may result in expenditures of $100 million or more for State, local, and tribal governments, in the aggregate, or the private sector in any one year. EPA does not anticipate that the approval of Michigan's hazardous waste program referenced in today's notice will result in annual costs of $100 million or more.

EPA's approval of State programs generally have a deregulatory effect on the private sector because once it is determined that a State hazardous waste program meets the requirements of RCRA section 3006(b) and the regulations promulgated thereunder at 40 CFR part 271, owners and operators of hazardous waste treatment, storage, or disposal facilities (TSDFs) may take advantage of the flexibility that an approved State may exercise. Such flexibility will reduce, not increase, compliance costs for the private sector. Thus, today's rule is not subject to the requirements of sections 202 and 205 of the UMRA.

EPA has determined that this rule contains no regulatory requirements that might significantly or uniquely affect small governments. The Agency recognizes that small governments may own and/or operate TSDFs that will become subject to the requirements of an approved State hazardous waste program. However, such small governments which own and/or operate TSDFs are already subject to the requirements in 40 CFR parts 264, 265, and 270. Once EPA authorizes a State to administer its own hazardous waste program and any revisions to that program, these same small governments will be able to own and operate their TSDFs with increased levels of flexibility provided under the approved State program.

Certification Under the Regulatory Flexibility Act

Pursuant to the provisions of 5 U.S.C. 605(b), I hereby certify that this authorization will not have a significant economic impact on a substantial number of small entities. This authorization effectively suspends the applicability of certain Federal regulations in favor of Michigan's program thereby eliminating duplicative requirements for handlers of hazardous waste in the State. It does not impose any new burdens on small entities. This rule, therefore, does not require a regulatory flexibility analysis.

Paperwork Reduction Act

Under the Paperwork Reduction Act, 44 U.S.C. 3501 *et seq.*, Federal agencies must consider the paperwork burden imposed by any information request contained in a proposed rule or a final rule. This rule will not impose any information requirements upon the regulated community.

List of Subjects in 40 Part 271

Environmental Protection, Administrative practice and procedure, Confidential business information, Hazardous materials transportation, Hazardous waste, Indian lands, Intergovernmental relations, Penalties, Reporting and recordkeeping requirements, Water pollution control, Water supply.

Authority: This notice is issued under the authority of sections 2002(a) 3006, and 7004(b) of the Solid Waste Disposal Act as amended (42 U.S.C. 6912(a), 6926 and 6974(b).

Dated: January 11, 1996.

Valdas V. Adamkus,

Regional Administrator.

[FR Doc. 96–2724 Filed 2–7–96; 8:45 am]

BILLING CODE 6560–50–P

40 CFR Part 300

[FRL–5418–4]

National Oil and Hazardous Substances Pollution Contingency Plan; National Priorities List Update

AGENCY: Environmental Protection Agency.

ACTION: Notice of deletion of the Clothier Disposal site from the National Priorities List (NPL).

SUMMARY: The Environmental Protection Agency (EPA), Region II, announces the deletion of the Clothier Disposal site from the National Priorities List (NPL). The NPL is Appendix B of 40 CFR part 300 which is the National Oil and Hazardous Substances Pollution Contingency Plan (NCP), which EPA promulgated pursuant to section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), as amended. EPA and the State of New York have determined that all appropriate responses under CERCLA have been implemented, and that no further cleanup by responsible parties is appropriate. Moreover, EPA and the State of New York have determined that remedial actions conducted at the site to date have been protective of public health, welfare, and the environment.

EFFECTIVE DATE: February 8, 1996.

ADDRESSES: For further information contact: Herbert H. King, Remedial Project Manager, U.S. Environmental Protection Agency, Region II, 290 Broadway, 20th floor, New York, NY 10007–1866.

FOR FURTHER INFORMATION CONTACT: Herbert H. King at (212) 637–4268.

SUPPLEMENTARY INFORMATION: The site to be deleted from the NPL is: Clothier Disposal site, Granby, New York.

The closing date for comments on the Notice of Intent to Delete was October 15, 1995. EPA received one comment letter from the counsel for the Settling Defendants (a group of potentially responsible parties associated with the site who entered into a consent decree with the government to pay for the government's past costs and to remediate the site), indicating that the Settling Defendants support deleting the site from the NPL, and requesting that the description of the activities that were undertaken by the Settling Defendants after the discovery of three buried drums during the first long-term monitoring event at the site be amplified. EPA acknowledges the Settling Defendants' efforts subsequent to the discovery of three buried drums, which included a geophysical investigation in the area surrounding the drum-discovery site, the excavation of trenches through two magnetic anomalies identified by the geophysical investigation, the excavation of metallic debris discovered in one trench, and the off-site disposal of the metallic debris and the three buried drums. Based on these efforts and the associated findings, EPA concluded that no further remedial or investigatory work was necessary at the site.

EPA identifies sites which appear to present a significant risk to public health, welfare, or the environment and it maintains the NPL as the list of those sites. Sites on the NPL may be the subject of Hazardous Substance Response Trust Fund (Fund)-financed remedial actions. Any site deleted from the NPL remains eligible for Fund-financed remedial actions in the unlikely event that conditions at the site warrant such action. Section 300.425 (e)(3) of the NCP states that Fund-financed actions may be taken at sites deleted from the NPL. Deletion of a site from the NPL does not affect responsible party liability or impede EPA's efforts to recover costs associated with response efforts.

List of Subjects in 40 CFR Part 300

Environmental protection, Air pollution control, Chemicals, Hazardous substances, Hazardous waste, Intergovernmental relations, Penalties, Reporting and recordkeeping requirements, Superfund, Water pollution control, Water supply.

Dated: January 2, 1996.

William J. Muszynski,

Acting Regional Administrator.

40 CFR part 300 is amended as follows:

PART 300—[AMENDED]

1. The authority citation for part 300 continues to read as follows:

Authority: 33 U.S.C. 1321 (c)(2); 42 U.S.C. 9601–9657; E.O. 12777, 56 FR 54757, 3 CFR, 1991 Comp., p. 351; E.O. 12580, 52 FR 2923, 3 CFR, 1987 Comp., p.193.

Appendix B—[Amended]

2. Table 1 of Appendix B to part 300 is amended by removing the Clothier Disposal site, Granby, New York.

[FR Doc. 96–2718 Filed 2–7–96; 8:45 am]

BILLING CODE 6560–50–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Part 3100

[WO–310–00–1310–2411]

RIN 1004–AC26

Promotion of Development, Reduction of Royalty on Heavy Oil

AGENCY: Bureau of Land Management, Interior.

ACTION: Final rule.

SUMMARY: The Bureau of Land Management is issuing this final rule to amend the regulations relating to the waiver, suspension, or reduction of rental, royalty, or minimum royalty. This action is being taken to promote the production of heavy oil. The amendment establishes the conditions under which the operators of properties that produce ''heavy oil'' (crude oil with a gravity of less than 20 degrees) can obtain a reduction in the royalty rate. The amendment should encourage the operators of Federal heavy oil leases to place marginal or uneconomical shut-in oil wells back in production, provide an economic incentive to implement enhanced oil recovery projects, and delay the plugging of these wells until the maximum amount of economically recoverable oil can be obtained from the reservoir or field.

DATES: This rule will be effective March 11, 1996.

ADDRESSES: Inquiries should be sent to: Director (140), Bureau of Land Management, Room 5558, Main Interior Building, 1849 C Street, N.W., Washington, D.C. 20240.

FOR FURTHER INFORMATION CONTACT: Dr. John W. Bebout, Bureau of Land Management, (202) 452–0340.

SUPPLEMENTARY INFORMATION:

I. Introduction

A proposed rule to provide royalty relief for producers of heavy oil was published in the Federal Register notice of April 10, 1995 (60 FR 18081) with the comment period ending June 9, 1995. The comment period was reopened June 16, 1995 (60 FR 31663) and closed July 17, 1995.

On March 30, 1995, an outdated version of this proposed rule was published in the Federal Register (60 FR 16424) by mistake. That proposed rule publication was withdrawn, and the Federal Register notice of April 10, 1995 (60 FR 18081) was published in its place as the proposed rule.

The following are questions and answers designed to provide an introduction to this rule.

When does the Department of the Interior (Department) consider granting royalty relief?

In order to encourage the greatest ultimate recovery of oil and in the interest of conservation, the Secretary, upon a determination that it is necessary to promote development, may reduce the royalty on an entire leasehold or any portion thereof (Section 39 of the Mineral Leasing Act, 30 U.S.C. 209).

Existing section 3103.4–1 of Title 43, Code of Federal Regulations, provides two forms of Federal oil and gas royalty reduction—on a case-by-case basis upon application and for stripper wells. The provision concerning stripper well properties allows royalty reduction for properties that produce an average of less than 15 barrels of oil per eligible well per well-day.

The Bureau of Land Management (BLM) believes that royalty relief for producers of heavy crude oil is needed to promote the development of heavy oil.

Why is heavy oil royalty relief needed?

Above all, this royalty relief is needed to promote the development of heavy oil. Eliminating all royalties would be the most effective way to promote development, but that would jeopardize the Department's efforts in securing a fair return for public land resources. Royalty relief has to be considered in light of all the Department's responsibilities and objectives. The balance this rule strikes is to have a royalty rate that promotes development while ensuring the public receives reasonable compensation.

Cyclical swings in the price for crude oil are common. BLM believes that future price decreases are possible, or even likely. The effect of this rule will provide a buffer against these decreases for heavy oil produced from Federal land. As many as two-thirds of all marginal properties (including non-heavy oil properties) could be lost during a period of sustained low oil prices (Marginal Wells, A Report of the National Petroleum Council, 1994, p. 3). The danger in losing the marginal wells is that, although production from individual wells may be small, their collective production is significant, accounting for one-third of lower-48 State onshore domestic production. Heavy oil production, from both Federal and non-Federal lands, makes up almost one-half of this third (Marginal Wells, A Report of the National Petroleum Council, 1994, p. 50). Heavy oil wells typically incur higher production costs, thus increasing their vulnerability. Were these heavy oil wells abandoned, the United States would lose this significant portion of domestic production.

What will happen as a result of this rule?

This rule should encourage the operators of Federal heavy oil leases to place marginal or uneconomical shut-in oil wells back in production, provide an economic incentive to implement enhanced oil recovery projects, and delay the plugging of these wells until the maximum amount of economically recoverable oil can be obtained from the reservoir or field.

According to a Department of Energy (DOE) analysis of its TORIS (Tertiary Oil Recovery Information System) data, the size of economically recoverable reserves from Federal lands will be significantly enhanced by this amendment. For instance, at a West Texas Intermediate (WTI) crude oil price of $16 a barrel, DOE projects that this rule will increase recoverable reserves of about 54 million barrels to about 87 million barrels for the State of California. At $18 a barrel, DOE projects that this rule will increase recoverable reserves of about 103 million barrels to about 130 million barrels for the State of California. At $20 a barrel, DOE projects that this rule will increase recoverable reserves of about 133 million barrels to about 229 million barrels for the State of California. A proportionately larger increase in recoverable reserves is anticipated when oil prices range toward $20 a barrel because major recovery projects may