

Approx. 40 square feet;—Miscellaneous facilities; Comments: Measuring systems vary (TACAMO aprons, fencing, etc.);—Paved drive/plant area; Comments: measuring systems vary;—Pavements/grounds; Comments: Approx. 2,643 square feet (parking, sidewalks, roads, etc.);—Primary substation; Comments: Measuring systems vary;—Public works shop and maintenance storage facilities (6 structures); Comments: Approx. 4716 square feet;—Refuel vehicle facility (2 structures); Comments: Approx. 1,120 square feet;—Research, development, test & evaluation storage lab facility (1 structure); Comments: Approx. 577 square feet;—Sewage treatment facility (2 structures); Comments: Approx. 2,543 square feet;—Sonobuoy Accelerator (1 structure); Comments: Approx. 40 square feet;—Substation #2A; Comments: Measuring systems vary;—Substation #4 facility (1 structure); Comments: Approx. 626 square feet;—Switch/substation (2 structures); Comments: Approx. 3,507 square feet;—Underwater lab (6 structures); Comments: Approx. 58,818 square feet;—Utilities; Comments: Measuring systems vary (water, electric distribution lines, fire protection, drainage ditch, sanitary sewer);—Well-potable water #10; Comments: Approx. 58,818 square feet.

Off-Site Component

Instrument facility (1 structure); Comments: Approx. 253 square feet;—Miscellaneous facilities; Comments: Measuring systems vary (loading dock and pad, fixed crane, flag pole, fencing, electric line, parking area, etc.)

Expressions of Interest

Pursuant to paragraph 7(C) of Section 2905(b) of the Defense Base Closure and Realignment Act of 1990, as amended by the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, State and local governments, representatives of the homeless, and other interested parties located in the vicinity of the Naval Air Warfare Center, Aircraft Division, Warminster, Pennsylvania, shall submit to said redevelopment authority Federal Lands Reuse Authority of Bucks County (FLRA-BC) a notice of interest, of such governments, representatives and parties in the above described surplus property, or any portion thereof. A notice of interest shall describe the need of the government, representative, or party concerned for the desired surplus property. Pursuant paragraphs 7(C) of said Section 2905(b), the redevelopment authority shall assist interested parties in evaluating the surplus property for the intended use and publish in a

newspaper of general circulation in Bucks and Montgomery Counties, Pennsylvania, the date by which expressions of interest must be submitted.

Dated: March 12, 1996.

M. A. Waters,

LCDR, JAGC, USN, Federal Register Liaison Officer.

[FR Doc. 96-6817 Filed 3-20-96; 8:45 am]

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DEPARTMENT OF ENERGY

Sale of Naval Petroleum Reserve No. 1; Intent To Prepare a Supplemental Environmental Impact Statement and Conduct Public Scoping Meeting

AGENCY: Office of Naval Petroleum and Oil Shale Reserves, Energy.

ACTION: Notice of intent to prepare a Supplemental Environmental Impact Statement.

SUMMARY: Title XXXIV, Subtitle B, of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106) directs the Secretary of Energy to sell the Federal government's interests in Naval Petroleum Reserve Numbered 1 (NPR-1, also called "Elk Hills"). In 1993, the Department of Energy (DOE) published a supplement (DOE/EIS-0158) to a 1979 Environmental Impact Statement (EIS) which analyzed the impacts of oil and gas production at NPR-1 under continued Federal ownership and operation. Sale of Federal ownership was not analyzed in the 1993 Supplemental EIS. DOE has determined that the sale required by Public Law 104-106 constitutes a major Federal action which may have significant impact upon the environment within the meaning of the National Environmental Policy Act (NEPA). For this reason, DOE intends to prepare a supplement to the 1993 Supplemental EIS to cover foreseeable impacts from the sale and reasonable alternatives.

DATES: DOE invites interested agencies, organizations, and members of the public to submit comments or suggestions to assist in identifying significant environmental issues and determining the appropriate scope of the Supplemental EIS. Comments may be submitted by mail or presented at a scoping meeting to be held at Bakersfield, California, on the date and at the time indicated below.

Tuesday, April 16, 1996

1:00 P.M. to 3:00 P.M., and 7:00 P.M. to 9:00 P.M.

Red Lion Hotel, 3100 Camino del Rio Court, Bakersfield, California

Written comments postmarked by May 6, 1996, will be considered in the preparation of the Draft Supplemental EIS. Comments postmarked after that date will be considered to the maximum extent practicable. Requests to speak at the meeting should be received by Anthony J. Como, at the address indicated below, on or before April 9, 1996. In addition, requests to speak may be submitted to Mr. Como via facsimile at (202) 586-6050 or a message may be left on our toll-free number at 1-888-NPREIS1 (677-3471). Requests to speak may also be made at the time of registration for the meeting. However, persons who submitted advance requests to speak by April 9, 1996, will be given priority if time should become limited during the meeting.

ADDRESSES: Written comments or suggestions on the scope of the supplemental EIS, and requests to speak at the scoping meeting, may be submitted to: Anthony J. Como, Document Manager (FE-52), U.S. Department of Energy, 1000 Independence Avenue, S.W., Washington, DC 20585-0350, Phone: 202-586-5935, Telefax: 202-586-6050.

Envelopes should be labeled "Scoping for Sale EIS".

FOR FURTHER INFORMATION CONTACT: For general information on the DOE NEPA review process, contact: Carol M. Borgstrom, Director, Office of NEPA Policy, and Assistance (EH-42), U.S. Department of Energy, 1000 Independence Ave., S.W., Washington, D.C. 20585-0119, Phone: 202-586-4600, Telefax: 202-586-7031, Toll Free: (800) 472-2756.

For information on the sale of NPR-1 required by Pub. L. 104-106, contact: John Bartholomew, Divestment Administrator (FE-41), U.S. Department of Energy, 1000 Independence Ave., S.W., Washington, D.C. 20585-0340, Phone: 202-586-4248, Telefax: 202-586-0835.

SUPPLEMENTARY INFORMATION: NPR-1 comprises 47,985 acres and is located about 35 miles west of Bakersfield in Kern County, California. It was created by an Executive Order issued by President Taft in 1912 to provide an emergency source of liquid fuels for the military. Except for brief periods of production in the 1920's and during World War II, Elk Hills was maintained in an essentially undeveloped status until the 1973-74 oil embargo demonstrated the Nation's vulnerability to oil supply interruptions. As a result of the embargo, the Congress passed the Naval Petroleum Reserves Production

Act of 1976 (Pub. L. 94-258), which authorized and directed that the Reserve be explored and developed to its full economic and productive potential. Public Law 94-258 required that Elk Hills be produced for six years at the "maximum efficient rate" consistent with sound engineering practices. The law also provided the President discretionary authority to extend production subsequently, in increments of up to three years each, if continued production is found to be in the national interest. Such findings have been made and production is presently authorized through April 5, 1997.

Elk Hills is currently producing approximately 61,000 barrels per day of oil, 345 million cubic feet per day of natural gas, and 500 thousand gallons per day of natural gas liquids. All of the government's share of production (approximately 47,000 barrels per day of oil, 40 million cubic feet per day of natural gas, and 225 thousand gallons per day of natural gas liquids) is sold on the open market via competitive bids, and all revenues from these sales are deposited into the Miscellaneous Receipts Account in the U.S. Treasury. Since the opening of Elk Hills to full development in 1976, revenues through Fiscal Year 1995 from the sale of hydrocarbon products produced from the field have totaled almost \$13.0 billion, against total costs of \$3.0 billion.

Elk Hills consists of about 67 sections of land, approximately 78 percent of which is owned by the Federal government and 22 percent by Chevron U.S.A. These lands have been developed and operated as a unit pursuant to a Unit Plan Contract (UPC) entered into in 1944. Under the UPC, the Federal government has the exclusive control, subject to the UPC, over the exploration, development, and operation of NPR-1.

To meet President Clinton's call to reinvent government, DOE evaluated the Federal government's role at Elk Hills in context with current national priorities and needs. The Department recognized that this facility consistently earns substantial revenues for the Treasury. However, the Department decided that continued involvement by the Federal government in what is essentially a commercial enterprise was inappropriate, and recommended to the Congress that Elk Hills be privatized. Congress agreed that privatization was the appropriate course of action and included language in the Defense Authorization Act for Fiscal Year 1996 authorizing the sale.

Preliminary Identification of Alternatives

One of the major purposes of an EIS is to define and analyze the reasonable alternatives to the proposed action, and the environmental impacts to be expected from each alternative. As background for public comments and suggestions concerning reasonable alternatives to be considered, DOE has tentatively identified two alternatives, as well as a reference case, to be analyzed in the Supplemental EIS:

1. Continued Federal Ownership and Operation Under Public Law 104-106 ("No Action")

Public Law 104-106 establishes certain conditions that must be met for the sale of the Federal government's ownership interests in Elk Hills to be completed. For example, under section 3414(b), the Secretary of Energy may suspend the sale if the Secretary and the Director of the Office of Management and Budget jointly determine that the sale is proceeding in a manner inconsistent with achievement of a sale price that reflects the full value of Elk Hills, or that a course of action other than immediate sale is in the best interests of the United States. The "No Action" alternative, therefore, contemplates that sale does not take place for some reason, and that Federal ownership and operation of NPR-1 will continue.

The environmental and socioeconomic impacts of continued Federal ownership and operation of Elk Hills were analyzed in the 1993 Supplemental EIS (DOE/EIS-0158). Those analyses assumed that the petroleum engineering strategy that was being used in 1993 to guide the overall development of Elk Hills ("maximum efficient rate" production, as required by the Naval Petroleum Reserves Production Act of 1976), would continue to be used in the future. However, section 3412(h) of the Defense Authorization Act for Fiscal Year 1996, which authorized the sale of Elk Hills, also revised the basic operating strategy for that oil field. Section 3412(h) requires that, until the sale of Elk Hills is completed, DOE must produce the field not at the "maximum efficient rate," but rather "at a maximum daily oil or gas rate * * * which will permit maximum economic development * * * consistent with sound oil field engineering practices * * *." It is possible that development of Elk Hills under this new strategy may proceed at a different pace, and may consist of a different mix of facility development and operational projects, than was

analyzed in the 1993 Supplemental EIS. DOE will have a more detailed, but still preliminary, description of activities under the "maximum economic development" strategy available at the scoping meeting. However, the Department is seeking public input on this issue and encourages suggestions and comments.

2. Sale of the Federal Government's Ownership Interests ("Proposed Action")

In this scenario, all Federal ownership interests in Elk Hills would be sold; DOE would no longer have authority or responsibility for the management of Elk Hills, and all development and production decisions would be vested solely with the private sector owner(s). This is the outcome sought by the legislation and is therefore the proposed action for the Supplemental EIS. Private owners of Elk Hills will not be bound by any Federal statutory requirements regarding development philosophies, as was DOE with the "maximum efficient rate" requirement in Public Law 94-258. This may result in the Elk Hills field taking a different course in the future, with different levels of development activity and different types of projects than under continued government ownership. DOE will have a preliminary description of a number of possible development scenarios for NPR-1 under private ownership available for presentation at the scoping meeting. However, the Department is seeking public input on this issue and encourages suggestions and comments.

3. Reference Case

In order to understand the changes in environmental impacts which Public Law 104-106 could cause at NPR-1, the Supplemental EIS will describe a "reference case" scenario comprised of the present conditions at the reserve. This scenario will be based on the 1993 Supplemental EIS and actual operational data obtained since that document was published. The reference case will provide a basis of comparison for evaluating the required change from the "maximum efficient rate" operation strategy to "maximum economic development." DOE believes at this time that the reference case will be similar to the No Action alternative in many respects.

Preliminary Identification of Environmental Issues

The purpose of this notice is to solicit comments and suggestions for consideration in preparation of the EIS Supplement. As background for public comment, it is useful to list in this

document those environmental issues which have been tentatively identified for analysis. This list is not intended to be all-inclusive or to imply any predetermination of impacts. Following is a preliminary list of issues that may require analysis in the NPR-1 Supplemental EIS.

In addition to seeking comments from the public on this preliminary list of potential impacts, DOE is also soliciting comments on how environmental compliance activities conducted by a private owner of Elk Hills may differ from compliance activities conducted at the site by the Federal government, as described in the 1993 Supplemental EIS and other documents related to environmental compliance, such as the 1995 Biological Opinion issued by the U.S. Fish and Wildlife Service under Section 7 of the Endangered Species Act.

1. *Air Quality*: Release of air pollutants from the Reserve would probably occur at about the same levels as projected in the 1993 Supplemental EIS under Alternative 1, although it is possible that some increases could also occur. Implementation of Alternative 2 could result in the continued release of gaseous and particulate residuals from the Reserve, and possibly increase the level of releases.

2. *Impacts to Wildlife*: Operation under either of the alternatives would continue to produce some potentially adverse impacts to some wildlife inhabiting the Reserve. Of particular concern would be the continued or expanded disturbance of habitat, and other related interactions, involving the six Federal- and state-listed endangered species known to exist on the NPR-1 site (the San Joaquin kit fox, giant kangaroo rat, blunt-nosed leopard lizard, Tipton kangaroo rat, Hoover's woolly-star, and San Joaquin antelope squirrel).

3. *Socioeconomic Effects*: Sale of NPR-1 to a private owner could result in a combination of positive and negative impacts in the local area, depending on possible changes in state and local taxation of the new privately-owned Reserve lands and related revenues, and in the alteration of existing Federal purchasing and contracting practices by a private sector owner. It is possible that overall staffing levels at Elk Hills will be lower under a private owner than they are with Federal ownership and operation. Hence, adoption of Alternative 2 by DOE could potentially have adverse impacts in a number of Kern County communities, due to direct loss of jobs by NPR-1 workers, indirect economic impacts on businesses supported in

whole or in part by Federal operation of the Reserve, and by community loss of other revenues. Continued Federal ownership under Alternative 1 could maintain socioeconomic benefits for the area through the interaction of the substantial employment, subcontracting, and supply requirements of the Reserve with the local economy and residents.

4. *Water Resources*: Some concern exists regarding the potential for additional impacts to groundwater resources near the Reserve as a result of continued and possibly expanded reinjection of wastewater and disposal of other production wastes onsite. This concern is associated with Alternatives 1 and 2.

5. *Cumulative Impacts*: NEPA requires that the EIS evaluate the potential cumulative effects of the various alternatives in relation to the impacts of past, present, and reasonably foreseeable future development (of any kind), both on- and offsite. Cumulative impacts will be evaluated within the Supplemental EIS for all important issues, e.g., air quality, wildlife species, and socioeconomic conditions in nearby areas.

Scoping

The above preliminary lists of major environmental issues and reasonable alternatives are not meant to be exhaustive or final. For instance, even though some potential environmental impact areas, such as cultural resources, land use, and recreation, are not specified above as major issues, they will be evaluated as part of the NEPA analysis and will be discussed in the Supplemental EIS. DOE identified the reasonable alternatives and environmental issues listed above based on its experience with the major issues that have been raised in previous NEPA compliance activities for Elk Hills. DOE considers the scoping process to be open and dynamic in the sense that alternatives other than those given above may warrant examination, and new issues may be identified and evaluated. Interested parties are invited to participate in the scoping process both to refine the preliminary alternatives and environmental issues to be analyzed in depth, and to eliminate from detailed study those alternatives and environmental issues that are not significant or pertinent.

The scoping process will involve all interested agencies (Federal, state, county, and local), groups, and members of the public. Comments are invited on both the alternatives and the issues to be considered in the Supplemental EIS. A public scoping meeting will be held at the location, date, and time indicated

above. This scoping meeting will be informal and conducted as a discussion between attendees and DOE. The DOE presiding officer will establish only those procedures needed to ensure that everyone who wishes to speak has a chance to do so and that all issues and comments raised are clearly understood by DOE. Depending upon the number of persons wishing to speak, DOE may allow longer times for representatives of organizations. Consequently, persons wishing to speak on behalf of an organization should identify that organization in their request to speak. Persons who have not submitted a request to speak in advance may register to speak at the scoping meeting. However, advance requests to speak are encouraged. Both oral and written comments will be considered and will be given equal weight by DOE.

A complete transcript of the public scoping meeting will be retained by DOE and made available for inspection during business hours, Monday through Friday, at the Department of Energy Freedom of Information Reading Room, Forrestal Building, 1000 Independence Avenue, S.W., Washington, DC 20585, and at the Department of Energy Oakland Operations Office, 1301 Clay Street, Oakland, CA 94612-5208. Additional copies of the public scoping meeting transcripts will also be made available during normal business hours at the following locations:

Beale Memorial Library—Main Branch,
1315 Truxtun Avenue, Bakersfield,
California

Taft Branch—Kern County Library, 27
Emmons Park Drive, Taft, California

A notice of locations where documents will be available will be published in the Federal Register at the time of announcement of the availability of the Draft Supplemental EIS. In addition, copies of the public scoping meeting transcripts will be made available for purchase.

Those interested parties who do not wish to submit comments or suggestions at this time, but who would like to receive a copy of the Draft Supplemental EIS, should notify Anthony J. Como at the address given in the address section of this notice.

Dated at Washington, DC, this 13th day of March, 1996, for the United States Department of Energy.

Peter N. Brush,

*Principal Deputy Assistant Secretary
Environment, Safety and Health.*

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