enhanced oil and gas recovery projects or should such decisions be left to market forces?

2. If the Secretary determines that incentives are warranted, does the case-by-case assessment approach for enhanced recovery project evaluation provide the appropriate framework for the intended production incentives?

3. Should existing enhanced oil recovery (EOR) projects be considered to qualify for production royalty relief to promote additional oil recovery as the project nears the end of its economic life? If yes, how?

4. How should the assessment be structured with regard to determining whether royalty relief is needed? Is it reasonable to expect that such assessments can be consistently and reliably completed for a wide variety of projects? If the Secretary determines that relief is warranted, how should the amount of relief be calculated?

5. Should the relief awarded be conditioned on market price? If yes, how?

6. How should the production incentive be applied to the enhanced recovery projects to promote project expansions and maximum oil and gas recoveries?

7. Should this incentive be limited to new technology? Should other gases and matter be considered for EOR royalty relief?

8. How should royalty relief be structured for the additional production resulting from enhanced recovery methods?

9. How should production currently using CO_2 for recovery be differentiated from new production which results from an incentive?

10. How could we encourage the capture, transportation, and sequestration of CO_2 and promote other public interests in addition to enhanced oil recovery?

11. In making the determination of whether the royalty relief described in Section 354 would be in the public interest, how should the Secretary value the benefit associated with the sequestration of CO_2 or other appropriate gases used to increase oil and gas production?

12. How, where, and when in the process should the value of the CO_2 (or other gas) or the benefit of its sequestration be measured: at its source or upon its capture, transportation, or sequestration on the lease?

13. Are there recommended methodologies, economic models, or other precedents that the Secretary could consider in assessing the value of sequestration?

14. Can relief be structured to focus on sequestering CO_2 that would otherwise be released into the atmosphere or not used for productive purposes?

15. Should this royalty relief take into consideration any existing incentives available for energy production?

16. Are there other issues that should be considered?

Section 354(b)(1) of the EPAct requires that the Secretary determine that royalty reduction is in the public interest and promotes the purposes of the Act. Thus, the Secretary must determine whether the anticipated amount of additional production justifies the level of Federal subsidies that would be provided through such royalty reduction. As a result of comments received in response to this Advance Notice of Proposed Rulemaking, the Secretary may determine that the production royalty incentive provided for by Section 354 of the EPAct is either unnecessary to promote enhanced oil and gas recovery or is insufficient to increase oil and gas production through enhanced recovery. Therefore, the Secretary is not yet prepared to make the determination under Section 354(b)(1) of the EPAct that royalty relief for CO_2 injection is in the public interest and promotes the purpose of that section of the Act. However, if BLM and/or MMS adopt a royalty relief rule it would be applicable to any eligible production occurring on or after the publication date of this Advance Notice of Proposed Rulemaking in the **Federal Register**.

Dated: February 1, 2006.

Johnnie Burton,

Acting Assistant Secretary of the Interior.

[FR Doc. 06–2170 Filed 3–7–06; 8:45 am]

BILLING CODE 4310–84–P; 4310–MR–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Part 3100

Minerals Management Service

30 CFR Part 203

[WO–310–06–1310–24 1A]

RIN 1004–AD81

Gas Hydrate Production Incentives

AGENCY: Bureau of Land Management, Minerals Management Service, Interior.

ACTION: Advance notice of proposed rulemaking.

SUMMARY: The Bureau of Land Management (BLM) and the Minerals Management Service (MMS) request comments and suggestions to assist in the preparation of proposed regulations governing Gas Hydrate Production Incentives. The rule would provide incentives to promote natural gas production from the natural gas hydrate resources on Federal lands in Alaska and in Federal waters on the Outer Continental Shelf. We encourage the public to provide comments and suggestions to help clarify and define the requirements for Gas Hydrate Production Incentives as described in the Energy Policy Act of 2005.

DATES: We will accept comments and suggestions on the advance notice of proposed rulemaking until April 7, 2006.

ADDRESSES: You may submit comments by any of the following methods listed below.

Federal rulemaking portal: *http://www.regulations.gov* (Follow the instructions for submitting comments.)

Internet e-mail: *comments_washington@blm.gov.* (Include ''Attn: AD81'').

Mail: Director (630), Bureau of Land Management, Administrative Record, Room 401–LS, Eastern States Office, 7450 Boston Boulevard, Springfield, Virginia 22153. Personal or messenger delivery: Room 401, 1620 L Street, NW., Washington, DC 20036.

FOR FURTHER INFORMATION CONTACT: For onshore, Thomas J. Zelenka at (202) 452–0334 and for offshore, Marshall Rose at (703) 787–1536, as to the substance of the advance notice, or Ted Hudson at (202) 452–5042, as to procedural matters. Persons who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1–800–877–8330, 24 hours a day, seven days a week, to contact the above individuals.

SUPPLEMENTARY INFORMATION:

I. Public Comment Procedures

A. How Do I Ccomment on the Advance Notice of Proposed Rulemaking?

Your written comments should:

- Be specific;
- Explain the reason for your comments and suggestions; and
- Be about the issues outlined in the notice.

Comments and recommendations that will be most useful and likely to influence decisions on the content of the proposed rule are:

• Those supported by quantitative information or studies, and

• Those that include citations to and analyses of any applicable laws and regulations.

We are particularly interested in receiving comments and suggestions about the topics listed under Section III. Description and Information Requested.

If you wish to comment, you may submit your comments by any one of several methods, in each case referring to ''1004–AD81''.

• You may mail comments to Director (630), Bureau of Land Management, Administrative Record, Room 401 LS, Eastern States Office, 7450 Boston Boulevard, Springfield, Virginia 22153.

• You may deliver comments to Room 401, 1620 L Street, NW., Washington, DC 20036.

• You may comment on this advance notice at the Federal eRulemaking Portal: *http://www.regulations.gov*, following the instructions at that link.

• You may also comment via email to: *comments_washington@blm.gov*.

We may not necessarily consider or include in the Administrative Record for the final rule comments received after the close of the comment period (see **DATES**) or comments delivered to an address other than those listed above (see **ADDRESSES**).

B. May I Review Comments Submitted by Others?

Comments, including names and street addresses of respondents, will be available for public review at the address listed under **ADDRESSES** Personal or messenger delivery—during regular business hours (7:45 a.m. to 4:15 p.m.), Monday through Friday, except holidays.

Individual respondents may request confidentiality, which we will honor to the extent allowable by law. If you wish to withhold your name or address, except for the city or town, you must state this prominently at the beginning of your comment. We will make all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public inspection in their entirety.

II. Background

A. Statutory

The Energy Policy Act of 2005, at Section 353, GAS HYDRATE PRODUCTION INCENTIVE, is intended to ''promote natural gas production from the natural gas hydrate resources on the outer Continental Shelf and Federal lands in Alaska by providing royalty incentives.'' The statute directs the Secretary to conduct a rulemaking and grant royalty relief ''if the Secretary determines that such royalty relief would encourage production of natural gas from gas hydrate resources. . ..'' The Energy Policy Act of 2005, at Section 353(d) also directs the Secretary to issue an Advance Notice of Proposed Rulemaking within 180 days of the August 8, 2005, date of enactment.

B. Technical Review

Gas hydrates are crystalline substances composed of water and gas together in solid form far above the freezing point of water, in which a solid water-lattice accommodates gas molecules in a cage-like structure, or clathrate. The estimated amount of gas in the hydrate accumulations of the world greatly exceeds the volume of known conventional gas resources. However, the role that gas hydrate resources may play in contributing to the world's energy requirements will depend ultimately on the availability of producible gas hydrate resources and the cost to extract them.

The discovery of large gas hydrate accumulations in terrestrial permafrost regions of the Arctic and beneath the sea along the outer continental margins of the world's oceans has heightened interest in gas hydrate resources as a possible energy resource. However, technical issues need to be resolved before gas hydrate resources can be considered a viable option for affordable supplies of natural gas. The combined information from Arctic gas-hydrate studies shows that, in permafrost regions, gas hydrate resources may exist at subsurface depths ranging from about 130 to 2,000 meters. The presence of gas hydrate resources in offshore continental margins has been inferred mainly from anomalous seismic reflectors, known as bottom-simulating reflectors, that have been mapped at depths below the sea floor ranging from about 100 to 1,100 meters.

In 1995, the U.S. Geological Survey completed its most detailed assessment of U.S. gas hydrate resources. The USGS study estimated the in-place gas resource within the gas hydrate of the United States ranged from 112,000 trillion cubic feet to 676,000 trillion cubic feet, with a mean value of 320,000 trillion cubic feet of gas. Subsequent refinements of the data in 1997 have suggested that the mean should be adjusted slightly downward, to around 200,000 trillion cubic feet—still larger by several orders of magnitude than the estimated 1,200 trillion cubic feet of conventional recoverable gas resources and reserves in the United States.

Recently, several countries, including Japan, India, and the United States, launched ambitious national projects to further examine the resource potential of gas hydrate resources. These projects may help answer key questions dealing with the properties of gas hydrate reservoirs, the design of production systems, and, most importantly, the relative costs and economics of gas hydrate production.

Even though gas hydrate resources are known to occur in numerous marine and Arctic settings, little is known about the technology necessary to produce gas hydrate. Most of the existing gas hydrate ''resource'' assessments do not address the problem of gas hydrate recoverability. Proposed methods of gas recovery from gas hydrate resources usually deal with dissociating or ''melting'' in-situ gas hydrates by (1) heating the reservoir beyond hydrate formation temperatures, (2) decreasing the reservoir pressure below hydrate equilibrium, (3) injecting an inhibitor such as methanol or glycol into the reservoir to create conditions that could decrease hydrate stability, or (4) some combination of these methods. Gas hydrate computer production models and a limited number of research and development production tests have shown that gas can be produced from hydrate resources at sufficient rates to make gas hydrate a technically recoverable resource. However, the economic costs associated with the various proposed production schemes have not been assessed. Several recent studies have documented the need for extended gas hydrate production field tests in order to allow further development of various gas hydrate production technologies.

C. Ongoing Research and Development Activities

It is possible that gas hydrate resources may become an important global source of natural gas. For the MMS and BLM, gas hydrates are potentially a large untapped resource occurring on Federally-managed lands and waters. To develop a complete regional understanding of this potential energy resource, the Department of the Interior through MMS, BLM, and the U.S. Geological Survey (USGS), is actively assessing the energy resource potential of gas hydrate resources in the Outer Continental Shelf of the United States and onshore in northern Alaska. This ongoing work has combined the resource assessment responsibilities of MMS and USGS with the surface management and permitting responsibilities of MMS and BLM. As interest in gas hydrate resources

continues to grow, information generated from these activities will help guide these agencies to promote responsible development of this potential energy resource.

The Methane Hydrate Research and Development Act of 2000 (Pub. L. 106–193) authorized the expenditure of $43 million over 5 years and directed the U.S. Department of Energy (DOE), in consultation with USGS, MMS, the National Science Foundation, the Department of Defense, and the Department of Commerce, to commence basic and applied research to identify, explore, assess, and develop methane hydrate resources as a source of energy. Under this Act, DOE funded laboratory and field research on both Arctic and marine gas hydrate resources. The Energy Policy Act of 2005 renews the Methane Hydrate Research and Development Act. In addition, the Energy Policy Act of 2005 provides the Secretary of the Interior with the authority to create incentives through royalty relief for gas hydrate production. Such incentives may encourage new technology and advance the timing of recovery.

III. Description of Information Requested

We are committed to carrying out the provisions of the Energy Policy Act of 2005. The potential for natural gas production from gas hydrate resources exists but has not yet been demonstrated to be technically feasible. Until exploration, development and production technologies are better determined, a rule providing for a flexible case-by-case assessment of each gas hydrate application for royalty relief would appear to be the most logical approach.

The gas hydrate production incentive aims to promote natural gas production from gas hydrate resources by providing a royalty suspension volume of up to 30 billion cubic feet (Bcf) per eligible lease, the maximum amount authorized under the statute. If the Secretary determines, pursuant to Section 353(b)(3) of the Energy Policy Act of 2005, that royalty relief would encourage production of natural gas from gas hydrate resources, and adopts a regulation providing for such relief, a lease may be eligible for this royalty relief if it is:

- A lease under the Outer Continental Shelf (OCS) Lands Act; or
- An oil and gas lease for onshore Federal lands in Alaska;
- Issued prior to January 1, 2016, that commences natural gas production from gas hydrate resources prior to January 1, 2018.

Section 353(d)(2) requires that any final rule must define gas hydrate resources as both the natural gas content of gas hydrates within the hydrate stability zone and free natural gas trapped by and beneath the hydrate stability zone. The royalty relief, if authorized under a final rule and approved for a lease, would apply only to production occurring on or after the date of publication of this advance notice of proposed rulemaking, as provided by Section 353(b)(3) of the EPAct. While relief is retroactive to the date of this advance notice of proposed rulemaking, lessees must pay royalty on production that occurs before publication of a final rule but may request a refund after a final rule is published. In addition, pursuant to Section 353(b)(4) of the EPAct, the royalty relief may be conditioned on the market price of natural gas, and so may be subject to a natural gas price threshold or other market based limitations.

We are interested in receiving comments regarding incentive provisions that would encourage production of natural gas hydrate resources. Topics we are considering for the proposed regulations include, but are not limited to, the following:

1. If the Secretary determines that incentives are warranted, does a case-specific assessment approach for gas hydrate resources provide the appropriate framework for the intended incentives?

2. How should the assessment be structured with regard to determining whether royalty relief is needed? Is it reasonable to expect that such assessments can be consistently and reliably completed for a wide variety of projects? If the Secretary determines that relief is warranted, how should the amount of relief be calculated? What information should be required?

3. Given that the technologies needed to produce this hydrate resource are still in the early stages of development, should incentives be structured to adapt to changes in technology and project economics? If yes, how?

4. Should the relief awarded be conditioned on market price? If yes, how?

5. If an approach other than a case-specific approach is advocated, what decision criteria should be used? What methodology should be used? What information should be required? How would this approach address the evolution of the technologies and operational processes? Should the process be the same for onshore leases and offshore leases?

6. Are there other incentives that could be offered to encourage development of gas hydrate resources production?

7. How should royalty relief be structured for production of gas hydrate resources? How should royalty relief for production of gas hydrate resources relate to other royalty relief?

8. Should royalty relief for the production of gas hydrate resources differentiate between instances that produce hydrate resources directly, and those that produce free natural gas trapped beneath the hydrate stability zone?

9. Are there other issues that should be considered?

As a result of comments received in response to this Advance Notice of Proposed Rulemaking, the Secretary may determine that a production royalty incentive is either unnecessary to promote gas hydrate production or is insufficient to encourage production of natural gas from gas hydrate resources. If a production royalty is insufficient to encourage production, other options for promoting gas hydrate resources production, possibly in combination with the options discussed above, may need to be analyzed instead. Therefore, the Secretary is not yet prepared to make the determination under Section 353(b)(3) of the Energy Policy Act that royalty relief would encourage production of natural gas from gas hydrate resources. However, pursuant to that subsection of the Energy Policy Act, if BLM and/or MMS adopt a royalty relief rule it would be applicable to any eligible production occurring on or after the publication date of this Advance Notice of Proposed Rulemaking in the **Federal Register**.

Dated: February 1, 2006.

Johnnie Burton,

Acting Assistant Secretary of the Interior.

[FR Doc. 06–2169 Filed 3–7–06; 8:45 am]

BILLING CODE 4310–MR–P; 4310–84–P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 50

[FRL–8042–1]

Review of National Ambient Air Quality Standards for Lead

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of review.

SUMMARY: This document describes EPA's plans and schedule for the review of the air quality criteria and national