

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF SAFETY & ENVIRONMENTAL ENFORCEMENT**

NTL No. 2017-N04

Effective Date: August 18, 2017

NATIONAL NOTICE TO LESSEES AND OPERATORS OF FEDERAL OIL AND GAS AND
SULPHUR LEASES, AND PIPELINE RIGHT-OF-WAY HOLDERS IN THE OUTER
CONTINENTAL SHELF (OCS)

Pipeline Right-of-Way Grant Assignments to Multiple Pipeline ROW Holders

Purpose

This Notice to Lessees and Operators and Pipeline Right-of-way Holders (NTL) is issued to provide guidance for compliance with the Bureau of Safety and Environmental Enforcement's (BSEE's) regulations found in 30 CFR Part 250, Subpart J, as they relate to pipeline right-of-way (ROW) grants and assignments. In response to questions from the oil and gas industry, this NTL provides guidance and clarification regarding the processes for obtaining a pipeline ROW grant, assigning such a grant to multiple pipeline ROW grant holders, and identifying an operator to act on behalf of all pipeline grant ROW holders.

Authority

In accordance with 30 CFR 250.103, BSEE may issue NTLs that clarify or provide more detail about certain requirements. According to 30 CFR 250.103, NTLs may also outline what regulated entities must provide as required information in their various submissions to BSEE. Regulations found at 30 CFR 250.1018 allow for assignments of pipeline ROW grants to be approved by the Regional Supervisor and provide the flexibility for BSEE to approve multiple pipeline ROW grant holders.

General

In the recent past, BSEE allowed for only a single pipeline ROW grant holder per pipeline ROW grant. However, participants in the oil and gas industry have communicated a desire for BSEE to recognize multiple holders of interests in a single pipeline ROW grant. Based on the regulatory authority contained in 30 CFR Part 250.1018, BSEE has decided to accept requests to assign pipeline ROW grants to multiple pipeline ROW grant holders. Submittal of such assignments is optional. However, when a ROW grant holder submits such an optional assignment, the following procedural guidance should be followed:

- 1) Requests for the establishment of a new pipeline ROW grant should continue to be submitted by a single pipeline ROW grant applicant, per 30 CFR 250.1015;

- 2) For existing or future pipeline ROW grants approved by BSEE, the pipeline ROW grant holder may submit an application pursuant to 30 CFR 250.1018 via Form BSEE-0149 for approval to assign interests to multiple pipeline ROW grant holders;
- 3) With the submission of Form BSEE-0149, the pipeline ROW grant holder must also submit documentation identifying a ROW pipeline operator to act on behalf of all the pipeline ROW grant holders pursuant to 30 CFR 250.1000(c)(2). This documentation must be signed by all pipeline ROW grant holders and the ROW pipeline operator identified; and
- 4) The pipeline ROW grant holders must notify the Regional Supervisor promptly of any change in the ROW pipeline operator by submitting additional documentation signed by all pipeline ROW grant holders, and by the new ROW pipeline operator identified to act on behalf of all the pipeline ROW grant holders.

The documentation must specify that the ROW pipeline operator has authority to act on behalf of all pipeline ROW grant holders to fulfill the holders' obligations under the OCS Lands Act, in compliance with the terms and conditions of the ROW grant, laws, and applicable regulations (see attached for example language). It must also acknowledge that the BSEE Regional Supervisor or the authorized BSEE Regional Officer may provide the ROW pipeline operator written or oral instructions in securing compliance with the pipeline ROW grant, laws, and applicable regulations. In addition, the proper identifying information for the pipeline ROW grant must be included in the documentation (e.g., ROW number, legal description).

BSEE's point of contact for all issues with the pipeline ROW grant will be the ROW pipeline operator, with the exception of relinquishments of or modifications to (i.e., any request that would result in a change to the pipeline ROW grant description) the pipeline ROW grant. If desired, the operator can submit relinquishments and modifications, but all pipeline ROW grant holders must also sign.

Identifying an operator does not relieve the pipeline ROW grant holders of responsibility for compliance with the terms of the ROW grant, laws, and applicable regulations nor does it constitute an assignment of any interest in the ROW grant. In the case of a default on the part of the ROW pipeline operator, the pipeline ROW grant holders will ensure full and prompt compliance with the terms of the pipeline ROW grant, laws, and applicable regulations, or orders of the Secretary of the Interior or his/her representative. In addition, pursuant to 30 CFR 250.1701(b), all holders of a pipeline ROW are jointly and severally liable for meeting decommissioning obligations for facilities on their ROW as the obligations accrue and until each obligation is met.

Pursuant to 30 CFR 250.1018(b), each pipeline ROW assignee must meet the same qualifications required of a pipeline ROW grant applicant under 30 CFR 250.1015(b). The assignment documentation should identify the intended post-assignment interest held by each assignee. BSEE's approval of a new pipeline ROW grant application or pipeline ROW grant assignment

will be conditioned upon the following: 1) proper signatures must be on all documentation consistent with the Bureau of Ocean Energy Management (BOEM) qualification files, and 2) the appropriate financial assurance must be in place in accordance with 30 CFR 550.1011.. The proper service fee pursuant to 30 CFR 250.125 must accompany the request.

Submittal of Information

Requests to assign pipeline ROW grants to multiple pipeline ROW grant holders should be submitted to the following personnel for the applicable Region:

- Regional Supervisor, Regional Field Operations
Pipeline Section (GE 1035A)
Bureau of Safety & Environmental Enforcement
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394;
- Regional Supervisor, Office of Strategic Operations
Pacific OCS Region
Bureau of Safety & Environmental Enforcement
760 Paseo Camarillo, Suite 102
Camarillo, CA 93010-6002; or
- Regional Supervisor, Regional Field Operations
Bureau of Safety & Environmental Enforcement
3801 Centerpoint Drive, Suite 500
Anchorage, AK 99503-5823

Paperwork Reduction Act of 1995 Statement

The Office of Management and Budget (OMB) has approved the information collection requirements and assigned OMB Control Number 1014-0016 for the subpart J regulations. This NTL does not impose any additional information collection requirements subject to the Paperwork Reduction Act of 1995.

Contacts

For information or questions regarding this NTL, lessees or others may contact the appropriate Regional office as follows:

Gulf of Mexico Region: Pipeline Section
Phone: (504) 736-2814

Pacific Region: Regional Supervisor for Office of Strategic Operations
Phone: (805) 384-6325

Alaska Region: Regional Supervisor for Regional Field Operations
Phone: (907) 334-5300

Douglas Morris /S/
Chief, Office of Offshore Regulatory Programs

Attachment – Example language specifying that the ROW pipeline operator has authority to act on behalf of all pipeline ROW grant holders

Upon approval of Form BSEE-0149, the undersigned pipeline right-of-way (ROW) grant holders of:

Pipeline Right-of-way Grant Number (OCS or OCS-G):

Regional Office:

hereby identify

Name and Company Number :

Address:

as the operator of the ROW pipeline identified above and as agent, with authority to act on the pipeline ROW grant-holders' behalf and to fulfill the grant-holders' obligations under the OCS Lands Act, in compliance with the terms and conditions of the pipeline ROW grant, laws and applicable regulations, except with regard to the relinquishment and pipeline ROW grant modification limitations stated below. The BSEE Regional Supervisor, or the authorized BSEE Regional Officer, may provide the ROW pipeline operator written or oral instructions to secure compliance with the pipeline ROW grant in accordance with applicable laws and regulations. This identification of ROW pipeline operator is made with respect to the pipeline segment(s) associated with the pipeline ROW grants described below:

(Insert pipeline ROW grant description)

The undersigned agree that this identification of the ROW pipeline operator does not relieve the pipeline ROW grant holder of responsibility for compliance with the terms of the pipeline ROW grant and all applicable laws and regulations. It is also understood that this identification of ROW pipeline operator does not constitute an assignment of any interest in the subject pipeline ROW grant.

The undersigned agree that, in case of default on the part of the ROW pipeline operator, the pipeline ROW grant holders will make full and prompt compliance with all laws, regulations or orders of the Secretary of the Interior or his/her representative. If BSEE determines the ROW pipeline operator's performance being conducted on the ROW pipeline(s) described above is unacceptable, BSEE may disqualify the ROW pipeline operator, or may disapprove or revoke its identification as ROW pipeline operator. The ROW pipeline operator will be given adequate notice and opportunity for a review by BSEE Regional officials before initiating or imposing a disqualification.

The undersigned agree that the ROW pipeline operator does not have the authority to either request relinquishment of or modification to (i.e., any request that would result in a change to the pipeline ROW grant description) the pipeline ROW grant described above unless all

pipeline ROW grant holders also sign such a request prepared and submitted by the ROW pipeline operator.

The undersigned agree to notify the Regional Supervisor promptly of any change in the identification of the ROW pipeline operator and will submit the necessary documentation to BSEE.