

U.S. Department of the Interior Minerals Management Service Office of Public Affairs

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NEWS RELEASE

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MMS Announces New OCS Cost Recovery Fees

Effective September 1, 2006

WASHINGTON- The U.S. Department of Interior's Minerals Management Service has published in the <u>*Federal Register*</u> a final rule implementing new cost recovery fees related to the Regulation of Oil and Gas Activities on the Outer Continental Shelf (OCS).

The service fees will offset MMS's costs of processing certain plans, applications, and permits. The new service fees are listed in the **attached table**, along with existing service fees. MMS will issue a Notice to Lessees (NTL) detailing payment methods for both new and existing cost recovery fees before the effective date of the final rule. The final rule becomes effective September 1, 2006.

On November 14, 2005, MMS published a proposed rule in the *Federal Register*, seeking comment on the fees proposed to recover costs related to the regulation of oil and gas activities on the OCS. Comments on the proposed rule, a summary of changes to the proposed rule, and more details on the new fees can be found in the final rule.

Revenues collected under this final rule will be used by MMS to recover the actual costs of these activities, which are critical for oil and gas exploration and development, and for protecting the environment and promoting safety in the OCS. MMS anticipates that the new fees could result in \$16.5 million in cost recovery for the agency. Federal agencies are authorized to recover costs of providing services to non-federal entities, such as industry, through provisions in the Independent Offices Appropriations Act of 1952 (IOAA) 31 U.S.C. 9701.

-- MMS --

R-06-3538

Final Rule: Recovery of Costs Related to the Regulation of Oil and Gas Activities on the OCS

TABLE OF NEW AND EXISTING SERVICE FEES (* New fees effective on September 1, 2006)

Commission	East
Service:	Fee:
Change in Designation of Operator	\$150
Suspension of Operations/Suspension of Production	\$1,800
(SOO/SOP) Request	\$2.250 for each surface leasting as for for muicians
*Exploration Plan (EP)	\$3,250 for each surface location, no fee for revisions
*Development and Production Plan (DPP) or Development	\$3,750 for each well proposed, no fee for revisions
Operations Coordination Document (DOCD)	¢2 150
*Deepwater Operations Plan	\$3,150
*Conservation Information Document	\$24,200
*Application for Permit to Drill (APD; Form MMS-123)	\$1,850 initial applications only, no fee for revisions.
*Application for Permit to Modify (APM; Form MMS-124)	\$110
*New Facility Production Safety System Application for	\$4,750 (see FR notice for stipulations)
facility with more than 125 components	
*New Facility Production Safety System Application for	\$1,150 (see FR notice for stipulations)
facility with 25–125 components	477 0
*New Facility Production Safety System Application for	\$570
facility with fewer than 25 components	470 0
*Production Safety System Application – Modification with	\$530
more than 125 components reviewed	* 4 4 6 6
*Production Safety System Application – Modification with	\$190
25–125 components reviewed	
*Production Safety System Application – Modification with	\$80
fewer than 25 components reviewed	
*Platform Application – Installation – under the Platform	\$19,900
Verification Program	
*Platform Application – Installation – Fixed Structure	\$2,850
Under the Platform Approval Program	
*Platform Application – Installation – Caisson/Well	\$1,450
Protector	
*Platform Application – Modification/Repair	\$3,400
*New Pipeline Application (Lease Term)	\$3,100
*Pipeline Application – Modification (Lease Term)	\$1,800
*Pipeline Application – Modification (ROW)	\$3,650
*Pipeline Repair Notification	\$340
*Pipeline Right-of-Way (ROW) Grant Application.	\$2,350
Pipeline Conversion of Lease Term to ROW	\$200
Pipeline ROW Assignment	\$170
500 Feet From Lease/Unit Line Production Request.	\$3,300
Gas Cap Production Request	\$4,200
Downhole Commingling Request	\$4,900
*Complex Surface Commingling and Measurement	\$3,550
Application	
*Simple Surface Commingling and Measurement	\$1,200
Application	
Voluntary Unitization Proposal or Unit Expansion	\$10,700
Unitization Revision	\$760
*Application to Remove a Platform or Other Facility	\$4,100
*Application to Decommission a Pipeline (Lease Term)	\$1,000

Service:	Fee:
Record Title/Operating Rights (Transfer) (Forms MMS-150 and MMS-151 GOMR)	\$170
Non-required Document Filing	\$25
*G&G Permit (Form MMS-327)	\$1,900
*G&G Permit (Form MMS-134)	\$1,900