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DEPARTMENT OF THE INTERIOR

Bureau of Safety and Environmental Enforcement

30 CFR Part 250

[Docket ID: BSEE–2025–0134; EEEE500000 256E1700D2 ET1SF0000.EAQ000]

RIN 1014–AA68

Offshore Downhole Commingling Regulatory Updates

AGENCY: Bureau of Safety and Environmental Enforcement (BSEE), Interior.

ACTION: Direct final rule (DFR); request for comments.

SUMMARY: The Department of the Interior (DOI or Department), through the Bureau of Safety and Environmental Enforcement (BSEE), is revising the Outer Continental Shelf (OCS) downhole commingling regulations consistent with the ''One Big Beautiful Bill Act'' (OBBB). These administrative revisions update the regulations to ensure consistency with the OBBB when BSEE reviews a request for downhole commingling.

DATES: The final rule is effective October 14, 2025, unless significant adverse comments are received by September 12, 2025. If significant adverse comments are received, the Department will publish notice in the **Federal Register** before the effective date either withdrawing the rule or issuing a new final rule that responds to significant adverse comments.

ADDRESSES: You may submit comments on this rulemaking by any of the following methods. Please use the Regulation Identifier Number (RIN) 1014–AA68 as an identifier in your message.

- *Federal eRulemaking Portal: http://www.regulations.gov.* In the entry entitled, Enter Keyword or ID, enter BSEE–2025–0134, then click search. Follow the instructions to submit public comments and view supporting and related materials available for this rulemaking. BSEE may post all comments submitted.
- *Mail or hand-carry comments to the Department of the Interior; Bureau of Safety and Environmental Enforcement; Attention:* Regulations and Standards Branch; 45600 Woodland Road, Sterling, Virginia 20166. Please reference ''Offshore Downhole Commingling Administrative Updates, 1014–AA68'' in your comments and include your name and return address.
- *Send comments on the information collection in this rule to:* Interior Desk Officer 1014–AA68, Office of Management and Budget; by fax at 202–395–5806; or by email at *oira_submission@omb.eop.gov.* In addition, please send a copy of your comments to BSEE by one of the methods previously listed.

Public Availability of Comments—Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. In order for BSEE to withhold from disclosure your personal identifying information, you must identify any information contained in your comment submittal that, if released, would constitute a clearly unwarranted invasion of your personal privacy. You must also briefly describe any possible harmful consequence(s) of the disclosure of the information, such as embarrassment, injury, or other harm. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

FOR FURTHER INFORMATION CONTACT: For questions, contact Kirk Malstrom, Regulations and Standards Branch, (202) 258–1518, or by email: *regs@bsee.gov.* Individuals in the United States who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services. Individuals outside the United States should use the relay services offered within their country to make international calls to the point-of-contact in the United States.

SUPPLEMENTARY INFORMATION: The Department is issuing this rule as a direct final rule. Although the Administrative Procedure Act (APA), 5 U.S.C. 551–559, generally requires agencies to engage in notice and comment rulemaking, section 553 of the APA provides an exception when the agency ''for good cause finds'' that notice and comment are ''impracticable, unnecessary, or contrary to the public interest.'' *Id.* 553(b)(B). The Department has determined that notice and comment are unnecessary because this rule is noncontroversial; of a minor, technical nature; and is unlikely to receive any significant adverse comments.[1] Significant adverse comments are those that oppose the revisions in the rule and raise, alone or in combination, (1) reasons why the rule is inappropriate, or (2) serious unintended consequences of the revisions. A comment recommending an addition to the rule will not be considered significant and adverse unless the comment sufficiently explains how this direct final rule would be ineffective without the addition.

Executive Summary

This direct final rule (DFR) revises the regulatory provisions in 30 CFR 250.1158 in response to the applicable provisions of the One Big Beautiful Bill Act of 2025 (OBBB) Public Law 119–21, which was signed into law on July 4, 2025, by the President. The Outer Continental Shelf Lands Act (OCSLA) authorizes the Secretary to promulgate regulations that carry out the provisions in OCSLA, including provisions that require lessees to produce any oil or gas, or both, at rates consistent with applicable law and orders to assure the maximum rate of production that may be sustained without loss of ultimate recovery of oil or gas, or both, under sound engineering and economic principles, and that is safe for the duration of the activity. BSEE performs technical analyses for downhole commingling to ensure that production methods meet OCSLA's requirement for ultimate recovery and safety. This rule

[1] See, *e.g., Nat'l Nutritional Foods Ass'n.* v. *Kennedy,* 572 F.2d 377, 385 (2d Cir. 1978) (''''Unnecessary' means unnecessary so far as the public is concerned, as would be the case if a minor or merely technical amendment in which the public is not particularly interested were involved.'')

revises the BSEE regulations to reflect the offshore commingling language in the OBBB regarding safety and ultimate recovery and to clarify how BSEE will apply the OBBB's standards when reviewing commingling requests.

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I. Background

A. Statutory and Regulatory Authority and Responsibilities

The Department's authority for this direct final rule is derived from OCSLA, codified at 43 U.S.C. 1331–1356a. OCSLA, enacted in 1953 and substantially revised in 1978, authorizes the Secretary of the Interior (Secretary) to regulate and administer mineral and oil and gas exploration, development, and production operations on the OCS. The Secretary has delegated authority to perform certain of these functions to BSEE under Secretary's Order 3299.[2]

To carry out its responsibilities, BSEE regulates offshore oil and gas and mineral operations to enhance the safety of oil and gas and mineral exploration, development, and production on the OCS, and to implement advancements in technology. BSEE also conducts onsite inspections to ensure compliance with regulations, lease terms, and approved plans and permits. Detailed information concerning the BSEE-administered regulations and guidance to the offshore oil and gas and mineral industries may be found on BSEE's website at: *https://www.bsee.gov/protection.*

BSEE administers a regulatory program that covers a wide range of OCS facilities and activities that offshore operators [3] perform throughout the OCS. *See* 30 CFR part 250. This DFR is applicable to requests for BSEE approval of downhole commingling operations.

[2] *https://www.doi.gov/sites/doi.gov/files/elips/documents/3299a2-establishment_of_the_bureau_of_ocean_energy_management_the_bureau_of_safety_and_environmental_enforcement_and_the_office_of_natural_resources_revenue.pdf.*

[3] The regulations at 30 CFR part 250 generally apply to ''a lessee, the owner or holder of operating rights, a designated operator or agent of the lessee(s)'' (30 CFR 250.105 (definition of ''you'') and ''the person actually performing the activity to which the requirement applies'' (30 CFR 250.146(c)). For convenience, this preamble will refer to these regulated entities as ''operators'' unless otherwise indicated.

B. Purpose and Summary of the Rulemaking

Under section 50102 of the Act, it provides that the ''Secretary of the Interior shall approve a request of an operator to commingle oil or gas production from multiple reservoirs within a single wellbore completed on the outer Continental Shelf in the Gulf of America Region unless the Secretary of the Interior determines that conclusive evidence establishes that the commingling—(1) could not be conducted by the operator in a safe manner; or (2) would result in an ultimate recovery from the applicable reservoirs to be reduced in comparison to the expected recovery of those reservoirs if they had not been commingled.'' OCSLA authorizes the Secretary to promulgate regulations that carry out the provisions in OCSLA, including provisions that require lessees to produce any oil or gas, or both, at rates consistent with applicable law and orders to assure the maximum rate of production which may be sustained without loss of ultimate recovery of oil or gas, or both, under sound engineering and economic principles, and that is safe for the duration of the activity. 43 U.S.C. 1344(a) and (g). BSEE performs technical analyses for downhole commingling to ensure that production methods meet OCSLA's requirement for ultimate recovery. This rule revises the BSEE regulations to align with the offshore commingling language in the OBBB to ensure that commingling will be conducted in a safe manner and the operation will not reduce ultimate recovery.

II. Section-by-Section Discussion of Changes

How do I receive approval to downhole commingle hydrocarbons? (§ 250.1158)

BSEE is revising paragraph (a) to include that, when reviewing the downhole commingling request, the Regional Supervisor will approve a request of an operator to commingle hydrocarbons unless he or she finds, based on conclusive evidence, that the commingling could not be conducted by the operator in a safe manner or that the commingling would reduce ultimate recovery from the applicable reservoirs. This revision implements the requirements related to downhole commingling in the OBBB, thereby clarifying the overall expectations for commingling operations.

III. Procedural Matters

Regulatory Planning and Review (E.O. 12866) and Improving Regulation and Regulatory Review (E.O. 13563)

Executive Order 12866 provides that the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget (OMB) will review all significant rules. OIRA has determined that this direct final rule is not significant.

Executive Order 13563 reaffirms the principles of Executive Order 12866, while calling for improvements in the Nation's regulatory system to promote predictability, reduce uncertainty, and use the best, most innovative, and least burdensome tools for achieving regulatory ends. Executive Order 13563 directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. Executive Order 13563 emphasizes further that agencies must base regulations on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. BSEE developed this direct final rule in a manner consistent with these requirements.

Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA, 5 U.S.C. 601–612) requires an agency to prepare a regulatory flexibility analysis for all rules unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities. The RFA applies only to rules for which an agency is required to first publish notice of a proposed rule. *See* 5 U.S.C. 603(a) and 604(a). The RFA does not apply because the Department is not required to publish a notice of proposed rulemaking for this direct final rule.

Congressional Review Act

This direct final rule is not a major rule under the Congressional Review Act, 5 U.S.C. 804(2). Specifically, the direct final rule: (1) will not have an annual effect on the economy of $100 million or more; (2) will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; or (3) will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-

based enterprises in domestic and export markets.

Unfunded Mandates Reform Act of 1995

This direct final rule would not impose an unfunded mandate on State, local, or tribal governments or the private sector of more than $100 million per year. The rule would not have a significant or unique effect on State, local, or tribal governments or the private sector. The rule merely revises the offshore commingling regulations to implement requirements in the OBBB. Therefore, a statement containing the information required by Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*) is not required.

Takings Implication Assessment (E.O. 12630)

Under the criteria in E.O. 12630, this direct final rule does not have significant takings implications. The rule is not a governmental action capable of interference with constitutionally protected property rights. Therefore, a takings implication assessment is not required.

Federalism (E.O. 13132)

Under the criteria in E.O. 13132, this direct final rule will not have federalism implications. This rule will not substantially and directly affect the relationship between the Federal and State governments. To the extent that State and local governments have a role in OCS activities, this rule will not affect that role. Therefore, a federalism assessment is not required.

Civil Justice Reform (E.O. 12988)

This direct final rule complies with the requirements of E.O. 12988. Specifically, this rule:

(1) Meets the criteria of section 3(a) requiring that all regulations be reviewed to eliminate errors and ambiguity and be written to minimize litigation; and

(2) Meets the criteria of section 3(b)(2) requiring that all regulations be written in clear language and contain clear legal standards.

Consultation With Indian Tribes (E.O. 13175)

BSEE strives to strengthen its government-to-government relationships with federally recognized Indian Tribes through a commitment to consultation with the Tribes and recognition of their right to self-governance and Tribal sovereignty. We are also respectful of our responsibilities for consultation with Alaska Native Claims Settlement Act (ANCSA) Corporations and the Native Hawaiian Community. BSEE is committed to compliance with E.O. 13175, *Consultation and Coordination with Indian Tribal Governments* (dated November 6, 2000), DOI's Policy on Consultation with Indian Tribes, Policy on Consultation with Alaska Native Claims Settlement Act Corporations, and Policy on Consultation with the Native Hawaiian Community (512 Departmental Manual 4, dated November 30, 2022, 512 Departmental Manual 6, dated November 30, 2022, and 513 Departmental Manual 1, dated January 16, 2025, respectively), and DOI's Procedures for Consultation with Indian Tribes, Procedures for Consultation with Alaska Native Claims Settlement Act Corporations, and Procedures for Consultation with the Native Hawaiian Community (512 Departmental Manual 5, dated November 30, 2022, Departmental Manual 7, dated November 30, 2022, and 513 Departmental Manual 2, dated January 16, 2025, respectively). BSEE evaluated this direct final rule under Executive Order 13175 and the Department's consultation policies and procedures and determined that it has no substantial direct effects on Federally recognized Indian Tribes, ANCSA Corporations, or the Native Hawaiian Community and that consultation under the Department's consultation policies is not required.

Paperwork Reduction Act (PRA) of 1995

This rule does not contain any new information collection requirements, and a submission to the OMB under the PRA, 44 U.S.C. 3501 *et seq,* is not required. BSEE may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number. Please reference, OMB Control Number 1014–0019 which covers BSEE's Information Collection under 30 CFR part 250; Subpart K, *Oil and Gas Production Requirements.*

National Environmental Policy Act of 1969 (NEPA)

This direct final rule does not constitute a major Federal action significantly affecting the quality of the human environment. A detailed statement under the National Environmental Policy Act (NEPA, 42 U.S.C. 4321 *et seq.*) is not required because this rule is covered by a categorical exclusion applicable to regulatory functions ''that are of an administrative, financial, legal, technical, or procedural nature.'' 43 CFR 46.210(i). In addition, BSEE has determined that this rule does not involve any of the extraordinary circumstances listed in 43 CFR 46.215 that would require further analysis under NEPA.

Data Quality Act

In developing this direct final rule, we did not conduct or use a study, experiment, or survey requiring peer review under the Data Quality Act (Pub. L. 106–554, app. C, sec. 515, 114 Stat. 2763, 2763A–153–154).

Effects on the Nation's Energy Supply (E.O. 13211)

This direct final rule is not a significant energy action under the definition in E.O. 13211 because the rule is not a significant regulatory action under E.O. 12866, and it is not likely to have a significant adverse effect on the supply, distribution, or use of energy. Therefore, a Statement of Energy Effects is not required.

Clarity of This Regulation

We are required by E.O. 12866, E.O. 12988, and by the Presidential Memorandum of June 1, 1998, to write all rules in plain language. This means that each rule we publish must:

(1) Be logically organized;

(2) Use the active voice to address readers directly;

(3) Use clear language rather than jargon;

(4) Be divided into short sections and sentences; and

(5) Use lists and tables wherever possible.

If you feel that we have not met these requirements, send us comments by one of the methods listed in the **ADDRESSES** section. To better help us revise the rule, your comments should be as specific as possible. For example, you should tell us the numbers of the sections or paragraphs that you find unclear, which sections or sentences are too long, or the sections where you feel lists or tables would be useful.

List of Subjects in 30 CFR Part 250

Administrative practice and procedure, Continental shelf, Environmental impact statements. Environmental protection, Government contracts, Investigations, Mineral resources, Oil and gas exploration, Penalties, Pipelines, Outer Continental Shelf—mineral resources, Outer Continental Shelf—rights-of-way, Reporting and recordkeeping requirements, Sulphur operations.

Adam G. Suess,

Acting Assistant Secretary, Land and Minerals Management.

For the reasons stated in the preamble, the Bureau of Safety and

Environmental Enforcement (BSEE) amends 30 CFR part 250 as follows:

PART 250—OIL AND GAS AND SULFUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

■ 1. The authority citation continues to read as follows:

Authority: 30 U.S.C. 1751, 31 U.S.C. 9701, 33 U.S.C. 1321(j)(1)(C), 43 U.S.C. 1334.

■ 2. Amend § 250.1158 by revising paragraph (a) to read as follows:

§ 250.1158 How do I receive approval to downhole commingle hydrocarbons?

(a) Before you perforate a well, you must request and receive approval from the Regional Supervisor to commingle hydrocarbons produced from multiple reservoirs within a common wellbore. The Regional Supervisor will approve a request of an operator to commingle hydrocarbons unless he or she finds, based on conclusive evidence, that the commingling could not be conducted by the operator in a safe manner or that the commingling would reduce ultimate recovery from the applicable reservoirs. You must also include the service fee listed in § 250.125, according to the instructions in § 250.126, and the supporting information, as listed in the table in § 250.1167, with your request.

* * * * *

[FR Doc. 2025–15327 Filed 8–12–25; 8:45 am]

BILLING CODE 4310–VH–P

DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

30 CFR Part 1219

[Docket No. ONRR–2025–00034; DS6363400 DRT000000.CH7000 256D1113RT]

RIN 1012–AA41

Offshore Distribution Cap Changes

AGENCY: Office of Natural Resources Revenue (''ONRR''), Interior.

ACTION: Direct final rule.

SUMMARY: ONRR disburses certain monies generated from offshore oil and gas production on the Outer Continental Shelf (''OCS'') in accordance with applicable laws. Through the enactment of the One Big Beautiful Bill Act (OBBB), Congress amended the offshore distribution caps for these disbursements. ONRR is therefore amending its regulations to be consistent with these statutory changes.

DATES: This rule is effective on August 13, 2025.

FOR FURTHER INFORMATION CONTACT: For regulatory and procedural questions, contact Alexis Long, Regulations Supervisor, at (303) 231–3627 or by email at *Alexis.Long@onrr.gov.* For royalty valuation questions, contact Amy Lunt, Royalty Valuation and Regulations Program Manager, at (303) 231–3746, or by email at *Amy.Lunt@onrr.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

The Outer Continental Shelf Lands Act (''OCSLA''), 43 U.S.C. 1331–1356a, governs the leasing of submerged lands on the OCS for oil and gas exploration and production. OCSLA authorizes the Secretary of the Interior (''Secretary'') to issue leases through competitive bidding and outlines various bidding systems, royalty structures, and conditions for lease agreements. Specific to this action, OCSLA, as amended by the Gulf of Mexico Energy Security Act of 2006, requires that the Secretary disburse a portion of the revenues generated from OCS lease production (''OCS revenues'') to certain States, Coastal Political Subdivisions (''CPSs''), and the Land and Water Conservation Fund (''LWCF''). OCSLA establishes a cap for a specified timeframe for the potential amount available for allocation to these States, CPSs, and the LWCF. *See* 43 U.S.C. 1331 note.

ONRR's regulations at 30 CFR part 1219 govern the distribution and disbursement of OCS revenues pursuant to the requirements set forth in OCSLA. OCSLA's disbursement provision was amended by the OBBB (Pub. L. 119–21) at Sec. 50102(e). As a result, ONRR is amending its regulations, at 30 CFR 1219.512, to accordingly raise the cap on the distribution of OCS revenues from $500 million to $650 million for fiscal years 2025 through 2034 and to $500 million for fiscal years 2035 through 2055.

II. Procedural Matters

A. Regulatory Planning and Review (Executive Orders 12866 and 13563)

Executive Order (''E.O.'') 12866, as reaffirmed by E.O. 13563, provides that the Office of Information and Regulatory Affairs (''OIRA'') in the Office of Management and Budget (''OMB'') will review all significant rules. OIRA has determined this rule is not significant under E.O. 12866.

E.O. 13563 reaffirms the principles of E.O. 12866 while calling for improvements in the United States' regulatory system to promote predictability, reduce uncertainty, and use the most innovative and least burdensome tools for achieving regulatory ends. E.O. 13563 directs agencies to consider regulatory approaches that reduce burdens and maintain flexibility and freedom of choice for the public where these approaches are relevant, feasible, and consistent with regulatory objectives. E.O. 13563 emphasizes that regulations must be based on the best available science and that the rulemaking process must allow for public participation and an open exchange of ideas. ONRR developed this rule in a manner consistent with these requirements.

B. Regulatory Flexibility Act

This rule will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility Act (''RFA''), 5 U.S.C. 601, *et seq.,* because this rule only adjusts the cap for OCS revenue disbursed and distributed by ONRR. This rule is updating the distribution cap amount for the specified fiscal years outlined in its regulations to be consistent with recent statutory changes. Therefore, ONRR is not required to prepare a RFA analysis for this rulemaking.

C. Congressional Review Act

This rule is not a major rule under 5 U.S.C. 804(2), the Congressional Review Act. This rule:

(a) Does not have an annual effect on the economy of $100 million or more;

(b) Will not cause a major increase in costs or prices for consumers; individual industries; Federal, State, local government agencies; or geographic regions; and

(c) Does not have significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises.

D. Unfunded Mandates Reform Act

This rule does not impose an unfunded mandate on State, local, or Tribal governments or the private sector of more than $100 million per year. This rule does not have a significant or unique effect on State, local, or Tribal governments or the private sector. Therefore, ONRR is not required to provide a statement containing the information set forth in the Unfunded Mandates Reform Act (2 U.S.C. 1531 *et seq.*).

E. Takings (E.O. 12630)

This rule does not result in a taking of private property or otherwise have takings implications under E.O. 12630. Therefore, this rule does not require a takings implication assessment.