consideration of its incentive policy. Given my interest in getting needed transmission built, I am particularly interested in any comments regarding how our incentive policies have been successful in encouraging investment, and comments that show how our policies can be improved in a way that encourages further development of needed transmission.

Philip D. Moeller,
Commissioner.

[FR Doc. 2011–13150 Filed 5–26–11; 8:45 am]

BILLING CODE 6717–01–P

DEPARTMENT OF LABOR

Mine Safety and Health Administration

30 CFR Parts 70, 71, 72, 75, and 90

RIN 1219–AB64

Lowering Miners' Exposure to Respirable Coal Mine Dust, Including Continuous Personal Dust Monitors

AGENCY: Mine Safety and Health Administration, Labor.

ACTION: Proposed rule; extension of comment period.

SUMMARY: In response to requests from interested parties, the Mine Safety and Health Administration (MSHA) is extending the comment period on the proposed rule addressing Lowering Miners' Exposure to Respirable Coal Mine Dust, Including Continuous Personal Dust Monitors. This extension gives commenters additional time to review and comment on the proposed rule.

DATES: The comment period for the proposed rule published on October 19, 2010 (75 FR 64412), extended January 14, 2011 (76 FR 2617) and May 4, 2011 (76 FR 25277), is further extended. All comments must be received or postmarked by midnight Eastern Daylight Saving Time on June 20, 2011.

ADDRESSES: Comments must be identified with ''RIN 1219–AB64'' and may be sent by any of the following methods:

(1) *Federal e-Rulemaking Portal: http://www.regulations.gov.* Follow the instructions for submitting comments.

(2) *Facsimile:* 202–693–9441. Include ''RIN 1219–AB64'' in the subject line of the message.

(3) *Regular Mail:* MSHA, Office of Standards, Regulations, and Variances, 1100 Wilson Boulevard, Room 2350, Arlington, Virginia 22209–3939.

(4) *Mail or Hand Delivery:* MSHA, Office of Standards, Regulations, and Variances, 1100 Wilson Boulevard, Room 2350, Arlington, Virginia. Sign in at the receptionist's desk on the 21st floor.

MSHA will post all comments without change, including any personal information provided. Access comments electronically on *http://www.regulations.gov* and on MSHA's Web site at *http://www.msha.gov/currentcomments.asp.* Review comments in person at the Office of Standards, Regulations, and Variances, 1100 Wilson Boulevard, Room 2350, Arlington, Virginia. Sign in at the receptionist's desk on the 21st floor.

MSHA maintains a list that enables subscribers to receive e-mail notification when the Agency publishes rulemaking documents in the **Federal Register**. To subscribe, go to *http://www.msha.gov/subscriptions/subscribe.aspx.*

FOR FURTHER INFORMATION CONTACT: Roslyn B. Fontaine, Acting Director, Office of Standards, Regulations and Variances, MSHA, at *Fontaine.Roslyn@dol.gov* (E-mail), (202) 693–9440 (Voice), or (202) 693–9441 (Fax).

SUPPLEMENTARY INFORMATION:

Extending of Comment Period

On October 19, 2010 (75 FR 64412), MSHA published a proposed rule, Lowering Miners' Exposure to Respirable Coal Mine Dust, Including Continuous Personal Dust Monitors, twice extending the comment period now set to close May 31, 2011. On May 19, 2011, MSHA posted historical information and data on respirable coal mine dust on its End Black Lung—ACT NOW! Single Source Web page. Although MSHA does not believe this information is necessary to comment on the proposed rule, MSHA is providing additional time for interested parties to submit comments. MSHA is extending the comment period from May 31, 2011 to June 20, 2011. All comments and supporting documentation must be received or postmarked by June 20, 2011.

Dated: May 24, 2011.

Joseph A. Main,

Assistant Secretary of Labor for Mine Safety and Health.

[FR Doc. 2011–13238 Filed 5–24–11; 4:15 pm]

BILLING CODE 4510–43–P

DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

30 CFR Parts 1202 and 1206

[Docket No. ONRR–2011–0005]

RIN 1012–AA01

Federal Oil and Gas Valuation

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

ACTION: Advance notice of proposed rulemaking.

SUMMARY: The Office of Natural Resources Revenue (ONRR) requests comments and suggestions from affected parties and the interested public before proposing changes to the existing regulations governing the valuation of oil and gas produced from Federal onshore and offshore oil and gas leases, for royalty purposes. The existing Federal oil valuation regulations have been in effect since 2000, with a subsequent amendment relating primarily to the use of index pricing in some circumstances. The existing Federal gas valuation regulations have been in effect since March 1, 1988, with various subsequent amendments relating primarily to the transportation allowance provisions. These regulations have not kept pace with significant changes that have occurred in the domestic gas market during the last 20-plus years. This notice is intended to solicit comments and suggestions for possible new methodologies to establish the royalty value of oil and gas produced from Federal leases. The ONRR plans to hold public workshops to discuss possible changes to the oil and gas valuation regulations after the written comment period closes and ONRR has had a reasonable time to review and analyze the comments. The ONRR will announce any public workshops in a future **Federal Register** notice.

Getting feedback upfront and involving all affected stakeholders in the rulemaking process are the hallmarks of good government and smart business practice. The intention of this rulemaking process is to provide regulations that would offer greater simplicity, certainty, clarity, and consistency in production valuation for mineral lessees and mineral revenue recipients; be easy to understand; decrease industry's cost of compliance; and provide early certainty to industry and ONRR that companies have paid every dollar due. The ONRR intends that the final regulations will be revenue neutral.

DATES: You must submit your comments by July 26, 2011.

ADDRESSES: You may submit comments on this advance notice by any of the following methods. Please use the Regulation Identifier Number (RIN) 1012–AA01 as an identifier in your message.

- *Federal eRulemaking Portal: http://www.regulations.gov.* In the entry titled ''Enter Keyword or ID,'' enter ONRR–2011–0005, then click search. Follow the instructions to submit public comments and view supporting and related materials available for this advanced notice of proposed rulemaking. The ONRR will post all comments.
- Mail comments to Hyla Hurst, Regulatory Specialist, Office of Natural Resources Revenue, P.O. Box 25165, MS 61013C, Denver, Colorado 80225.
- Hand-carry comments or use an overnight courier service. Our courier address is Building 85, Room A–614, Denver Federal Center, West 6th Ave. and Kipling St., Denver, Colorado 80225.

FOR FURTHER INFORMATION CONTACT: For questions on procedural issues, contact Hyla Hurst, Regulatory Specialist, ONRR, telephone (303) 231–3495. For questions on technical issues, contact Richard Adamski, Asset Valuation, ONRR, telephone (303) 231–3410.

SUPPLEMENTARY INFORMATION:

I. Background

The Secretary of the Interior's authority to establish the value of Federal oil and gas production through regulations is contained in the mineral leasing statutes (43 U.S.C. 1334; 30 U.S.C. 189 and 359). In addition, virtually all Federal oil and gas leases expressly reserve to the Secretary the authority to establish the reasonable value of oil and gas production or provide that the royalty value of oil and gas be set by regulation.

The existing Federal oil valuation regulations have been in place since 2000, with amendments that primarily (1) affected the basis for valuation; and (2) made changes to the calculation of transportation deductions (69 FR 24959, May 5, 2004). The existing Federal gas valuation regulations have been in place since 1988, with amendments to transportation provisions (61 FR 5448, February 12, 1996) and additional amendments that primarily (1) affected the calculation of transportation deductions; and (2) made changes necessitated by judicial decisions (70 FR 11869, March 10, 2005). These regulations were written to establish value based on transactions between independent, non-affiliated parties. As ONRR continues to evaluate the effectiveness and efficiency of our regulations, we take into account the changes that have occurred in the oil and gas market over the past 20 years, our 10 years of experience with taking royalties in kind, and our experience with changes to regulations relating to valuation of gas produced from Indian leases (64 FR 43515, August 10, 1999; 75 FR 61066, October 4, 2010; and 75 FR 61069, October 4, 2010).

Further, ONRR's experience in enforcing the regulations indicates that they can be cumbersome because, to properly determine the value for royalty purposes, ONRR must analyze literally hundreds of thousands of sales, transportation, and processing transactions each month. Performing this analysis is costly and burdensome for both the Federal Government and the regulated industry and can lead to disputes regarding valuation methodologies.

Most Federal leases provide that the Secretary will determine the value of production for royalty purposes. The Department of the Interior has long held the view that the prices agreed to in arm's-length transactions are the best indication of market value. The 2000 oil valuation regulations and 1988 gas valuation regulations reflect that view. See 30 CFR 1206.152(b) (unprocessed gas) and 1206.153(b) (processed gas). If oil or gas is not sold according to an arm's-length contract, the regulations look to certain external indicia of market value. Under these ''benchmarks,'' as they are popularly known, the gross proceeds accruing to a lessee under a non-arm's-length sales contract will be accepted as value if those gross proceeds are equivalent to the gross proceeds derived from, or paid under, comparable arm's-length contracts. The regulations also prescribe criteria for evaluating comparability (30 CFR 1206.152(c)(1) and 1206.153(c)(1)).

Under the 1988 gas regulations, if this first benchmark does not apply, the regulations require that value be established by considering other information relevant in valuing like-quality gas, including ''gross proceeds under arm's-length contracts for like-quality gas in the same field or nearby fields or areas, posted prices for gas, prices received in arm's-length spot sales of gas [or] other reliable public sources of price or market information * * *'' (30 CFR 1206.152(c)(2) and 1206.153(c)(2)). If value cannot be established through such information, then the final benchmark is ''a net-back method or any other reasonable method to determine value'' (30 CFR 1206.152(c)(3) and 1206.153(c)(3)).

When oil and gas is not sold at or near the lease, unit, or communitized area, the regulations also provide for allowances for the cost of transporting production to the point of sale (30 CFR 1206.110 and 1206.111 for oil and 30 CFR 1206.156 and 1206.157 for gas). If the lessee processes gas to remove valuable products such as heavier liquid hydrocarbons, the regulations prescribe how to calculate an allowance for the costs of processing (30 CFR 1206.158 and 1206.159).

In 2007, the Royalty Policy Committee (RPC) Subcommittee on Royalty Management issued a report titled ''Mineral Revenue Collection from Federal and Indian Lands and the Outer Continental Shelf.'' The Subcommittee's report recommended clarification of the regulations governing onshore gas and transportation deductions to provide more certainty for ONRR, BLM, and industry, which should result in better compliance. More specifically, the Subcommittee recommended revisions to the gas valuation regulations and guidelines to address the cost-bundling issue and to facilitate the calculation of gas transportation and gas processing deductions. The Subcommittee also recommended the use of market indices for gas valuation in the context of non-arm's-length transactions in lieu of benchmarks, which have been used since 1988.

II. Public Comment Procedures

The ONRR may not be able to consider comments that we receive after the close of the comment period for this advance notice of proposed rulemaking, or comments that are delivered to an address other than those listed in the **ADDRESSES** section of this notice. After the comment period for this advance notice closes and ONRR has considered the comments, we plan to open a second public comment period, which we will announce in the **Federal Register**. The notice will focus on issues identified in the first public comment period and will include information about the public workshops.

A. Written Comment Guidelines

We are particularly interested in receiving comments and suggestions about the topics identified in section III, Description of Information Requested. Your written comments should: (1) Be specific; (2) explain the reason for your comments and suggestions; (3) address the issues outlined in this notice; and (4), where possible, refer to the specific provision, section, or paragraph of statutory law, case law, lease term, or existing regulations that you are addressing.

The comments and recommendations that are most useful and have greater likelihood of influencing decisions on the content of a possible future proposed rule are: (1) Comments and recommendations supported by quantitative information or studies; and (2) comments that include citations to, and analyses of, the applicable laws, lease terms, and regulations.

B. Public Comment Policy

Our practice is to make comments, including names and addresses of respondents, available at *http://www.regulations.gov.* Individual respondents may request that we withhold their address from the rulemaking record, which we will honor to the extent allowable by law. There also 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 or address, you must state this prominently at the beginning of your comments. 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.

III. Description of Information Requested

We are interested in submission of proposals that will lead to improved efficiencies for both lessees and ONRR auditors. In considering potential proposed changes to the existing Federal oil and gas royalty valuation regulations at 30 CFR part 1206, subpart D, we have three goals in mind, as follows:

- Provide clear regulations that are easy to understand and that are consistent with fulfilling the Secretary's responsibility to ensure fair value for the public's resources.
- Provide methodologies that are as efficient as possible for lessees to use.
- Provide early certainty that correct payment has been made.

In August 2004, ONRR amended the Federal oil valuation regulations (now codified at 30 CFR part 1206, subpart C) to use index pricing applicable to particular regions of the country, in some circumstances, to determine the value of production for royalty purposes. This amendment to Federal oil valuation regulations followed the successful use of a published index price methodology for valuing gas produced from Indian leases that are located in an ''index zone,'' i.e., a field or area with a spot market and acceptable published indices applicable to that field or area (30 CFR 1206.171 and 1206.172). We are seeking comment on the existing use of index pricing to determine the value of production for oil royalty purpose and whether the use of index pricing should be expanded or altered. We are also exploring the circumstances under which it may be appropriate to apply index-based valuation methodologies to gas produced from Federal leases.

There appear to be circumstances in which the value of gas for royalty purposes could be established using publicly available gas index prices. In addition to the Indian gas regulations, ONRR has used index prices to determine value under the second Federal gas benchmark and to sell gas taken as royalty in kind. It appears that, in the past several years, the gas spot market has become much more widely used and is more robust and transparent, with numerous buyers and sellers engaging in, and reporting their transactions to, third-party publications. Those publications, in turn, calculate and publish geographically based index prices.

In addition, certain provisions of the current Federal oil and gas regulations have presented challenges that led to disputes between lessees and ONRR auditors, particularly in situations involving non-arm's-length sales and non-arm's-length transportation and gas processing allowances. For some Federal oil and gas production, changes in the oil and gas transportation industry have made it difficult for lessees to obtain the information they need to comply with ONRR regulations that require the use of actual costs in determining transportation allowances. Additionally, pipeline operators often bundle transportation and processing charges, including charges that the regulations do not allow lessees to deduct in calculating royalty value, such as marketing costs and costs of placing gas into marketable condition.

Accordingly, ONRR is seeking public comment and recommendations on the following specific issues:

A. Use of Index Prices To Value Oil and Gas

The ONRR is seeking comment on the existing use of index pricing to determine the value of production for oil royalty purposes and whether the use of index pricing should be expanded or altered. Additionally, the ONRR is considering the use of index pricing in valuing Federal gas for royalty purposes. Please consider the following:

- We seek input on how well index prices currently represent the value for oil and gas produced in different regions or areas of the country, such as states on the Gulf of Mexico coast (including Texas, Louisiana, Mississippi, and Alabama, as well as onshore areas within those states), the Midwest (including Oklahoma and North Dakota), the Southwest (including New Mexico and the Permian and San Juan Basin areas), the Rocky Mountain area (including Wyoming, Montana, and Colorado and Utah outside the San Juan Basin), the West Coast states (primarily California), and Alaska. Please identify what index publications you believe apply to what parts of these areas and the relative advantages and disadvantages, and strengths and weaknesses, of using each of the identified published index prices.
- We also seek input on whether value should be based on first-of-month prices, daily spot prices, or some mixture of the two when considering the use of index prices.
- In addition, we seek input on how to best value this gas for royalty purposes in situations where gas from Federal leases is produced in areas not covered by index pricing, or where limited reported spot market activity exists.
- Does the concentration of Federal production in some areas of the country create any potential problems with relying on index prices in those areas, now or in the future?
- Finally, we request comment on whether ONRR should use published index prices to value Federal oil and gas sold under non-arm's-length contracts as well as arm's-length contracts.

B. Transportation Allowances

The ONRR is examining possible alternatives to the requirement to track actual costs for determining transportation and to address the bundling issue. Please consider the following:

- If ONRR were to adopt index-based valuation, the point at which the index prices are compiled and published may or may not be the point of actual sale for particular gas, and the costs of transportation to the actual point of sale may not be relevant. However, the index pricing point would be remote from the lease or unit in virtually all circumstances, and value at the index pricing point may not reflect value at or near the lease or unit. If ONRR employed index prices to value Federal oil and gas for royalty purposes, what methods should be considered that would adjust for location differences between the lease or unit and the index pricing and publication point?

- In the interest of simplifying the determination and verification of location adjustments, should ONRR consider prescribing either a fixed differential amount per unit volume (thousand cubic feet (Mcf) or million British thermal units (MMBtu)) or a fixed percentage to be deducted from the index value to account for location differences?
- Should ONRR apply a fixed differential amount per unit volume to all production in a particular area or that is transported through a particular pipeline? Would a flat percentage of the index value (perhaps with a cap) be preferable, either on a regional or nationwide basis?

C. Processed Gas and Processing Allowances

The ONRR is considering accounting for the value of liquid hydrocarbons contained in the gas stream by applying an adjustment or ''bump'' to the index price, applicable to residue gas when gas is processed, in lieu of valuing residue gas and extracted liquid products separately, calculating the actual processing costs, and deducting those costs from the value of the extracted liquids (the procedure required under 30 CFR 1206.153(a) and 1206.158 through 1206.159). This adjustment could be based on, or could incorporate, a number of components, including the following:

- Gas quality (either Btu content or gallons per Mcf (GPM)).
- The differential between the gas price and the oil or natural gas liquids (NGL) price similar to a ''frac spread'' or a ''processing margin.''
- Certain plant operation factors, such as shrinkage, producer processing costs, and plant operations costs.

We also seek input regarding whether such an approach could eliminate the burden of accounting for allowable costs to process gas and reduce or eliminate the potential for disputes over unbundling of gas plant charges, without reduction in royalty value. The ONRR could calculate this adjustment on a monthly basis and make it available on our website expressed in the form of a price per unit volume (MMBtu or Mcf).

ONRR could maintain current reporting requirements for processed gas and NGLs but establish a fixed processing allowance. This fixed allowance could be either on a nationwide basis for all Federal gas or on a narrower basis, such as offshore and onshore leases; offshore regions and onshore basins; or gas-plant-specific.

We seek input regarding the advantages and disadvantages of simplifying processed gas royalty reporting and payment by either of the aforementioned methods. We also are interested in other methodologies that would simplify the reporting associated with gas processing allowances or, if possible, eliminate the allowances by substituting a market-based proxy to reflect the value of liquid hydrocarbons contained in the gas stream.

D. Other Alternatives

The ONRR also is interested in receiving comments on any other alternative methodologies. If you propose a methodology different from those discussed above, please explain how the suggested methodology would meet the goals outlined above and why you believe your methodology is the best alternative.

In addition, ONRR requests your input on how the various methodologies would affect your business practices, bookkeeping, *etc.*

Dated: May 23, 2011.

Rhea Suh,

Assistant Secretary for Policy, Management and Budget.

[FR Doc. 2011–13287 Filed 5–26–11; 8:45 am]

BILLING CODE 4310–MR–P

DEPARTMENT OF THE INTERIOR

Office of Natural Resources Revenue

30 CFR Parts 1202 and 1206

[Docket No. ONRR–2011–0004]

RIN 1012–AA00

Federal and Indian Coal Valuation

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

ACTION: Advance notice of proposed rulemaking.

SUMMARY: The Office of Natural Resources Revenue (ONRR) requests comments and suggestions from affected parties and the interested public before proposing changes to the existing regulations governing the valuation of coal produced from Federal and Indian leases, for royalty purposes. The existing Federal and Indian coal valuation regulations have been in effect since March 1, 1989, with minor subsequent amendments relating primarily to the Federal Black Lung Excise Taxes, abandoned mine lands (AML) fees, state and local severance taxes, and washing and transportation allowances provisions. These existing coal valuation regulations also have not kept pace with significant changes that have occurred in the domestic coal market during the last 20-plus years. This notice is intended to solicit comments and suggestions on possible new methodologies to establish the royalty value of coal produced from Federal and Indian leases. The ONRR also plans to hold public workshops to discuss changes to the coal valuation regulations after the written comment period closes, and ONRR has had a reasonable time to review and analyze the comments. The ONRR will announce any public workshops in a future **Federal Register** notice.

Getting feedback upfront and involving all affected stakeholders in the rulemaking process are the hallmarks of good government and smart business practice. The intention of this rulemaking process is to provide regulations that would offer greater simplicity, certainty, clarity, and consistency in production valuation for mineral lessees and mineral revenue recipients; be easy to understand; decrease industry's cost of compliance; and provide early certainty to industry and ONRR that companies have paid every dollar due. The ONRR intends that the final regulations will be revenue neutral.

DATES: You must submit your comments by July 26, 2011.

ADDRESSES: You may submit comments on this advance notice by any of the following methods. Please use the Regulation Identifier Number (RIN) 1012–AA00 as an identifier in your message.

- *Federal eRulemaking Portal: http://www.regulations.gov.* In the entry titled ''Enter Keyword or ID,'' enter ONRR–2011–0004, then click search. Follow the instructions to submit public comments and view supporting and related materials available for this advanced notice of proposed rulemaking. The ONRR will post all comments.
- Mail comments to Hyla Hurst, Regulatory Specialist, Office of Natural Resources Revenue, P.O. Box 25165, MS 61013C, Denver, Colorado 80225.
- Hand-carry comments or use an overnight courier service. Our courier address is Building 85, Room A–614, Denver Federal Center, West 6th Ave. and Kipling St., Denver, Colorado 80225.

FOR FURTHER INFORMATION CONTACT: For questions on procedural issues, contact Hyla Hurst, Regulatory Specialist, ONRR, telephone (303) 231–3495. For questions on technical issues, contact