

**SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION
Parts 3900 - 3930—Oil Shale Management – General.**

OMB CONTROL NUMBER 1004-0201

SECTION A

JUSTIFICATION

1. Explain why you need to conduct the information collection. Identify any legal or administrative requirements that necessitate the collection. Include a description of any statute or executive order that requires the collection, and attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection. Provide some background information on the program and describe how the collection supports it. Detail any specific program problems you hope to resolve.

Section 369 of the Energy Policy Act (EP Act) (42 U.S.C. 15927) addresses oil shale development and authorizes the Secretary of the Interior to establish regulations for a commercial leasing program. The MLA of 1920 (30 U.S.C. 241(a)) provides the authority for the BLM to allow for the exploration, development, and utilization of oil shale resources on the BLM-managed public lands. Additional statutory authorities for these proposed regulations are: (1) The Mineral Leasing Act for Acquired Lands of 1947 (30 U.S.C. 351-359); and (2) The Federal Land Policy and Management Act (FLPMA) of 1976 (43 U.S.C. 1701 *et seq.*, including 43 U.S.C. 1732).

The information collections discussed in this supporting statement are required in the final regulations implementing these statutory authorities. The title of the new information collection request (ICR) is “Parts 3900 - 3930—Oil Shale Management – General.” The purpose of this final rule is to establish regulations for a commercial leasing program.

2. Explain how, by whom, how frequently, and for what purpose the information will be used. For all but “New” collection requests, indicate the actual use the BLM has made of the information received. Do not just make general statements about the overall use of the information, but address the specific items of information being collected.

The BLM will collect information from individuals, corporations, and associations in order to:

- (1) Learn the extent and qualities of the public oil shale resource;
- (2) Evaluate the environmental impacts of oil shale leasing and development;
- (3) Determine the qualifications of prospective lessees to acquire and hold Federal oil shale leases;
- (4) Administer statutes applicable to oil shale mining, production, resource recovery and protection, operations under oil shale leases, and exploration under leases and licenses;

- (5) Ensure lessee compliance with applicable statutes, regulations, and lease terms and conditions; and
- (6) Ensure that accurate records are kept of all Federal oil shale produced.

The BLM will collect information under the following provisions of the proposed rule.

Subpart 3902 – Qualification Requirements

Sections 3902.23, 3902.24, 3902.25, 3902.26, and 3902.27

- a. Prospective lessees, including individuals (and heirs of deceased individuals), corporations, and associations proposing to acquire lease interests through competitive bidding and by assignment must submit to the BLM qualification information. The BLM will use the information to determine whether or not the prospective lessee is qualified to hold Federal oil shale leases under the Mineral Leasing Act of 1920.

The BLM will use no specific form to collect the information required in these sections, which is listed as follows:

- (1) Self-certified statement of qualifications to acquire or hold Federal oil shale leases;
- (2) Signed qualification statements regarding acreage holdings in Federal oil shale leases;
- (3) Citizenship (if an individual);
- (4) Percentage of alien stock ownership (if a corporation);
- (5) Name, addresses, and citizenship of all members of the association/partnership or corporation who own or control 10 percent or more of the association/partnership or corporation.
- (6) A copy of the articles of the association or the partnership agreement (if a association/partnership);
- (7) Names of the corporate officers or association members authorized to act on behalf of the corporation, association/partnership.
- (8) A copy of the court order or other document authorizing or creating a trust or guardianship (if a guardian or trustee is acting on behalf of a beneficiary who is an applicant).
- (9) A certified copy of the will or decree of distribution, or if no will or decree exists, a statement signed by the heirs that they are the only heirs and citing the provisions of the law of the deceased's last domicile showing that no probate is required (if the applicant or successful bidder for a lease dies before the lease is issued);
- (10) Evidence that the person who, as executor or administrator, submits lease and bond forms has authority to act in that capacity and to sign those forms;
- (11) Evidence that the heirs or devisees are the only heirs or devisees of the deceased;
- (12) A statement signed by each heir or devisee concerning citizenship and holdings, as required by section 3902.23.

Subpart 3904 – Bonds and Trust Funds

- b. A lessee or licensee must furnish a bond before a lease or exploration license may be issued or transferred or a plan of development approved. The BLM will review the bond and, if adequate as to amount and execution, will accept it in order to indemnify the

United States against default on payments due or other performance obligations. The BLM may also adjust the bond amount to reflect changed conditions. The BLM cancel the bond when all requirements are satisfied.

Section 3904.12

The prospective lessee or licensee must file one copy of the bond form with original signatures in the proper BLM state office. Bonds must be filed on an approved BLM form. The obligor of a personal bond must sign the form. Surety bonds must have the lessee's and the acceptable surety's signature.

Section 3904.14(c)(1)

Prior to the issuance of a lease or exploration license, or approval of a plan of development, in those instances where a state bond will be used to cover all of the BLM's reclamation requirements, evidence verifying that the existing state bond will satisfy all the BLM reclamation bonding requirements must be filed in the proper BLM office. The BLM will use no specific form to collect this information.

For those lands where no exploration data is available, the lease applicant may apply for an exploration license to conduct exploration on unleased public lands to determine the extent and specific characteristics of the Federal oil shale resource. The BLM will use the information in the application to:

- (1) Locate the proposed exploration site;
- (2) Determine if the lands are subject to entry for exploration;
- (3) Prepare a notice of invitation to other parties to participate in the exploration; and
- (4) Ensure the exploration plan is adequate to safeguard resource values, and public and worker health and safety.

The BLM will use this information from a licensee to determine if it will offer the land area for lease.

Section 3910.31

The BLM will use no specific form to collect the information. The applicant will be required to submit the following information:

- (1) Name and address of applicant(s);
- (2) A nonrefundable filing fee of \$295;
- (3) A general description of the area to be drilled described by legal land description; and
- (4) 3 copies of an exploration plan that includes the exact location of the affected lands, the name, address, and telephone number of the party conducting the exploration activities, a description of the proposed methods and extent of exploration, and reclamation.

Section 3910.44

Upon the BLM's request, the licensee must provide copies of all data obtained under the exploration license in the format requested by the BLM. The BLM will consider the data confidential and proprietary until the BLM determines that public access to the data will not damage the competitive position of the licensee or the lands involved have been leased, whichever comes first. Submit all data obtained under the exploration license to the proper BLM office.

Subpart 3921 Pre-Sale Activities

- c. Corporations, associations, and individuals may submit expressions of leasing interest for specific areas to assist the applicable BLM State Director in determining whether or not to lease oil shale. The information provided will be used in the consultation with the governor of the affected state and in setting a geographic area for which a call for applications will be requested.

Section 3921.30

The BLM will request this information through the publication of a notice in the Federal Register and will use no specific form to collect the information. The expression of leasing interest will contain specific information consisting of the name and address and area of interest described by legal land description.

Subpart 3922 Application Processing

- d. Entities interested in leasing the Federal oil shale resource must file an application in a geographic area for which the BLM has issued a "Call for Applications." The information provided by the applicant will be used to evaluate the impacts of issuing a proposed lease on the human environment. Failure to provide the requested additional information may result in suspension or termination of processing of the application or in a decision to deny the application.

Section 3922.20 and 3922.30

Lease applications must be filed in the proper BLM state office. No specific form of application is required, but the application must include information necessary to evaluate the impacts of issuing the proposed lease on the human environment, including, but not limited to, the following:

- (1) Name, address, telephone number of applicant, and a qualification statement, as required by subpart 3902;
- (2) A delineation of the proposed lease area or areas, the surface ownership (if other than the United States) of those areas, a description of the quality, thickness, and depth of the oil shale and of any other resources the applicant proposes to extract, and environmental data necessary to assess impacts from the proposed development;
- (3) A description of the proposed extraction method, including personnel requirements, production levels, and transportation methods including:

- (a) A description of the mining, retorting, or in situ mining or processing technology that the operator would use and whether the proposed development technology is substantially identical to a technology or method currently in use to produce marketable commodities from oil shale deposits;
- (b) An estimate of the maximum surface area of the lease area that will be disturbed or undergoing reclamation at any one time;
- (c) A description of the source and quantities of water to be used and of the water treatment and disposal methods necessary to meet applicable water quality standards;
- (d) A description of the regulated air emissions;
- (e) A description of the anticipated noise levels from the proposed development;
- (f) A description of how the proposed lease development would comply with all applicable statutes and regulations governing management of chemicals and disposal of solid waste. If the proposed lease development would include disposal of wastes on the lease site, include a description of measures to be used to prevent the contamination of soil and of surface and ground water;
- (g) A description of how the proposed lease development would avoid, or, to the extent practicable, mitigate impacts to species or habitats protected by applicable state or Federal law or regulations, and impacts to wildlife habitat management;
- (h) A description of reasonably foreseeable social, economic, and infrastructure impacts to the surrounding communities, and to state and local governments from the proposed development;
- (i) A description of the known historical, cultural, or archeological resources within the lease area;
- (j) A description of infrastructure that would likely be required for the proposed development and alternative locations of those facilities, if applicable;
- (k) A discussion of proposed measures or plans to mitigate any adverse socioeconomic or environmental impacts on local communities, services, and infrastructure;
- (l) A brief description of the reclamation methods that will be used;
- (m) Any other information that shows that the application meets the requirements of subpart 3922 or that the applicant believes would assist the BLM in analyzing the impacts of the proposed development; and
- (n) A map, or maps, showing:
 - (i) The topography, physical features, and natural drainage patterns;
 - (ii) Existing roads, vehicular trails, and utility systems;
 - (iii) The location of any proposed exploration operations, including seismic lines and drill holes;
 - (iv) To the extent known, the location of any proposed mining operations and facilities, trenches, access roads, or trails, and supporting facilities including the approximate location and extent of the areas to be used for pits, overburden, and tailings; and
 - (v) The location of water sources or other resources that may be used in the proposed operations and facilities.

At any time during processing of the application, or the environmental or similar assessments of the application, the BLM may request additional information from the applicant.

Subpart 3924 Lease Sale Procedures

- e. Prospective lessees will be required to submit a bid at a competitive sale in order to be

issued a lease.

Section 3924.10

The BLM will request the following bid information via the notice of oil shale lease sale:

- (1) A certified check, cashier's check, bank draft, money order, personal check, or cash for one-fifth of the amount of the bonus; and
- (2) A qualifications statement signed by the bidder as described in subpart 3902.

Subpart 3926 Conversion of Preference Right for Research, Demonstration, and Development (R, D and D) Leases

- f. The lessee of an R, D and D lease may apply for conversion of the R, D and D lease to a commercial lease.

Section 3926.10(c)

A lessee of an R, D and D lease identified in subpart 3926 must apply for the conversion of the R, D and D lease to a commercial lease no later than 90 days after the commencement of production in commercial quantities. No specific form of application is required. The application for conversion must be filed in the BLM state office that issued the R, D and D lease. The conversion application must include:

- (1) Documentation that there has been commercial quantities of oil shale produced from the lease, including the narrative required by section 23 of R, D and D leases;
- (2) Documentation that the lessee consulted with state and local officials to develop a plan for mitigating the socioeconomic impacts of commercial development on communities and infrastructure;
- (3) A bonus payment equal to the FMV of the lease; and
- (4) Bonding to cover all costs associated with reclamation.

Subpart 3930 Management of Oil Shale Exploration and Leases

- g. The records, logs, and samples provide information necessary to determine the nature and extent of oil shale resources on Federal lands and to monitor and adjust the extent of the oil shale reserve.

Section 3930.11(b)

The operator/lessee must retain for one year all drill and geophysical logs. The operator must also make such logs available for inspection or analysis by the BLM. The BLM may require the operator/lessee to retain representative samples of drill cores for 1 year. The BLM uses no specific form to collect the information.

Section 3930.20 (b)

The operator must record any new geologic information obtained during mining or in situ development operations regarding any mineral deposits on the lease. The operator must report this new information in a BLM-approved format to the proper BLM office within 90 days of obtaining the information.

Subpart 3931 Plans of Development and Exploration Plans

- h. The plan of development must provide for reasonable protection and reclamation of the environment and the protection and diligent development of the oil shale resources in the lease.

Section 3931.11

The plan of development must contain, at a minimum, the following:

- (a) Names, addresses, and telephone numbers of those responsible for operations to be conducted under the approved plan and to whom notices and orders are to be delivered, names and addresses of Federal oil shale lessees and corresponding Federal lease serial numbers, and names and addresses of surface and mineral owners of record, if other than the United States;
- (b) A general description of geologic conditions and mineral resources within the area where mining is to be conducted, including appropriate maps;
- (c) A copy of a suitable map or aerial photograph showing the topography, the area covered by the lease(s), the name and location of major topographic and cultural features;
- (d) A statement of proposed methods of operation and development, including the following items as appropriate:
 - (1) A description detailing the extraction technology to be used;
 - (2) The equipment to be used in development and extraction;
 - (3) The proposed access roads;
 - (4) The size, location, and schematics of all structures, facilities, and lined or unlined pits to be built;
 - (5) The stripping ratios, development sequence, and schedule;
 - (6) The number of acres in the Federal lease(s) or license(s) to be affected;
 - (7) Comprehensive well design and procedure for drilling, casing, cementing, testing, stimulation, clean-up, completion, and production, for all drilled well types, including those used for heating, freezing, and disposal;
 - (8) A description of the methods and means to protect and monitor all aquifers;
 - (9) Surveyed well location plats or project-wide well location plats;
 - (10) A description of the measurement and handling of produced fluids, including the anticipated production rates and estimated recovery factors;
 - (11) A description/discussion of the controls that the operator will use to protect the public, including identification of:
 - (i) Essential operations, personnel, and health and safety precautions
 - (ii) Programs and plans for noxious gas control (hydrogen sulfide, ammonia, etc.);
 - (iii) Well control procedures;
 - (iv) Temporary abandonment procedures; and
 - (v) Plans to address spills, leaks, venting, and flaring;
- (e) An estimate of the quantity and quality of the oil shale resources;

- (f) An explanation of how the maximum economic recovery of the resource will be achieved for the Federal lease(s);
- (g) Appropriate maps and cross sections showing:
 - (1) Federal lease boundaries and serial numbers;
 - (2) Surface ownership and boundaries;
 - (3) Locations of any existing and abandoned mines and existing oil and gas well (including well bore trajectories) and water well locations, including well bore trajectories;
 - (4) Typical geological structure cross sections;
 - (5) Location of shafts or mining entries, strip pits, waste dumps, retort facilities, and surface facilities; and
 - (6) Typical mining or in situ development sequence, with appropriate timeframes;
- (h) A narrative which addresses the environmental aspects associated with the proposed mine or in situ operation, which includes, at a minimum, the following:
 - (1) An estimate of the quantity of water to be used and pollutants that may enter any receiving waters;
 - (2) A design for the necessary impoundment, treatment, control, or injection of all produced water, runoff water, and drainage from workings;
 - (3) A description of measures to be taken to prevent or control fire, soil erosion, subsidence, pollution of surface and ground water, pollution of air, damage to fish or wildlife or other natural resources, and hazards to public health and safety;
 - (i) A reclamation plan and schedule for all Federal lease(s) or exploration license(s) that details all reclamation activities necessary to fulfill the requirements of section 3931.20;
 - (j) The method of abandonment of operations on Federal lease(s) and exploration license(s) proposed to protect the un-mined recoverable reserves and other resources, including:
 - (1) The method proposed to fill in, fence, or close all surface openings that are hazardous to people or animals;
 - (2) For in situ operations, a description of the method and materials to be used to plug all abandoned development or production wells. Abandonment of operations is also subject to subpart 3935; and
 - (k) Any additional information that the BLM determines is necessary for analysis or approval of the plan of development.

- i. The BLM may, in the interest of conservation, order or agree to a suspension of operations and production.

Section 3931.30

An application by a lessee for suspension of operations and production must be filed in duplicate in the proper BLM office and must set forth why it is in the interest of conservation to suspend operations and production. The BLM will use no specific form to collect this information.

- j. Except for casual use, before conducting any exploration operations on federally-leased or federally-licensed lands, the lessee must submit an exploration plan to the BLM for approval.

Section 3931.41

The BLM will use no specific form to collect this information. Exploration plans must contain the following information:

- (1) The name, address, and telephone number of the applicant, and, if applicable, that of the operator or lessee of record;
- (2) The name, address, and telephone number of the representative of the applicant who will be present during, and responsible for, conducting exploration;
- (3) A description of the proposed exploration area, cross-referenced to the map required under section 3931.41, including:
 - (a) Applicable Federal lease and exploration license serial numbers;
 - (b) Surface topography;
 - (c) Geologic, surface water, and other physical features;
 - (d) Vegetative cover;
 - (e) Endangered or threatened species listed under the Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*) that may be affected by exploration operations;
 - (f) Districts, sites, buildings, structures, or objects listed on, or eligible for listing on, the National Register of Historic Places that may be present in the lease area; and
 - (g) Known cultural or archeological resources located within the proposed exploration area;
- (4) A description of the methods to be used to conduct oil shale exploration, reclamation, and abandonment of operations, including, but not limited to:
 - (a) The types, sizes, numbers, capacity, and uses of equipment for drilling and blasting and road or other access route construction;
 - (b) Excavated earth-disposal or debris-disposal activities;
 - (c) The proposed method for plugging drill holes; and
 - (d) The estimated size and depth of drill holes, trenches, and test pits;
- (5) An estimated timetable for conducting and completing each phase of the exploration, drilling, and reclamation;
- (6) The estimated amounts of oil shale or oil shale products to be removed during exploration, a description of the method to be used to determine those amounts, and the proposed use of the oil shale removed;
- (7) A description of the measures to be used during exploration for Federal oil shale to comply with the performance standards for exploration (43 CFR 3930.10) and applicable requirements of an approved state program;
- (8) A map at a scale of 1:24,000 or larger showing the areas of land to be affected by the proposed exploration and reclamation. The map must show:
 - (a) Existing roads, occupied dwellings, and pipelines;
 - (b) The proposed location of trenches, roads, and other access routes and structures to be constructed;
 - (c) Applicable Federal lease and exploration license boundaries;
 - (d) The location of land excavations to be conducted;
 - (e) Oil shale exploratory holes to be drilled or altered;
 - (f) Earth-disposal or debris-disposal areas;
 - (g) Existing bodies of surface water; and
 - (h) Topographic and drainage features; and
- (9) The name and address of the owner of record of the surface land, if other than the United

States. If the surface is owned by a person other than the applicant or if the Federal oil shale is leased to a person other than the applicant, a description of the basis upon which the applicant claims the right to enter that land for the purpose of conducting exploration and reclamation.

- k. Approved exploration, mining and in situ development plans may be modified by the operator or lessee to adjust to changed conditions, new information, improved methods, and new or improved technology, or to correct an oversight.

Section 3931.50

The BLM will use no specific form to collect this information. The operator or lessee may apply in writing to the BLM for modification of the approved exploration plan or plan of development to adjust to changed conditions, new information, improved methods, and new or improved technology, or to correct an oversight. To obtain approval of an exploration plan or plan of development modification, the operator or lessee must submit to the proper BLM office a written statement of the proposed modification and the justification for such modification.

- l. Production of all oil shale products or byproducts must be reported to the BLM on a monthly basis.

Section 3931.70

- (1) Report production of all oil shale products or by-products to the BLM on a monthly basis.
- (2) Report all production and royalty information to the Minerals Management Service under 30 CFR parts 210 and 216.
- (3) Submit production maps to the proper BLM office at the end of each royalty reporting period or on a schedule determined by the BLM. Show all excavations in each separate bed or deposit on the maps so that the production of minerals for any period can be accurately ascertained. Production maps must also show surface boundaries, lease boundaries, topography, and subsidence resulting from mining activities.
- (4) For in situ development operations, the lessee or operator must submit a map showing all surface installations including pipelines, meter locations, or other points of measurement necessary for production verification as part of the plan of development. All maps must be modified as necessary to adequately represent existing operations.
- (5) Within 30 days after well completion, the lessee or operator must submit to the proper BLM office 2 copies of a completed Form 3160-4, Well Completion or Recompletion Report and Log, limited to information that is applicable to oil shale operations. Well logs may be submitted electronically using a BLM approved electronic format. Describe surface and bottom-hole locations in latitude and longitude.

Within 30 days of drilling completion the operator or lessee must submit to the BLM a signed copy of records of all core or test holes made on the lands covered by the lease or exploration license.

Section 3931.80

Within 30 days of drilling completion, the operator or lessee must submit to the proper BLM office a signed copy of records of all core or test holes made on the lands covered by the lease or exploration license. The records must show the position and direction of the holes on a map. The records must include a log of all strata penetrated and conditions encountered, such as water, gas, or unusual conditions, and copies of analysis of all samples. Provide this information to the proper BLM office in either paper copy or in a BLM-approved electronic format. Within 30 days of creation, the operator or lessee must also submit to the proper the BLM office a detailed lithologic log of each test hole and all other in-hole surveys or other logs produced. Upon the BLM's request, the operator or lessee must provide to the BLM splits of core samples and drill cuttings.

Subpart 3932 Lease Modifications and Readjustments

A lessee may apply for a modification of a lease to include additional Federal lands adjoining those in the lease.

Section 3932.10(b) and Section 3932.30(c)

The BLM will use no specific form to collect this information. An application for modification of the lease size must:

- (1) Be filed with the proper BLM office;
- (2) Contain a legal description of the additional lands involved;
- (3) Contain a justification for the modification;
- (4) Explain why the modification would be in the best interest of the United States;
- (5) Include a nonrefundable processing fee that the BLM will determine under 43 CFR 3000.11; and
- (6) Include a signed qualifications statement consistent with subpart 3902.

Before the BLM will approve a lease modification, the lessee must file a written acceptance of the conditions in the modified lease and a written consent of the surety under the bond covering the original lease as modified. The lessee must also submit evidence that the bond has been amended to cover the modified lease.

Subpart 3933 Assignments and Subleases

Any lease may be assigned or subleased, and any exploration license may be assigned, in whole or in part, to any person, association, or corporation that meets the qualification requirements at subpart 3902.

Section 3933.31

- (1) The BLM will use no specific form to collect this information. File in triplicate at the proper BLM office a separate instrument of assignment for each assignment. File the assignment application within 90 days of the date of final execution of the assignment instrument and with it include the:

- (a) Name and current address of assignee;
 - (b) Interest held by assignor and interest to be assigned;
 - (c) Serial number of the affected lease or license and a description of the lands to be assigned as described in the lease or license;
 - (d) Percentage of overriding royalties retained; and
 - (e) Date and signature of assignor.
- (2) The assignee must provide a single copy of the request for approval of assignment which must contain a:
- (a) Statement of qualifications and holdings as required by subpart 3902;
 - (b) Date and signature of assignee; and
 - (c) Nonrefundable filing fee of \$60.

Subpart 3934 Relinquishments, Cancellations, and Terminations

- m. A lease or exploration license may be surrendered in whole or in part.

Section 3934.10

The BLM will use no specific form to collect this information. The record title holder must file a written relinquishment, in triplicate, in the BLM state office having jurisdiction over the lands covered by the relinquishment.

Subpart 3935 Production and Sale Records

- n. Operators or lessees must maintain production and sale records, which must be available for the BLM's examination during regular business hours.

Section 3935.10

Operators or lessees must maintain records which are an accurate account of:

- (1) Oil shale mined;
- (2) Oil shale put through the processing plant and retort;
- (3) Mineral products produced and sold;
- (4) Shale oil products, shale gas, and shale oil by-products sold;
- (5) Relevant quality analyses of oil shale mined or processed and of synthetic petroleum, shale oil or shale oil by-products sold; and
- (6) Shale oil products and by-products that are consumed on lease for the beneficial use of the lease.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological 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 you gave to the use of improved information technology to reduce the burden on the public.

This information collection is brand new and the BLM does not have forms in place. We anticipate having the forms in electronic format when we begin managing the oil shale program. The proposed rule included a 60-day public comment period for information collection requirements of BLM's oil shale management program. We received only one comment on BLM's information collection management of this program, and it addressed information collection requirements as a factor in determining royalty rates. It did not discuss the issue of how information should be submitted to the BLM. In the final rule the BLM provides ways to contact the proper BLM office for detailed information on submitting copies electronically. Two-thirds of the information required to be submitted by the oil shale management regulations may be filed electronically.

4. Describe your efforts to identify duplication with other collections which may be gathering the same or similar information. If the same or similar information is available, describe why it cannot be used or modified for the purposes described in "2" above.

The information we request is unique to the lessee and licensees and prospective lessees and licensees, for the exploration and development of oil shale resources on public lands, and no other source is available. The BLM must obtain this information in order to authorize development of oil shale resources, to monitor and evaluate the program, and to facilitate the billing for this use of public lands. There is no similar information already available and no duplication of information collection.

5. If the collection will have a significant impact on small entities such as small businesses, organizations, or government bodies, describe the methods used to minimize the burden on them.

Section 369 of the EP Act requires the Department of the Interior to establish regulations for a commercial oil shale leasing program. Although this information collection would only affect entities that choose to explore and develop oil shale resources from land administered by the BLM, there is no way to determine which firms would hold exploration licenses or leases or operate on Federal lands in the future. The extent to which the information collection would have an actual impact on any firm depends on whether the firm would hold exploration licenses or leases or would operate on Federal lands.

Currently, active oil shale research and development on Federal lands is limited to a few firms. Chevron, EGL Resources, Oil Shale Exploration Company, and Shell Oil Company hold R, D and D leases and are the only companies currently conducting operations on Federal oil shale leases. Of the four companies holding R, D and D leases, two are major oil companies and two are small research and development firms.

With implementation of the proposed rule and this information collection, and technological advances and favorable market conditions that would support oil shale development, the BLM anticipates an increase in the number of firms involved in oil shale development. However, the

number of firms, large or small, involved in oil shale development on Federal lands would likely remain quite limited. Given the likely size of the industry that may eventually be involved in the leasing and development of Federal oil shale resources, it is reasonable to conclude that this information collection would not have a significant impact on a substantial number of small entities.

The information collection hour and cost burdens on the small entities that are already involved in the industry and/or likely will be operating under the regulations are not significant in the context of the capital outlays required for oil shale development. Also, the procedural provisions of the regulations have been designed to avoid requirements that would make applications by small entities more difficult. For example, exploration licenses have no minimum acreage and require only a nominal filing fee (\$295 per filing). Leases have no minimum tract acreage; lease processing costs are paid only by the successful bidder; and bonus bids may be deferred over a 5-year period. These aspects of the licensing and leasing procedures allow small entities to compete for Federal oil shale licenses and leases with larger, well-capitalized companies. We have attempted to reduce the front-loading impact of both procedural and information collection costs.

6. Describe the consequence to the 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 the burden.

If the BLM fails to conduct the information collection, we would not have current information necessary for authorizing exploration and development of oil shale resources, protecting the public lands, billing to meet statutory financial responsibilities, or for evaluating and monitoring the program. Each entry is a one-time item and recorded for each event. The lessee, licensee, or prospective lessee or licensee submits the information as provided on each form or in the regulations.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with the OMB guidelines.

There are no special circumstances requiring the collection to be conducted in a manner inconsistent with OMB guidelines under 5 CFR 1320.5.

8. Provide a copy of the 60-day Federal Register notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to the notice and describe the actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

This is a new information collection prepared as part of the development of new regulations.

Describe your efforts to consult with persons outside the agency to obtain their views on the availability of data, the 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. Consultation should include obtaining their views on the amount of burden to be imposed, and ways to minimize the burden. Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every three years, even if the collection has not changed. If circumstances prevent this consultation, describe them, but please note that OMB is emphasizing the need for such consultations.

There is currently no oil shale industry for the BLM to consult with. We will consider the views of persons outside the BLM on the availability of data, the 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 to the extent that we receive them in the course of the public comment period on the proposed rule. We will consult with such persons as well as we begin administering this new program once the regulations are promulgated in final form.

A rule proposing to promulgate BLM regulations for implementing a commercial oil shale leasing program was published in the Federal Register on July 23, 2008 (73 FR 42926), with a comment period that expired on September 22, 2008. The proposed rule was also delivered to OMB for review. It solicited comments on the information collection aspects of the rule. This solicitation generated one public comment on the proposed rule's information collection provisions and preamble discussion.

The comment generally approved of the BLM's presentation of the information collection burden discussion in the proposed rule. However, the comment related the PRA to the establishment of a royalty rate for leased oil shale resources.

The comment mainly stated that the PRA requires the BLM to develop a final rule that maximizes the utility and the public benefit of the information collected in lease applications, and went on to say that this requirement dovetails with the requirements in the EP Act that the regulations encourage initial development and sustain diligent development throughout the life of the lease, because initiating and sustaining predictable development are prerequisites for minimizing uncertainty in state and local impact projections. The comment urged that these interconnected principles require that the BLM establish a royalty rate sufficiently low to ensure that development will be initiated and diligently pursued, citing foreign examples where royalties on tar sands were entirely forgiven and successfully encouraged development, and where a 1.8 percent royalty led to a commercially viable oil shale project. Stated plainly, the comment intimated that if the royalty rate were insufficiently low, it would be a waste of government resources to collect the information necessary to run a leasing program, and a waste of the public's time and resources to gather and submit the information.

The royalty rate is stated in the final rule in the preamble discussion of section 3903.52, and discussed at great length there. The final rule establishes a flat, easy to administer 5 percent royalty rate for the first 5 years of commercial production and a transparent, simple to understand escalating rate of 1 percent after year 5 until it reaches a level comparable to the royalty rate on conventional crude oil. This royalty system should provide some royalty relief during the first

years of capital intensive production activities. It complies with the statutory requirements that the regulations encourage initial development and sustain diligent development throughout the life of the lease, and ensure a fair return to the United States

Based on our analysis, this initial rate (1) reflects the production cost disparity between shale oil and crude oil production, (2) addresses the high start up costs associated with new infrastructure for developing, refining, and transporting oil shale products (of which providing information to the Government is an element), and (3) could promote higher bonus bids to defray socioeconomic impacts to states and counties. Following five years of successful production, the rate will eventually rise to a level comparable with conventional crude oil. This will help to ensure that over the term of the lease the United States is guaranteed a fair return, as required by EP Act, should oil shale development be economically successful.

The comment also stated that the information collection clearance package that the BLM submitted to OMB at the time the proposed rule was published contained a premature, and thus invalid, certification that we had complied with the requirements of section 3506(c)(3) of the PRA. The comment stated that we could not make this certification until we had considered public comments submitted on the information collection, and concluded that we need to describe in the supporting material how the BLM would use the two principles discussed in the preceding paragraph that govern royalty determination to ensure that the agency will maximize the utility and public benefit of the information collected.

The certification was made by the Department of the Interior as part of the routine procedure of its submission of the information collection to OMB, but the certification is not effective and was never intended to be effective until it is finally approved by OMB. The certification was not premature – the proposed rule could not have been submitted to OMB without the certification.

The comment concluded by urging that the OMB Terms of Clearance for the Information Collection Request should require that the record demonstrating the BLM's compliance with the royalty principles of encouraging and sustaining diligent development be included in the preamble of the final rule. Such a discussion appears in the preamble of the final rule.

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

We provide no 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.

We will protect the confidentiality of respondents to the extent consistent with the Freedom of Information Act (5 U.S.C. 442).

Under the privacy provisions of the E-Government Act of 2002, individuals/respondents will be

informed as to whether or not providing the information is mandatory to obtain a benefit. The BLM has firewalls to protect website access, strong security and password protection of information in data bases, and other security measures to protect electronic information.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, or other matters that are commonly considered private. The justification should include the reason why the questions are necessary, the specific uses for the information, the explanation to be given to the respondents, and any steps taken to obtain their consent.

We do not require the respondents to answer questions of a sensitive nature.

12. Provide an estimate in hours of the burden of the collection of information. If this submission is a revision to an approved collection, and describes only the revised requirements, this answer should just reflect the new burden for that requirement and how much this is increased/decreased from the previous burden (if any) for the requirement. The statement must:

- **Provide the number of respondents expected annually, frequency of their response, the total number of responses expected, the average response time per respondent, and the total annual response time (in hours) for the collection. Response time includes not only the time necessary to complete the form or answer the questions, but also the time needed to gather the information (unless it was already being gathered for other purposes), have it reviewed by lawyers or accountants, etc. Explain how you arrived at these estimates.**
- **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, estimated should not include burden hours for customary and usual business practices.**
- **If this request for approval covers more than one form, provide burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-1.**
- **Provide estimates of annualized cost to respondents for the hour burden for the collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection should not be included here (see Item 14 below).**

Prospectively estimating the annual burden hours for the commercial oil shale program is difficult because the oil shale industry is at the research and development stage where there is a lack of available information and the future technology to be used is uncertain. The burden hour

estimates in the following charts were derived from a previous ICR completed for the Federal coal program, as the information collection associated with that program is somewhat similar to the proposed oil shale leasing program. The coal burden hour estimates were adjusted to reflect differences in the two programs. It is also difficult to make a prospective estimate of the number of annual responses; therefore, the BLM has used one response for each activity as a starting point, except for the number of applications received. We anticipate that we could receive several applications after these regulations are promulgated. The BLM estimates that this ICR for the oil shale management program will result in 23 responses totaling 1,794 burden hours at a total annual burden cost of \$87,206 (Table 12-1). This estimate is based on the number of actions multiplied by the estimated burden hours per action multiplied by a \$48.61 wage per hour (Table 12-2). See the following tables for burden hours by CFR citation:

Table 12-1 – Burden Hour Costs of the Collection

Form*	Annual Responses	Average Response Time (hours)	Annual Burden Hours	Respondent Cost / Hour ** (\$)		Annual Cost (\$) (rounded to the nearest dollar)
3904.12	1	1	1	\$48.61		\$49
Non-form requirements						
§3904.14(c)(1)	1	1	1	\$48.61		\$49
§3910.31	1	24	24	\$48.61		\$1,167
§3910.44	1	8	8	\$48.61		\$389
§3921.30	1	4	4	\$48.61		\$194
§§3922.20 & 3922.30	3	308	924	\$48.61		\$44,917
§3924.10	1	8	8	\$48.61		\$389
§3926.10(c)	1	308	308	\$48.61		\$14,972
§3930.11(b)	1	19	19	\$48.61		\$924
§3930.20(b)	1	19	19	\$48.61		\$924
§3931.11	1	308	308	\$48.61		\$14,972
§3931.30	1	24	24	\$48.61		\$1,167
§3931.41	1	24	24	\$48.61		\$1,167
§3931.50	1	24	24	\$48.61		\$1,167
§3931.70	1	16	16	\$48.61		\$778
§3931.80	1	16	16	\$48.61		\$778
§§3932.10(b) & 3932.30(c)	1	12	12	\$48.61		\$583
§3933.31	2	10	20	\$48.61		\$972
§3934.10	1	18	18	\$48.61		\$875
§3935.10	1	16	16	\$48.61		\$778
Totals****	23	-----	1,794	\$48.61		\$87,206

* The Form column of this table also contains information for the non-form information requirements identified by section designation.

** Respondent cost per hour is based on the calculations in Table 12-2.

*** We used a benefits multiplier of 1.4 based on the ratio between the wages and benefits for this occupational category within the private sector as shown in Table 13 in the U.S. Bureau of Labor Statistics: **EMPLOYER COSTS FOR EMPLOYEE COMPENSATION—SEPTEMBER 2007**, to determine the hourly rate.

**** Annual cost total differs from the sum of annual costs due to rounding.

Table 12-2

Job Category	BLS Occupational Code	Mean Hourly Wage*	40% For Benefits	Hourly Rate	Weight (%)	Weighted Value per Hour
Attorney	23-1011	\$56.87	\$22.75	\$79.62	10%	\$7.96
Managerial	11-0000	\$46.22	\$18.49	\$64.71	20%	\$12.94
Technical/Professional	17-2151	\$38.23	\$15.29	\$53.52	40%	\$21.41
Clerical	43-0000	\$15.00	\$6.00	\$21.00	30%	\$6.30
Total Weighted Value per Hour					100%	\$48.61

*Derived from Bureau of Labor Statistics: May 2007 National Occupational Employment and Wage Estimates, (http://stats.bls.gov/oes/current/oes_nat.htm#b00-0000).

13. Provide an estimate of the total annual cost burden to the respondents or recordkeepers resulting from the information collection. Do not include the cost of the burden hours described in Items 12 and 14.

The BLM estimates that there will be processing/cost recovery fees in the amount of \$526,652 (Table 13-1). Based on an average number of actions, we estimate the total annual cost burden on respondents, in the form of processing and cost recovery fees, broken down with totals as follows:

Table 13-1

Estimated Collections from Processing and Cost Recovery Case-by-Case Fees	Estimated Number of Actions	Processing Fee per Action	Estimated Case-by-Case Cost Recovery Fee per Action	Total Estimated Annual Collection
Part 3910 Oil Shale Exploration Licenses	1	\$295	Not Applicable	\$295
Subpart 3922 Application Processing The case-by-case processing fee does not include any required studies or analyses that are completed by third party contractors and funded by the applicant. The regulations at 43 CFR 3000.11 provide the regulatory framework for determining the cost recovery value.	3	Not Applicable	\$172,323	\$516,969
Subpart 3925 Award of Lease The successful bidder must also submit the necessary lease bond (per subpart 3904), the first year's rental, and the bidder's proportionate share of the cost of publication of the sale notice.	1	\$60	Not Applicable	\$60
Subpart 3932 Lease Size Modification	1	Not Applicable	\$9,208	\$9,208
Subpart 3933 Assignments and Subleases	2	\$60	Not Applicable	\$120
TOTALS	8	-----	-----	\$526, 652

14. Provide estimates of annualized cost to the Federal Government.

The annual cost burden to the Federal Government is based on the BLM's experience with similar information collection in the coal leasing program. This cost burden includes the cost incurred by the BLM from the receiving point of the respondent's application or report to the issuance/approval of the land use authorization, reconciliation billing, or recording and analyzing the report. This includes the time for clerical staffs to receive the application or report, route it to appropriate technical staff for processing, managerial staff to review and approve the authorization and technical and clerical staff to issue the subsequent land use authorization. The table below provides a detailed summary of the estimated cost to the Federal Government.

Table 14-1

(a) Form	(b) Clerical Wage	(c) Time	(d) Cost Per Resp. (\$)	(e) Tech- nical Wage	(f) Time	(g) Cost Per Resp. (\$)	(h) Mana- gerial Wage	(i) Time	(j) Cost Per Resp. (\$)	(k) Aggr Cost Per resp. (\$)	(l) No.. Resp. from Quest . 12	(m) Total cost (\$)
3904.12	\$29.72	6 min.	\$3	\$48.87	42 min.	\$39	\$69.65	6 min	\$7	\$49	1	\$49
Non-form Requirements												
3910.31	\$29.72	2½ hrs.	\$74	\$48.87	19 hrs.	\$929	\$69.65	2½ hrs.	\$174	\$1,177	1	\$1,177
	\$29.72	2½ hrs.	\$74	\$48.87	20 hrs.	\$977	\$69.65	2½ hrs.	\$174	\$1,225	1	\$1,225
3921.30	\$29.72	1½ hrs.	\$45	\$48.87	14 hrs.	\$684	\$69.65	1½ hrs.	\$104	\$833	1	\$833
3922.20 & 3922.30	\$29.72	456 hrs.	\$13,552	\$48.87	3647 hrs.	\$178,229	\$69.65	456 hrs.	\$31,760	\$223,541	3	670,623
3924.10	\$29.72	6 min	\$3	\$48.87	42 min.	\$39	\$69.65	6 min.	\$7	\$49	1	\$49
3926.10(c)	\$29.72	4 hrs.	\$119	\$48.87	32 hrs.	\$1564	\$69.65	4 hrs.	\$279	\$1,962	1	\$1,962
3930.11(b))	\$29.72	1 hr.	\$30	\$48.87	6 hrs.	\$293	\$69.65	1 hr.	\$70	\$393	1	\$393
3930.20(b))	\$29.72	1 hr.	\$30	\$48.87	7 hrs.	\$342	\$69.65	1 hr.	\$70	\$442	1	\$442
3931.11	\$29.72	8 hrs.	\$238	\$48.87	64 hrs.	\$3,128	\$69.65	8 hrs.	\$557	\$3923	1	\$3,923
3931.30	\$29.72	5 hrs.	\$149	\$48.87	40 hrs.	\$1,955	\$69.65	5 hrs.	\$348	\$2,452	1	\$2,452
3931.41	\$29.72	8 hrs.	\$238	\$48.87	64 hrs.	\$3,128	\$69.65	8 hrs.	\$557	\$3,923	1	\$3,923
3931.50	\$29.72	25 hrs.	\$743	\$48.87	195 hrs.	\$9,524	\$69.65	24 hrs.	\$1,672	\$11,939	1	\$11,939
3931.70	\$29.72	21 hrs.	\$624	\$48.87	163 hrs.	\$7,966	\$69.65	20 hrs.	\$1,393	\$9,983	1	\$9,983
3931.80	\$29.72	5 hrs.	\$149	\$48.87	42 hrs.	\$2,053	\$69.65	5	\$348	\$2,550	1	\$2,550

								hrs.		0		
3932.10(b)) & 3932.30(c)	\$29.72	25 hrs.	\$743	\$48.87	195 hrs.	\$9,524	\$69.65	24 hrs.	\$1,6 72	\$11,9 39	1	\$11,933
3933.31	\$29.72	11 hrs.	\$327	\$48.87	83 hrs.	\$4,056	\$69.65	10 hrs.	\$697	\$5,08 0	1	\$5,080
3934.10	\$29.72	11 hrs.	\$327	\$48.87	83 hrs.	\$4,056	\$69.65	10 hrs.	\$697	\$5,08 0	1	\$5,080
3935.10	\$29.72	1½ hrs.	\$45	\$48.87	14 hrs.	\$684	\$69.65	1½ hrs.	\$104	\$833	1	\$833
Totals												\$734,449

All wage rates derived from "Salary Table 2008-GS" effective January 2008 published by the Office of Personnel Management. "Clerical Wage" = GS-7/6; "Technical Wage" = GS 11/6; "Managerial Wage" = GS 13/6; As portrayed, a "benefits multiplier" of 1.5 was applied.

* At best, these are estimates. This is a new regulatory program relating to an industry that is still in the research and development stage.

** This multiplier was derived from the ratio between wages and benefits for state and local government workers in the U.S. Bureau of Labor Statistics: **EMPLOYER COSTS FOR EMPLOYEE COMPENSATION—SEPTEMBER 2007 (news release)**. Currently, the Bureau of Labor Statistics does not provide such a ratio for Federal workers, but in order to estimate Federal government worker costs for this collection we assumed that the ratio would be the same for Federal workers.

***The time it takes a Federal Government technical worker to process the non-form information requirements (supporting documents) can vary widely, but we estimated that it would take this type of worker on average 10 minutes each year to process this type information as described in Question 12.

Table 14-2

Category	Hourly Wage	Adjusted Hourly Wage
Managerial	\$46.43 (GS-13, Step 6 x 1.5)	\$69.65
Technical	\$32.58 (GS-11, Step 6 x 1.5)	\$48.87
Clerical	\$19.81 (GS-6, Step 6 x 1.5)	\$29.72

Salaries are estimates based on the typical grade levels at BLM offices and the estimated mixes of personnel who participate in processing applications. Salaries for these wage categories use U.S. Office of Personnel Management Salary Table 2008-RUS for the Locality Pay Area of Denver-Aurora-Boulder, Colorado, for the hourly costs to consider the approximate locality costs of BLM, multiplied by 1.5 to determine the burden.

The total estimated annual cost to the Federal Government is \$734,449.

15. Explain reasons for changes in burden, including the need for increase.

Burden	Previous Collection	This Collection	Change
Responses	0	23	23
Burden Hours	0	1,794	1,794
Annual Burden Hour Cost (to Respondents)	0	\$87,206	\$87,206
Annual Non-Burden Hour Cost (to Respondents)	0	\$526,652	\$526,652

Since this information collection is part of a new program, and new program regulations, there is no previous collection with which to compare. This collection results, therefore, from a program change. We seek OMB approval for the estimated information collection burden and hour costs shown in the table above as a new information collection.

16. For collections of information whose results are planned to be published, outline plans for tabulation and publication.

The BLM has no plans to publish the results of this collection of information.

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.

BLM will display the expiration date of the OMB approval.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.

There are no exceptions to the certification statement.