administrative procedures in reaching the decision, or any other factor not directly related to the suitability of the land for a cross-country horse track and associated jumping facilities

Any adverse comments will be reviewed by the State Director. In the absence of any adverse comments, the classification will become effective 60 days from the date of publication of this notice in the **Federal Register**.

Comments, including names and street addresses of respondents will be available for public review at the Worland District Office, 101 South 23rd Street, Worland, Wyoming during regular business hours (7:30 a.m. to 4:30 p.m.) Monday through Friday, except holidays. Individual respondents may request confidentiality. If you wish to withhold your name or address from public review or from disclosure under the Freedom of Information Act, you must state this prominently at the beginning of your comments. Such requests will be honored to the extent by law. All submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, will be made available for public inspection in their entirety.

Dated: April 20, 1998.

David Atkins,

Bighorn Basin Assistant Area Manager.

[FR Doc. 98–11067 Filed 4–24–98; 8:45 am]

BILLING CODE 4310–22–M

DEPARTMENT OF THE INTERIOR

Minerals Management Service

Discretionary Authority for Royalty Relief on Nonproducing Leases on the Outer Continental Shelf

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Notice.

SUMMARY: The Deep Water Royalty Relief Act of 1995 (Act) granted the Secretary of the Interior (Secretary) the authority to reduce or eliminate royalties on producing or nonproducing leases in the Central and Western Gulf of Western Gulf of Mexico. On January 24, 1997, MMS published a Notice (62 FR 3714) seeking public input on whether and how MMS should implement that authority for nonproducing leases. This Notice summarizes comments received and presents the MMS decision not to implement the authority at this time.

FOR FURTHER INFORMATION CONTACT: Larry Maloney, Department of the Interior, Minerals Management Service; Mail Stop 4230; 1849 C Street NW; Washington, DC 20240; telephone number, (202) 208–5461; E-mail address, larry.maloney@mms.gov.

SUPPLEMENTARY INFORMATION:

Background

The Act (Pub. L. 104–58) authorized the Secretary to modify the royalty terms of certain exiting leases and to offer new leases subject to royalty suspension volumes in water depths of 200 meters or more in parts of the Gulf of Mexico. Most of the Act addresses mandatory royalty relief programs for leases in water depths of 200 meters or more. We implemented these provisions in rules covering new leases (63 FR 2626, January 16, 1998) and existing leases (63 FR 2605, January 16, 1998). The latter rule also established a royalty relief program for producing leases in all water depths and in all OCS areas.

The Act also provides for a discretionary royalty relief program. In part, section 302 of the Act amends section 8(a) of the OCS Lands Act by adding subparagraph (3)(B), which applies to all leases in the Gulf of Mexico west of 87 degrees, 30 minutes West longitude (i.e., the Central and Western Gulf of Mexico Planning Areas and the portion of the Eastern Gulf of Mexico Planning Area lying offshore Alabama). In this area, the Secretary may reduce or eliminate any royalty or net profit share in order to promote development, increase production, or encourage production of marginal resources on producing or nonproducing leases. This provision applies to active leases, not to the terms under which new leases are offered.

On January 24, 1997, MMS published a Notice seeking public input on whether and how MMS should implement that authority for nonproducing leases. We requested specific proposals, including information on the types of situations warranting royalty relief that cannot be addressed through existing programs; what criteria should be used in evaluating proposals; and, for any relief program recommended, specific information on its expected effects, including levels and costs of exploration, development, and production, and the volume of additional resources that may be recovered.

Comments Received

The following briefly summarizes the main points in comments submitted by the nine respondents to the January 24, 1997 **Federal Register** Notice.

- Five respondents (one oil and gas firm, one offshore service firm and three trade associations) strongly supported a program of royalty relief for nonproducing leases in the Central and Western Gulf, but did not offer comments on how MMS should implement such a program.
- One oil and gas firm supported the concept of royalty relief for OCS nonproducing leases. They believed that application of royalty relief should be based upon such factors as drill depth, pressure, and subsalt. The firm also stated that certainty of royalty relief early in the life of a project, before investment decisions are made, decreases the risk associated with evaluating business alternatives and increases the likelihood that the intent of the Deep Water Royalty Relief Act will be carried out.
- One trade association supported royalty relief for nonproducing leases. The association recommended that tracts not leased after initially being placed on the indicated hydrocarbon list be offered with a reduced royalty rate (i.e., from one-sixth to one-eighth the next time MMS offered the tracts for leasing.
- One oil and gas firm indicated that any royalty relief program established under this authority should grant relief only on a case-by-case basis using the same basic methodology established under the earlier program of royalty relief for existing deep water leases.
- Another trade association said that it might be wiser if MMS developed its thinking as to how such a program should be structured but defer implementation until market conditions signal a need for stimulative incentives. The association noted that conditions in the Gulf of Mexico are very robust and healthy and that the level of activity is so high that the infrastructure of tools, equipment, and trained personnel cannot meet all the demands placed on it.

Decision

After carefully considering public input and other information, we have decided not to implement, at this time, the statutory authority to reduce royalty rates on nonproducing leases in the Central and Western Gulf of Mexico. Our decision is based primarily on the fact that, in spite of lower oil prices, the oil and gas industry in the Gulf of Mexico is healthy and in little need of financial incentives at the present time.

Industry interest in acquiring relinquished leases is high. More than 50 percent of relinquished leases in the Gulf are re-leased within 3 years. In total, more than 80 percent of leases relinquished have been re-leased. Thus, leases that may be uneconomic at today's oil and gas prices can be re-leased and developed later as economic, geologic, or technological conditions changes. In this case, allowing market conditions and future discoveries to determine the best time to explore and develop tracts is preferable to offering financial incentives for current development.

In addition, we considered other issues that would have impacts on implementing a sound program of royalty relief for nonproducing leases.

Auction and Tract Evaluation Process Impacts

Reducing royalties on nonproducing leases could distort the auction process because some losing bidders may have submitted higher bids had they known that lease royalty rates could be reduced. Also, the program would complicate fair market value determinations because lease stipulated royalty rates could change before the start of production.

Workload Impacts

The potential workload associated with a relief program could become burdensome and drain MMS resources from other important jobs. Even a program of categorical relief (i.e., one based on predetermined qualifying criteria such as drill depth or pressure) could create a significant new workload. Although certain criteria may have substantial impact on project costs, many factors ultimately determine a project's economic viability. The effort to develop comprehensive qualifying criteria and keep them up to date may actually create more of a workload for MMS than accepting applications on a case-by-case basis.

Revenue Impacts

We considered the proposal to offer certain relinquished tracts at a lower royalty rate. However, the relinquishment of a tract, even if it is on the indicated hydrocarbons list, and its failure to be re-leased at the next lease sale, are not absolute determinants of its current or future economic viability. Tracts in the Central and Western Gulf may be offered time and again. As noted earlier, tracts that are uneconomic at one time may be re-leased and developed with changes in oil and gas prices or advances in technology that reduce drilling and production costs or enhance ultimate resource recovery. In these cases, the government would receive royalties at the regular royalty rate plus any bonus received on re-leasing.

In summary, the economic climate for the oil and gas industry in the Gulf of Mexico does not warrant taking action at this time. We will continue to monitor activities in the Central and Western Gulf and will move to exercise the authority if changed conditions require it.

We welcome all comments on issues related to this Notice and will consider them in determining the nature and timing of future actions.

Dated: April 21, 1998.

Walter Cruickshank,

Associate Director for Policy and Management Improvement.

[FR Doc. 98–11012 Filed 4–24–98; 8:45 am]

BILLING CODE 4310–MR–M

DEPARTMENT OF THE INTERIOR

Minerals Management Service

Outer Continental Shelf, Western Gulf of Mexico, Oil and Gas Lease Sale 171

AGENCY: Minerals Management Service, Interior.

ACTION: Availability of the proposed notice of sale.

Gulf of Mexico Outer Continental Shelf (OCS); Notice of Availability of the Proposed Notice of Sale for Proposed Oil and Gas Lease Sale 171 in the Western Gulf of Mexico. This Notice of Availability is published pursuant to 30 CFR 256.29(c), as a matter of information to the public.

With regard to oil and gas leasing on the OCS, the Secretary of the Interior, pursuant to section 19 of the OCS Lands Act, as amended, provides the affected States the opportunity to review the proposed Notice of Sale. The proposed Notice sets forth the proposed terms and conditions of the sale, including minimum bids, royalty rates, and rentals.

The proposed Notice of Sale for proposed Sale 171 may be obtained by written request to the Public Information Unit, Gulf of Mexico Region, Minerals Management Service, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123–2394, or by telephone at (504) 736–2529.

The final Notice of Sale will be published in the **Federal Register** at least 30 days prior to the date of bid opening. Bid opening is currently scheduled for August 1998.

Dated: April 20, 1998.

Cynthia Quarterman,

Director, Minerals Management Service.

[FR Doc. 98–11019 Filed 4–24–98; 8:45 am]

BILLING CODE 4310–MR–M

DEPARTMENT OF THE INTERIOR

National Park Service

Buffalo National River, Arkansas; Concession Contract Negotiations

SUMMARY: Public notice is hereby given that the National Park Service proposes to award a concession contract authorizing the continued overnight accommodations, food service facilities and vending machine services for the public at Buffalo National River for a period of five (5) years from January 1, 1999, through December 31, 2003.

EFFECTIVE DATE: June 26, 1998.

ADDRESSES: Interested parties should contact National Park Service, Buffalo National River, P.O. Box 1173, Harrison, Arkansas 72602–1173, or phone (870) 741–5443 to obtain a copy of the prospectus describing the requirements of the proposed contract.

SUPPLEMENTARY INFORMATION: This contract renewal has been determined to be categorically excluded from the procedural provisions of the National Environmental Policy Act and no environmental document will be prepared.

The existing concessioner has performed its obligations to the satisfaction of the Secretary under an existing contract which will expire by limitation of time on December 31, 1998, and therefore pursuant to the provisions of Section 5 of the Act of October 9, 1965 (79 Stat, 969; 16 U.S.C. 20, *et seq.*), is entitled to be given preference in the renewal of the contract and in the negotiation of a new proposed contract, providing that the existing concessioner submits a responsive offer (a timely offer which meets the terms and conditions of the Prospectus). This means that the contract will be awarded to the party submitting the best offer, provided that if the best offer was not submitted by the existing concessioner, then the existing concessioner will be afforded the opportunity to match the best offer. If the existing concessioner agrees to match the best offer, then the contract will be awarded to the existing concessioner. If the existing concessioner does not submit a responsive offer, the right of preference in renewal shall be considered to have been waived, and the contract will then be awarded to the party that has submitted the best responsive offer.

The Secretary of the Interior will consider and evaluate all proposals received as a result of this notice. Any proposal, including that of the existing concessioner, must be received by the