

effective date of your accounting or auditing relief and other specifics of the relief approved.

(2) If MMS denies your relief request, MMS will notify you of the reasons for denial and your appeal rights under § 204.6.

(3) If MMS modifies your relief request, MMS will notify you of the modifications.

(i) You have 60 days from your receipt of MMS's notice to either accept or reject any modification(s) in writing.

(ii) If you reject the modification(s) or fail to respond to MMS's notice, MMS will deny your relief request. MMS will notify you in writing of the reasons for denial and your appeal rights under § 204.6.

(b) If your request for relief is not complete, MMS will notify you in writing that your request is incomplete and identify any missing information.

(1) You must submit the missing information within 60 days of your receipt of MMS's notice that your request is incomplete.

(2) If you submit all required information, MMS and the State may approve, deny, or modify your request for relief. You may submit a new request for relief under this subpart at any time after MMS returns your incomplete request.

(3) If you do not submit all required information within 60 days of your receipt of MMS's notice that your request is incomplete, MMS will deny your relief request. MMS will notify you in writing of the reasons for denial and your appeal rights under § 204.6.

(c) *[The regulatory text in this paragraph concerning the time period, if any, within which MMS must either deny or approve your request will be determined after due consideration of public comments. See section II of the preamble titled "Comments on the 1999 Proposed Rule, Alternate Valuation Relief Option."]*

§ 204.207 Who will approve, deny, or modify my request for accounting and auditing relief?

(a) If there is not a State concerned for your marginal property, only MMS will decide whether to approve, deny, or modify your relief request.

(b) If there is a State concerned for your marginal property that has determined in advance that it may allow either or both of the relief options under this subpart, MMS will decide whether to approve, deny, or modify your relief request after consulting with the State concerned.

§ 204.208 May a State decide that it will or will not allow one or both of the relief options under this subpart?

(a) A State may decide in advance that it will or will not allow one or both of the relief options specified in this subpart for a particular calendar year.

(b) To help States decide whether to allow one or both of the relief options specified in this subpart, MMS will send States a Report of Marginal Properties by September 30 of the preceding calendar year.

(c) If a State decides under paragraph (a) of this section that it will or will not allow one or both of the relief options in this subpart, within 30 days of the State's receipt of the Report of Marginal Properties under paragraph (b) of this section, the State must:

(1) Notify the Associate Director for Minerals Revenue Management, MMS, in writing, of its intent to allow or not allow one or both of the relief options under this subpart; and

(2) Specify in its notice of intent to MMS which relief option(s) it will allow or not allow.

(d) If a State decides in advance under paragraph (a) of this section that it will not allow one or both of the relief options specified in this subpart, it may decide for subsequent calendar years that it will allow one or both of the relief options in this subpart. If it so decides, within 30 days of the State's receipt of the Report of Marginal Properties under paragraph (b) of this section, the State must:

(1) Notify the Associate Director for Minerals Revenue Management, MMS, in writing, of its intent to allow one or both of the relief options allowed under this subpart; and

(2) Specify in its notice of intent to MMS which relief option(s) it will allow.

(e) If a State does not notify MMS under paragraphs (c) or (d) of this section, the State will be deemed to have decided not to allow either of the relief options under this subpart.

(f) MMS will publish a notice of the State's intent to allow or not allow certain relief options under this section in the **Federal Register** no later than 30 days before the beginning of the applicable calendar year.

§ 204.209 What if my property ceases to qualify for relief obtained under this subpart?

(a) Your property must qualify for relief under this subpart for each calendar year based on production during the base period for that calendar year. The notice or request you provided to MMS under § 204.205 for the first calendar year that your property

qualified for relief remains effective for successive calendar years if you continue to qualify.

(b) If your property is no longer eligible for relief for any reason during a calendar year other than the reason under § 204.210 or paragraph (c) of this section, the relief for your property terminates as of December 31 of that calendar year. You must notify MMS in writing by December 31 that the relief for your property has terminated.

(c) If you dispose of your property during the calendar year, your relief terminates as of the end of the sales month in which you disposed of the property.

§ 204.210 What if BLM approves my property as part of a nonqualifying Agreement?

If the Bureau of Land Management (BLM) or MMS's Offshore Minerals Management (OMM) retroactively approves your marginal property as part of a nonqualifying Agreement, the property no longer qualifies for relief under this subpart. In that case:

(a) MMS will not retroactively rescind the marginal property relief for your property under § 204.211;

(b) Your marginal property relief terminates as of December 31 of the calendar year that you receive the BLM or OMM approval of your marginal property as part of a nonqualifying Agreement; and

(c) You must adjust your royalty payments if they are affected by any required BLM or OMM reallocation under the nonqualifying Agreement.

§ 204.211 When may MMS retroactively rescind relief for a property?

MMS may retroactively rescind the relief for your property if MMS determines that your property was not eligible for the relief obtained under this subpart because:

(a) You did not submit a notice or request for relief under § 204.205;

(b) You submitted erroneous information in the notice or request for relief you provided to MMS under § 204.205 or in your royalty or production reports; or

(c) Your property is no longer eligible for relief because production increased, but you failed to provide the notice required under § 204.209(b).

§ 204.212 What if I took relief for which I was ineligible?

If you took relief under this subpart for a period for which you were not eligible, you may owe additional royalties and late payment interest determined under part 218 of this chapter from the date your additional