

right-of-way. In such case, the applicant, upon a request filed within 30 days after receipt of the notification of such rejection, shall be allowed an opportunity to eliminate the conflict.

(e)(1) If the application and other required information are found to be in compliance with applicable laws and regulations, the right-of-way may be granted. The Regional Supervisor may prescribe, as conditions to the right-of-way grant, stipulations necessary to protect human, marine, and coastal environments, life (including aquatic life), property, and mineral resources located on or adjacent to the right-of-way.

(2) If the Regional Supervisor determines that a change in the application should be made, the Regional Supervisor shall notify the applicant that an amended application shall be filed subject to stipulated changes. The Regional Supervisor shall determine whether the applicant shall deliver copies of the amended application to other parties for comment.

(3) A decision to reject an application shall be in writing and shall state the reasons for the rejection.

[53 FR 10690, Apr. 1, 1988, as amended at 54 FR 50617, Dec. 8, 1988. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998]

**§ 250.1012 Requirements for construction under a right-of-way grant.**

(a) Failure to construct the associated right-of-way pipeline within 5 years of the date of the granting of a right-of-way shall cause the grant to expire.

(b)(1) A right-of-way holder shall ensure that the right-of-way pipeline is constructed in a manner that minimizes deviations from the right-of-way as granted.

(2) If, after constructing the right-of-way pipeline, it is determined that a deviation from the proposed right-of-way as granted has occurred, the right-of-way holder shall—

(i) Notify the operators of all leases and holders of all right-of-way grants in which a deviation has occurred, and within 60 days of the date of the acceptance by the Regional Supervisor of the completion of pipeline construction report, provide the Regional Supervisor with evidence of such notification; and

(ii) Relinquish any unused portion of the right-of-way.

(3) Substantial deviation of a right-of-way pipeline as constructed from the proposed right-of-way as granted may be grounds for forfeiture of the right-of-way.

(c) If the Regional Supervisor determines that a significant change in conditions has occurred subsequent to the granting of a right-of-way but prior to the commencement of construction of the associated pipeline, the Regional Supervisor may suspend or temporarily prohibit the commencement of construction until the right-of-way grant is modified to the extent necessary to address the changed conditions.

**§ 250.1013 Assignment of a right-of-way grant.**

(a) Assignment may be made of a right-of-way grant, in whole or of any lineal segment thereof, subject to the approval of the Regional Supervisor. An application for approval of an assignment of a right-of-way or of a lineal segment thereof, shall be filed in triplicate with the Regional Supervisor.

(b) Any application for approval for an assignment, in whole or in part, of any right, title, or interest in a right-of-way grant shall be accompanied by the same showing of qualifications of the assignees as is required of an applicant for a right-of-way in § 250.1010 of this subpart and shall be supported by a statement that the assignee agrees to comply with and to be bound by the terms and conditions of the right-of-way grant. The assignee shall satisfy the bonding requirements in § 250.1009(b) of this part. No transfer shall be recognized unless and until it is first approved, in writing, by the Regional Supervisor. A nonrefundable filing fee of \$60 must accompany the application for the approval of an assignment. MMS periodically will amend the filing fee based on its experience with the costs for administering pipeline right-of-way assignment applications. If the costs increase by more than the CPI "U," MMS will provide notice and opportunity for comment before changing the filing fee. For lesser cost increases or cost reductions

## § 250.1014

MMS will change the fee without such procedures.

[53 FR 10690, Apr. 1, 1988, as amended at 62 FR 39775, July 24, 1997. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998]

### § 250.1014 Relinquishment of a right-of-way grant.

A right-of-way grant or a portion thereof may be surrendered by the holder by filing a written relinquishment in triplicate with the Regional Supervisor. It must contain those items addressed in §§ 250.1751 and 250.1752 of this part. A relinquishment shall take effect on the date it is filed subject to the satisfaction of all outstanding debts, fees, or fines and the requirements in § 250.1009(c)(9) of this part.

[53 FR 10690, Apr. 1, 1988. Redesignated and amended at 63 FR 29479, 29486, May 29, 1998; 67 FR 35406, May 17, 2002]

## Subpart K—Oil and Gas Production Rates

### § 250.1100 Definitions for production rates.

Terms used in this subpart shall have meanings given below:

*Enhanced recovery operations* means pressure maintenance operations, secondary and tertiary recovery, cycling, and similar recovery operations which alter the natural forces in a reservoir to increase the ultimate recovery of oil or gas.

*Gas reservoir* means a reservoir that contains hydrocarbons predominantly in a gaseous (single-phase) state.

*Gas-well completion* means a well completed in a gas reservoir or in the gas cap of an oil reservoir with an associated gas cap.

*Maximum Efficient Rate (MER)* means the maximum sustainable daily oil or gas withdrawal rate from a reservoir which will permit economic development and depletion of that reservoir without detriment to ultimate recovery.

*Maximum Production Rate (MPR)* means the approved maximum daily rate at which oil or gas may be produced from a specified oil-well or gas-well completion.

## 30 CFR Ch. II (7–1–03 Edition)

*Nonsensitive reservoir* means a reservoir in which ultimate recovery is not decreased by high reservoir production rates.

*Oil reservoir* means a reservoir that contains hydrocarbons predominantly in a liquid (single-phase) state.

*Oil reservoir with an associated gas cap* means a reservoir that contains hydrocarbons in both a liquid and gaseous (two-phase) state.

*Oil-well completion* means a well completed in an oil reservoir or in the oil accumulation of an oil reservoir with an associated gas cap.

*Sensitive reservoir* means a reservoir in which ultimate recovery is decreased by high reservoir production rates. A high reservoir production rate is one which exceeds the MER.

*Waste of oil and gas* means: (1) The physical waste of oil and gas; (2) the inefficient, excessive, or improper use of, or the unnecessary dissipation of reservoir energy; (3) the locating, spacing, drilling, equipping, operating, or producing of any oil or gas well(s) in a manner which causes or tends to cause a reduction in the quantity of oil or gas ultimately recoverable from a pool under prudent and proper operations or which causes or tends to cause unnecessary or excessive surface loss or destruction of oil or gas; or (4) the inefficient storage of oil.

### § 250.1101 General requirements and classification of reservoirs.

(a) Wells and reservoirs shall be produced at rates that will provide economic development and depletion of the hydrocarbon resources in a manner that would maximize the ultimate recovery without adversely affecting correlative rights.

(b) For directionally drilled wells in which the completed interval is closer than 500 feet from a unit or lease line or for vertically drilled wells in which the surface location is closer than 500 feet from a unit or lease line, for which the unit, lease, or royalty interests are not the same, the prior approval by the Regional Supervisor is required before production is commenced. An operator requesting such an approval shall furnish the Regional Supervisor with letters expressing acceptance or objection from operators of offset properties.