

§ 250.173

(e) When necessary to allow for inordinate delays encountered in obtaining required permits or consents, including administrative or judicial challenges or appeals.

§ 250.173 When may the Regional Supervisor direct an SOO or SOP?

The Regional Supervisor may direct a suspension when:

- (a) You failed to comply with an applicable law, regulation, order, or provision of a lease or permit; or
- (b) The suspension is in the interest of national security or defense.

§ 250.174 When may the Regional Supervisor grant or direct an SOP?

The Regional Supervisor may grant or direct an SOP when the suspension is in the national interest, and it is necessary because the suspension will meet one of the following criteria:

- (a) It will allow you to properly develop a lease, including time to construct and install production facilities;
- (b) It will allow you time to obtain adequate transportation facilities;
- (c) It will allow you time to enter a sales contract for oil, gas, or sulphur. You must show that you are making an effort to enter into the contract(s); or
- (d) It will avoid continued operations that would result in premature abandonment of a producing well(s).

§ 250.175 When may the Regional Supervisor grant an SOO?

(a) The Regional Supervisor may grant an SOO when necessary to allow you time to begin drilling or other operations when you are prevented by reasons beyond your control, such as unexpected weather, unavoidable accidents, or drilling rig delays.

(b) The Regional Supervisor may grant an SOO when all of the following conditions are met:

- (1) The lease was issued with a primary lease term of 5 years, or with a primary term of 8 years with a requirement to drill within 5 years;
- (2) Before the end of the third year of the primary term, you or your predecessor in interest must have acquired and interpreted geophysical information that indicates:
 - (i) The presence of a salt sheet;

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(ii) That all or a portion of a potential hydrocarbon-bearing formation may lie beneath or adjacent to the salt sheet; and

(iii) The salt sheet interferes with identification of the potential hydrocarbon-bearing formation.

(3) The geologic information required under paragraph (b)(2) of this section must include full 3-D depth migration beneath the salt sheet and over the entire lease area.

(4) Before requesting the suspension, you have conducted or are conducting additional data processing or interpretation of the geophysical information with the objective of identifying a potential hydrocarbon-bearing formation.

(5) You demonstrate that additional time is necessary to:

- (i) complete current processing or interpretation of existing geophysical data or information;
- (ii) acquire, process, or interpret new geophysical data or information; or
- (iii) drill into the potential hydrocarbon-bearing formation identified as a result of the activities conducted in paragraphs (b)(2), (b)(4), and (b)(5) of this section.

[64 FR 72775, Dec. 28, 1999, as amended at 67 FR 44360, July 2, 2002]

§ 250.176 Does a suspension affect my royalty payment?

A directed suspension may affect the payment of rental or royalties for the lease as provided in § 218.154.

§ 250.177 What additional requirements may the Regional Supervisor order for a suspension?

If MMS grants or directs a suspension under paragraph § 250.172(b), the Regional Supervisor may require you to:

- (a) Conduct a site-specific study.
 - (1) The Regional Supervisor must approve or prescribe the scope for any site-specific study that you perform.
 - (2) The study must evaluate the cause of the hazard, the potential damage, and the available mitigation measures.
 - (3) You must pay for the study unless you request, and the Regional Supervisor agrees to arrange, payment by another party.