



**4310-MR-P**

**DEPARTMENT OF THE INTERIOR**

**Bureau of Ocean Energy Management**

**30 CFR Part 556**

**RIN 1010-AD06**

**[Docket ID: BOEM-2016-0031]**

**Leasing of Sulfur or Oil and Gas in the Outer Continental Shelf; Correction**

**MMAA104000**

**AGENCY:** Bureau of Ocean Energy Management (BOEM), Interior.

**ACTION:** Final rule; correction

**SUMMARY:** On March 30, 2016, the Bureau of Ocean Energy Management (BOEM) published in the Federal Register a final rule that updates and streamlines the Outer Continental Shelf (OCS) oil and gas and sulfur leasing regulations, which will become effective on May 31, 2016 (81 FR 18111) (“Leasing Rule”). One of the regulations contained in the final rule was incorrectly stated. This document corrects that error

**DATES:** This correction is effective on May 31, 2016.

**FOR FURTHER INFORMATION CONTACT:** Robert Sebastian, Office of Policy,

Regulation and Analysis at (504) 736-2761 or email at [robert.sebastian@boem.gov](mailto:robert.sebastian@boem.gov).

## **SUPPLEMENTARY INFORMATION**

### **Need for Correction**

BOEM has the authority, under certain conditions, to disqualify a party from acquiring a lease or an interest in a lease on the Outer Continental Shelf (OCS). The title, as well as the verbiage, of § 556.403 in the final Leasing Rule, states that BOEM may disqualify entities from “holding,” a lease or lease interest on the OCS. This could be interpreted to imply that BOEM would not allow a disqualified party to retain a pre-existing OCS lease interest. That interpretation is incorrect. Disqualified entities may not acquire new leases or lease interests, but they may continue to hold existing leases or lease interests. BOEM is correcting the wording of § 556.403 to avoid the implication that the use of the word “hold” might authorize BOEM, under the conditions stated in § 556.403, to require forfeiture of leases already acquired. The final rule was issued under Docket ID: MMS-2007-OMM-0069, which has expired and is no longer accessible. Therefore, BOEM is utilizing a new Docket ID for this correction (BOEM-2016-0031).

### **Procedural Requirements**

Section V, Legal and Regulatory Analyses, of the final rule issued on March 30, 2016 (81 FR 18145), summarizes BOEM’s analyses of that rule pursuant to applicable statutes and executive orders. This amendment does not change the conclusions described in that section because the amendment conforms the regulatory text to BOEM’s intent in the final rule, as then analyzed. Therefore, no additional analysis is necessary.

The Administrative Procedure Act, 5 U.S.C. 553(b), provides that, when an agency for good cause finds that “notice and public procedure...are impracticable, unnecessary, or contrary to the public interest,” the agency may issue a rule without providing notice and an opportunity

for prior public comment. To the extent this rule has substantive effects, it is to relieve regulated parties from sanctions. It does not require any party to change its conduct, and it does not change the rights of any party affected by the final rule. Therefore, BOEM believes that the public would not be interested in commenting on this correction, and thus notice and comment are unnecessary. Moreover, if BOEM were to first publish a proposed rule, allow the public sufficient time to submit comments, analyze the comments, and then publish a final rule, it would not be possible to correct this error and make it effective on the same day as the earlier final rule, May 31, 2016. Accordingly, notice and comment is impracticable. For these reasons, BOEM finds that soliciting public comment is unnecessary and impracticable and that there is good cause to promulgate this rule without first providing for public comment.

Similarly, BOEM finds that there is good cause to waive the usual 30-day delay in the effective date for this correction. This correction will not require any party to adjust its conduct and will not change the effect of the already published final rule. For these reasons, BOEM believes that the public does not need 30 days advance notice of this correction and that a delay in effectiveness is unnecessary. If this correction is not made effective on the same date, it would not become effective until after the erroneous language in the already published rule becomes effective, May 31, 2016. This could cause confusion to anyone potentially affected by § 556.403, making a 30-day delay in effectiveness impracticable. Therefore, pursuant to 5 U.S.C. 553(d), BOEM has determined that a 30-day delay in the effective date is unnecessary and impractical, and there is good cause to waive the delayed effective date for this final rule.

---

Amanda C. Leiter  
Acting Assistant Secretary-Land and Minerals Management

May 16, 2016  
Date

For the reasons stated in the preamble, BOEM amends 30 CFR part 556 (as amended by the final rule published on March 30, 2016, at 81 FR 18111) as follows:

**PART 556—LEASING OF SULFUR OR OIL AND GAS AND BONDING  
REQUIREMENTS IN THE OUTER CONTINENTAL SHELF**

1. The authority citation for part 556 continues to read as follows:

**Authority:** 30 U.S.C. 1701 note, 30 U.S.C. 1711, 31 U.S.C. 9701, 42 U.S.C. 6213, 43 U.S.C. 1331 note, 43 U.S.C. 1334, 43 U.S.C. 1801-1802.

2. Revise § 556.403 to read as follows:

**§ 556.403 Under what circumstances may I be disqualified from acquiring a lease or an interest in a lease on the OCS?**

You may be disqualified from acquiring a lease or an interest in a lease on the OCS if:

- (a) You or your principals are excluded or disqualified from participating in a transaction covered by Federal non-procurement debarment and suspension (2 CFR parts 180 and 1400), unless the Department explicitly approves an exception for a transaction pursuant to the regulations in those parts;
- (b) The Secretary finds, after notice and hearing, that you or your principals (including in the meaning of “you,” for purposes of this subparagraph, a bidder or prospective bidder) fail to meet due diligence requirements or to exercise due diligence under section 8(d) of OCSLA (43 U.S.C. § 1337(d)) on any OCS lease;  
or
- (c) BOEM disqualifies you from acquiring a lease or an interest in a lease on the OCS based on your unacceptable operating performance. BOEM will give you

adequate notice and opportunity for a hearing before imposing a disqualification,  
unless BSEE has already provided such notice and opportunity for a hearing.

[FR Doc. 2016-12095 Filed: 5/27/2016 8:45 am; Publication Date: 5/31/2016]