English'' format, MMS may sacrifice clarity.

Response: The cited wording has been changed. MMS will attempt to write all of its rules as clearly as possible.

Executive Order (E.O.) 12866

This is a significant rule under E.O. 12866 and has been reviewed by the Office of Management and Budget (OMB).

Regulatory Flexibility Act

The DOI determined that this rule will not have a significant effect on a substantial number of small entities. In general, the entities that engage in offshore activities are not considered small due to the technical and financial resources and experience necessary to safely conduct such activities. Small entities are more likely to operate onshore or in State waters—areas not covered by this regulation. When small entities work in the OCS, they are more likely to be contractors than operators. For example, a company that collects geologic and geophysical data might be a small entity. While these contractors must follow the rules governing OCS operations, we are not changing the rules that govern the actual operations on a lease. We are only modifying the rules governing the extension of a lease beyond the primary term. The rule could have a secondary effect. By extending the time available to the lessee, more leases may be active and this could result in an increase in opportunities for small entities to collect data or perform other services. The added time could also work to benefit smaller companies who may have slower computers and could benefit from a longer time period for review of data.

Paperwork Reduction Act

This rule has been examined under the Paperwork Reduction Act of 1995 and has been found to contain no reporting and information collection requirements.

Takings Implication Assessment

The DOI determined that this rule does not represent a governmental action capable of interference with constitutionally protected property rights. Thus, DOI does not need to prepare a Takings Implication Assessment pursuant to E.O. 12630, Government Action prepare a Takings Implication Assessment pursuant to E.O. 12630, Government Action and Interference with Constitutionally Protected Property Rights.

Executive Order (E.O.) 12988

The DOI has certified to OMB that the rule meets the applicable reform standards provided in Sections 3(a) and 3(b)(2) of E.O. 12988.

Unfunded Mandate Reform Act of 1995

The DOI has determined and certifies according to the Unfunded Mandates Reform Act, 2 U.S.C. 1502 *et seq.,* that this rule will not impose a cost of $100 million or more in any given year on local, tribal, State governments, or the private sector.

National Environmental Policy Act

The DOI determined that this action does not constitute a major Federal action significantly affecting the quality of the human environment; therefore, an Environmental Impact Statement is not required.

List of Subjects in 30 CFR Part 250

Continental shelf, Environmental impact statement, Environmental protection, Government contracts, Incorporation by reference, Investigations, Mineral royalties, Oil and gas development and production, Oil and gas exploration, Oil and gas reserves, Penalties, Pipelines, Public lands—mineral resources, Public lands—rights-of-way, Reporting and recordkeeping requirements, Sulphur development and production, Sulphur exploration, Surety bonds.

Dated: October 2, 1996.

Sylvia V. Baca,

Deputy Assistant Secretary, Land and Minerals Management.

For the reasons set forth in the preamble, Minerals Management Service (MMS) amends 30 CFR Part 250 as follows:

PART 250—OIL AND GAS AND SULPHUR OPERATIONS IN THE OUTER CONTINENTAL SHELF

1. The authority citation for part 250 continues to read as follows:

Authority: 43 U.S.C. 1334.

2. Section 150.13 is revised to read as follows:

§ 250.13 How Does Production, Drilling, or Well-reworking Affect Your Lease Term?

(a) Your lease expires at the end of its primary term unless you are producing or conducting drilling or well-reworking operations on your lease. *See* § 256.37(b) of this title. Also, any drilling or well-reworking program must be part of a plan that has as its objective continuous production on the lease. For purposes of this section, the term ''operations'' means production, drilling, or well-reworking.

(b) If you stop conducting operations during the last 180 days of the primary lease term, your lease will remain in effect beyond the primary term only if you:

(1) Resume operations on the lease no later than 180 days after the operations ended; or

(2) Ask MMS for a suspension of operations or production under 30 CFR 150.10 before the 180th day after you stop operations, and thereafter receive the Regional Supervisor's approval; or

(3) Receive a directed suspension of operations or production from the Regional Supervisor under 30 CFR 250.10 before the 180th day after you stop operations.

(c) If you stop conducting operations on a lease that has continued beyond its primary term, then your lease will expire unless you comply with either paragraph (b)(1), (b)(2), or (b)(3) of this section.

(d) You may ask the Regional Supervisor to allow you more than 180 days to resume operations on a lease continued beyond its primary term when operating conditions warrant. The request must be writing and explain the operating conditions that warrant a longer period. In allowing additional time, the Regional Supervisor must determine that the longer period is in the national interest and that it conserves resources, prevents waste, or protects correlative rights.

[FR Doc. 96–27783 Filed 10–29–96; 8:45 am]

BILLING CODE 4310–MR–M

30 CFR Part 256

RIN 1010–AC15

Outer Continental Shelf Lease Terms

AGENCY: Minerals Management Service, Interior.

ACTION: Final rule.

SUMMARY: This rule amends the regulations governing the term for certain leases on the Outer Continental Shelf (OCS) based on water depth. This rule changes the current depth margins for 8-year leases from 400 to 900 meters to 400 to 800 meters while retaining the mandatory 5-year drilling requirement for all 8-year leases. The amendment allows the Minerals Management Service (MMS) to set lease terms of 8 to 10 years in water depths ranging from 800 to 900 meters. The intended effect of this rule is to simplify administration of OCS leases for the MMS and the lessees.

EFFECTIVE DATE: This final rule is effective on November 29, 1996.

FOR FURTHER INFORMATION CONTACT: Judith M. Wilson, Engineering and Standards Branch, telephone (703) 787-1600.

SUPPLEMENTARY INFORMATION: Currently, MMS offers 10-year terms for leases in water depths of 900 meters or more. In water depths of 400 to 900 meters, MMS offers 8-year lease terms subject to a requirement that the lessee begin an exploratory well within the first 5 years, 30 CFR 256.37. On June 5, 1996, MMS published a notice of proposed rulemaking in the Federal Register (61 FR 28528). MMS proposed to amend its regulation at 30 CFR 256.37 to remove the requirement that the lessee must begin exploratory drilling within 5 years on 8-year leases. The proposed amendment also changed the 400 to 900 meter depth requirement for 8-year leases to 400 to 800 meters. MMS proposed this rule because, among other reasons, we considered the financial incentive established by the OCS Deep Water Royalty Relief Act (DWRRA) to be more effective than the drilling requirement as a means of achieving earlier drilling.

Comments

During the 60-day comment period, MMS received ten comments. Two-thirds of the comments came from the ''major'' oil companies. The remaining one-third of the comments came from ''independents'' and drilling contractors. Generally, the majors support the proposed rule and urged MMS to adopt the change before the September 25, 1996, Gulf of Mexico OCS lease sale. They agree that the recently enacted DWRRA serves as a more effective incentive to encourage earlier or expedited development and were confident operators will continue to be diligent in conducting exploratory drilling. They supported the change in water depth range for 8-year leases.

The independents and drilling contractors, however, strongly oppose the proposed rule maintaining that the drilling requirement is necessary to ensure diligence. While the DWRRA should provide a financial incentive to develop leases in water depths greater than 400 meters, MMS should use the 5-year drilling requirement as a safeguard to ensure that the Nation's resources are produced in a timely manner. Finally, they claim that the myriad of smaller entities supporting the oil and gas industry have the greatest stake in the results of this rule which ought to be significant under E.O. 12866.

Response to Comments

MMS based the proposed rule on the observation that the 5-year drilling requirement has not resulted in meaningful, if any, increases in exploratory drilling. The data to support this observation comes from 8-year leases issued from 1985 to 1990. Leases issued at later dates were not analyzed because, at the time MMS initiated the proposed rule, it was too early to tell whether these leases would be drilled before the 5-year drilling window expired. In light of the independents' strong opposition to the proposed rule, MMS will review the 5-year drilling requirement after we have more data from 8-year leases issued for several years subsequent to 1990. The analysis will allow MMS to view the statistics for time periods of declining and increasing exploratory drilling.

Thus, under the final rule, if your lease is in 400 to 800 meters of water, it will have an initial lease term of 8 years. You must begin an exploratory well within 5 years or the leases will be canceled. The final rule also gives MMS the flexibility to set an initial lease term between 8 and 10 years in water depths ranging from 800 to 900 meters. If MMS issues leases for more than 8 years in the 800 to 900 meter depth margin, the current mandatory drilling requirement for that depth margin would be eliminated. MMS does not believe that the longer lease and the lack of the drilling requirement will have a significant impact on smaller entities.

Leases in water depths less than 400 meters or more than 900 meters are not addressed in this rule. See 30 CFR 256.37(a)(1).

Author: This document was prepared by Judy Wilson, Engineering and Standards Branch, MMS.

Executive Order (E.O.) 12866

This rule is not a significant rule requiring Office of Management and Budget review under E.O. 12866.

Regulatory Flexibility Act

The Department of the Interior (DOI) has determined that this rule will not have a significant effect on a substantial number of small entities. Most entities that engage in offshore activities as operators are not small because of the technical and financial resources and experience necessary to conduct offshore activities. Small entities are more likely to operate onshore or in State waters—areas not covered by this rule. When small entities work in the OCS, they are more likely to be contractors rather than operators. For example, a company that collects geologic and geophysical data might be a small entity. While these contractors must follow rules governing OCS operations, we are not changing the rules that govern the actual operations of a lease. We are only modifying the provision setting the water depths at which particular primary terms apply. This modification will have no effect on small entities.

Paperwork Reduction Act

The final rule does not contain new information collection requirements that require approval by the Office of Management and Budget (OMB). The information collection requirements in 30 CFR part 256 are approved by OMB under approval No. 1010–0006. 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.

MMS estimates the public reporting burden for this information will average 3.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining data needed, and completing and reviewing the information collection.

Takings Implication Assessment

The DOI certifies that this rule does not represent a governmental action capable of interference with constitutionally protected property rights. A Takings Implication Assessment prepared pursuant to E.O. 12630, Government Action and Interference with Constitutionally Protected Property Rights, is not required.

Unfunded Mandate Reform Act of 1995

The DOI has determined and certifies according to the Unfunded Mandates Reform Act, 2 U.S.C. 1502 *et seq.*, that this rule will not impose a cost of $100 million or more in any given year on local, tribal, State governments, or the private sector.

E.O. 12988

The DOI has certified to OMB that the rule meets the applicable civil justice reform standards provided in Sections 3(a) and 3(b)(2) of E.O. 12988.

National Environmental Policy Act

MMS has examined the rule and has determined that it does not constitute a major Federal action significantly affecting the quality of the human environment pursuant to Section 102(2)(c) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(c)).

List of Subjects in 30 CFR Part 256

Administrative practice and procedures, Continental shelf, Environmental Protection, Government contracts, Mineral royalties, Oil and gas exploration, Pipelines, Public lands—mineral resources, Public lands—rights-of-way, Reporting and recordkeeping requirements, Surety bonds.

Dated: October 21, 1996.

Sylvia V. Baca,

Deputy Assistant Secretary, Land and Minerals Management.

For the reasons set forth in the preamble, the Minerals Management Service amends 30 CFR part 256 as follows:

PART 256—LEASING OF SULPHUR OR OIL OR GAS IN THE OUTER CONTINENTAL SHELF

1. The authority citation for part 256 continues to read as follows:

Authority: 43 U.S.C. 1331 *et seq.*

2. In § 256.37, the concluding text of paragraph (a) is removed, paragraph (a)(2) is revised, and paragraph (a)(3) is added to read as follows:

§ 256.37 Lease Term.

(a) (1) * * *

(2) If your oil and gas lease is in water depths between 400 and 800 meters, it will have an initial lease term of 8 years unless MMS establishes a different lease term under paragraph (a)(1) of this section.

(3) For leases issued with an initial term of 8 years, you must begin an exploratory well within the first 5 years of the term to avoid lease cancellation.

* * * * *

[FR Doc. 96–27782 Filed 10–29–96; 8:45 am]

BILLING CODE 4310–MR–M

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[IN65–1–7288a; FRL–5613–4]

Approval and Promulgation of Implementation Plans; Indiana

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: On November 21, 1995, and February 14, 1996 the State of Indiana submitted a State Implementation Plan (SIP) revision request to the Environmental Protection Agency (EPA) establishing regulations for wood furniture coating operations in Clark, Floyd, Lake, and Porter Counties, as part of Clark and Floyd Counties' 15 percent (%) Rate-of-Progress (ROP) plan control measures for Volatile Organic Compound (VOC) emissions, and the State's requirement to develop post-1990 Control Techniques Guidelines (CTG) Reasonably Available Control Technology (RACT) rules for the four counties. These regulations require wood furniture coating facilities which have the potential to emit at least 25 tons of VOC per year to use coatings which meet a certain VOC content limit or add on controls that are capable of achieving an equivalent reduction. The rule also specifies work practices and training requirements that must be implemented for the wood working operations. Indiana expects that this rule will reduce VOC emissions by approximately 2,445 pounds per day in Clark and Floyd Counties. No wood furniture coating operations have been identified in Lake or Porter Counties at this time.

DATES: This action is effective on December 30, 1996, unless EPA receives adverse or critical comments by November 29, 1996. If the effective date is delayed, timely notification will be published in the Federal Register.

ADDRESSES: Copies of the revision request are available for inspection at the following address: Environmental Protection Agency, Region 5, Air and Radiation Division, Air Programs Branch, 77 West Jackson Boulevard, Chicago, Illinois 60604. (It is recommended that you telephone Francisco J. Acevedo at (312) 886–6082 before visiting the Region 5 Office.)

Written comments should be sent to: J. Elmer Bortzer, Chief, Regulation Development Section, Air Programs Branch (AR–18J), Environmental Protection Agency, 77 West Jackson Boulevard, Chicago, Illinois 60604.

FOR FURTHER INFORMATION CONTACT: Francisco J. Acevedo at (312) 886–6061.

SUPPLEMENTARY INFORMATION:

I. Background

Section 182(b)(1) of the Clean Air Act (the Act) requires all ozone nonattainment areas which are classified as ''moderate'' or worse to achieve a 15% reduction of 1990 emissions of VOC by 1996. In Indiana, Lake and Porter Counties are classified as ''severe'' nonattainment for ozone, while Clark and Floyd Counties are classified as ''moderate'' nonattainment. As such, these areas are subject to the 15% ROP requirement. Section 182(b)(2)(A) of the Act further requires States with moderate or worse ozone nonattainment areas to submit a SIP revision establishing RACT requirements for each source category covered by a CTG issued by EPA between November 15, 1990, and the date of area attainment. Under this provision, the State must submit these SIP revisions within the period established in the relevant CTG document. Section 183 of the Act required that EPA publish CTG documents for thirteen source categories not already covered by a CTG by November 15, 1993.

On April 28, 1992, the EPA published a supplement to the General Preamble for the Implementation of Title I of the 1990 Amendments to the Act (57 FR 18069), which listed 13 source categories to be covered by a post-enactment CTG document. One of these source categories is wood furniture coating. This supplemental document also noted that the EPA would not be able to publish all CTGs required by the Act by the November 15, 1993 deadline, and therefore states may delay adoption of RACT rules for forthcoming CTG source categories. However, it specifies that if the CTGs are not completed on time, the states are to develop and submit RACT rules for these categories by November 15, 1994. After an extensive regulatory negotiation with industry, EPA issued a draft CTG for wood furniture coating in August, 1995 which was released on May 20, 1996 as a final CTG. As part of the final CTG, a model rule for wood furniture finishing and cleaning operations was also released.

The emission points covered in the CTG are the finishing, cleaning, and washoff operations. The finishing operation includes the finishing application area, flashoff areas, curing ovens, and assorted cooldown zones. Emissions can occur throughout the entire finishing operation. Finishing operation-related cleaning includes application equipment cleanup, process equipment cleaning, and spray booth cleaning. Cleaning operations occur primarily in the application area, though miscellaneous cleaning operations may occur along any part of the finishing operation. Washoff operations are also covered by the model rule. Washoff includes the removal of finishing material from a piece of furniture that does not meet specifications.

The selected RACT contains two elements: emission standards limiting the VOC content of coatings and work practice standards. The VOC content should be calculated as applied to account for in-house dilution of coatings purchased from an outside source. To incorporate some flexibility, the model