

**Supporting Statement for Paperwork Reduction Act Submissions**  
**30 CFR 250, Subpart E, Oil and Gas Well-Completion Operations**  
**OMB Control Number 1010-0067**  
**Current Expiration Date: 31 October 2007**

**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 this employs statistical methods, then 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, 43 U.S.C. 1331 et seq. and 43 U.S.C. 1801 et. seq., requires the Secretary of the Interior to preserve, protect, and develop oil and gas resources in the OCS 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; balance orderly energy resources development with protection of the human, marine, and coastal environment; ensure the public a fair and equitable return on OCS resources; and preserve and maintain free enterprise competition. Section 1332(6) of the OCS Lands Act (43 U.S.C. 1332) requires that "operations in the [O]uter Continental Shelf should be conducted in a safe manner by well-trained personnel using technology, precautions, and techniques sufficient to prevent or minimize the likelihood of blowouts, loss of well control, fires, spillages, physical obstruction to other users of the waters or subsoil and seabed, or other occurrences which may cause damage to the environment or to property, or endanger life or health." This authority and responsibility are among those delegated to the Minerals Management Service (MMS). To carry out these responsibilities, MMS issues regulations governing oil and gas and sulphur operations in the OCS. This information collection request (ICR) addresses 30 CFR Part 250, Subpart E, Oil and Gas Well-Completion Operations and the associated supplementary Notices to Lessees and Operators (NTL) intended to provide clarification, description, or explanation of these regulations.

***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 District Managers analyze and evaluate the information and data collected under Subpart E to ensure that planned well-completion operations will protect personnel and natural resources. They use the analysis and evaluation results in the decision to approve, disapprove, or require modification to the proposed well-completion operations. Specifically, MMS uses the information to ensure: (a) compliance with personnel safety training requirements; (b) crown block safety device is operating and can be expected to function to avoid accidents; (c) proposed operation of the annular preventer is technically correct and provides adequate protection for personnel, property, and natural resources; (d) well-completion operations are conducted on well casings that are structurally competent; and (e) sustained casing pressures are within acceptable limits.

Previously, the Gulf of Mexico Region (GOMR) met with the Offshore Operators Committee (OOC) several times to discuss conditions that required a variance from the requirements of § 250.517. The OOC recommended that sustained casing pressure (SCP) be divided into two broad categories: production casing SCP that can be eliminated relatively easily and SCP on outer casings where no consistently successful solution has been developed. They also recommended criteria for classifying SCP. Since the initial meeting, MMS continues to work with OOC and API regularly to formulate new practices. As a result of these meetings, MMS issued an NTL to clarify and update the current GOMR procedures and requirements necessary to monitor and report SCP conditions. This NTL also gives guidance on the process for obtaining a departure to produce wells with SCP. MMS district and regional offices use the information to determine whether production from wells with SCP continues to afford the greatest possible degree of safety under these conditions.

***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].***

Currently, much of the information is submitted electronically. The MMS Offshore Minerals Management program is moving to implement the Government Paperwork Elimination Act with re-engineered business processes. MMS is re-engineering select OMM business processes and related information collection burdens incrementally. With respect to new SCP reporting in the letter to lessees (LTL) dated January 13, 1994, respondents will have the option to submit information via email, postal mail, or telefax. We will not require submission of paper reports.

***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.***

The information collected is unique to a specific well-completion operation and does not duplicate any other available information. The information is site specific, and similar information is not available from other sources. The Department of the Interior and the U.S. Coast guard have Memoranda of Understanding that define the responsibilities of their agencies with respect to activities in the OCS. These are effective in avoiding duplication of regulations and reporting requirements.

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

This collection of information does not have a significant economic effect on a substantial number of small entities. In general, companies need large technical and financial resources and experience to

conduct offshore activities safely. However, approximately 70 percent of the respondents may have less than 500 employees and would be considered small businesses. The burden on any small entity subject to the general requirements in Subpart E cannot be reduced to accommodate them without jeopardizing safety and environmental concerns.

With respect to SCP, unless granted a departure, small businesses or other small entities would have to share in the one time expenditure of over \$800,000,000 to \$4,000,000,000 to comply with § 250.517 (see A.6). The alternative of requesting and receiving approval of a departure, would require small businesses or entities to share in the submission of information on approximately 1,200 wells with SCP reported to the MMS annually. Given the seriousness of the safety issue involved, the burden of this collection of information cannot be reduced to accommodate potential small business respondents.

**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.**

If MMS did not collect the general information under Subpart E, District Managers could not verify that equipment is properly tested or that safety procedures are properly reviewed during well-completion operations. The information is necessary to carry out the mandate of the OCS Lands Act. Information is collected only once for each particular well-completion operation and is initiated by respondents' activity.

The intent of the current regulations at § 250.517 is that no SCP is to be maintained on any annulus of an OCS well and requires a total elimination of the problem. If the oil and gas industry were forced to comply with the Federal regulations, they would have to eliminate all SCP. This would force the oil and gas industry to perform costly workovers on the over 8,000 wells affected by SCP. MMS conservatively estimates the cost of these workovers to be over \$800,000,000, assuming a cost of \$100,000/well. A more realistic number could range as high as \$5,200,000,000 if a major workover rig would have to be used to eliminate the SCP at an average cost of \$650,000/well. Without the information reported, MMS would be unable to make informed decisions on granting departure requests. Without approved departure requests, respondents would be in violation of MMS regulations if they continued production operations when SCP was a factor. In reality, while many of these wells produce, many could not be repaired or would be uneconomic to repair, and the result would be many thousands of barrels lost production per day unless a departure is granted. Granting departure requests eliminates this costly expenditure and reduces the burden to the oil and gas industry to an estimated submission of information on approximately 1,200 wells with SCP. The reporting frequency is mostly on occasion or annual, but varies depending on the situation. Reporting frequencies specified in the LTL are the absolute minimum that MMS thinks will meet the OCS Lands Act mandate that "operations in the OCS be conducted in a safe and environmentally sound manner."

**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.**

Not applicable in this collection.

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

Not applicable in this collection.

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

Not applicable in this collection.

***(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 1320.8(d), MMS published a 60-day review and comment notice in the Federal Register on January 29, 2007 (72 FR 4025). Also, 30 CFR 250.199 explains that the MMS will accept comments at any time on the information collection burden of our 30 CFR part 250 regulations and forms. We display the OMB control numbers and provide the address for sending comments to MMS.

We received no comments in response to the Federal Register notice or unsolicited comments from respondents covered under these regulations.

During the comment period, MMS regional offices consulted with several respondents on the burden of collecting this information. The burden estimates in section A.12 reflect adjustments based on comments received from the following:

Karen Vanacor, Regulatory Supervisor, Energy Partners, Ltd., (504) 799-4822  
201 St. Charles Avenue, Suite 3400, New Orleans, Louisiana 70170

Cheryl Powell, Regulatory Supervisor, GOM Shelf LLC, (713) 296-6811  
2000 Post Oak Boulevard, Suite 100, Houston, Texas 77056-4400

Annalisa Taylor, Regulatory Coordinator, Maritech Resources, Inc., (281) 364-5077  
25025 I-45 North, The Woodlands, Texas 77380

Teri Halverson, Regulatory Compliance Specialist, BP America, Inc., (281) 366-6292  
200 Westlake Park Boulevard, Room 453, Houston, Texas 77079

Bea Stong, Health Regulatory & Environmental Mgr, W&T Offshore, Inc., (713) 624-7338  
Nine E. Greenway Plaza, Suite # 300, Houston, Texas 77046

Sheri Holm, Regulatory Specialist, Arguello Inc., (805) 934-8240  
201 S. Broadway, Orcutt, California 93455

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

We will not provide payment or gifts to respondents in this collection.

**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 2), and 30 CFR 250.197, "Data and information to be made available to the public or for limited inspection."

**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.*

MMS estimates there are approximately 130 respondents (Federal OCS lessees and operators). The frequency of response varies by section. We estimate the annual burden for reporting and recordkeeping is 18,756 hours. Based on \$65 per hour, the hour burden cost to respondents is \$1,219,140. Refer to the chart below for a breakdown of the burden.

<b>Citation 30 CFR 250 Subpart E &amp; LTL/NTL</b>	<b>Reporting Requirement</b>	<b>Hour Burden</b>	<b>Average No. of Annual Responses</b>	<b>Annual Burden Hours</b>
<b>Requests</b>				
502	Request approval not to shut-in well during equipment movement.	1 hour	106 requests	106
512	Request field well-completion rules be established, amended or canceled (on occasion, however, there have been no requests in many years).	1 hour	2 requests	2
500-517	General departure and alternative compliance requests not specifically covered elsewhere in Subpart E regulations.	2 hours	500 requests	1,000
<b>Subtotal</b>			<b>608 requests</b>	<b>1,108</b>
<b>Submittals</b>				
505; 513; 515(a)	Submit forms MMS-123, MMS-124, MMS-125 for various approvals, including remediation procedure for SCP.	Burden included in 1010-0141.		0
514(c); 515(a)	Calculate well control fluid volume and post near operator's station; submit well-control procedure.	1 hour	338 procedures	338
517(b)	Pressure test, caliper, or otherwise evaluate tubing & wellhead equipment casing; submit results (every 30 days during prolonged operations).	9 hours	399 reports	3,591
<b>Subtotal</b>			<b>737 responses</b>	<b>3,929</b>
<b>Document /Record/Retain</b>				
506	Instruct crew members in safety requirements of operations to be performed; document meeting (weekly for 2 crews x 2 weeks per completion = 4).	20 minutes	838 completions x 4 = 3,352	1,117 (rounded)
511	Perform operational check of traveling-block safety device; document results (weekly x 2 weeks per completion = 2).	½ hour	938 completions x 2 = 1,876	938
LTL*	Record diagnostic test results.	½ hour	3,020 tests/ recordings	1,510
516 tests; 516(i),(j)	Record BOP test results; retain records 2 years following completion of well (when installed; minimum every 7 days; as	½ hour	1,048 completions	524

Citation 30 CFR 250 Subpart E & LTL/NTL	Reporting Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
	stated for component); request alternative methods.			
516(d)(5) test; 516(i)	Function test annulars and rams; document results (every 7 days between BOP tests—biweekly; note: part of BOP test when conducted).	½ hour	1,048 completions	524
516(e)	Record reason for postponing BOP system tests (on occasion).	10 minutes	58 postponed tests	10 (rounded)
516(f)	Perform crew drills; record results (weekly for 2 crews x 2 weeks per completion = 4).	½ hour	1,048 completions x 4 = 4,192	2,096
LTL	Retain complete record of well's casing pressure for 2 years and retain diagnostic test records permanently.	1 hour	2,990 records	2,990
<b>Subtotal</b>			<b>17,584 responses</b>	<b>9,709</b>
<b>Notify</b>				
502	Notify MMS of well-completion rig movement on or off platform or from well to well on same platform (Form MMS-144) (cross ref. § 250.403).	Burden included in 1010-0150.		0
517(c); LTL/ NTL	Notify MMS if sustained casing pressure is observed on a well.	1 hour	900 notices	900
LTL/ NTL	Report failure of casing pressure to bleed to zero including plan to remediate.	6 hours	500 submissions	3,000
NTL	Notify MMS when remediation procedure is complete.	1 hour	110 notices	110
<b>Subtotal</b>			<b>1,510 responses</b>	<b>4,010</b>
<b>Total Hour Burden</b>			<b>20,439 responses</b>	<b>18,756 hours</b>

\* LTL dated 13 January 1994, which is also referenced in the beginning of this Supporting Statement under A.3.

**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 actual reporting and recordkeeping non-hour cost burdens for this collection of information.

***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.***

To analyze and review the information respondents submit, we estimate the Government will spend an average of ¼ hour for each hour spent by respondents for a total of 4,689 hours. The total estimated Government time is 4,689 hours. Based on a cost factor of \$55 per hour, the total annual estimated burden on the Government is \$257,895 (18,756 hours x ¼ hour = 4,689 hours x \$55 = \$257,895).

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

The current OMB inventory includes 11,995 burden hours for this collection of information. This submission requests 18,756 burden hours. The adjustment increase of 6,761 hours is due to re-estimating the average annual responses and the amount of time required to respond based on consultations. There is no cost burden.

***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.***

Not applicable, as this collection of information concerns requirements in regulations.

***18. Explain each exception to the certification statement.***

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.”