

MMS makes available, about 3 months prior to a lease sale, a list of unleased tracts having well bores with indicated hydrocarbons. Basic information relating to production, well bores, and pay range for each tract is included in the list. The list is available from the MMS Gulf of Mexico Regional Public Information Office (see paragraph 14(a)).

(m) *Royalty Relief*. The Outer Continental Shelf (OCS) Deep Water Royalty Relief Act authorizes the Secretary of the Interior to offer certain deepwater OCS tracts in the Central and Western Gulf of Mexico for lease with suspension of royalties for a volume, value, or period of production the Secretary determines. An interim rule was published in the Federal Register (61 FR 12022; March 25, 1996) that specifies the royalty suspension terms under which the Secretary will make tracts available for this sale. Bidders are advised to review that document for additional details on this matter. For further information, bidders may contact Walter Cruickshank of the MMS Offshore Minerals Analysis Division at (202) 208-3822.

A map titled "Royalty Suspension Areas For The Central Gulf Of Mexico (March 1996)" depicting blocks in which such suspensions may apply is currently available from the MMS Gulf of Mexico Regional Office (see paragraph 14(a) of this Notice).

The publication "OCS Operations Field Names Master List" depicts currently established fields in the Gulf of Mexico. This document is updated monthly and reprinted quarterly. Copies may be obtained from the MMS Gulf of Mexico Regional Office (see paragraph 14(a) of this Notice).

(n) *Lease Instrument*. Bidders are advised that the lease instrument will include royalty relief provisions (paragraph 4(c)(3) of this Notice) and 8-year lease cancellation provisions (paragraph 14(d) of this Notice) where applicable. Leases will continue to be issued on Form MMS-2005 (March 1986) as amended.

(o) *Electronic Funds Transfer*. Bidders are advised that the 4/5ths and first year rental EFT instructions for lease payoff have been revised and updated by MMS Royalty Management. Companies may now use either the Fedwire Deposit System or the Automated Clearing House (overnight payments). See paragraph 10(a) of this Notice.

(p) *Deepwater Operations Plans*. Bidders are advised that MMS Notice to Lessees (NTL) 96-4N, which became effective on August 19, 1996, requires that a Deepwater Operations Plan be submitted for all deepwater development projects (water depths

greater than 304.8 meters (1,000 feet)) and for all projects utilizing subsea production technology; projects using conventional fixed-leg projects are exempted from this requirement. Copies of the NTL may be obtained from the MMS Gulf of Mexico Regional Office (see paragraph 14(a) of this Notice).

Cynthia Quarterman,

*Director, Minerals Management Service.*

Approved: January 24, 1997.

Sylvia V. Baca,

*Deputy Assistant Secretary, Land and Minerals Management.*

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### **Outer Continental Shelf, Central Gulf of Mexico; Notice of Leasing Systems, Sale 166**

Section 8(a)(8) (43 U.S.C. 1337(a)(8)) of the Outer Continental Shelf Lands Act (OCSLA) requires that, at least 30 days before any lease sale, a Notice be submitted to the Congress and published in the Federal Register:

1. identifying the bidding systems to be used and the reasons for such use; and

2. designating the tracts to be offered under each bidding system and the reasons for such designation.

This Notice is published pursuant to these requirements.

1. *Bidding systems to be used*. In the Outer Continental Shelf (OCS) Sale 166, blocks will be offered under the following two bidding systems as authorized by section 8(a)(1) (43 U.S.C. 1337(a)(1)), as amended: (a) Bonus bidding with a fixed 16 $\frac{2}{3}$ -percent royalty on all unleased blocks in less than 200 meters of water; and (b)(i) bonus bidding with a fixed 16 $\frac{2}{3}$ -percent royalty on all unleased blocks in 200 meters of water or more, with a royalty suspension volume of up to 17.5 million barrels of oil equivalent on all unleased blocks in 200 to 400 meters of water; (ii) bonus bidding with a fixed 12 $\frac{1}{2}$ -percent royalty on all unleased blocks in 400 to 800 meters of water with a royalty suspension volume of up to 52.5 million barrels of oil equivalent; and (iii) bonus bidding with a fixed 12 $\frac{1}{2}$ -percent royalty on all unleased blocks in water depths of 800 meters or more with a royalty suspension volume of up to 87.5 million barrels of oil equivalent.

For bidding systems (b)(i), (ii), and (iii), the royalty suspension allocation rules are described in the Interim Rule (30 CFR Part 260) addressing royalty relief for new leases that was published in the Federal Register on March 25, 1996 (61 FR 12022).

a. *Bonus Bidding with a 16 $\frac{2}{3}$ -Percent Royalty*. This system is authorized by section (8)(a)(1)(A) of the OCSLA. This system has been used extensively since the passage of the OCSLA in 1953 and imposes greater risks on the lessee than systems with higher contingency payments but may yield more rewards if a commercial field is discovered. The relatively high front-end bonus payments may encourage rapid exploration.

b. (i) *Bonus Bidding with a 16 $\frac{2}{3}$ -Percent Royalty and a Royalty Suspension Volume (17.5 million barrels of oil equivalent)*. This system is authorized by section (8)(a)(1) (H) of the OCSLA, and amended. This system complies with Sec. 304 of the Outer Continental Shelf Deep Water Royalty Relief Act (DWRRA). An incentive for development and production in water depths of 200 to 400 meters is provided through allocating royalty suspension volumes of 17.5 million barrels of oil equivalent to eligible fields.

b.(ii) *Bonus Bidding with a 12 $\frac{1}{2}$ -Percent Royalty and a Royalty Suspension Volume (52.5 million barrels of oil equivalent)*. This system is authorized by section (8)(a)(1)(H) of the OCSLA, as amended. It has been chosen for blocks in water depths of 400 to 800 meters proposed for the Central Gulf of Mexico (Sale 166) to comply with Sec. 304 of the DWRRA. The 12 $\frac{1}{2}$ -percent royalty rate is used in deeper water because these blocks are expected to require substantially higher exploration, development, and production costs, as well as longer times before initial production, in comparison to shallow-water blocks. The use of royalty suspension volume of 52.5 million barrels of oil equivalent for eligible fields provides an incentive for development and production appropriate for this water depth category.

b. (iii) *Bonus Bidding with a 12 $\frac{1}{2}$ -Percent Royalty and a Royalty Suspension Volume (87.5 million barrels of oil equivalent)*. This system is authorized by section (8)(a)(1)(H) of the OCSLA, as amended. It has been chosen for blocks in water depths of 800 meters or more proposed for the Central Gulf of Mexico (Sale 166) to comply with Sec. 304 of the DWRRA. The use of a royalty suspension volume of 87.5 million barrels of oil equivalent for eligible fields provides an incentive for development and production appropriate for these deep-water depths.

2. *Designation of Blocks*. The selection of blocks to be offered under the four systems was based on the following factors:

a. Royalty rates on adjacent, previously leased tracts were considered to enhance orderly development of each field.

b. Blocks in deep water were selected for the 12½-percent royalty system based on the favorable performance of this system in these high-cost areas in past sales.

c. The royalty suspension volumes were based on the water depth specific volumes mandated by the DWRRA.

The specific blocks to be offered under each system are shown on the "Stipulations, Lease Terms, and Bidding Systems" and "Royalty Suspension Areas for the Central Gulf of Mexico" maps for Central Gulf of Mexico Lease Sale 166. These maps are available from the Public Information Unit, Minerals Management Service, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123-2394.

Dated: January 24, 1997.

Cynthia Quarterman,

Director, Minerals Management Service.

Approved:

Sylvia V. Baca,

Deputy Assistant Secretary, Land and Minerals Management.

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## Bureau of Reclamation

### Proposed Policy and Directives and Standards for Concessions Management

**AGENCY:** Bureau of Reclamation, Interior.

**ACTION:** Notice of availability on the Proposed Policy and Directives and Standards for Concessions Management.

**SUMMARY:** The Bureau of Reclamation (Reclamation) has prepared proposed Policy and Directives and Standards for Concessions Management. Concessions are those commercial services and facilities that serve the public's recreation demands. The basic purpose of the concessions policy is to provide principles, objectives, and direction for developing concessions contracts. The concessions policy is concerned with good business practices, providing an equitable return to the Government, and protecting the interests of the public while providing facilities that are safe, sanitary, and reasonably priced. This policy affects new concessions agreements and future sales and transfers that are administered both directly by Reclamation and by its non-Federal partners. This proposed policy will not change the terms of existing concessions contracts, but will be

applied to new concessions contracts and new sales and transfers of concessions contracts. Reclamation is inviting comments from the public on the proposed Policy and Directives and Standards.

**DATES:** Written comments on these proposed Policy and Directives and Standards must be received by May 1, 1997.

To assist the public in better understanding the proposed Policy and Directives and Standards, Reclamation will conduct eight public meetings between February 25 and March 19, 1997, at the dates, times, and specific locations indicated under the caption **ADDRESSES**. These informational meetings will include a presentation, followed by questions and answers. Public comments will not be formally recorded at these meetings.

**ADDRESSES:** Written comments should be mailed to Bureau of Reclamation, Attention: Mr. Vernon Lovejoy, Program Analysis Office (D-5300), PO Box 25007, Denver, CO 80225-0007.

Requests for copies, including braille and large print, can be obtained by writing or calling the Public Involvement Group, Bureau of Reclamation, Reclamation Service Center, PO Box 25007, Denver, CO 80225-0007; telephone: (303) 236-2722, extension 322. Standard copies can also be obtained from any of the Reclamation personnel listed under the caption **FOR FURTHER INFORMATION**.

Public meetings will be held:

- February 25, 1997, 7:00 p.m. to 9:00 p.m., Holiday Inn, 5500 Midland Road, Billings, MT 59101.
- February 26, 1997, 7:00 p.m. to 9:00 p.m., Sheraton Denver West Hotel and Convention Center, 360 Union Boulevard, Lakewood, CO 80228.
- March 4, 1997, 7:00 p.m. to 9:00 p.m., The Granite Bay Club House, 7806 Folsom-Auburn Road, Folsom, CA 95630.
- March 6, 1997, 7:00 p.m. to 9:00 p.m., Holiday Inn Select, Fairfield/Napa Valley, 1350 Holiday Lane, Fairfield, CA 94533.
- March 11, 1997, 7:00 p.m. to 9:00 p.m., VA Medical Center, 500 Foothill Drive, Bldg. No. 9 (Theater), Salt Lake City, UT 84148.
- March 12, 1997, 7:00 p.m. to 9:00 p.m., Red Lion (Downtown), 1800 Fairview Avenue, Boise, ID 83702.
- March 18, 1997, 7:00 p.m. to 9:00 p.m., Holiday Inn, Phoenix Corporate Center, 2532 West Peoria Avenue, Phoenix, AZ 85029.
- March 19, 1997, 7:00 p.m. to 9:00 p.m., Cashman Field Center, Room 204, 850 North Las Vegas Blvd., Las Vegas, NV 89101.

• Copies are available for inspection at the following Reclamation offices as of the date of this Federal Register notice:

- Office of the Commissioner, Bureau of Reclamation, Room 7612, 1849 C Street, NW, Washington DC 20240.
- Reclamation Service Center, Bureau of Reclamation, Library, Room 167, Building 67, Denver Federal Center, Denver, CO 80225.
- Pacific Northwest Regional Office, Bureau of Reclamation, Room 214, 1150 North Curtis Road, Boise ID 83706.
- Snake River Area Office-West, Bureau of Reclamation, 214 Broadway Avenue, Boise, ID 83702.
- Upper Columbia Area Office, Bureau of Reclamation, 1917 Marsh Road, Yakima, WA 98907.
- Lower Columbia Area Office, Bureau of Reclamation, 825 NE Multnomah, Suite 1110, Portland, OR 97232-2135.
- Grand Coulee Power Office, Grand Coulee Dam, Grand Coulee, WA 99133.
- Snake River Area Office-East, Bureau of Reclamation, 1359 Hansen Avenue, Burly, ID 83318.
- Mid-Pacific Regional Office, Bureau of Reclamation, Library, Room W-1522, 2800 Cottage Way, Sacramento, CA 95825.
- Central California Area Office, Bureau of Reclamation, 7794 Folsom Dam Road, Folsom, CA 95630.
- South-Central California Area Office, Bureau of Reclamation, 2666 North Grove Industrial Drive, Suite 106, Fresno, CA 93727.
- Central Valley Operations Office, 3310 El Camino Avenue, Suite 300, Sacramento, CA 95821.
- Northern California Area Office, Bureau of Reclamation, 16349 Shasta Dam Boulevard, Shasta Lake, CA 96019.
- Klamath Basin Area Office, Bureau of Reclamation, 6600 Washburn Way, Klamath Falls, OR 97603.
- Lahontan Basin Area Office, Bureau of Reclamation, 705 North Plaza Street, Carson City, NV 89701.
- Lower Colorado Regional Office, Bureau of Reclamation, Library, Room M117, Nevada Highway and Park Street, Boulder City, NV 89005.
- Phoenix Area Office, Bureau of Reclamation, 1088 North 19th Avenue, Phoenix, AZ 85029.
- Lower Colorado Dams Facilities Office, Bureau of Reclamation, Highway 93, Hoover Dam, Boulder City, NV 89005.
- Southern California Area Office, Bureau of Reclamation, 27710 Jefferson Avenue, Suite 201, Temecula, CA 92590.
- Yuma Area Office, Bureau of Reclamation, 7301 Calle Agua Salada, Yuma, AZ 85364.