

**Supporting Statement for Paperwork Reduction Act Submissions
(Proposed Rulemaking 1010-AD06)**

**30 CFR Part 256, Leasing of Sulphur or Oil and Gas in the OCS, 30 CFR Part 250, Subpart Q,
and 30 CFR Part 260, Outer Continental Shelf Oil and Gas Leasing
(Forms MMS-150, 151, 152, 2028, and 2028A)**

OMB Control Number: NEW

Expiration Date: NEW

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. When statistical methods are employed, Section B of the Supporting Statement must be completed. The Office of Management and Budget (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. Also, the Energy Policy and Conservation Act of 1975 (EPCA) prohibits certain lease bidding arrangements (42 U.S.C. 6213 (c)).

The Independent Offices Appropriations Act of 1952 (IOAA), 31 U.S.C. 9701, authorizes Federal agencies to recover the full cost of services that provide special benefits. Under the Department of the Interior's (DOI) policy implementing the IOAA, the Minerals Management Service (MMS) is required to charge the full cost for services that provide special benefits or privileges to an identifiable non-Federal recipient above and beyond those that accrue to the public at large. Instruments of transfer of a lease or interest are subject to cost recovery, and MMS regulations specify the filing fee for these transfer applications.

These authorities and responsibilities are among those delegated to the MMS under which we issue regulations governing oil and gas and sulphur operations in the OCS. This information collection

request (ICR) addresses the regulations at 30 CFR 256, Leasing of Sulphur or Oil and Gas in the OCS, and the associated supplementary Notices to Lessees (NTLs) and operators intended to provide clarification, description, or explanation of these regulations. This ICR also concerns the use of forms to process bonds per subpart E, Financial Accountability and Risk Management, the transfer of interest in leases per subpart F, Maintaining a Lease, and the filing of relinquishments per subpart G, Ending a Lease. The forms are:

- MMS-2028, OCS Mineral Lessee's and Operator's Bond,
- MMS-2028A, OCS Mineral Lessee's and Operator's Supplemental Plugging and Abandonment Bond,
- MMS-150, Assignment of Record Title Interest in Federal OCS Oil and Gas Lease,
- MMS-151, Assignment of Operating Rights Interest in Federal OCS Oil and Gas Lease,
- MMS-152, Relinquishment of Federal OCS Oil and Gas Lease.

The rule would reorganize and reorder leasing requirements to reflect the leasing process more efficiently, as it has evolved over the last 26 years. This information collection request will replace the current collection for 30 CFR part 256 (1010-0006) when the rule becomes effective. The rule proposes a net increase of 820 hours for 1010-0142 and 1,576 hours and \$18,900 non-hour cost burdens for 1010-0006.

When final regulations are promulgated, the information collection burdens for the 30 CFR part 250, subpart Q requirements will be incorporated into its respective collection of information for that regulation 1010-0142 (17,991 burden hours, expiration 11/30/10).

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 required by 30 CFR part 256 to determine if applicants are qualified to hold leases in the OCS. Specifically, MMS uses the information to:

- Verify the qualifications of a bidder on an OCS lease sale. Once the required information is filed with MMS, a qualification number is assigned to the bidder so that duplicate information is not required on subsequent filings.
- Develop the semiannual List of Restricted Joint Bidders. This identifies parties ineligible to bid jointly with each other on OCS lease sales, under limitations established by the EPCA.
- Ensure the qualification of assignees and track operators on leaseholds. Once a lease is awarded, the transfer of a lessee's interest to another qualified party must be approved by an MMS regional director, regional supervisor, or regional manager (Pacific Region only). Also, a lessee may designate an operator to act on the lessee's behalf. This designation must be approved by MMS before the designated operator may begin operations.
- Document that a leasehold or geographical subdivision has been surrendered by the record title holder.

- Keep track of who owns which lease term pipeline since they are not currently documented on submitted information. Also, during the decommissioning process, if operators have changed since the beginning of the lease – decommissioning operations are worked between the companies. But, after all decommissioning activities are complete, if a safety hazard still remains, then MMS will need to know that the responsibility for compliance lies with the original operator.
- Update the corporate database which is used to determine what leases are available for a lease sale and the ownership of all OCS leases. Non-proprietary information is also publicly available from the MMS corporate database via the internet.

The MMS also uses various forms relating to this subpart. The forms allow lessees to submit the required information in a standardized format that helps MMS process the data in a more timely and efficient manner. There are five forms associated with this ICR.

The MMS supplies to the respondent the same instruction sheet, for two of the forms below – MMS-150, and MMS-151. It is important for respondents to follow the instruction sheet guidelines so that they provide all the pertinent information to MMS. If all pertinent information is not provided, the assignment may not be approved.

MMS-150 – Assignment of Record Title Interest in Federal OCS Oil and Gas Lease

MMS-151 – Assignment of Operating Rights Interest in Federal OCS Oil and Gas Lease

These forms ask the lessee to fill in:

Part A - Assignment

- the legal description of the item being assigned (e.g., operating rights, pipeline ROW, or land/area),
- what specifically the lessee is selling, assigning, or transferring,
- the company name and number of each assignor and assignee,
- the percentage interest conveyed, and
- the percentage interest received.

Part B - Certification and Acceptance

- assignor name, title,
- assignee name, title.

The MMS has a brief statement on each form explaining that once this form is filed, the lessee has executed their assignment in the lease. The MMS then signs and dates the form if it has been approved.

Under subpart G, Ending a Lease, this information will be used to track the lease status as to ownership and whether the lease has been relinquished and available for the next lease sale. A company may relinquish a lease when a company determines that it no longer wishes to hold an interest in same.

Lease ownership and status information are extremely important to the oil and gas industry as they strategize long-range planning for oil and gas development and the sharing of the expense and liabilities of OCS offshore drilling and development.

MMS-152 – Relinquishment of Federal OCS Oil and Gas Lease Form

The form asks the respondent for:

- a legal description in aliquots of the lease/officially designated subdivision being relinquished to be described,
- company name and number of each lessee.

The MMS has a brief statement on the form explaining that once this form is filed, the lessee has relinquished their interest in the lease. When the form has been filed in the appropriate MMS office, it will become effective on that date.

MMS-2028 – Outer Continental Shelf (OCS) Minerals Lessee’s and Operator’s Bond

The form asks the respondent for:

- the surety company information,
- the principal’s name and address for whom the bond is issued,
- the areas and leases covered by the bond,
- what obligations the surety accepts, and
- principal and surety signature information and witnessed.

MMS 2028A – Outer Continental Shelf (OCS) Mineral Lessee’s and Operator’s Supplemental Plugging and Abandonment Bond

The form asks the respondent for:

- the surety company information,
- the principal’s name and address for whom the bond is issued,
- the areas and leases covered by the bond,
- what obligations the surety accepts, and
- principal and surety signature information and witnessed.

The MMS uses these last two forms to hold the surety liable for the obligations and liability of the principal/lessee or operator.

The MMS will use the information collected in the 30 CFR part 250, subpart Q requirements to help MMS assess the abandonment liability for each lease. This abandonment liability will be used to set supplemental bond requirements for each operator, and these supplemental bonds are used to protect the Federal government against defaults should an operator go into bankruptcy.

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 required information is unique to each situation. Most of the information submitted does not exist in a form that is compatible to information transfer using improved technology to reduce the burden. The MMS is considering ways in which to provide for electronic filing of lease assignments, bonds, permit applications, etc., especially in the Gulf Region, but this is still in the planning stage.

Because of the small number of responses the Pacific Region receives, the Region is currently able to collect about 95 percent of its information electronically by email. However, the Gulf Region, with the majority of responses, does not for reasons stated above and because of the volume and expanse of responses.

Therefore, we expect approximately 10 percent of all information to be submitted electronically.

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.

For 30 CFR part 256, no similar information pertaining to leasing in the OCS is collected by the DOI or other Federal agencies. Qualification and application files are maintained in regional offices to avoid duplicative information collection from respondents who have already filed evidence of their qualifications.

For 30 CFR part 250, subpart Q, the DOI and the US Coast Guard have Memoranda of Understanding (MOU) that define the responsibilities of their agencies with respect to activities in the OCS. These MOUs are effective in avoiding duplication of regulations and reporting requirements. The information collected is unique and specific to an operator, lease, or location; similar information is not readily available from other sources and is not collected by any other agency.

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. However, approximately 70 percent of the lessees and operators have less than 500 employees and would be considered small businesses. The burden on any small entity subject to these regulations cannot be reduced to accommodate them, and the potential benefit of obtaining and retaining a lease far outweighs the burden.

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 information, we could not carry out the mandates of the OCS Lands Act and the EPCA. In the case of information regarding the individual sale proposals, the time lapse between actions is sufficient for circumstances to change and for new data to become applicable. We request qualification papers only in conjunction with a scheduled sale. Corporate information must be up-to-date for each action for MMS to determine the qualification of bidders. Information is not available to use in lieu of that supplied for each action. Information pertaining to the initiation of sales is requested annually in the central and western Gulf of Mexico planning areas and every 2 to 5 years in the other regional planning areas. If MMS collected the information less frequently, the OCS leasing program would not be able to adequately provide for the interests of potential lessees and of other users of the OCS.

If MMS did not collect the information collected in 30 CFR part 250, subpart Q, we would not be able to set appropriate supplemental bond requirements for each operator. These supplemental bonds are used to protect the Federal government against defaults should an operator go into bankruptcy.

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 for 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 1320.11, MMS is providing the 60-day review and comment process in the preamble of the PR. We will address comments received on the information collection in the final rulemaking process.

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

We will not provide payments or gifts to respondents.

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

The individual responses to Calls for Information are the only information collected involving the protection of confidentiality. The MMS will protect specific individual replies from disclosure as proprietary information according to section 26 of the OCS Lands Act, the Freedom of Information Act (5 U.S.C. 552) and its implementing regulations (43 CFR part 2), § 256.10(d), and § 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 questions of a sensitive nature.

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.

The MMS estimates there are approximately 130 Federal (oil and gas or sulphur) lessees. Responses to this IC are required to obtain or retain a benefit and are mandatory. The frequency of response varies, but is primarily on occasion. The frequency of response is mostly on occasion. We estimate the total

annual burden is 19,499 burden hours. Refer to the chart below for a breakdown of the burden.

BURDEN BREAKDOWN

30 CFR part 250, subpart Q	Reporting and Recordkeeping Requirements	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
NEW 250.1717(e)	NEW Submit expense information on plugging and abandonment.	1	520 responses	520
NEW 250.1729(d)	NEW Submit expense information on platform removal.	1	150 responses	150
NEW 250.1743(b) (8)	NEW Submit expense information on site clearance.	1	150 responses	150
Total			820 responses	820 hours
Citation 30 CFR part 256*	Reporting and Recordkeeping Requirements	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
Non-Hour Cost Burdens				
Subparts A and B				
Subpart A 256.104	Service Fees.	Fees covered individually throughout subpart.		0
Subpart B: 201; 202; 203; 204;	Submit nominations, suggestions, and relevant information in response to request for comments on proposed 5-year leasing program, including information from States & local governments /industry/Federal agencies and others.	4	1 response	4
Subtotal			1 response	4 hours
Subpart C				
300	Submit response to Calls for Information and Nominations on areas proposed for leasing in the 5-year program, including information from States/local governments.	4	1 response	4
304(a)	States or local governments submit comments/recommendations on size, timing, or location of proposed lease sale.	4	10 responses	40
Subtotal			11 responses	44 hours
Subpart D				
400; 401	Establish company file for qualification; submit qualifications for lessee/bidder.	2	104 responses	208
NEW 402(a); 403	NEW Notify MMS if you or your principals are excluded, disqualified, or convicted of a crime - Federal non-procurement debarment and suspension system; request exception.	1.5	50	75
404	Notify MMS of all mergers, name changes, or change of business.	Requirement not considered IC under 5 CFR 1320.3(h)(1)		0
410	Submit bids and required information.	5	2,000 bids	10,000

410(d); 417	Request reconsideration of bid decision.	Requirement not considered IC under 5 CFR 1320.3(h)(9).		0
411(a)(2); 412	File statement or detailed report of production.	2	100 responses	200
411(b)	Submit appeal due to restricted joint bidders list.	Requirement not considered IC under 5 CFR 1320.3(h)(9).		0
414	Request exemption from bidding restrictions; submit appropriate information.	Requirement not considered IC under 5 CFR 1320.3(h)(9).		0
416(c)	Notify MMS of tie bid decision; file agreement to accept joint lease on tie bids.	3.5	2 agreements	7
420; 421	Execute lease (includes submission of evidence of authorized agent and request for dating of leases); submit supporting data.	1	852 leases	852
NEW 420(b)	NEW Provide acceptable bond for payment of a deferred bonus. We do not expect this to occur, hence minimal burden.	15 mins.	1 response	15 mins.
Subtotal			3,109 responses	11,342 (rounded) hours
Subpart E				
500(a); 501; 503;	Submit OCS Mineral Lessee's and Operator's Bond (Form MMS-2028), required information, and surety notifications.	.25	124 forms	31
501; 505; 510	Demonstrate financial worth/ability to carry out present and future financial obligations, request approval of another form of security, or request reduction in amount of supplemental bond required.	3.5	165 submissions	578 (rounded)
502	Provide U.S. Treasury securities or other types of security instruments, including authority for MMS to sell securities, relevant information, and related or subsequent actions.	2	10 submissions	20
NEW 504	NEW Submit statement excluding payment obligations of co-lessee(s) or designated operator(s).	1	1 exclusion statement	1
510	Submit OCS Mineral Lessee's and Operator's Supplemental Plugging and Abandonment Bond (Form MMS-2028A) w/required information; upon request, demonstrate sufficiency; request reduction.	.25	136 forms	34
511	Provide third-party indemnity; financial information/statements; additional bond info; executed guarantor agreement and supporting information/documentation.	19	45 submissions	855
511(c)(6); 522(b); 523;	Notify MMS and others, and request MMS approval to terminate period of liability or cancel bond or other form of security.	½	378 requests	189

511(d); 520; 521; 522(b); 523(a)(2);	Furnish replacement bond or provide alternate form of security. Burden included above with bond or alternate forms of security.			0
512	Request approval to withdraw funds from RUE/ROW decommissioning account.	12	1 abandon- ment account	12
520	Notify MMS and others of bond lapse or action filed alleging lessee, surety, or guarantor is insolvent or bankrupt.	1	3 notices	3
525(b)	Provide information to demonstrate lease will be brought into compliance.	16	5 responses	80
Subtotal			868 responses	1,803 hours
Subpart F				
Subparts E and F: 501; 601; 603	Request approval for various operations or submit plans or applications. Burden included with other approved collections for 30 CFR Part 250 (1010-0114/subpart A, 1010-0151/subpart B, 1010-0141/subpart D, 1010-0142/subpart Q, and 1010-0149/subpart I).			0
Subpart F: 610; 611; 613(a); 614; 615; 617; 619	File application and required information for assignment of record title interest (Form MMS-150) (includes sell, exchange, transfer); specify effective date.	1 hour	2,063 forms	2,063
		\$186 fee x 2,063 forms = \$383,718		
611; 612; 613(a); 614; 615; 617; 619	File application and required information for assignment of operating interest (Form MMS-151) (includes sell, exchange, transfer); specify effective date.	1 hour	937 forms	937
		\$186 fee x 937 forms = \$174,282		
620(a) NEW FEE	File required instruments creating or transferring working interests, etc., for record purposes.	1 hour	700 filings	700
		NEW \$27 fee x 700 filings = \$18,900		
620(b)	Submit "non-required" documents, for record purposes that respondents want MMS to file with the lease document.	Accepted on behalf of lessees as a service, MMS doesn't require/need.		0 hours
		\$27 fee x 3,725 filings = \$100,575		
NEW 256.621	NEW After assignment of lease or new designation of operator, submit report to MMS listing remaining Lease Term P/Ls, including decommissioned P/Ls, on lease; indicate which P/Ls remain as Lease Term P/Ls.	1	1,500 L/T P/L listing reports.	1,500
Subtotal			5,200 responses	5,200 hours
			\$677,475 non-hour cost burdens	
Subpart G				
701; 902(a) (5)	File Form MMS-152 to request relinquishment of lease.	1	240 relinquish- ment forms	240
702	Comment on lease cancellation (MMS expects 1 in 10 years).	1	1 submission	1
Subtotal			241 responses	241 hours
Subpart I				

902(a)	Request a bonus or royalty credit and submit supporting documentation.	1	30	30
905	Request approval to transfer bonus or credit to another party with supporting information.	1	15	15
Subtotal			45 responses	45 hours
TOTAL BURDENS			10,295 Responses	19,499 Hours
			\$677,475 Non-Hour Cost Burdens	

* A few sections in 30 CFR part 260 also contain references to information collection requirements in 30 CFR part 256 that are detailed in this table.

(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.

Due to the fact that a lot of the requirements submitted to MMS require the President, Vice President, etc., signatures along with witnesses for surety guarantees, we raised industry's cost to \$135 per hour for this IC. The MMS requires the President, Vice President, Chief Financial Officer, etc., signatures along with witnesses for surety guarantees. None of these types of salaries are listed by the BLS. Because of that, we have put a pay rate based on industry input*. The remaining costs are broken out using the Bureau of Labor Statistics data for the Houston, TX area, where applicable (see following table). For the remaining salaries, see BLS website: <http://www.bls.gov/bls/wages.htm>**.

Position	Level	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.4 x \$/hour)***	Percent of time spent on collection	Weighted Average (\$/hour)
General Office Clerk	7	\$20	\$28	2%	\$1
Petroleum Engineer	12	\$55	\$77	58%	\$45
Supv. Petroleum Engineer	15	\$66	\$92	15%	\$14
CFO, Surety, etc.*		\$200	\$280	15%	\$42
CEO, CFO etc.*		\$235	\$329	10%	\$33
Weighted Average (\$/hour)					\$135

** Note that this BLS source reflects their last update from July 2004.

*** A multiplier of 1.4 (as implied by BLS news release USDL 07-1883, December 11, 2007) was added for benefits.

Based on a cost factor of \$135 per hour, we estimate the total annual cost to industry is \$2,632,365 (\$135 x 19,499 = \$2,632,365).

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.

Note: on August 25, 2008 (73 FR 49943) rulemaking was published, which in effect, increased all cost recovery fees.

Sections 256.612, 256.614(a), and 256.620(a) require respondents to pay filing fees when submitting a request for assignment or transfer, and to file required and non-required documents for record purposes. The application filing fees are required to recover the Federal Government's processing costs. We have not identified any other non-hour cost burdens associated with this collection of information, and we estimate a total reporting non-hour cost burden of \$677,475. Refer to the chart in Section A.12 of this supporting statement for the specific breakdown.

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.

The average Federal cost is \$60/hour. This cost is broken out in the below table using the Office of Personnel Management pay schedule, FY 2008, for the New Orleans, LA area.

Position	Grade	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.5 x \$/hour)*	Percent of time spent on collection	Weighted Average (\$/hour)
Clerical	GS-7/5	\$18	\$27	5%	\$1
Petroleum Engineer	GS-13/5	\$37	\$56	70%	\$39
Supv. Petroleum Engineer	GS-15/5	\$52	\$78	24%	\$19
Executive	SES (\$140K)	\$67	\$101	1%	\$1
Weighted Average (\$/hour)					\$60

*A multiplier of 1.5 (as implied by BLS news release USDL 07-1883, December 11, 2007) was added for benefits.

To analyze and review the information, the Government spends an average of 1.5 hours for each hour spent by respondents. The total estimated Government time is 29,249 (rounded) hours. Based on a cost factor of \$60 per hour, the total annual estimated burden on the Government is \$1,754,940 (19,499 hours x 1.5 hours = 29,249 hours x \$60 = \$1,754,940).

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

(a) As this is a new collection for a rulemaking, we request a program increase of 19,499 hours. As stated in item A.1, when final regulations are promulgated, the information collection burdens for the 30 CFR part 250, subpart Q requirements will be incorporated into its respective collection of information (1010-0142; 17,991 burden hours, expiration 11/30/10). The remaining burden hours will replace the collection for current 30 CFR Part 256 requirements (1010-0006).

(b) This submission requests a program increase of \$677,475 for non-hour cost burdens.

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.

The 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, "Certification for Paperwork Reduction Act Submission."

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."