

up expenditure incurred (whether or not paid); the month when the active trade or business began (or was acquired); and the number of months (not less than 60) over which the expenditures are to be amortized. A revised statement to include any start-up expenditures not included in the taxpayer's original election statement may be filed with a return filed after the return that contained the election.

(d) *Effective date.* This section applies to elections filed on or after the date final regulations are published in the **Federal Register**.

Michael P. Dolan,

Deputy Commissioner of Internal Revenue.

[FR Doc. 98-598 Filed 1-12-98; 8:45 am]

BILLING CODE 4830-01-U

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[KY-96-9801b; FRL-5946-9]

Approval and Promulgation of Implementation Plans; Commonwealth of Kentucky

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The EPA proposes to approve the source-specific State implementation plan (SIP) revision submitted by the Commonwealth of Kentucky for the Reynolds Metals Company to change emission limits. In the final rules section of this **Federal Register**, the EPA is approving the State's SIP revision as a direct final rule without prior proposal because the Agency views this as a noncontroversial revision amendment and anticipates no adverse comments. A detailed rationale for the approval is set forth in the direct final rule. If no adverse comments are received in response to this proposed rule, no further activity is contemplated in relation to this proposed rule. If EPA receives adverse comments, the direct final rule will be withdrawn and all public comments received will be addressed in a subsequent final rule based on this proposed rule. The EPA will not institute a second comment period on this document. Any parties interested in commenting on this document should do so at this time.

DATES: To be considered, comments must be received by February 12, 1998.

ADDRESSES: Written comments on this action should be addressed to Joey LeVasseur at the Environmental Protection Agency, Region 4, Air

Planning Branch, 61 Forsyth Street, SW., Atlanta, Georgia 30303. Copies of documents relative to this action are available for public inspection during normal business hours at the following locations. The interested persons wanting to examine these documents should make an appointment with the appropriate office at least 24 hours before the visiting day. Reference file KY-96-9801. The Region 4 office may have additional background documents not available at the other locations.

Air and Radiation Docket and Information Center (Air Docket 6102), U.S. Environmental Protection Agency, 401 M Street, SW., Washington, DC 20460.

Environmental Protection Agency, Region 4, Air Planning Branch, 61 Forsyth Street, SW., Atlanta, Georgia 30303.

FOR FURTHER INFORMATION CONTACT: Joey LeVasseur at 404/562-9035.

SUPPLEMENTARY INFORMATION: For additional information see the direct final rule which is published in the rules section of this **Federal Register**.

Dated: October 29, 1997.

A. Stanley Meiburg,

Acting Regional Administrator, Region IV.

[FR Doc. 98-771 Filed 1-12-98; 8:45 am]

BILLING CODE 6560-50-F

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[FRL-5949-2]

Notice of Public Hearing—Proposed Finding of Significant Contribution and Proposed Rulemaking for Certain States in the Ozone Transport Assessment Group Region for Purposes of Reducing Regional Transport of Ozone

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule; announcement of public hearing.

SUMMARY: The EPA is announcing the public hearing on the Agency's October 10, 1997, proposed rule (62 FR 60317, November 7, 1997) to reduce the transport of nitrogen oxide (NO_x) emissions in 22 States and the District of Columbia. All of the affected jurisdictions participated in the Ozone Transport Assessment Group (OTAG). The EPA proposes to find that the transport of NO_x from the 23 jurisdictions significantly contributes to nonattainment of the ozone national ambient air quality standards (NAAQS),

or interferes with maintenance of the NAAQS, in downwind States. The EPA has proposed a level of NO_x emissions for the 23 jurisdictions that will reduce the transport of this chemical, an ozone precursor. In accordance with the Clean Air Act, information and comments gathered from this two-day public hearing will be considered in the final decision-making process and entered into the official record.

DATES: The public hearing on the proposed rule will be held on February 3 and 4, 1998, beginning at 9 a.m. each day.

ADDRESSES: The public hearing will be held at the Washington Plaza Hotel, 10 Thomas Circle, N.W., Washington, D.C. (McPherson Square Metro stop), telephone number (800) 424-1140. Documents relevant to this matter are available for inspection at the Air and Radiation Docket and Information Center (6101), Attention: Docket No. A-96-56, U.S. Environmental Protection Agency, 401 M Street S.W., room M-1500, Washington, DC 20460, telephone (202) 260-7548, between 8 a.m. and 4 p.m., Monday through Friday, excluding legal holidays. A reasonable fee may be charged for copying.

SUPPLEMENTARY INFORMATION: Persons planning to present oral testimony at the hearing should notify JoAnn Allman, Office of Air Quality Planning and Standards, Air Quality Strategies and Standards Division, MD-15, Research Triangle Park, NC 27711, telephone (919) 541-1815 no later than January 27, 1998. Oral testimony will be limited to 5 minutes each. Any member of the public may file a written statement before, during, or within 30 days after the hearing. Written statements (duplicate copies preferred) should be submitted to the docket at the above address. A hearing schedule including a list of speakers will be posted on EPA's OTAG webpage at <http://www.epa.gov/ttn/oarpg/otagsip.html> prior to the hearing.

Following the hearing, a verbatim transcript of the hearing and written statements will be made available for copying during normal working hours at the Air and Radiation Docket Information Center at the above address.

The Agency does not plan to schedule any additional hearings on the proposed rule.

FOR FURTHER INFORMATION CONTACT: General questions concerning today's announcement should be addressed to Kimber Smith Scavo, Office of Air Quality Planning and Standards, Air Quality Strategies and Standards Division, MD-15, Research Triangle

Park, NC 27711, telephone (919) 541-3354.

List of Subjects in 40 CFR Part 52

Environmental protection, air pollution control, Ozone, and Nitrogen Oxides.

Dated: January 6, 1998.

Robert D. Brenner,

Acting Assistant Administrator for Air and Radiation.

[FR Doc. 98-769 Filed 1-12-98; 8:45 am]

BILLING CODE 6560-50-P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

43 CFR Parts 3100, 3106, 3130, and 3160

[AA-610-08-4111-2410]

RIN 1004-AC54

Oil and Gas Leasing; Onshore Oil and Gas Operations

AGENCY: Bureau of Land Management, Interior.

ACTION: Proposed rule.

SUMMARY: This proposed rule would clarify the responsibilities of oil and gas lessees for protecting Federal oil and gas resources from drainage by operations on nearby lands that would result in lower royalties to the Federal government. It would specify when the obligations of the lessee or operating rights owner to protect against drainage begin and end and specify what steps should be taken to determine if drainage is occurring. It also would clarify the obligation of the assignor and assignee for drainage obligations, well abandonment and environmental remediation when the Bureau of Land Management (BLM) approves an assignment of record title or operating rights.

DATES: BLM may not necessarily consider comments postmarked, hand-delivered, or received by electronic mail after March 16, 1998 the above date in the decisionmaking process on the final rule.

ADDRESSES: If you wish to comment, you may submit your comments by any one of several methods. You may mail comments to the Bureau of Land Management, Administrative Record, 1849 C Street, N.W., Room 401LS, Washington, D.C. 20240. You may also comment via the Internet to WOCComment@Wo.blm.gov. Please submit comments as an ASCII file avoiding the use of special characters and any form of encryption. Please also include "Attn: AC54" and your name

and return address in your Internet message. If you do not receive a confirmation from the system that we have received your Internet message, contact us directly at (202) 452-5030.

Finally, you may hand-deliver comments to Bureau of Land Management at 1620 L Street, N.W., Room 401, Washington, D.C. Comments, including names and street addresses of respondents, will be available for public review at this address during regular business hours (7:45 a.m. to 4:15 p.m.), Monday through Friday, except holidays. Individual respondents may request confidentiality, which BLM will consider on a case-by-case basis. If you wish to request that BLM consider withholding your name or street address from public review or from disclosure under the Freedom of Information Act, you must state this prominently at the beginning of your comment. 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.

FOR FURTHER INFORMATION CONTACT: Donnie Shaw, (202) 452-0340.

SUPPLEMENTARY INFORMATION:

- I. Public Comment Procedures
- II. Background
- III. Discussion of Proposed Rule
- IV. Procedural Matters

I. Public Comment Procedures

Written comments on the proposed rule should be specific, should be confined to issues pertinent to the proposed rule, and should explain the reason for any recommended change. Where possible, comments should reference the specific section or paragraph of the proposal which the commenter is addressing. BLM may not necessarily consider or include in the Administrative Record for the final rule comments which BLM receives after the close of the comment period (see **DATES**) or comments delivered to an address other than those listed above (see **ADDRESSES**).

II. Background

The existing regulations in 43 CFR Part 3100 provide for agreements whereby the United States is compensated for oil or gas resources that are drained from Federal lands by operations on adjacent lands. These rules further require the lessee or operating rights owner to drill and produce wells necessary to prevent drainage or, in lieu thereof, to pay compensatory royalties. These regulations are based on BLM's

authority under the Mineral Leasing Act of 1920, as amended and supplemented, and other cited authority to promulgate a rule to implement the Act. It and its implementing lease terms make express the covenant to protect the lessor against drainage implicit in the law of all oil and gas producing states. An audit by the Office of the Inspector General and an Internal Control Review by BLM in 1990, recommended that BLM revise the oil and gas regulations pertaining to drainage protection to clarify who is responsible for drainage protection, when that responsibility begins and ends, and to specify what actions are required on the part of Federal oil and gas lessees to ensure that their leases are protected from drainage. In 1995 the Director appointed a Bureau Performance Review Bonding and Unfunded Liability Team to review a broad range of liability issues. That Team recommended that BLM revise and clarify its regulations on lessee and operating rights owner liability with regard to prevention of drainage, payment of compensatory royalties, plugging and abandonment of wells, and reclamation and remediation of the lease site. This rulemaking should enable BLM to do an effective job in fulfilling its responsibility with regard to ensuring that the public receives full value for its oil and gas resources notwithstanding drainage. The rule would also insure that the Government's right to drainage compensation cannot be defeated by the expedient of lease assignment while the drainage continues.

III. Proposed Rule

The proposed rule would amend existing provisions on the responsibilities of lessees of Federal oil and gas leases. It would clarify and codify the responsibilities of oil and gas lessees for protecting Federal oil and gas resources from drainage by operations on nearby lands that would result in lower royalties from Federal leases. The rule would add definitions of the terms "drainage" and "protective well", and clarify when and how lessees receive notice, either actual or constructive, that drainage from their leases may be occurring. The proposed rule would amend the regulations on transfers of leases and onshore oil and gas operations to allocate the responsibility for drainage protection and to clarify when the obligation to protect Federal leases from drainage begins. It would make it clear that once BLM has made a *prima facie* case that drainage is occurring, the lessee has the burden of