6. Section 5.601 is revised to read as follows:

**§ 5.601 Copies of records and information available.**

(a) Copies of registration statements and supplements, amendments, exhibits thereto, dissemination reports, and copies of political propaganda and other materials contained in the public files, may be obtained from the Registration Unit upon payment of a fee as prescribed in § 5.5.

(b) Information as to the fee to be charged for copies of registration statements and supplements, amendments, exhibits thereto, dissemination reports, and copies of political propaganda and other materials contained in the public files, or research into and information therefrom, and the time required for the preparation of such documents or information may be obtained upon request to the Registration Unit. Fee rates are established in § 5.5.

(c) The Registration Unit may, in its discretion, conduct computer searches of records through the use of existing programming upon written request. Information as to the fee for the conduct of such computer searches, and the time required to conduct such computer searches, may be obtained upon request to the Registration Unit. A written request for computer searches of records shall include a deposit in the amount specified by the Registration Unit, which shall be the Registration Unit's estimate of the actual fees. The Registration Unit is not required to alter or develop programming to conduct a search. Fee rates are established in § 5.5.

7. Section 5.1101 is added to read as follows:

**§ 5.1101 Copies of the Report of the Attorney General.**

Copies of the Report of the Attorney General to the Congress on the Administration of the Foreign Agents Registration Act of 1938, as amended, shall be sold to the public by the Registration Unit, as available, at a charge not less than the actual cost of production and distribution.

Dated: June 28, 1993.

**Janet Reno,**

*Attorney General.*

[FR Doc. 93-16021 Filed 7-9-93; 8:45 am]

BILLING CODE 4410-01-M

## DEPARTMENT OF THE INTERIOR

### Minerals Management Service

### 30 CFR Parts 202 and 206

## Valuation of Communitized Oil and Gas Production From Federal and Indian Leases in the State of Oklahoma

**AGENCY:** Minerals Management Service, Interior.

**ACTION:** Policy statement.

**SUMMARY:** The Royalty Management Program of the Minerals Management Service (MMS) hereby gives notice that provisions of Oklahoma Senate Bill No 168 regarding royalty payments on oil or gas leases located in the State of Oklahoma do not apply to Federal and Indian leases that are committed to communitization agreements. For purposes of determining royalties on these leases, production must be valued in accordance with MMS' oil and gas valuation regulations at 30 CFR parts 202 and 206.

**FOR FURTHER INFORMATION CONTACT:** Mr. Larry Cobb, Minerals Management Service, Royalty Management Program, Valuation and Standards Division, Oil and Gas Valuation Branch, P.O. Box 25165, Mail Stop 3922, Denver, Colorado, 80225-0165, telephone (303) 275-7245.

**SUPPLEMENTARY INFORMATION:**

### I. Background

Oklahoma Senate Bill No. 168, which becomes effective July 1, 1993, is the latest doctrine that has evolved from *Shell Oil Company* v. *Corporation Commission* (Okl., 389 P.2d 951 (1964)). The decision in that case, commonly known as the Blanchard Decision, governs the payment of royalties for oil and gas produced from leases committed to communitization agreements located in the State of Oklahoma. The major elements of Senate Bill No. 168 provide that:

- Working interest owners taking and selling gas production pay royalties (royalty share) to a "royalty pool" which is shared by all royalty owners in the agreement. The value of gas production for purposes of payments to the royalty pool is based on each lessee's sales proceeds and the terms of their lease royalty clauses;
- Royalty owners receive a royalty payment from the royalty pool, based on their lease royalty interest, within 90 days after the last day of the month of production; and
- Disbursements from the royalty pool to each royalty owner be performed primarily by the agreement operator. However, working interest owners may elect to pay royalties directly to the royalty owners.

Senate Bill No. 168 also contains special provisions regarding "Subsequently Created Interests" (SCI's) that are contained in certain leases in Oklahoma. SCI's are interests carved from a working interest other than a royalty interest, such as an overriding royalty interest. SCI's are not subject to the principal royalty provisions of Senate Bill No. 168.

### II. MMS Requirements for Valuing Communitized Production

Because of the potential impact of the provisions of Senate Bill No. 168 on the payment of royalties on Federal and Indian leases that are committed to communitization agreements, MMS sponsored a meeting on March 5, 1993, at the Oklahoma State Capitol Building to discuss the relationship between the bill and Federal and Indian royalty requirements. Attendees at the meeting represented royalty owners, State agencies, major oil and gas companies, independents, and the Indian community. Attendees were advised that:

- The value of a Federal or Indian lease entitled share for royalty purposes is to be determined solely based on Federal or Indian lease terms and applicable regulations and not on the basis of a royalty pool where each contributing working interest owner uses its respective lease terms or other guidance to value its royalty share;
- The value of Federal and Indian production is to be based on no less than the gross proceeds accruing to the lessee; and
- The payment of royalties for Federal and Indian production is due no later than the end of the month following the month of production.

As discussed at the meeting, regulations governing the valuation of Federal and Indian communitized production differ substantially from the provisions of Senate Bill No. 168. The major differences are discussed below.

(a) The valuation of communitized production attributable to Federal or Indian leases is governed primarily by the regulations at 30 CFR 202.100 (1992) for oil and 30 CFR 202.150 (1992) for gas. Similar to Senate Bill No. 168, the principal requirement for valuing Federal and Indian communitized production is that royalty is due on the full share of production attributable to the Federal or Indian lease under the terms of agreement (also referred to as the allocated share of production to which the lease is entitled, or "lease entitled share").

The actual value for royalty purposes of the lease entitled share is determined under 30 CFR part 206 (1992). For production taken and sold by the lessee, the circumstances involved in the disposition of that production control the valuation under 30 CFR part 206. When the lessee takes less than the lease entitled share of production, the value of the portion not taken will also be determined under 30 CFR part 206 by the circumstances involved in the actual disposition of that portion by other taking lessees. That is, the valuation of the entire Federal or Indian lease entitled share is determined based on the actual disposition (e.g., sales) of production by the taking lessee under 30 CFR part 206. For gas under Senate Bill No. 168, each taking lessee's lease terms govern the valuation of the royalty share contributed to the royalty pool, from which the Federal and Indian royalty proceeds would be derived. Therefore, the value of Federal and Indian communitized gas production under the provisions of Senate Bill No. 168 would not be determined entirely in accordance with 30 CFR part 206.

(b) The use of Senate Bill No. 168 for valuing communitized gas production could nullify MMS' long standing requirement that value for royalty purposes be no less than the gross proceeds accruing to the lessee under its sales contract. Value of gas under the bill is determined on the basis of the gross proceeds paid to all working interest owners taking gas regardless of whether-or-not the Federal or Indian lessee takes and sells its lease entitled share.

(c) Valuation based on royalty pooling under Senate Bill No. 168 may violate standard Indian lease terms requiring that value be determined by considering the major portion of like-quality production from the same field or area.

(d) Royalty pooling under Senate Bill No. 168 may be inconsistent with dual accounting requirements specified in most Indian leases.

(e) Other inconsistencies between Senate Bill No. 168 and applicable regulations lie in the areas of timely receipt of, and responsibility for, royalty payments. Standard Federal and Indian lease documents and MMS regulations at 30 CFR 210.52 (1992) both require that royalty reports and payments be received by MMS by the end of the month following the month of production. Under Senate Bill No. 168, royalty payments may not be due until 90 days after the month of production. Under Senate Bill No. 168, the agreement operator is responsible for the disbursement of royalties to the royalty interest owners upon receipt of the royalty proceeds from the selling parties. For Federal or Indian leases, lessees, or their designated payors, are responsible for accurate and timely royalty payments.

## III. MMS Policy

Because of the substantial differences between Senate Bill No. 168 and requirements relative to Federal and Indian oil and gas leases, as discussed above, MMS is giving notice that it will not accept royalties that are based on values less than those required under applicable lease terms and MMS regulations. Federal and Indian payors must continue to comply with the terms of their leases and the regulations at 30 CFR parts 202 and 206 for valuing and paying royalties for communitized production in Oklahoma that are otherwise subject to Senate Bill No. 168.

The MMS published a similar notice in the **Federal Register** on December 2, 1985 (50 FR 49465), advising royalty payors that MMS would not accept royalties for Federal and Indian leases in Oklahoma that were calculated in accordance with the Blanchard Decision. In that Notice, MMS advised payors that they must follow Federal and Indian lease terms and applicable MMS regulations to determine royalty value.

Although Federal and Indian royalty interests are not deemed SCI's under Senate Bill No. 168, MMS understands that treating the Federal and Indian royalty interests as such under the bill would both satisfy the bill's royalty pooling obligations and allow Federal or Indian payors to comply with their lease terms and MMS' royalty requirements. Under the SCI's methodology, Federal and Indian lessors would not share in the royalty pool and their royalty interests would be excluded in the computation of contributions to the royalty pool. However, Federal and Indian working interest owners may still be required to pay a royalty portion into the royalty pool under Oklahoma law. In any case, the procedures for determining the Federal and Indian lessees' royalty pooling obligations under the SCI's methodology, and their associated liabilities under Senate Bill No. 168, are outside the scope of this Notice. Federal and Indian lessees should contact their industry trade organizations, such as the Council of Petroleum Accountants Societies, the Mid-Continent Oil & Gas Association, the National Association of Division Order Analysts, or the Oklahoma Independent Petroleum Association, for further information regarding SCI's under Senate Bill No. 168.

Any inquiries regarding this Notice or the payment of Federal and Indian royalties for communitized production in the State of Oklahoma should be sent to the address identified above.

Dated: July 2, 1993.

**James W. Shaw,**

*Associate Director for Royalty Management.*

[FR Doc. 93–16393 Filed 7–9–93; 8:45 am]

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## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 52

[CA 12–5–5809; FRL–4674–2]

### Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision; Bay Area Air Quality Management District San Diego County Air Pollution Control District

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

**ACTION:** Notice of final rulemaking (NFR).

**SUMMARY:** EPA is finalizing limited approvals and limited disapprovals of four rule revisions to the California State Implementation Plan (SIP) proposed in the **Federal Register** on September 28, 1992, October 1, 1992 and December 7, 1992. The revisions to the California SIP concern rules from the Bay Area Air Quality Management District (BAAQMD) and the San Diego County Air Pollution Control District (SDCAPCD). This final action will incorporate these rules into the federally approved SIP. The intended effect of finalizing this action is to regulate emissions of volatile organic compounds (VOCs) in accordance with the requirements of the Clean Air Act, as amended in 1990 (CAA or the Act). The revised rules control VOC emissions from can and coil coating operations, marine vessel coating operations, and graphic arts sources. Thus, EPA is finalizing limited approvals of these revisions into the California SIP under CAA provisions regarding EPA action on SIP submittals and general rulemaking authority because these revisions strengthen the SIP. EPA is also finalizing limited disapprovals of these rules under provisions of the CAA cited above because these rules contain deficiencies, and as a result, do not meet the CAA provisions regarding plan submissions and requirements for nonattainment areas. As a result of this limited disapproval EPA will be required to