Sec. 12, S½NW¼NE¼NE¼, S½SW¼NW¼NE¼, NW¼SW¼NE¼, SE¼NW¼, E½SW¼NW¼, and SW¼.
T. 33 N., R. 8 W.,
Sec. 7, SE¼SE¼;
Sec. 8, N½S½;
Sec. 18, E½NE¼SE¼, and NE¼SE¼SW¼;
Sec. 19, lots 1, and 2, S½S½NE¼NW¼, N½N½SE¼NW¼, and N½NE¼.
T. 33 N., R. 9 W.,
Sec. 13, lot 1, NW¼NE¼, N½SW¼NE¼, NE¼NW¼, E½NW¼, SW¼SE¼NW¼, and SE¼SE¼;
Sec. 14, SE¼, SE¼NW¼, S½NE¼, S½SW¼, and NE¼SW¼;
Sec. 21, S½;
Sec. 23, S½NE¼NE¼NE¼, W½, W½SW¼NE¼, NW¼NE¼, NW¼NE¼SE¼, and N½NW¼SE¼;
Sec. 24, N½;
Sec. 26, NW¼, and NW¼SW¼;
Sec. 27, lots 10, 14, 16, and 17, NE¼NW¼SE¼, SW¼NW¼SE¼, and W½SE¼NE¼;
Sec. 29, SW¼, W½SE¼, and N½;
Sec. 31, N½NE¼, SW¼NE¼, SE¼NW¼, NE¼SW¼, NW¼SE¼, and S½SE¼;
Sec. 32, W½SW¼SW¼SE¼;
Sec. 33, NW¼NW¼.
T. 33 N., R. 10 W.,
Sec. 7, Portion of MS 178;
Sec. 18, Portion of MS 178, MS 1239, MS 1388, MS 2148, MS 3198, MS 3199, and MS 3251;
Sec. 19, Portion of MS 248, MS 1925, MS 2060, MS 2119, lots 9 and 10, SE¼NE¼, and E½SE¼.
Sec. 20, lot 1, and S½SW¼;
Sec. 29, W½;
Sec. 30, N½NW¼, and NE¼;
Sec. 31, SE¼NE¼, and NE¼SE¼;
Sec. 32, lot 12, Portion of MS 913, MS 1164, NW¼SW¼, and NW¼ ;
Sec. 33, NE¼, SE¼SE¼NW¼, N½SW¼, SE¼SE¼, and E½E½NE¼SE¼;
Sec. 34, S½.
T. 33 N., R. 11 W.,
Sec. 1, lot 5, SW¼, and SW¼SW¼SW¼SE¼, ;
Sec. 12, lots 1, 4, and 5, Portion of MS 1400, MS 3250, MS 3251, MS 1374, MS 1387, NW¼SE¼;
Sec. 13, NE¼.
T. 34 N., R. 11 W.,
Sec. 26, lot 3, and Portion of MS 246;
Sec. 27, Portion of MS 245, MS 246, and lot 1;
Sec. 28, W½SW¼SW¼, and S½W½NW¼SW¼;
Sec. 34, NE¼, E½NW¼, and S½S½SW¼NW¼ ;
Sec. 35, NW¼NW¼;
Sec. 36, S½SW¼.

The areas described aggregate 6,514 acres in Trinity County.

The purpose of the proposed withdrawal is to protect the recreational values of the Trinity River Acquisition Area.

For a period of 90 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the California State Director of the Bureau of Land Management.

Notice is hereby given that an opportunity for a public meeting is afforded in connection with the proposed withdrawal. All interested persons who desire a public meeting for the purpose of being heard on the proposed withdrawal must submit a written request to the California State Director within 90 days from the date of publication of this notice. Upon determination by the authorized officer that a public meeting will be held, a notice of time and place will be published in the **Federal Register** at least 30 days before the scheduled date of the meeting.

The application will be processed in accordance with the regulations set forth in 43 CFR 2300.

For a period of 2 years from the date of publication of this notice in the **Federal Register**, the lands will be segregated as specified above unless the application is denied or canceled or the withdrawal is approved prior to that date. The temporary uses which will be permitted during this segregative period are licenses, permits, cooperative agreements, or other discretionary land use authorizations of a temporary nature.

Dated: July 13, 1995.

David McIlnay,

Chief, Branch of Lands.

[FR Doc. 95–17771 Filed 7–18–95; 8:45 am]

BILLING CODE 4310–40–P

Minerals Management Service

Announcement of Minerals Management Service Workshops on Expanded Use of Royalty-In-Kind Procedures

AGENCY: Minerals Management Service, Interior.

ACTION: Notice of workshops.

SUMMARY: The Minerals Management Service (MMS) will hold a series of one-day workshops to discuss ways to expand the ongoing pilot program for collecting Federal royalties-in-kind rather than in value. The workshops will be held as follows:

Houston, TX: August 22, 1995
Denver, CO: August 24, 1995
New Orleans, LA: September 15, 1995.

The workshops will commence at 9:30 a.m. on these respective dates and should end by 2:30 p.m. Information on locations is given at the end of this notice.

FOR FURTHER INFORMATION CONTACT: Mr. Hugh Hilliard, Minerals Management Service, Mail Stop 4013, 1849 C St. NW., Washington, DC 20240, telephone number (202) 208–3398, facsimile number (202) 208–4891; or, contact Mr. John Bratland at the same address, telephone number (202) 208–3979, facsimile number (202) 208–3118.

SUPPLEMENTARY INFORMATION: On January 1, 1995, MMS initiated a Royalty Gas Marketing Pilot in the Gulf of Mexico. In the pilot, gas royalties are collected on an in-kind basis and sold directly to gas marketing companies. This gas is taken at or near the lease and sold to competitively chosen gas marketing companies with whom MMS has contracts.

The MMS has two objectives in conducting this pilot: (1) To find processes for streamlining royalty collections in a manner that reflects changes that have occurred in the gas market, and (2) to test a process of royalty collection which promises increased efficiency and greater certainty in valuation. The MMS plans to evaluate the pilot results and issue an interim report in September 1995 and a final report by June 30, 1996.

Preliminary assessment of the pilot indicates that it will be a successful effort and suggests that MMS should undertake additional pilots employing similar in-kind collection procedures. As a first step in pursuing this expansion, MMS will conduct a series of workshops in an effort to explore new ideas and to constructively address issues which have arisen in the current pilot.

Issues

Some of the issues that MMS would like to discuss at the workshops are presented below. The listing of issues is not necessarily complete nor do the comments necessarily reflect an established policy on the part of the Federal government.

1. Prospects for In-Kind Collection of Oil Royalties

The MMS has been exploring the feasibility and possible benefits of collecting in-kind oil royalties in a manner similar to that employed in the pilot program for gas royalties. This approach would be significantly different from the long-standing program of collecting oil royalties-in-kind for sale to small refiners. In the case of oil, the net benefits of in-kind royalties are much less certain than in the case of natural gas, particularly because MMS and industry encounter fewer administrative problems in the payment of oil royalties. MMS is especially interested in exploring differences between the oil and gas markets which may suggest the need for differences in the design of a royalty-in-kind program.

2. Selection of Areas for Future Royalty-In-Kind Pilot(s)

Since the current pilot program is limited to offshore leases in the Gulf of Mexico, MMS is interested in exploring the possibility of conducting a future pilot program in an area with onshore Federal leases. Any implementation of an on-shore pilot will require close cooperation with the Bureau of Land Management and the affected states. The MMS is seeking views on what areas should be considered in future royalty-in-kind projects. Relevant considerations would include the availability of price indices, the volumes of oil or gas available, the level of market competition, special valuation issues, transportation market structure, and the views of the respective states in which the leases are located.

3. Non-Jurisdictional Pipelines in Taking Royalty Gas

Gas marketing companies taking Federal royalty gas will, in some cases, be charged for the services of non-jurisdictional pipelines. Non-jurisdictional pipelines are not regulated by the Federal Energy Regulatory Commission (FERC), which means that the owner is able to charge what the market will bear. The services of these pipelines are critical in transporting the gas from the lease or gathering point to a main pipeline inlet. The problem which arises for MMS is that, in many cases, there appears to be no effective competition in the provision of these services. In the absence of any realistic prospect that competing pipelines would be built, there is no competitive pressure imposed on the owners in pricing the services of these pipelines. This lack of competition can be reflected in a lower bid price for the in-kind royalty gas.

This issue will be examined by MMS in planning future pilots. Alternative courses of action are open to MMS in dealing with the issue of non-jurisdictional pipelines. These could include the following:

a. Eliminate from future pilots any leases in which non-jurisdictional pipeline fees will be imposed on gas marketers;

b. Employ bid evaluation criteria to determine whether the transportation adjustment to the bid reflects unusually high pipeline costs and reject bids if the costs are ‘‘too high;’’ and

c. Require lessees to deliver gas to the inlet of the jurisdictional pipeline and provide an allowance for the reasonable costs of transportation.

These alternatives are not ideal solutions. First, eliminating leases from future pilots because of non-jurisdictional pipelines essentially avoids an issue which must be addressed if in-kind royalty collection is to be applied more broadly in the future. Also, such a procedure may unnecessarily exclude leases prior to any evidence that a ‘‘pricing problem’’ exists for pipeline services. Second, bid evaluation criteria are effective in imputing value for pipeline services when competition exists or when transportation tariffs are regulated and clearly promulgated. However, the task of establishing reasonable cost for the services of non-jurisdictional pipelines could involve considerable conjecture on the part of the MMS. Third, a requirement that the lessee deliver gas to the inlet of the major pipeline would raise administrative costs since MMS would need to grant an allowance to cover the expenses of additional transportation.

4. Aggregation of Leases and the Use of Alternate Bid Procedures

In the current gas marketing pilot, leases were aggregated into groups of various sizes. These groupings were based on location and pipeline proximity. However, a view has been expressed that MMS should have used larger aggregations of leases which would mean a smaller total number of groups. One possible rationale for larger aggregations is that the sale price of gas received by marketers is sensitive to volumes; that is, larger volumes can be sold at a higher price per MMBtu.

The current pilot included a bidding feature designed to accommodate marketers desiring to market larger volumes of gas. The alternate bid procedure allowed bids on an aggregation of groups. Such bids would win the gas in the aggregation if the alternate bid were to exceed the total value of the next highest bids for the groups in the aggregation. The MMS was surprised by the apparent lack of interest in the alternate bid procedure. One possible explanation is that the preparation of alternate bids is more complex and time-consuming. Prospective bidders were given a relatively brief period in which to prepare bids after the issuance of the Invitation for Bids (IFB).

5. Lessee Responsibilities in Providing Federal In-Kind Gas Royalties

A long-standing and sometimes controversial element of the Federal royalty collection process has been the requirement that the lessee place the product in ‘‘marketable condition’’ at no cost to the lessor. The current pilot largely conforms to these traditional procedures by specifying that the lessee is required to place the royalty gas in marketable condition (pipeline condition, i.e., after any necessary dehydration, sweetening, and compression) before it is taken by the purchaser of MMS royalty gas. Lessees have often argued that the marketable condition rule imposes a royalty on value added by the lessee, rather than simply on the value of the produced mineral. It has also been argued that this policy can negatively affect the efficient management and ultimate recovery of the resource.

In the current pilot, MMS indirectly shares in the costs of marketing, to the extent that marketers pass those costs on through the bid price. In evaluating the pilot, MMS will be looking at the effect that different procedures may have on Federal revenues. The MMS would welcome views at the workshop on how responsibilities can best be shared between the lessor and the lessee in order to ensure efficient management of the resource, a market-based royalty collection system that is less costly to administer, and receipt of fair market value by the Government for its royalty share of production.

6. Appropriate Index Prices in Gas Royalty In-Kind

In the current pilot, a single price index (Inside FERC) was used as the basis for the bidding and subsequent royalty payment. The use of the Inside FERC indices was a convenient and familiar alternative during a period in which the MMS was trying to quickly design and implement the pilot for the 1994–95 winter season. However, the view has been expressed that MMS should employ several published indices in future pilots or expansions of in-kind royalty collection. Possible approaches could involve the use of a composite index based on all of the published prices for gas in a particular area or allowing the bidder to choose which index to use.

The MMS also is open to alternative bidding procedures which are not necessarily tied to published index prices. Conceivably some other price could serve as the basis upon which bids could be formulated. Also, in exploring alternative bidding procedures, MMS is examining the feasibility of including transportation rates in the bids.

7. Alternative Contract Terms

In the current pilot, the contract with the gas marketer is for one year. However, the one year contract may not be ideal for all marketing firms. There may be a net advantage to be gained from contracts of either longer or shorter duration. None the less, there are trade-offs associated with different contract lengths. Since the bid price (expressed in terms of monthly index price, plus or minus adjustment) is binding for the entire term of the contract, prospective contractors may perceive greater risk in being committed for a longer term. Possible changes in transportation tariffs during the contract term have been noted as one source of uncertainty. But one trade-off arises in the possibility that a contractor may derive some benefit from a longer term sales commitment and thus be able to market in-kind royalty gas for a higher price. This trade-off may affect different marketers in different ways. The workshops will provide an opportunity to discuss issues surrounding contracts of different durations.

In addition, MMS would be interested in views on whether to explore contracts other than simply selling wet gas at the lease. For example, certain types of processing contracts (e.g., keep-whole contracts) could be considered.

8. Audit Rights in Contracts With Gas Marketers, Agreements With Lessees

In the current pilot, MMS retained the right to audit gas marketers' records and imposed various data reporting and record retention requirements on the marketers. Since the only elements required for calculating the payments due by the marketers are the bid price and the quantity and quality of gas sold, it is anticipated that MMS' audit needs will be substantially less than those required for ensuring that lessees paying royalties in value have paid the proper amount. The MMS is interested in additional views on the proper amount of data reporting, record retention, and audit rights to incorporate in future royalty-in-kind pilot programs.

With regard to the lessees, MMS will verify that the volumes delivered satisfy the royalty obligation. In addition, the lessees in the pilot agreed to provide raw data on the sales of their shares of production. The MMS requested this information to use in the evaluation of the pilot.

9. Gas Sales Contract and Volunteer Agreement (VA) as the Basis for RIK Regulations

If MMS is to move ahead with more extensive application of in-kind collection procedures, regulations may need to be drafted. In the current pilot, the two documents which define procedural compliance for gas marketers and volunteer lessees are the gas sales contract and the VA. These documents would need to be the basis for the drafting of regulatory language. Clearly some changes would need to be made as some of the above issues are addressed and as the current pilot is evaluated. However, some of these considerations can be addressed now in the context of a workshop. Participants in the workshops can suggest which requirements should or should not be codified in regulations. They also can provide input on any requirements that they found either helpful or overly restrictive.

10. Conditions on Auction Participation and Structure

Some type of procedure must be used in future pilots to establish or determine bidder qualification. The IFB issued for the current pilot employed a self-certification for bidders. This self-certification was a signed statement that the prospective bidder had marketed a certain volume of gas over a specified period of time. Another procedure which MMS will consider is the use of performance bonds. The respective merits and disadvantages of these approaches should be addressed in one of the workshop sessions.

Also, in designing future pilots, MMS must consider the needs of firms which may encounter some competitive disadvantage in the marketing of gas. A future pilot could address means for encouraging participation of such firms while at the same time ensuring that the Government receives fair market value for the royalty oil or gas. A workshop can address these needs.

Information on Participation and Panels

The workshops are open to the public. The one-day workshops will include an introduction followed by four panel presentations and discussions. Each of the panels will be composed of representatives from industry and MMS. A draft agenda follows:

- Introduction, overview of the current pilot, goals and format for workshops;
- Requirements placed on lessees (e.g., marketable condition, data submitted to MMS, coordination with purchasers, possible requirement to deliver gas at a point away from the lease);
- Requirements placed on purchasers (e.g., transportation of product away from the lease, data required by MMS, coordination with lessees, balancing, contract provisions concerning breach, payment terms, flexibility);
- Auction procedures and other contract terms (e.g., aggregation of leases, use of price indices, contract length, participation by small and disadvantaged firms); and
- Suggestions for future pilots (e.g., location, products, format, timing).

Addresses

The workshops will be held at the following locations:

Minerals Management Service, Gulf of Mexico Regional Office, Elmwood Towers Building, Conference Rooms 111–115, 1201 Elmwood Park Boulevard, Jefferson, Louisiana 70123

Minerals Management Service, Houston Area Audit Office, 4141 N. Sam Houston Parkway, Houston, TX 77032–3843

Denver Federal Center, 6th & Kipling, U.S.G.S., Building 25, Lecture Halls A and B, (Rooms 1252 and 1254), Lakewood, Colorado 80215

Registration

Since seating will be limited, those wishing to attend any of the workshops should register in advance, no later than August 4, 1995. Registration should be made by phone (202) 208–3398, (202) 208–3822, facsimile (202) 208–3118 or mail to Ms. Ruby Minor or Ms. LaVerne Gailliard, Minerals Management Service, Mail Stop 4013, 1849 C St. NW., Washington, DC 20240. Copies of the Invitation for Bids and the Volunteer Agreement will be available to registrants on request.

Comments

Written comments on the workshops or the panels should be addressed to Mr. Hugh Hilliard at the address given above or sent by facsimile c/o Mr. Hilliard to the number given.

Dated: July 13, 1995.

Lucy Querques,

Associate Director, Policy and Management Improvement.

[FR Doc. 95–17673 Filed 7–18–95; 8:45 am]

BILLING CODE 4310–MR–M

National Park Service

Cane River National Heritage Area Commission; Meeting

AGENCY: National Park Service, Interior. Jean Lafitte National Historical Park and Preserve.

ACTION: Notice of Meeting.

SUMMARY: Notice is hereby given in accordance with the Federal Advisory