 U.S.C. 3716, 9701; and 43 U.S.C. 1334.

15. Section 290.4(b) is revised to read as follows:

##### **§ 290.4 How do I file an appeal?**

\* \* \* \* \*

(b) A nonrefundable processing fee of \$150.00 paid with the Notice of Appeal.

(1) You must pay electronically through Pay.Gov at: <https://www.pay.gov/paygov/>, and you must include a copy of the Pay.Gov confirmation receipt page with your Notice of Appeal.

(2) You cannot extend the 60-day period for payment of the processing fee.

[FR Doc. 07-6173 Filed 12-20-07; 8:45 am]

**BILLING CODE 4310-MR-P**

#### **DEPARTMENT OF THE INTERIOR**

##### **Minerals Management Service**

##### **30 CFR Parts 203 and 260**

RIN 1010-AD29

[Docket ID: MMS-2007-OMM-0074]

##### **Royalty Relief for Deepwater Outer Continental Shelf (OCS) Oil and Gas Leases—Conforming Regulations to Court Decision**

**AGENCY:** Minerals Management Service (MMS), Interior.

**ACTION:** Proposed rule.

**SUMMARY:** This proposed rule would amend 30 CFR parts 260 and 203 to conform the regulations to the decision of the United States Court of Appeals for the Fifth Circuit in *Santa Fe Snyder Corp., et al. v. Norton (the Decision)*. That decision found that certain provisions of the MMS regulations interpreting section 304 of the Deep Water Royalty Relief Act are contrary to the requirements of the statute.

**DATES:** Submit comments by February 19, 2008. The MMS may not fully consider comments received after this date.

**ADDRESSES:** You may submit comments on the proposed rulemaking by any of

the following methods. Please use the Regulation Identifier Number (RIN) 1010-AD29 as an identifier in your message. See also Public Availability of Comments under Procedural Matters.

• *Federal eRulemaking Portal:* <http://www.regulations.gov>. Select “Minerals Management Service” from the agency drop-down menu, then click “submit.” In the Docket ID column, select MMS-2007-OMM-0074 to submit public comments and to view supporting and related materials available for this rulemaking. Information on using Regulations.gov, including instructions for accessing documents, submitting comments, and viewing the docket after the close of the comment period, is available through the site’s “User Tips” link. The MMS will post all comments.

• Mail or hand-carry comments to the Department of the Interior; Minerals Management Service; Attention: Regulations and Standards Branch (RSB); 381 Elden Street, MS-4024; Herndon, Virginia 20170-4817. Please reference “Royalty Relief for Deepwater OCS Oil and Gas Leases—Conforming Regulations to Court Decision, 1010-AD29” in your comments and include your name and return address.

##### **FOR FURTHER INFORMATION CONTACT:**

Marshall Rose, Chief, Economics Division, at (703) 787-1536.

##### **SUPPLEMENTARY INFORMATION:**

##### **Background**

On November 28, 1995, President Clinton signed Public Law 104-58, which included the Deep Water Royalty Relief Act (Act). The Act was designed to encourage development of new supplies of energy. It included incentives to promote investment in a particularly high-cost, high-risk area, the deep waters of the Gulf of Mexico. These deep Gulf of Mexico waters were viewed as having potential for large oil and gas discoveries, but technological advances and multi-billion dollar investments would be needed to realize that potential. Since the enactment of the incentive, the deep waters of the Gulf of Mexico have become one of the most important sources of domestic oil and gas production.

The Secretary was required to suspend royalties for certain volumes of production on all leases in more than 200 meters of water in the central and western Gulf of Mexico issued in the first 5 years following enactment of the Act. These royalty suspension volumes (RSVs) (i.e., specified volumes of royalty-free production) ranged from 17.5 million to 87.5 million barrels of oil equivalent, depending on water depth. The royalty suspension incentive