

and the establishment of a single payor requirement is again being considered. Prior to publishing such a proposed rulemaking, however, the Department wishes to receive public comment on the concept. Areas for which specific comments are requested are described in the supplementary information section below.

Designation of a single payor would reduce the number of payors that would be making payments to the MMS therefore reducing the workload.

DATES: Written comments and recommendations must be received on or before January 7, 1985.

ADDRESS: Written comments may be mailed or delivered to: Mr. Ori L. Kelm, Chief, Office of Royalty Regulations, Development and Review, Royalty Management Program, Minerals Management Service, 12203 Sunrise Valley Drive, MS 660, Reston, Virginia 22091.

FOR FURTHER INFORMATION CONTACT: Mr. Ori L. Kelm (703) 860-7511 or (FTS) 928-7511.

SUPPLEMENTARY INFORMATION: On June 22, 1982 (47 FR 26856), a notice of intent to propose rulemaking concerning the establishment of an operator of record and single payor plan requirement for each Federal and Indian lease was published in the **Federal Register**.

Due to the then transitional nature of the Department's Royalty and Lease Management Program, a determination was made not to proceed with a proposed rulemaking at that time.

Changed circumstances now dictate reconsideration of the single payor concept. The changed circumstances include: a specific recommendation by the Secretary's Advisory Committee on Minerals Accountability to reconsider the single payor approach for all Federal and Indian leases; evidence that the single payor approach is utilized effectively by a number of energy-producing states in their minerals management activities; and an increasing emphasis on the part of the Department to reduce reporting burden and information collection activities for royalty payors, operators, and lessees on Federal and Indian leases.

Under the concept now being proposed, a single payor would be established for each Federal onshore, Outer Continental Shelf, or Indian mineral lease from the date of first production in paying quantities of minerals extracted from that lease. The single payor would be responsible for maintaining all lease production and sales records, and for the payment of

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Ch. II

43 CFR Ch. II

Intent To Propose Rulemaking To Require the Designation of a Single Payor for Each Federal and Indian Lease

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Notice of intent to propose rulemaking and request for comments.

SUMMARY: The Department of the Interior in considering the establishment of a single payor requirement for each Federal and Indian lease. This notice of intent to propose rulemaking is to fulfill a specific recommendation by the Secretary's advisory committee on minerals accountability to reconsider the single payor approach. A similar proposal was previously considered in June 1982, but was deferred due to the transitional nature of the Department's Royalty Management Program at that time.

The Department's Royalty Management Program is now stabilized.

rentals and royalties to the appropriate agency of the Department of the Interior.

The Department particularly desires to receive comments and suggestions from the minerals industry on the impact the single payor requirement on each Federal and Indian lease, unit, or communitization agreement. Since the single payor concept could be applied to existing producing leases, or just prospectively to new producing leases, comments on the following two issues would be of special interest.

1. If this lease procedure were to be applied prospectively to all leases that begin production after the effective date of the rulemaking, what impact would it have on: (a) Industry royalty and production accounting practices now in effect either as an increase in workload or a reduction in workload; and (b) any additional cost associated with the procedure either in terms of additional personnel, accounting services, or computer time and service needed to implement the regulation.

2. If the procedure were to be applied to all Federal and Indian leases now in production as well as to those coming into production on or after the date of the rulemaking, what would be the impact on the following areas: (a) Conversion of existing industry royalty and production accounting systems to accommodate the change in procedure; (b) the amount of time necessary to convert to the new system required under the single payor procedure; and (c) the cost expressed in dollars of the conversion process broken down as a one-time cost and continuing cost as the result of the new requirement.

In addition to the foregoing, comments are solicited concerning any legal implications which the implementation of the proposed requirement might have.

The Department also wishes to receive comments on the implementation of the single payor concept from those States that share in Federal mineral revenue and from Indian tribes for whom the Department performs lease management and royalty management functions.

The MMS will assume the responsibility for comprising comments and distributing them to other affected agencies within the Department of the Interior.

Dated: November 28, 1984

William D. Bettenberg

Director Minerals Management Service.

[FR Doc. 84-31675 Filed 12-5-84 8:45 am]

BILLING CODE 4310-MR-M