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February 19, 2008

Department of the Interior  
Minerals Management Service  
381 Elden Street, MS-4024  
Herndon, Virginia 20170-4817

Attention: Regulations and Standards Branch (RSB)

**RE: Electronic Payment of Fees for the Outer Continental Shelf Activities, 1010-AD43**

Gentlemen and Ladies:

Chevron U.S.A. Inc. (CUSA) is appreciative of the opportunity to comment on the Minerals Management Service's (MMS) proposed rule regarding implementation of a new mandatory process for the electronic payment of all fees for processing plans, applications and permits. CUSA holds hundreds of leases in the Outer Continental Shelf (OCS) and operates over 900 platforms and caissons in the Gulf of Mexico. We are very interested in any change in the current regulatory framework that could have a significant impact on our ongoing offshore oil and gas operations and activities.

CUSA supports the concept of submitting fees electronically through the Pay.Gov system as outlined in the proposed rule. The efficiencies that will result from implementation of this particular internet technology will outweigh any inconvenience Lessees may temporarily encounter adjusting to the new process once adopted. CUSA supports federal government initiatives that streamline the offshore permitting process and makes compliance simpler.

In regard to the text of the proposed rule, CUSA has a few modifications for MMS' consideration. The majority of these suggested changes center around building flexibility into the rule to allow for future changes in electronic payment mechanisms without the need to pursue a new rulemaking. Building this flexibility into the rule will give MMS the ability to easily make changes in the payment process as future technologies are developed and perfected. For ease of your review of our proposed comments, we have duplicated parts of the proposed rule highlighting, underlined and italicizing our suggested modifications.

**Sec. 203.3 Do I have to pay a fee to request royalty relief?**

When you submit an application or ask for a preview assessment, you must include a fee to reimburse us for our costs of processing your application or assessment. Federal policy and law require us to recover the cost of services that confer special benefits to identifiable non- Federal recipients. The Independent Offices Appropriation Act (31 U.S.C. 9701), Office of Management and Budget Circular

A'25, and the Omnibus Appropriations Bill (Pub. L. 104'134, 110 Stat. 1321, April 26, 1996) authorize us to collect these fees.

(a) We will specify the necessary fees for each of the types of royalty relief applications and possible MMS audits in a Notice to Lessees. We will periodically update the fees to reflect changes in costs, as well as provide other information necessary to administer royalty relief.

(b) You must file all payments electronically through the Pay.Gov Web site and you must include a copy of the Pay.Gov confirmation receipt page with your application or assessment. The Pay.Gov Web site may be accessed through links on the MMS Offshore Web site at: <http://www.mms.gov/offshore/> homepage or directly through Pay.Gov at: [https:// http://www.pay.gov/paygov/](https://http://www.pay.gov/paygov/).

*(c) We may replace utilizing the Pay.Gov Web site with another web site or alternative electronic payment mechanism upon appropriate notice. Should we chose to replace Pay.Gov, any reference to Pay.Gov in this section shall be replaced with the alternative web site or electronic payment mechanism.*

#### **Sec. 250.126 Electronic payment instructions.**

You must file all payments electronically through Pay.Gov. This includes, but is not limited to, all OCS applications or filing fee payments. The Pay.Gov Web site may be accessed through links on the MMS Offshore Web site at: <http://www.mms.gov/offshore/> homepage or directly through Pay.Gov at: <https://www.pay.gov/paygov/>.

(a) Payment of fees associated with electronic applications. If you submitted an application through eWell, you must use the interactive payment feature in that system which directs you through Pay.Gov.

(b) Payment of fees for applications not submitted electronically. For applications not submitted electronically through eWell, you must use credit card or automated clearing house (ACH) payments through the Pay.Gov Web site and you must include a copy of the Pay.Gov confirmation receipt page with your application.

*(c) We may replace utilizing the Pay.Gov Web site with another web site or alternative electronic payment mechanism upon appropriate notice. Should we chose to replace Pay.Gov, any reference to Pay.Gov in this section shall be replaced with the alternative web site or electronic payment mechanism.*

#### **Sec. 250.160 When will MMS grant me a right-of-use and easement, and what requirements must I meet? \* \* \* \* \***

(h) You may make the rental payments required by paragraph (g)(1) and (g)(2) of this section on an annual basis, for a 5-year period, or for multiples of 5 years. You must make the first payment electronically through Pay.Gov and you must include a copy of the Pay.Gov confirmation receipt page with your right-of-use and easement application. You must make all subsequent payments electronically through Pay.Gov before the respective time periods begin. *We may replace utilizing the Pay.Gov Web site with another web site or alternative electronic payment mechanism upon appropriate notice. Should we chose to replace Pay.Gov, any reference to Pay.Gov in this section shall be replaced with the alternative web site or electronic payment mechanism.*

#### **Sec. 251.5 Applying for permits or filing Notices.**

(a) Permits. You must submit a signed original and three copies of the MMS permit application form (Form MMS--327). The form includes names of persons, type, location, purpose, dates of activity, and environmental and other information. A nonrefundable service fee of \$1,900 must be paid electronically through Pay.Gov at: <https://www.pay.gov/paygov/>, and you must include a copy of the Pay.Gov confirmation receipt page with your application. *We may replace utilizing the Pay.Gov Web site with another web site or alternative electronic payment mechanism upon appropriate notice. Should we chose to replace Pay.Gov, any reference to Pay.Gov in this section shall be replaced with the alternative web site or electronic payment mechanism.*

**Sec. 256.64 How to file transfers. \* \* \* \* \***

(a) \* \* \* (8) You must pay electronically through Pay.Gov at: <https://www.pay.gov/paygov/> the service fee listed in Sec. 256.63 of this subpart and you must include a copy of the Pay.Gov confirmation receipt page with your application for approval of any instrument of transfer you are required to file (Record Title/Operating Rights (Transfer) Fee). Where multiple transfers of interest are included in a single instrument, a separate fee applies to each individual transfer of interest. For any document you are not required to file by these regulations but which you submit for record purposes, you must also pay electronically through Pay.Gov the service fee listed in Sec. 256.63 (Non-required Document Filing Fee) per lease affected, and you must include a copy of the Pay.Gov confirmation receipt page with your document. Such documents may be [[Page 72652]] rejected at the discretion of the authorized officer. *We may replace utilizing the Pay.Gov Web site with another web site or alternative electronic payment mechanism upon appropriate notice. Should we chose to replace Pay.Gov, any reference to Pay.Gov in this section shall be replaced with the alternative web site or electronic payment mechanism.*

**Sec. 280.12 What must I include in my application or notification?**

(a) Permits. You must submit to the Regional Director a signed original and three copies of the permit application form (Form MMS-134) at least 30 days before the startup date for activities in the permit area. If unusual circumstances prevent you from meeting this deadline, you must immediately contact the Regional Director to arrange an acceptable deadline. The form includes names of persons, type, location, purpose, and dates of activity, as well as environmental and other information. A nonrefundable service fee of \$1,900 must be paid electronically through Pay.Gov at: <https://www.pay.gov/paygov/>, and you must include a copy of the Pay.Gov confirmation receipt page with your application. *We may replace utilizing the Pay.Gov Web site with another web site or alternative electronic payment mechanism upon appropriate notice. Should we chose to replace Pay.Gov, any reference to Pay.Gov in this section shall be replaced with the alternative web site or electronic payment mechanism.*

**Sec. 281.41 Requirements for filing for transfers.**

(a) \* \* \* (2) An application for approval of any instrument required to be filed shall not be accepted unless a nonrefundable fee of \$50 is paid electronically through Pay.Gov at: <https://www.pay.gov/paygov/> and a copy of the Pay.Gov confirmation receipt page is included with your application. For any document you are not required to file by these regulations but which you submit for record purposes, you must also pay electronically through Pay.Gov the service fee listed in Sec. 256.63 (Non-required Document Filing Fee) per lease affected, and you must include a copy of the Pay.Gov confirmation receipt page with your document. Such documents may be rejected at the discretion of the authorized officer. *(Note: We may replace utilizing the Pay.Gov Web site with another web site or alternative electronic payment mechanism upon appropriate notice. Should we chose to replace Pay.Gov, any reference to Pay.Gov in this section shall be replaced with the alternative web site or electronic payment mechanism.)*

**Sec. 290.4 How do I file an appeal?**

(b) A nonrefundable processing fee of \$150.00 paid with the Notice of Appeal. (1) You must pay electronically through Pay.Gov at: <https://www.pay.gov/paygov/>, and you must include a copy of the Pay.Gov confirmation receipt page with your Notice of Appeal. (2) You cannot extend the 60-day period for payment of the processing fee. *(Note: We may replace utilizing the Pay.Gov Web site with another web site or alternative electronic payment mechanism upon appropriate notice. Should we chose to*

February 19, 2008

Page 4

*replace Pay.Gov, any reference to Pay.Gov in this section shall be replaced with the alternative web site or electronic payment mechanism.)*

Should you have any questions regarding CUSA's comments, please do not hesitate contacting the undersigned by phone or e-mail as shown in the letterhead above.

Yours truly,

A handwritten signature in blue ink, appearing to read 'J. Keith Couvillion', with a large, stylized flourish extending upwards and to the left.

J. Keith Couvillion

JKC/MMS Comment Letter – Electronic Payment Rule 2-19-08.doc