

**1983 Sale Offerings to Eligible U.S. Refiners of Royalty Oil Available From Federal Offshore and Onshore Leases**

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

**ACTION:** Notice of Determination of Unavailability of Oil to Small Refiners and Declaration of Intent to Proceed with Sale of Royalty Oil by the Secretary of the Interior.

**SUMMARY:** The Minerals Management Service (MMS) of the Department of the Interior (DOI) gave notice on July 26, 1983, at 48 FR 33996 that it will conduct sales of both offshore and onshore royalty oil. The sales, to be conducted in three parts early next year, will include 115,000 barrels of offshore crude oil and 35,000 barrels of onshore crude oil. The notice of sale was prompted by the Secretary's determination that small refiners did not have access to adequate supplies of crude oil at equitable prices and sufficient supplies of crude oil were not available in the open market to refineries not having their own source of supply for crude oil.

**DATES:** Refer to 48 FR 33996 for the scheduled sale dates and application deadline dates.

**ADDRESS:** Application forms for the contract purchase of Royalty-In-Kind (RIK) oil may be obtained from Minerals Management Service, Payor Accounting Branch, P.O. Box 5760 T.A., Denver, CO 80217. Completed applications should be returned to the same MMS office; the telephone number is (303) 231-3133.

**FOR FURTHER INFORMATION**

**CONTACT:** RIK Sale Coordinator

Dennis Whitcomb at (303) 231-3432.

**SUPPLEMENTARY INFORMATION:**

The regulations governing the disposal of royalty crude oil, found at 30 CFR Parts 262 and 225, direct the Secretary of the Interior to make a determination concerning such royalty oil. The Secretary's determination follows:

**Determination of Unavailability of Oil To Small Refiners and Declaration of Intent to Proceed With Sale of Royalty Oil**

Pursuant to the Outer Continental Shelf Lands Act, as amended, 43 U.S.C. 1353, I have determined, after consultation with the Secretary of Energy, that small refiners do not have access to adequate supplies of crude oil at equitable prices. Additionally, pursuant to the Mineral Leasing Act, 30 U.S.C. 192, I have determined that sufficient supplies of crude oil are not available in the open market to refineries not having their own source of supply for crude oil. Therefore, the Department of the Interior will offer royalty oil to these two classes of refiners.

This determination of unavailability is based on the following facts:

1. Small refiners as a class continue to have severe difficulties obtaining long-term commitments from major and independent producers for the proper mix of crude stock to operate their refineries. This has been substantiated by an outpouring of interest in the program and an indication of dire negative effect upon small refiners as a class if the program were to cease.
2. While the spot availability of surplus crude has increase since the last royalty oil offering in 1980, that surplus does not meet

the continuing needs of small refiners as a class for a constant supply of crude stocks of specific types necessary to economically and profitably operate refineries with a pre-planned slate of refined oil products. The availability of crude oil both offshore and onshore continues to be a problem with small refiners as a class.

Dated July 22, 1983.

**James Watt,**

*Secretary of the Interior.*

Dated: July 26, 1983.

**Robert Boldt,**

*Association Director for Royalty Management, Minerals Management Service.*

[FR Doc. 83-20721 Filed 7-29-83; 8:45 am]  
Billing Code 4310-MR-M