

**Supporting Statement for Paperwork Reduction Act Submissions
(Proposed Rulemaking)
30 CFR Part 251, Geological and Geophysical (G&G) Explorations of the OCS
Form MMS-327
OMB Control Number 1010-0048
Current Expiration Date 7/31/2009**

Terms of Clearance: None

General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i) (iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. If statistical methods are employed, Section B of the Supporting Statement must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The Outer Continental Shelf (OCS) Lands Act, as amended (43 U.S.C. 1331 et seq. and 43 U.S.C. 1801 et seq.), authorizes the Secretary of the Interior (Secretary) to prescribe rules and regulations to administer leasing of the OCS. Such rules and regulations will apply to all operations conducted under a lease. Operations on the OCS must preserve, protect, and develop oil and natural gas resources in a manner that is consistent with the need to make such resources available to meet the Nation's energy needs as rapidly as possible; to balance orderly energy resource development with protection of human, marine, and coastal environments; to ensure the public a fair and equitable return on the resources of the OCS; and to preserve and maintain free enterprise competition.

The OCS Lands Act (43 U.S.C. 1340) also states that "any person authorized by the Secretary may conduct geological and geophysical explorations in the [O]uter Continental Shelf, which do not interfere with or endanger actual operations under any lease maintained or granted pursuant to this OCS Lands Act, and which are not unduly harmful to aquatic life in such area." The section further requires that permits to conduct such activities may only be issued if it is determined that the applicant is qualified; the activities are not polluting, hazardous, or unsafe; they do not interfere with other users of the area; and they do not disturb a site, structure, or object of historical or archaeological significance. Applicants for permits are required to submit Form MMS-327 to provide the information necessary to evaluate their qualifications. Upon approval, respondents are issued a permit on either Form MMS-328 or MMS-329 depending on whether the permit is for geophysical exploration or for geological exploration.

The OCS Lands Act (43 U.S.C. 1352) further requires that certain costs be reimbursed to the parties submitting required G&G information and data. Under the OCS Lands Act, permittees are to be

reimbursed for the costs of reproducing any G&G data required to be submitted. Permittees are to be reimbursed also for the reasonable cost of processing geophysical information required to be submitted when processing is in a form or manner required by the Director of the Minerals Management Service (MMS) and is not used in the normal conduct of the business of the permittee.

Regulations to carry out these responsibilities are contained in 30 CFR part 251. This supporting statement pertains to rulemaking, 1010-AD41. The rulemaking is adding a new requirement that will affect 10 permittees for an additional 3 hour burden. Once the rulemaking becomes effective, these additional hours will be incorporated into the information collection.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. [Be specific. If this collection is a form or a questionnaire, every question needs to be justified.]

The MMS uses the information to ensure there is no environmental degradation, personal harm or unsafe operations and conditions, damage to historical or archaeological sites, or interference with other uses; to analyze and evaluate preliminary or planned drilling activities; to monitor progress and activities in the OCS; to acquire G&G data and information collected under a federal permit offshore; and to determine eligibility for reimbursement from the government for certain costs. The information is necessary to determine if the applicants for permits or filers of notices meet the qualifications specified by the OCS Lands Act. The MMS uses information collected to understand the G&G characteristics of oil- and gas-bearing physiographic regions of the OCS. It aids the Secretary in obtaining a proper balance among the potentials for environmental damage, the discovery of oil and gas, and adverse impacts on affected coastal states. Information from permittees is necessary to determine the propriety and amount of reimbursement.

The following is also submitted to MMS under 30 CFR 251 for approval. MMS needs this information to determine if permittees have the necessary qualifications pertinent to G&G explorations or scientific research.

Form MMS-327 -- Requirements for Geological and Geophysical Explorations or Scientific Research in the Outer Continental Shelf – Application for Permit to Conduct Geological or Geophysical Exploration for Mineral Resources or Scientific Research in the Outer Continental Shelf (Attachment 1) – Nonexclusive Use Agreement for Scientific Research (Attachment 2).

This form consists of the requirements for G&G activities requiring Permits and Notices along with the application that the respondent submits to MMS for approval, as well as a nonexclusive use agreement for scientific research, if applicable. The requirements portion of the form lets the respondents know:

- what is the authority,
- general requirements of permits and notices,
- time restrictions for permits and notices,
- geological and geophysical explorations for minerals resources,
- geological and geophysical scientific research,
- information required for permits,
- modifications to approved permits,
- filing locations for permits,

Attachment 1 of the form, Application for Permit to Conduct Geological or Geophysical Exploration for Mineral Resources or Scientific Research in the Outer Continental Shelf, requires the respondent to fill in:

- general information about name of company,
- type of activity,
- activity will be conducted by,
- purpose,
- description of environmental effects – including negative effects and what steps to minimize adverse effects,
- state/completion date,
- relative information of the individual in charge of the field operation,
- vessel information,
- vessel will operate from,
- navigation system, or description,
- type of operation,
- proposed location, instrumentation/techniques used,
- explosive charges used, if so, type, pounds, etc.,
- proprietary information attachments, (geological)--
 - description of shallow drilling/sampling,
 - shallow drilling/sampling equipment used,
 - boring/sample locations occupied,
 - method used to position sample locations,
 - method of sample analysis, storage, handling,
 - description/list of final analyzed/processed data result,
 - estimated date for inspection, and,
 - copies of maps, plats, charts, etc.,
- proprietary information attachments, (geophysical)--
 - description of energy source and streamer,
 - total energy output per impulse,
 - number of impulses per linear mile,
 - towing depth of energy source,
 - towing depth of streamer,
 - navigation system/method to position shotpoint locations,
 - area of activity and total number of line miles proposed,
 - list of final processed data results,
 - estimated data processed data available for inspection,
 - copies of maps, plats, charts, etc.,
- certification, and,
- section completed by MMS.

Attachment 2 of the form, Nonexclusive Use Agreement for Scientific Research in the Outer Continental Shelf, consists of:

- stating the time and manner in which data and information resulted from the proposed activity will be made available to the public for inspection,
- applicant agrees that data and information obtained from the proposed activity will not be sold or withheld for exclusive use, and,
- applicant signs and submits to MMS for approval.

Upon approval, MMS issues respondents a permit on either Form MMS-328 or MMS-329 depending on whether they are conducting scientific research for “geological” or “geophysical” mineral resources.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden [and specifically how this collection meets GPEA requirements].

The opportunity to use improved technology to reduce the burden would depend on the permittee's or lessee's organization and data bases. Copies of some well logs and charts may be submitted in digital format. The application and permit forms may be downloaded electronically. The MMS is working toward allowing the completion of permit applications online.

MMS encourages respondents to use the form available on the website and submit it electronically. Currently, 40 percent of all information is submitted electronically. The MMS Offshore Minerals Management (OMM) program is moving to fully implement the Government Paperwork Elimination Act with re-engineered business processes. MMS is re-engineering the OMM full complement of business processes and related information collection burdens incrementally, which began with the pre-implementation effort in FY 2002 and will continue through FY 2009.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

There is no duplication. The Department of the Interior is the agency with specific statutory authority. Respondents are applying for individual permits, and each notice for processing of G&G data is unique, as are requests for reimbursement. There is no similar information available. To the extent that identical information or data were available from prior permits or other sources, MMS would not require respondents to resubmit such information or data.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

This regulation may involve small businesses or other small entities if they desire to perform G&G exploration offshore. However, the majority of entities conducting offshore activities are not considered small because of the technical and financial resources needed to carry out such activities. The MMS needs the delineated information to evaluate all applications and notices, regardless of the size of the respondent. There is no method to minimize the burden. The OCS Lands Act and these implementing regulations (§ 251.13) require us to reimburse respondents for their costs of reproduction and processing of data and information that MMS requests. We also pay respondents if they request reimbursement for food, quarters, or transportation they provide MMS representatives (§ 251.8(a)) during inspections. These reimbursements eliminate a cost burden on both small and large businesses.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Except for status reports, the information is not collected periodically but on occasion; or as specified in the permits. Therefore, less frequent reporting would not be possible. The frequency of status reports varies according to the permit specifications. The reports are necessary for resource evaluation and ecological consequences. If MMS did not collect the information, the Secretary could not meet the obligations of the OCS Lands Act in a timely manner, possibly resulting in economic losses to the Federal Government.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

(a) requiring respondents to report information to the agency more often than quarterly.

Not applicable in this collection.

(b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

Section 251.14(c) and the permit forms MMS-328 and MMS-329 state that MMS will provide a notice of intent to disclose data or information to an independent contractor or agent or to an adjacent state. The notice will afford the permittee a period of not less than 5 working days in which to submit comments on the intended action. Industry is aware through the regulations and the permits, that MMS may have a contractor reproduce, process, etc., data for a sale evaluation. The MMS may only have 90 days in which to conduct the entire sale. Therefore, if there were any special circumstances, the permittee would need to notify MMS immediately. The MMS notice would allow for a longer response time if feasible.

(c) requiring respondents to submit more than an original and two copies of any document.

Respondents must submit four copies of Form MMS-327. After MMS approval, one signed copy is needed for the OCS region, the permittee, the permittee's contractor, and the public. The copy for the public, however, will not include some information in item D that is determined to be proprietary data and not subject to release.

(d) requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than 3 years.

The permit forms MMS-328 and MMS-329 specify that at any time within 10 years after receiving notification of the completion of the acquisition activities conducted under the permit, MMS may request that the permittee submit for inspection and possible retention all or part of the G&G data and/or information. As a normal business practice, respondents will generally retain acquired G&G data and/or information for very long periods of time, beyond even the 10-year requirement in the permit forms. This is not an unreasonable retention period for valuable resources data and/or information that MMS may need at a future date if it conducts a strategic sale or requires data to conduct a national or regional resource assessment.

(e) in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.

Not applicable in this collection.

(f) requiring the use of statistical data classification that has been reviewed and approved by OMB.

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(v) through (viii), as the collection is not a statistical survey and does not use statistical data classification.

(g) that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

This collection does not include a pledge of confidentiality not supported by statute or regulation.

(h) requiring respondents to submit proprietary trade secrets or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

This collection does not require proprietary, trade secret, or other confidential information not protected by agency procedures.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice [and in response to the PRA statement associated with the collection over the past 3 years] and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. [Please list the names, titles, addresses, and phone numbers of persons contacted.] Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

As required in 5 CFR 1320.11, MMS is providing the 60-day review and comment process in the preamble of the NPR. We will address comments in the final rulemaking process. Also, 30 CFR 251.15 and the Paperwork Reduction Act statement on Form MMS-327 explain that MMS will accept comments at any time on the information collection and the burden. We display the OMB control number and provide the address for sending comments to MMS.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

The OCS Lands Act mandates that we reimburse respondents for their reproduction and processing costs of certain data and information that MMS requests. These implementing regulations and permit forms comply with the OCS Lands Act and provide for reimbursement payment of the G&G data and information when applicable. We also pay respondents if they request reimbursement for food, quarters, or transportation they provide MMS representatives during inspections. We do not provide gifts to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

We protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and its implementing regulations (43 CFR part 2), the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), and under regulations at 30 CFR parts 250, 251, and 252.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The collection does not include sensitive or private questions.

12. Provide estimates of the hour burden of the collection of information. The statement should:

(a) Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

(b) If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.

(c) Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.

There are approximately 130 respondents (OCS Federal oil, gas, and sulphur permittees and notice filers) for the currently OMB approved information collection. This rulemaking will affect approximately 10 permittees. Responses are mandatory and are required to obtain/retain a benefit. Responses are generally on occasion or as specified in each permit. We estimate the total annual burden is 1,589 reporting and recordkeeping hours that include the 3 new burden hours. Based on a cost factor of \$65 per hour, we estimate the total annual cost to industry is \$103,285 (\$65 x 1,589 hours = \$103,285). Refer to the chart below for a break out of the burden.

BURDEN and FEE BREAKDOWN

Current 30 CFR 251 Proposed	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
				Fee
Form				
251.4(a), (b); 251.5(a), (b), (d); 251.6; 251.7	Apply for permits (form MMS-327) to conduct G&G exploration, including deep stratigraphic tests/revisions when necessary.	6	110 Applications	660
		110 applications x \$1,900 fee = \$209,000		
Subtotal		110 responses		660
		\$209,000		
General				
251.4(b); 251.5(c), (d); 251.6	File notices to conduct scientific research activities, including notice to MMS prior to beginning and after concluding activities.	6	4 Notices	24
251.6(b) 251.7(b)(5)	Notify MMS if specific actions should occur; report archaeological resources. (No instances reported since 1982.)	1	1 Notice	1
251.7(c)	Enter into agreement for group participation in test drilling, including publishing summary statement; provide MMS copy of notice/list of participants. (No agreements submitted since 1989.)	1	1 Agreement	1
251.9(c)	Notify MMS to relinquish a permit.	1/2	8 Notices	4

Current 30 CFR 251 <i>Proposed</i>	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
				Fee
251.10(c)	File appeals.	Not subject to the PRA.		0
251.1 - 251.14	General departure and alternative compliance requests not specifically covered elsewhere in part 251 regulations.	2	1 Request	2
Permit Form (Form MMS-327)	Retain G&G data/information for 10 years and make available to MMS upon request.	1	100 Recordkeepers	100
Subtotal		115 responses		132
Submissions				
251.7	Submit information on test drilling activities under a permit, including Form MMS-123.	Burden included under 1010-0141.		0
251.7(d)	Submit bond(s) on deep stratigraphic test.	Burden included under 30 CFR part 256 (1010-0006).		0
251.8(b), (c)	Submit modifications to, and status/final reports on, activities conducted under a permit.	2	55 Respondents x 4 Reports = 220	440
251.11; 251.12	Notify MMS and submit G&G data/information collected under a permit and/or processed by permittees or 3 rd parties, including reports, logs or charts, results, analyses, descriptions, etc.	4	50 Submissions	200
251.14(a)	Submit comments on MMS intent to disclose data/info. to the public.	1	1 Comment	1
251.14(c)(2)	Submit comments on MMS intent to disclose data/info. to an independent contractor/agent.	1	1 Comment	1
251.14(c)(4)	Contractor/agent submits written commitment not to sell, trade, license, or disclose data/info. without MMS consent.	1	1 Commitment	1
Subtotal		273 responses		643
Requests				
251.8(a)	Request reimbursement for certain costs associated with MMS inspections. (No requests in many years. OCS Lands Act requires Government reimbursement.)	1	1 Request	1
251.13	Request reimbursement for certain costs associated with reproducing data/information.	2	50 Submissions	100
Permit Form (MMS-327); <i>251.14 (b)(3)</i>	Request extension of time period for permitted activities.	1	50 Extensions	50
Subtotal		101 responses		151
Extension				
251.14(b)(1), (2), (5)	<i>Permittees and 3rd parties apply for extension for geophysical information within 30 days after reprocessing completion date.</i>	1	3 Extensions	3
Subtotal		3 responses		3
Total Hour and Fee Burden			599 Responses	1,586 Hrs
			602 Responses	1,589 Hrs
			\$209,000 Fee	

13. Provide an estimate of the total annual [non-hour] cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

(a) The cost estimate should be split into two components: (1) a total capital and start-up cost component (annualized over its expected useful life) and (2) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information [including filing fees paid]. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

(b) If cost estimates are expected to vary widely, agencies should present ranges of cost burden and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

(c) Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

We have identified no paperwork cost burdens for this collection of information except for the \$209,000 in fees identified above.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

We estimate that to analyze and review the information, MMS will spend approximately 1,433 hours annually. Based on a cost factor of \$55 per hour, we estimate the total annual burden on the Government is \$78,815 (\$55 x 1,433 hours = \$78,815). The annual hours are based on the following:

§ 251.4, 251.5, 251.6	114 applications x 6 hours =	684 hours
§ 251.8	220 reports x 2 hours =	440 hours
§ 251.9	8 responses x 1/2 hour =	4 hours
§§ 251.11, 251.12	50 responses x 4 hours =	200 hours
§ 251.13	50 responses x 2 hours =	100 hours
Miscellaneous Reviews	5 hours =	<u>5</u> hours

1,433 hours

Permittees are reimbursed also for the reasonable cost of processing geophysical information required to be submitted when processing is in a form or manner required by the Director of the MMS and is not used in the normal conduct of the business of the permittee.

15. Explain the reasons for any program changes or adjustments.

(a) Burden Hours: The current OMB inventory includes 1,586 burden hours for this collection of information. This submission requests 1,589. The program increase of 3 hours is due to rulemaking (1010-AD41).

(b) Non-Hour Cost Burdens: The currently approved OMB inventory is \$209,000 in non-hour burden costs. We are not requesting any changes.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

MMS will not tabulate or publish the data.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

MMS will display the OMB approval expiration date on Form MMS-327. The remainder of this collection concerns regulatory requirements.

18. Explain each exception to the certification statement, "Certification for Paperwork Reduction Act Submissions."

To the extent that the topics apply to this collection of information, we are not making any exceptions to the "Certification for Paperwork Reduction Act Submissions."