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**Cynthia E. Grigsby,**

*Chief, Regulations Unit, Assistant Chief Counsel (Corporate).*

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Parts 1 and 301

[REG-252487-96]

RIN 1545-AU90

#### Inbound Grantor Trusts With Foreign Grantors; Correction

**AGENCY:** Internal Revenue Service, Treasury.

**ACTION:** Correction to a notice of proposed rulemaking and notice of public hearing.

**SUMMARY:** This document contains corrections to the notice of proposed rulemaking and notice of public hearing (REG-252487-96), which was published in the *Federal Register* Thursday, June 5, 1997 (62 FR 30785), relating to the application of the grantor trust rules to certain trusts established by foreign persons.

**FOR FURTHER INFORMATION CONTACT:** James Quinn, (202) 622-3060 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

The notice of proposed rulemaking and notice of public hearing that is the subject of these corrections is under sections 643, 671 and 672 of the Internal Revenue Code.

##### Need for Correction

As published, REG-252487-96 contain errors which may prove to be misleading and are in need of clarification.

##### Correction of Publication

Accordingly, the publication of the notice of proposed rulemaking and notice of public hearing (REG-252487-96), which was the subject of FR Doc. 97-14735, is corrected as follows:

1. On page 30786, column 1, in the preamble under the paragraph heading "1. *Prior Law*", paragraph 2, line 5, the language "the grantor, a distribution of income" is corrected to read "the owner, a distribution of income".

2. On page 30787, column 2, in the preamble under the paragraph heading "3. *Section 1.672(f)-1: Foreign Persons*

*Not Treated as Owners*", fourth full paragraph in the column, line 7, the language "basic grantor trust rules from treating a" is corrected to read "basic grantor trust rules from treating a foreign".

#### § 1.672(f)-2 [Corrected]

3. On page 30793, column 1, § 1.672(f)-2 (d), *Example 3*, second line from the bottom of the column, the language "no deductions or losses for 199X. Under" is corrected to read "no deductions or losses for 1999. Under".

4. On page 30793, column 2, § 1.672(f)-2, paragraph (d) is correctly designated as paragraph (e).

#### § 1.672(f)-3 [Corrected]

5. On page 30793, column 3, § 1.672(f)-3 (a)(3), *Example 1*, line 1, the paragraph heading "Owner is grantor." is corrected to read "Death of Grantor".

6. On page 30793, column 3, § 1.672(f)-3 (a)(3), *Example 2*, line 1, the paragraph heading "Owner not grantor." is corrected to read "Death of grantor".

#### § 1.672(f)-4 [Corrected]

7. On page 30795, column 3, § 1.672(f)-4 (d), line 6, the language "value) to a person who is not a partner" is corrected to read "value, within the meaning of § 1.671-2 (e)(4)(i)(A)) to a person who is not a partner".

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## DEPARTMENT OF THE INTERIOR

### Minerals Management Service

#### 30 CFR Part 250

RIN 1010-AC37

#### Blowout Preventer (BOP) Testing Requirements for Drilling and Completion Operations

**AGENCY:** Minerals Management Service (MMS), Interior.

**ACTION:** Proposed rule.

**SUMMARY:** MMS proposes to revise the testing requirements in its regulations for blowout preventer (BOP) systems used in drilling and completion operations. The revision would allow a lessee up to 14 days between BOP pressure tests. MMS bases this revision on the results of a recently completed study of BOP performance. This study concluded that no statistical difference exists in failure rates for BOP's tested

between 0 and 7 day intervals and between 8- and 14-day intervals. MMS estimates that the revised testing timeframe could save industry \$35 to \$46 million a year without compromising safety.

**DATES:** MMS will consider all comments we receive by September 15, 1997. We will begin reviewing comments then and may not fully consider comments we receive after September 15, 1997.

**ADDRESSES:** Mail or hand-carry written comments to the Department of the Interior; Minerals Management Service; Mail Stop 4700; 381 Elden Street; Herndon, Virginia 20170-4817; Attention: Rules Processing Team.

**FOR FURTHER INFORMATION CONTACT:** Bill Hauser, Engineering and Research Division, (703) 787-1613.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

In 1992, the offshore oil and gas industry asked MMS to revise its requirements for testing BOP systems and equipment. Specifically, industry requested an extension of the minimum testing frequency for BOP's and associated equipment to 14 days. Current regulations require lessees to test BOP systems at least once a week, but not to exceed 7 days between tests. After reviewing the information and data submitted by industry, MMS allowed lessees and operators to test BOP systems on a 14-day interval on a case-by-case basis. In addition, MMS decided that we must examine BOP performance on the OCS before revising the regulations.

MMS conducted two reviews of BOP performance. The initial review examined BOP test results collected during inspections of drilling activities in mid-1993. MMS inspectors reviewed BOP test charts and noted equipment failures. This review showed higher failure rates than those cited by industry. However, MMS decided this review did not accurately assess BOP performance and that a more comprehensive study was necessary.

The second review examined BOP test data from wells drilled during 1994. MMS collected this data from wells drilled between January and October 1994. Lessees submitted copies of BOP test data after drilling each well. Test data included BOP test charts, reports, and observations about problems during the tests. Results of this study also showed higher failure rates than those cited by industry. After discussing the results of the second review with industry, MMS decided another study of BOP performance was necessary. This study would have industry involvement