

excess of the 60 days Mr. Lyon requested.

Public Participation

See the "Public Participation" section of Notice No. 960 for detailed instructions on submitting and reviewing comments. Comments received on or before the new closing date will be carefully considered.

TTB will not recognize any submitted material as confidential and comments may be disclosed to the public. Any material that the commenter considers confidential or inappropriate for disclosure to the public should not be included in the comments. The name of the person submitting a comment is not exempt from disclosure.

Drafting Information

Tim DeVaney of the Regulations and Procedures Division, Alcohol and Tobacco Tax and Trade Bureau, drafted this notice.

List of Subjects in 27 CFR Part 9

Wine.

Authority and Issuance

Notice No. 960 was issued under the authority of 27 U.S.C. 205.

Signed: April 18, 2003.

Arthur J. Libertucci,
Administrator.

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DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Part 250

RIN 1010-AC91

Oil and Gas and Sulphur Operations in the Outer Continental Shelf—Revision of Requirements Governing Outer Continental Shelf Rights-of-Use and Easement and Pipeline Rights-of-Way

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Proposed rule.

SUMMARY: MMS is proposing to modify requirements governing rights-of-use and easements and pipeline rights-of-way on the Outer Continental Shelf (OCS). These changes will increase rental rates for pipeline rights-of-way and establish rentals for rights-of-use and easements. This change is needed because of requests by lessees and pipeline right-of-way holders to use large areas outside of the area covered by their lease and pipeline right-of-way

for accessory structures. This rule will require holders of rights-of-use and easements and holders of large areas as part of a pipeline right-of-way to pay rentals on a per acre basis.

DATES: We will consider all comments we receive by May 27, 2003. We will begin reviewing comments then and may not fully consider comments we receive after May 27, 2003.

ADDRESSES: If you wish to comment, you may submit your comments by any one of several methods. You may mail or hand-carry comments (three copies) to the Department of the Interior; Minerals Management Service; Mail Stop 4024; 381 Elden Street; Herndon, Virginia 20170-4817; Attention: Rules Processing Team. You may also send your comments by e-mail or e-mail attachment. The e-mail address is: rules.comments@mms.gov. Reference "1010-AC91, Rights-of-Use and Easement" in your subject line. Include your name and return address in your e-mail message and mark your message for return receipt.

FOR FURTHER INFORMATION CONTACT: John Mirabella, Engineering and Operations Division, (703) 787-1600.

SUPPLEMENTARY INFORMATION: This proposed rule provides a 30-day comment period. We believe that the issues involved in this proposed rule are not complex and 30 days will provide sufficient time for interested parties to prepare and submit comments.

Areas of the Gulf of Mexico (GOM) once thought beyond reach, located in water depths greater than 5,000 feet, are now being explored for development. A new generation of drillships and the development of new techniques allow drilling in waters as deep as 10,000 feet. Lease operators and pipeline right-of-way holders are developing more sophisticated and cost-efficient technology that will lower the cost of safely finding, extracting, and delivering deepwater oil and natural gas.

In the next decade, as the offshore industry moves into ultra-deepwater frontiers, the number of floating production vessels will increase substantially. Structures such as tension-leg platforms and floating production and offloading systems will become widely used to produce oil and gas in the GOM. These systems must be stabilized above the seafloor in water depths of 1,000 to 10,000 feet and, therefore, require a mooring system which may have a "footprint" radius greater than 8,500 feet. In some cases, we expect that the mooring system will cover the majority of the OCS block on which the facility is positioned.

Additionally, lease operators will produce smaller hydrocarbon discoveries in deep water by means of wells with production trees, *i.e.*, the assemblage of valves, etc., used to control the flow from the well, that are located on the ocean floor. These subsea systems must be tied back to a host facility by means of pipelines that deliver the production for processing and/or measurement, and cable-like control umbilicals that contain electrical conductors and small diameter steel tubing. Umbilicals allow control of the valves in the production tree and the measurement of pressure and temperature within the well to be accomplished remotely from the host facility.

A right-of-use and easement or pipeline right-of-way grant allows OCS operators and pipeline right-of-way holders the freedom to optimize the placement of their facilities on unleased blocks or on blocks leased by other operators. OCS blocks on which facilities such as floating structures with large mooring footprints, convergent pipelines, export pipelines, and control umbilicals are installed may present safety concerns. The safety concerns could occur if drilling facilities, work boats, or other vessel traffic associated with a new lease were located too close to floating structures, convergent pipelines, export pipelines, or control umbilicals associated with a right-of-way or right-of-use and easement previously granted. For this reason, MMS might decide to set aside adequate space around some pipeline rights-of-way or rights-of-use and easements. By removing blocks from the inventory or by otherwise restricting surface occupancy, potential safety and environmental concerns will be eliminated. In reviewing and approving applications for rights-of-use and easements and rights-of-way, MMS will ensure that safety and environmental problems do not occur. However, since issuance of these rights-of-use and easements and rights-of-way could have some adverse affects on other projects, MMS believes that the government should be compensated when the right-of-use and easement or right-of-way is issued.

The proposed modifications of 30 CFR 250.160, in subpart A, and 30 CFR 250.1009, in subpart J, would allow MMS to charge an annual rental to compensate the United States for the use of the unleased area being provided to the lessee or pipeline right-of-way holder. This proposed rule applies to applicants of pipeline rights-of-way who request a site for accessories for the pipeline right-of-way and for operators