

20170-4817; Attention: Rules Processing Team.

**FOR FURTHER INFORMATION CONTACT:** Carl Anderson, Engineering and Operations Division, at (703) 787-1608.

**SUPPLEMENTARY INFORMATION:** MMS was asked to extend the deadline for submitting comments on the proposed regulations revising 30 CFR 250, subparts A, I, and J to incorporate by reference new documents governing fixed and floating platforms and new riser, stationkeeping, and pipeline technology. The request was based on the considerations that FPSs previously have not been directly addressed in 30 CFR 250 and that issues related to increasing the use of FPSs on the Outer Continental Shelf are complex. MMS agrees that more time is appropriate to ensure that all of the issues in this area are fully addressed.

*Public Comments Procedures:* Our practice is to make comments, including names and home addresses of respondents, available for public review during regular business hours. Individual respondents may request that we withhold their home address from the rulemaking record, which we will honor to the extent allowable by law. There may be circumstances in which we would withhold from the rulemaking record a respondent's identity, as allowable by law. If you wish us to withhold your name and/or address, you must state this prominently at the beginning of your comment. However, we will not consider anonymous comments. We will make all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public inspection in their entirety.

Dated: January 17, 2002.

**Paul E. Martin,**

*Acting Chief, Engineering and Operations Division.*

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**BILLING CODE 4310-MR-P**

## DEPARTMENT OF THE INTERIOR

### Minerals Management Service

#### 30 CFR Part 260

#### RIN 1010-AC94

### Outer Continental Shelf Oil and Gas Leasing-Clarifying Amendments

**AGENCY:** Minerals Management Service (MMS), Interior.

**ACTION:** Proposed rule.

**SUMMARY:** This document proposes clarifying amendments to regulations on Outer Continental Shelf (OCS) bidding systems. The proposed amendments make explicit that water depth and production timing on leases issued after 2000 and located in a field with leases issued earlier do not affect the way we determine the royalty suspension volume applicable to eligible leases on the field issued between 1996 and 2000.

**DATES:** We will consider all comments we receive by March 14, 2002. We will begin reviewing comments then and may not fully consider comments we receive after March 14, 2002.

**ADDRESSES:** If you wish to comment, you may mail or hand-carry comments to the Department of the Interior, Minerals Management Service; Mail Stop 4024; 381 Elden Street; Herndon, Virginia 20170-4817; Attention: Rules Processing Team. If you wish to e-mail comments, the e-mail address is: [rules.comments@MMS.gov](mailto:rules.comments@MMS.gov). Reference OCS Oil and Gas Leasing—Clarifying Amendments in your e-mail subject line. Include your name and return address in your e-mail message and mark your message for return receipt.

**FOR FURTHER INFORMATION CONTACT:** Marshall Rose, Economics Division, at (703) 787-1536.

**SUPPLEMENTARY INFORMATION:** On February 23, 2001, we published final regulations on OCS Oil and Gas Leasing (66 FR 11512). This rule proposes clarifying amendments to those regulations. The proposed minor changes to the final regulations that are the subject of these clarifying amendments affect persons acquiring or holding deepwater oil and gas leases under 43 U.S.C. 1337(a). As published, the final regulations did not explicitly address the way we determine the royalty suspension volume for a field of both eligible and royalty suspension (RS) leases when first production in the field comes from an RS lease. Eligible leases are leases we issued with a royalty suspension during the period 1996 to 2000, while RS leases are leases we issued after the year 2000 with a royalty suspension. Without this correction, a lessee may be able to control production timing on the eligible lease so as to try to increase the field's royalty suspension volume above the levels set by Congress in the Deep Water Royalty Relief Act (DWRRA).

Our proposed clarification removes a half dozen restrictive words and adds a phrase to make explicit that water depth and production timing on an RS lease do not affect the way we determine the royalty suspension volume applicable to eligible leases in the same field.

Specifically, we strike the phrase "consisting only of eligible leases" and add the phrase "the water depths of eligible leases as in" in § 260.114(d), prior to the reference therein to § 260.117(a), and by striking the word "remaining" in § 260.124(b)(1). By removing the word "remaining" we mean that all the production on an RS lease, not just that occurring after an eligible lease starts production (and, thereby, establishes the field's royalty volume) counts as part of the field's royalty suspension volume. Thus, the royalty suspension volume for a field is determined solely by the circumstances of the eligible leases that are assigned to the field when first production occurs from an eligible lease. Moreover, any royalty suspensions applied to RS or other leases in the field count against that field's applicable suspension volume.

For example, there are five eligible leases in a field and one RS lease. The RS lease has a royalty suspension volume of 10 million barrels of oil. The RS lease begins production first and goes through its royalty suspension volume. When an eligible lease begins to produce, the field has a royalty suspension volume of 87.5 million barrels. Because the RS lease has already taken its 10 million barrels of royalty suspension, the field now has a royalty suspension volume of 77.5 million barrels.

These clarifying amendments make this situation clear, so that there will be no reason to contest the suspension volume on the field.

### Procedural Matters

#### *Public Comment Procedure*

Our practice is to make comments, including names and home addresses of respondents, available for public review during regular business hours. Individual respondents may request that we withhold their home address from the record, which we will honor to the extent allowable by law. There may be circumstances in which we would withhold from the record a respondent's identity, as allowable by law. If you wish us to withhold your name and/or address, you must state this prominently at the beginning of your comment. We will not consider any anonymous comments. We will make all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public inspection in their entirety.

*Regulatory Planning and Review  
(Executive Order 12866)*

According to the criteria in Executive Order 12866, this rule is not a significant regulatory action. The Office of Management and Budget (OMB) makes the final determination under Executive Order 12866.

a. This rule will not have an annual economic effect of \$100 million or adversely affect an economic sector, jobs, the environment or other units of government. This action avoids confusion and possible conflict in the rare situation when a deepwater RS lease, that happens to be in a field with deepwater eligible leases, is the first lease to produce in the field. This event should be rare because the eligible leases pre-date the RS lease, meaning the eligible leases were deemed the better prospect and their owners have had more time to explore and develop their potential. Further, the royalty status only of production that occurs probably 10 or more years after start of production on the field would be affected by this rare event because of the large size of the field suspension volumes relative to annual production on typical leases. Finally, any royalty-free production shifted from the eligible leases to the RS lease on the one or two fields where this event may occur would total only about \$20 to \$30 million, only a portion of which would occur in any one year.

b. This rule will not create inconsistencies with other agencies' actions because there are no changes in requirements from the existing rule.

c. This rule is an administrative change that will not affect entitlements, grants, user fees, loan programs, or their recipients. This rule has no effect on these programs or rights of the programs' recipients.

d. This rule will not raise novel legal or policy issues. This action protects the original intent of the DWRRA, should a rare and unlikely situation arise. We propose to handle this situation in a manner that is parallel to our established treatment of the same field when the normal situation of the eligible lease starting producing first occurs.

*Regulatory Flexibility (RF) Act*

The Department certifies that this document will not have a significant economic effect on a substantial number of small entities under the RF Act (5 U.S.C. 601 *et seq.*). The provisions of this rule will not have a significant economic effect on offshore lessees and operators, including those that are classified as small businesses. The rule

will limit automatic royalty relief to deepwater fields to the amount established by the DWRRA, regardless of the water depth and production timing of RS leases on the field. New regulatory provisions will rarely apply and when they do will affect firms, large and small, the same way. Firm size should have no effect on whether RS or eligible leases on the same field start production first.

Your comments are important. The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you wish to comment on the enforcement actions of MMS, call toll-free (888) 734-3247.

*Small Business Regulatory Enforcement Fairness Act (SBREFA)*

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

a. Does not have an annual effect on the economy of \$100 million or more. The proposed rule closes a possible loophole, the use of which may never be attempted. Even if a situation were to arise where this provision applies, the amount of royalties involved is a small fraction of \$100 million.

b. Will not cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions. Oil prices are not based on the production from any one region, but are based on worldwide production and demand at any point in time. While gas prices are more localized, they correlate to oil prices. The rule does not change any existing leasing policies, so it should not cause prices to increase.

c. Does not have significant adverse effects on competition, employment, investment, innovation, or the ability of United States-based enterprises to compete with foreign-based enterprises. Leasing on the United States OCS is limited to residents of the United States or companies incorporated in the United States. This rule does not change that requirement, so it does not change the ability of United States firms to compete in any way.

*Paperwork Reduction Act (PRA)*

The proposed revisions do not contain any information collection subject to the PRA and do not require a form OMB 83-I be submitted to OMB

for review and approval under section 3507(d) of the PRA.

*Federalism (Executive Order 13132)*

According to Executive Order 13132, this rule does not have Federalism implications. This rule does not substantially and directly affect the relationship between the Federal and State Governments. This proposal may affect the collection of royalty revenues from lessees in the deepwater Gulf of Mexico, all of which is outside State jurisdiction. States have no role in this activity with or without this rule. This rule does not impose costs on States or localities. States and local governments play no part in the administration of the deepwater royalty relief programs.

*Takings Implications Assessment  
(Executive Order 12630)*

According to Executive Order 12630, the rule does not have significant Takings implications. A Takings Implication Assessment is not required because the rule would not take away or restrict a bidders right to acquire OCS leases.

*Energy Supply, Distribution, or Use  
(Executive Order 13211)*

This rule is not a significant rule and is not subject to review by OMB under Executive Order 12866. This clarification rule does not have a significant effect on energy supply, distribution, or use because it reduces uncertainty in a rare circumstance relating to the order of drilling of different vintages of leases on a deepwater field having royalty relief. Greater certainty about how a particular sequence of drilling affects both the field's and leases' applicable royalty suspension volumes serves to focus lessee effort towards solving development and production challenges rather than to contesting the ultimate size of an already generous royalty suspension volume awarded to them.

*Unfunded Mandates Reform Act  
(UMRA)*

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. The rule does not have a significant or unique effect on State, local, or tribal governments. The rule describes the policies for OCS leases issued with different royalty suspension amounts that happen to be on the same field. A statement containing additional UMRA (2 U.S.C. 1531 *et seq.*) information is not required.

*Civil Justice Reform (Executive Order 12988)*

According to Executive Order 12988, the Office of the Solicitor has determined that this rule does not unduly burden the judicial system and meets the requirements of sections 3(a) and 3(b)(2) of the Order.

*National Environmental Policy Act (NEPA) of 1969*

This rule does not constitute a major Federal action significantly affecting the quality of the human environment. A detailed statement under the NEPA is not required.

*Government-to-Government Relationship With Tribes*

According to the President's memorandum of April 29, 1994, "Government-to-Government Relations with Native American Tribal Governments" (59 FR 22951) and 512 DM 2, we have determined that there are no effects from this action on federally recognized Indian tribes.

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**List of Subjects in 30 CFR Part 260**

Bidding system, Continental shelf, Oil and gas leasing, Reporting requirements, Restricted joint bidder, Royalty suspension.

Dated: January 30, 2002.

**James E. Cason,**

*Acting Deputy Secretary.*

For the reasons stated in the preamble, the Minerals Management Service (MMS) proposes to amend 30 CFR part 260 as follows:

**PART 260—OUTER CONTINENTAL SHELF OIL AND GAS LEASING**

1. The authority citation for part 260 continues to read as follows:

**Authority:** 43 U.S.C. 1331 *et seq.*

2. In § 260.114, paragraph (d) is revised to read as follows:

**§ 260.114 How does MMS assign and monitor royalty suspension volumes for eligible leases?**

\* \* \* \* \*

(d) When production (other than test production) first occurs from any of the eligible leases in a field, we will determine what royalty suspension volume applies to the lease(s) in that field. We base the determination for eligible lease(s) on the royalty suspension volumes specified in paragraph (b) of this section and the water depths of eligible leases specified in § 260.117(a).

\* \* \* \* \*

3. In § 260.124, paragraph (b)(1) is revised to read as follows:

**§ 260.124 How will royalty suspension apply if MMS assigns a lease issued in a sale held after November 2000 to a field that has an eligible or pre-Act lease?**

\* \* \* \* \*

(b) \* \* \*

(1) Royalty-free production from your RS lease shares from and counts as part of any royalty suspension volume under § 260.114(d) for the field to which we assign your lease; and

\* \* \* \* \*

[FR Doc. 02-3275 Filed 2-11-02; 8:45 am]

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**ENVIRONMENTAL PROTECTION AGENCY**

**40 CFR Part 52**

[CA 191-0315; FRL-7142-6]

**Revisions to the California State Implementation Plan, Ventura County Air Pollution Control District and South Coast Air Quality Management District**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** EPA is proposing a limited approval and limited disapproval of revisions to the Ventura County Air Pollution Control District (VCAPCD) and South Coast Air Quality Management District (SCAQMD) portions of the California State Implementation Plan (SIP). These revisions concern volatile organic

compound (VOC) emissions from adhesives and sealants. We are proposing action on local rules that regulate these emission sources under the Clean Air Act as amended in 1990 (CAA or the Act). We are taking comments on this proposal and plan to follow with a final action.

**DATES:** Any comments must arrive by March 14, 2002.

**ADDRESSES:** Mail comments to Andy Steckel, Rulemaking Office Chief (AIR-4), U.S. Environmental Protection Agency, Region IX, 75 Hawthorne Street, San Francisco, CA 94105-3901.

You can inspect copies of the submitted SIP revisions and EPA's technical support documents (TSDs) at our Region IX office during normal business hours. You may also see copies of the submitted SIP revisions at the following locations:

California Air Resources Board,  
Stationary Source Division, Rule  
Evaluation Section, 1001 "I" Street,  
Sacramento, CA 95814.

Ventura County Air Pollution Control  
District, 669 County Square Dr., 2nd  
Fl., Ventura, CA 93003.

South Coast Air Quality Management  
District, 21865 E. Copley Dr.,  
Diamond Bar, CA 91765.

**FOR FURTHER INFORMATION CONTACT:**  
Yvonne Fong, Rulemaking Office (AIR-4), U.S. Environmental Protection Agency, Region IX, (415) 947-4117.

**SUPPLEMENTARY INFORMATION:**  
Throughout this document, "we," "us" and "our" refer to EPA.

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**I. The State's Submittal**

*A. What Rules Did the State Submit?*

Table 1 lists the rules addressed by this proposal with the dates that they were adopted by local air agencies and submitted by the California Air Resources Board (CARB).