

development of the BLM-California Strategic Plan, a status report on Headwaters, and a report on implementation of the Knoxville Management Plan. Managers of the BLM Arcata, Redding and Ukiah field offices will also present reports. Time will be reserved at 4 p.m. for public comments. Depending on the number of persons wishing to speak, a time limit may be established.

On Friday, Jan. 22, members will convene at 8 a.m. at the Konocti Harbor Resort lobby, and depart immediately for a tour of the Payne Ranch property which will be acquired for public use.

Members of the public are welcome on the tour, but they must provide their own transportation. The tour and meeting will conclude by noon.

FOR ADDITIONAL INFORMATION: Contact Joseph J. Fontana, public affairs officer, at (530) 257-5381.

Joseph J. Fontana,

Public Affairs Officer.

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DEPARTMENT OF THE INTERIOR

Minerals Management Service

Agency Information Collection Activities: Submitted for Office of Management and Budget Review; Comment Request

TITLE: Solicitation for Comments: Royalty-in-Kind (RIK) Determination of Need.

SUMMARY: The Minerals Management Service (MMS), an agency of the U.S. Department of the Interior, is requesting written comments from interested parties—particularly from small and/or independent petroleum refiners—regarding their experiences in the crude oil marketplace. Specifically, we are interested in small and/or independent refiners' experiences in gaining access to adequate supplies of crude oil at equitable prices. This Determination of Need process will assist the Secretary of the Interior in deciding whether or not to conduct a sale(s) of Federal Government royalty oil under the Royalty-In-Kind (RIK) program.

DATES: Responses must be submitted on or before January 25, 1999.

ADDRESSES: Responses sent via the U.S. Postal Service should be sent to Tom Brozovich, Accounting and Reports Division, Minerals Management Service, Royalty Management Program, P.O. Box 25165, MS 3131, Denver, Colorado 80225-0165; courier address is Building 85, Room B513, Denver Federal Center,

Denver, Colorado 80225; e-mail address is thomas.brozovich@mms.gov.

FOR FURTHER INFORMATION CONTACT: Tom Brozovich, Accounting and Reports Division, phone 303-231-3351, FAX 303-231-3711, e-mail thomas.brozovich@mms.gov.

Background Information

Under the provisions of the Mineral Leasing Act of 1920 (MLA), as amended (30 U.S.C. § 192), and the Outer Continental Shelf Lands Act (OCSLA) of August 7, 1953, as amended (43 U.S.C. § 1334, 1353), the Secretary of the Interior can take Federal royalty oil in kind, in lieu of royalty payment, and sell it to "eligible refiners" for use in their refineries. The oil RIK program is governed by the regulations at 30 CFR 208, effective December 1, 1987, (52 FR 41908, 10/30/1987).

An "eligible refiner," as defined at 30 CFR § 208.2, means a refiner of crude oil meeting the following criteria to purchase royalty oil:

(1) For the purchase of royalty oil from *onshore leases*, it means a refiner that has an operating refinery and qualifies as a small and independent refiner as those terms are defined in Sections 3(3) and 3(4) of the Emergency Petroleum Allocation Act, 15 U.S.C. 751 *et seq.* A refiner that, together with all persons controlled by, in control of, under common control with, or otherwise affiliated with the refiner, inputs domestic crude oil from its own production exceeding 30 percent of total refinery input is ineligible to participate in royalty sales under this part. (In other words, to be eligible under this part, the refiner must receive at least 70 percent of his feeder stock from unaffiliated sources.) Crude oil received in exchange for the refiner's own production is considered to be part of that refiner's own production for purposes of this section.

(2) For the purchase of royalty oil from *offshore leases*, it means a refiner that has an operating refinery and qualifies as a small business enterprise under the rules of the Small Business Administration (SBA) (13 CFR Part 121). The SBA standard for a small business within the Petroleum Refining Industry is less than or equal to 75,000 bbl per day, and less than or equal to 1,500 employees.

The regulation at 30 CFR § 208.4(a) governs the Determination of Need process and states that:

The Secretary may evaluate crude oil market conditions from time to time. The evaluation will include, among other things, the availability of crude oil and the crude oil requirements of the Federal Government, primarily those requirements concerning

matters of national interest and defense. The Secretary will review these items and will determine whether eligible refiners have access to adequate supplies of crude oil and whether such oil is available to eligible refiners at equitable prices. Such determinations may be made on a regional basis * * *.

Given that existing RIK contracts (involving Gulf of Mexico and Pacific Region offshore leases) expire May 1, 1999, MMS has concluded that a Determination of Need would be most beneficial in any decision to hold future royalty oil sales.

SUPPLEMENTARY INFORMATION: While the RIK program has been an important source of crude oil for many refiners over the years, it has not been without its problems. From its heyday in the late 1970's and early to mid 1980's, the program has declined from over 60 active contracts (both onshore and offshore) to the current total of only six offshore contracts. Many factors have contributed to the diminished participation, including the following:

- The surplus of crude oil supplies on both the international and domestic markets, which has made it easier for small refiners to purchase the oil they need to run their refineries without having to rely on Federal royalty oil; and
- Complexities of the current program, which has been characterized as having burdensome reporting and administrative requirements and valuation uncertainty.

MMS has completed a study of the oil RIK program and is conducting a pilot (Eligible Refiner Oil RIK Pilot, OMB Control Number 1010-0109) to check the results of that study. The pilot is reviewing reporting and delivery issues symptomatic of the current program. This effort should be completed by the end of calendar year 1998, with formal recommendations for streamlining the program to be submitted to the Director, MMS, in early 1999. While it's premature to predict the exact nature or scope of forthcoming program changes, it's not unreasonable to expect:

- Changes to current regulations affording greater clarity and logical business practice in the areas of administrative fees, transportation allowances, operator delivery requirements, resolution of delivery imbalances and gravity bank adjustments, etc.; and
- Greater specificity and certainty with regard to RIK contract language, especially with regard to provisions addressing the valuation of RIK oil for billing purposes.

Consequently, the current program could undergo dramatic changes in the

near future as various pilot efforts reach maturity and resulting recommendations are implemented.

Potential respondents should also note that the mere conduct of a Determination of Need in no way presupposes that there will or will not be a subsequent RIK sale(s). A Determination of Need is a logical first step in identifying general marketplace conditions. However, any decision to conduct an RIK sale(s) will necessarily be predicated on the regulatory criteria of "access" and "equity"—i.e., whether a significant number of refiners have limited or no access to the marketplace and/or have experienced difficulty in negotiating a fair price for feeder stocks.

Information Requested

To assist MMS in completing a Determination of Need, please respond in writing or electronically to the following questions:

- (1) How would you describe your business activity—small/independent refiner, other refiner, producer, transporter, etc.?
- (2) For your immediate region or geographic area of operation, how would you characterize the general availability of crude oil?
- (3) Do you currently own or lease an operating refinery? If so, where is it located?
- (4) Is your refinery operating at full or near-full capacity? If not, why not?
- (5) Do you meet the RIK program eligibility criteria previously noted for onshore or offshore leases, or both?
- (6) What percentage of onshore versus offshore crude oil volumes are currently being run through your refinery?
- (7) What type of crude is desired to sustain your mix of refined products—Wyoming Sweet, Wyoming Sour, Light Louisiana Sweet, etc.?
- (8) Have you been denied access to crude oil supplies in the past 12 to 18 months? What was the basis for the denial? For example, was the denial attributable to unavailability of desired crude, a lack of access to the transportation pipeline, or other reasons? Please provide documentation supporting any claim of denial.
- (9) Do you use exchange agreements? Why?
- (10) Are the feeder stocks you purchase priced above market values for your geographic area? In other words, do you pay a bonus or premium because of your status as a small and/or independent refiner? Please identify, by crude oil type, what you pay on the average per barrel of oil.
- (11) Have you previously participated in the Federal royalty oil program? If a prior program participant, why did you

leave the program? How would you now benefit from receiving Federal royalty oil?

(12) Do you currently provide refined products (heating oil, jet fuel, etc.) to a U.S. military base or Federal installation? If so, identify the recipient facility and how long you have been supplying refined products.

(13) Do you anticipate any near term developments that would change your access to necessary supplies of crude oil at equitable prices?

All correspondence, records, or information received in response to this Notice, and specifically in response to the questions listed above, are subject to disclosure under the Freedom of Information Act. All information provided will be made public unless the respondent identifies which portions are proprietary. Please highlight the proprietary portions, including any supporting documentation, or mark the page(s) that contain proprietary data.

The Paperwork Reduction Act of 1995 requires us to inform you that this information is being collected by MMS under an approved information collection titled Royalty-in-Kind (RIK) Determination of Need, OMB Control Number 1010-0119. We estimate the burden for responding to this information collection 4 hours. Comments on the accuracy of this burden estimate or suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS-4230, MMS, 1849 C Street, N.W., Washington, DC 20240 and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Attention: Desk Officer for the U.S. Department of the Interior (OMB Control Number 1010-0119), Washington, DC 20503. Proprietary information is protected by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552 (b)(4)), the Indian Minerals Development Act of 1982 (25 U.S.C. 2103) and Department regulations (43 CFR 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Dated: December 2, 1998.

Lucy Querques Denett,

Associate Director for Royalty Management.

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DEPARTMENT OF THE INTERIOR

National Park Service

Proposed Land Exchange City of Alexandria and Arlington County, Virginia and Notice of Scheduled Environmental Review Process Workshop

AGENCY: Notice is hereby given that the National Park Service (NPS) is proposing to conduct an exchange of land interests with Commonwealth Atlantic Properties Inc., Commonwealth Atlantic Land Company, and Commonwealth Atlantic Land V Inc., hereinafter referred to collectively as Commonwealth. The proposed exchange of land interests concerns two distinct properties located in Alexandria, Virginia, and Arlington County, Virginia, respectively. The National Park Service has scheduled a public workshop as part of its environmental review process to identify and analyze the potential environmental impacts of the proposed exchange.

FOR FURTHER INFORMATION CONTACT:

Associate Superintendent, Stewardship and Partnerships, National Capital Region, National Park Service, 1100 Ohio Drive, SW., Washington, DC 20242.

SUPPLEMENTARY INFORMATION: By virtue of an Indenture land agreement dated February 12, 1938, the Richmond, Fredericksburg and Potomac Railroad Company (RF&P), predecessor in title to Commonwealth, conveyed to the United States certain land use restrictions over 29.1 acres of land in Arlington County, Virginia, currently owned by Commonwealth and hereinafter referenced as the "Indenture Land."

Commonwealth also owns 38.55 acres of land in Alexandria, Virginia, hereinafter referenced as "Potomac Greens." By virtue of a Deed of Easement dated August 13, 1984, and in accordance with the terms of a previous Exchange Agreement between the United States and RF&P, the United States conveyed to RF&P a perpetual easement on and across a portion of lands of the George Washington Memorial Parkway (Parkway) for access, including ingress and egress from the northbound and southbound lanes of the Parkway to and from Potomac Greens in return for RF&P's obligation to construct at no cost to the United States a center-piered bridge and all associated ramps and connections necessary for ingress and egress to and from Potomac Greens to the Parkway and other valuable consideration.