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The Minerals Management Service (MMS has extended the deadline to five days for oil and gas operators to report the startup of production from new wells or wells recompleted in new intervals on Federal and Indian lands.

MMS Director Harold E. Doley, Jr., said the previous one-day deadline for reporting the startup of production to district supervisors was impractical.

"To avoid penalties, operators felt compelled to hand-deliver written notifications, sometimes at great expense," Doley said.

The Commission on Fiscal Accountability of the Nation's Energy Resources had recommended that operators immediately report the start of new production from every well -- not just a one-time notification when the first well on a lease begins production -- as a way to tighten Federal royalty collections from onshore and offshore leases. The new requirement has been made a condition for district supervisors to grant applications for drilling permits and is effective immediately.

The Senate Energy and Natural Resources Committee has also recognized the validity of a five-day deadline in its consideration of the Federal Royalty Management Act of 1982 (S. 2305).

Doley said the new deadline "will accommodate the concerns of operators by setting a practical deadline, while still meeting the intent of the Commission’s recommendation for immediate reporting of production starts."