

**SUPPORTING STATEMENT  
ENVIRONMENTAL PROTECTION AGENCY**

**NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal)**

**1. Identification of the Information Collection**

**1(a) Title of the Information Collection**

NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal)

**1(b) Short Characterization/Abstract**

The National Emission Standards for Hazardous Air Pollutants (NESHAP) for the regulations published at 40 CFR part 63, subpart HH were proposed on February 06, 1998, and promulgated on June 17, 1999 only for major sources. On July 8, 2005, a supplemental proposal was proposed for area sources with the final rule effective date on January 03, 2007. This regulation applies to existing and new facilities that are both major and area sources. A major source of hazardous air pollutants (HAP) is one that has the potential to emit, 10 tons or more of any one hazardous air pollutant or 25 tons or more of total HAP per year; an area source is one with the potential to emit less than this. This information is being collected to assure compliance with 40 CFR part 63 subpart HH.

In general, all NESHAP standards require initial notifications, performance tests, and periodic reports by the owners/operators of the affected facilities. They are also required to maintain records of the occurrence and duration of any startup, shutdown, or malfunction in the operation of an affected facility, or any period during which the monitoring system is inoperative. These notifications, reports, and records are essential in determining compliance, and are required of all affected facilities subject to NESHAP. Semiannual summary reports are also required.

Any owner/operator subject to the provisions of this part shall maintain a file of these measurements, and retain the file for at least five years following the date of such measurements, maintenance reports, and records. All reports are sent to the delegated state or local authority. In the event that there is no such delegated authority, the reports are sent directly to the United States Environmental Protection Agency (EPA) regional office.

The estimated average number of respondents over the three-year period of this ICR is 132,527. This is comprised of 741 new respondents, 3,258 existing respondents and 128,528 sources that must keep records, but do not submit reports.

All of the oil and natural gas facilities in the United States are owned and operated by the oil and natural gas industry (the "Affected Public"). None of the facilities in the United States are owned by state, local, tribal or the Federal government. They are all privately, owned for-profit businesses. The burden to the "Affected Public" is listed below in Table 1: Annual Respondent Burden and Cost - NESHAP for Oil and Natural Gas Production (40 CFR Part 63,

Subpart HH) (Renewal). The Federal government burden associated with the review of reports submitted by the respondent is shown below in Table 2: Average Annual EPA Burden - NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal).

The Office of Management and Budget (OMB) approved the currently active Information Collection Request (ICR) without any “Terms of Clearance.”

## **2. Need for and Use of the Collection**

### **2(a) Need/Authority for the Collection**

The EPA is charged under section 112 of the Clean Air Act, as amended, to establish standards of performance for each category or subcategory of major sources and area sources of hazardous air pollutants (HAP). These standards are applicable to new or existing sources of HAP and shall require the maximum degree of emission reduction. In addition, section 114(a) states that the Administrator may require any owner or operator subject to any requirement of this Act to:

(A) Establish and maintain such records; (B) make such reports; (C) install, use, and maintain such monitoring equipment, and use such audit procedures, or methods; (D) sample such emissions (in accordance with such procedures or methods, at such locations, at such intervals, during such periods, and in such manner as the Administrator shall prescribe); (E) keep records on control equipment parameters, production variables or other indirect data when direct monitoring of emissions is impractical; (F) submit compliance certifications in accordance with Section 114(a)(3); and (G) provide such other information as the Administrator may reasonably require.

In the Administrator's judgment, HAP emissions from oil and natural gas production facilities cause or contribute to air pollution that may reasonably be anticipated to endanger public health or welfare. Therefore, the NESHAP standards were promulgated for this source category at 40 CFR part 63, subpart HH.

### **2(b) Practical Utility/Users of the Data**

The recordkeeping and reporting requirements in the standard ensure compliance with the applicable regulations which were promulgated in accordance with the Clean Air Act. In addition, the collected information is used for targeting inspections and as evidence in legal proceedings.

Performance tests are required in order to determine an affected facility's initial capability to comply with the emission standard. Continuous emission monitors are used to ensure compliance with the standard at all times. During the performance tests, a record of the operating parameters under which compliance was achieved may be recorded and used to

determine compliance in place of a continuous emission monitor.

The notifications required in the standard are used to inform the Agency or delegated authority when a source becomes subject to the requirements of the regulations. The reviewing authority may then inspect the source to ensure that the pollution control devices are properly installed and operated, that leaks are being detected and repaired, and that the standards are being met. The performance test may also be observed.

The required semiannual reports are used to determine periods of excess emissions, identify problems at the facility, verify operation/maintenance procedures, and for compliance determinations.

The information generated by the monitoring, recordkeeping and reporting requirements described in this ICR is used by the Agency to ensure that facilities affected by the NESHAP continues to operate the control equipment in compliance with the regulation.

### **3. Non-duplication, Consultations, and Other Collection Criteria**

The requested recordkeeping and reporting are required under 40 CFR part 63, subpart HH.

#### **3(a) Non-duplication**

If the subject standards have not been delegated, the information is sent directly to the appropriate EPA regional office. Otherwise, the information is sent directly to the delegated state or local agency. If a state or local agency has adopted their own similar standards to implement the Federal standards, a copy of the report submitted to the state or local agency can be sent to the Administrator in lieu of the report required by the Federal standards. Therefore, no duplication exists.

#### **3(b) Public Notice Required Prior to ICR Submission to OMB**

An announcement of a public comment period for the renewal of this ICR was published in the Federal Register (74 FR 32580) on July 8, 2009. No comments were received on the burden published in the Federal Register.

#### **3(c) Consultations**

The Agency's industry experts have been consulted, and the Agency's internal data sources and projections of industry growth over the next three years have been considered. The primary source of information as reported by industry, in compliance with the recordkeeping and reporting provisions in the standard, is the Online Tracking Information System (OTIS) which is operated and maintained by the EPA Office of Compliance. OTIS is the EPA database for the collection, maintenance, and retrieval of all compliance data. The growth rate for the industry is based on our consultations with the Agency's internal industry experts.

Industry trade associations and other interested parties were provided an opportunity to

comment on the burden associated with the standard as it was being developed. We contacted the Independent Petroleum Association of America (IPAA) at (202) 857-4722, and the American Gas Association (AGA) at (202) 824-7000.

It is our policy to respond after a thorough review of comments received since the last ICR renewal as well as those submitted in response to the first Federal Register notice.

### **3(d) Effects of Less Frequent Collection**

Less frequent information collection would decrease the margin of assurance that facilities are continuing to meet the standards. Requirements for information gathering and recordkeeping are useful techniques to ensure that good operation and maintenance practices are applied and emission limitations are met. If the information required by these standards was collected less frequently, the proper operation and maintenance of control equipment and the possibility of detecting violations would be less likely.

### **3(e) General Guidelines**

None of these reporting or recordkeeping requirements violate any of the regulations established by OMB at 5 CFR part 1320, section 1320.5.

These standards require the respondents to maintain all records, including reports and notifications for at least five years. This is consistent with the General Provisions as applied to the standards. EPA believes that the five-year records retention requirement is consistent with the Part 70 permit program and the five-year statute of limitations on which the permit program is based. The retention of records for five years allows EPA to establish the compliance history of a source, any pattern of non-compliance, and to determine the appropriate level of enforcement action. EPA has found that the most flagrant violators have violations extending beyond the five years. Without the five-year record retention, EPA would be prevented from pursuing the violators due to the destruction or nonexistence of essential records.

### **3(f) Confidentiality**

Any information submitted to the Agency for which a claim of confidentiality is made will be safeguarded according to the Agency policies set forth in title 40, chapter 1, part 2, subpart B - Confidentiality of Business Information (see 40 CFR 2; 41 FR 36902, September 1, 1976; amended by 43 FR 40000, September 8, 1978; 43 FR 42251, September 20, 1978; 44 FR 17674, March 23, 1979).

### **3(g) Sensitive Questions**

None of the reporting or recordkeeping requirements contain sensitive questions.

## **4. The Respondents and the Information Requested**

### **4(a) Respondents/SIC Codes**

The respondents to the recordkeeping and reporting requirements are oil and natural gas production. The United States Standard Industrial Classification (SIC) codes for the respondents affected by the standards, which correspond to the North American Industry Classification System (NAICS) codes, are listed below for source category description.

<b>Standard (40 CFR, part 63, subpart HH)</b>	<b>NAICS Codes</b>
Natural Gas Liquids	211112
Crude Petroleum and Natural Gas	211111

#### **4(b) Information Requested**

None of these reporting or recordkeeping requirements violate any of the regulations established by OMB at 5 CFR part 1320, section 1320.5.

#### **(i) Data Items**

In this ICR, all the data recorded or reported is required by the NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH).

A source must make the following reports:

<b>Notifications</b>	
Initial notification	63.775(b)(1), 63.9(b)(2) major source, 63.775(c)(1) area source
Notification of intent to construct/reconstruct	63.5(d), 63.9(b)(4) major source 63.9(b)(5) area source
Notification of actual startup date	63.9(b)(4), 63.9(b)(5)(ii) major source 63.9(b)(5) area source
Notification of date of CMS performance evaluation	63.775(b)(2), 63.8(e)(2), 63.9(g)(1) major source 63.775 (c)(2) area source
Notification of intent to conduct a performance test	63.775(b)(3), 63.7(b), 63.9(e) major source 63.775(c)(3) area source
Notification of compliance status	63.775(b)(4), 63.9(h), 63.775(d), major source 63.775(c)(4) area source
Periodic reports	63.775(b)(5), 63.769(c),

<b>Notifications</b>	
	63.772(f) major source 63.775(c)(5) area source
Results of performance test	63.7(g), 63.10(d)(2)
Notification of change in compliance demonstration method for control device performance	63.772(f)
Notification of process change	63.775(f)
Startup, shutdown and malfunction reports	63.775(b)(6), 63.6(e)(3), 63.10(d)(5) major source 63.775(c)(6) area source
Semiannual excess emissions and continuous monitoring system performance report	63.8(c)(8), 63.10(e)(3)
Semiannual HAP summary report	63.10(e)(3)

A source must keep the following records:

<b>Recordkeeping</b>	
Record retention	63.10(b)(1), 63.774(b)(1)
Copies of notifications and reports and supporting documentation	63.10(b)(2)(xiv)
Records of performance tests, other compliance demonstrations, and performance evaluations (area sources)	63.10(b)(2)(vii)-(ix)
Record related to control equipment inspections (area sources)	63.774(b)(5-8) 63.773(c) (7)
Records related to CMS (area sources)	63.10(b)(2)(vi), (x), (xi), 63.10(c), 63.774(b)(3-4)
Records required if complying via process modification (area sources)	63.774(b)(10-11), 63.771(e)
Records required if complying via benzene emission limit (area sources)	63.774(c)
Records related to equipment that is exempt or subject to other standards	63.764(e), 63.774(d) 63.774(b)(9)
Startup, shutdown, or malfunction plan	63.6(e)(3), 63.762(d), 63.8(c)(1)(iii)
Records of exempt glycol dehydration units	63.764(e)(1), 63.774(d)(1)
Records of exempt ancillary equipment and compressors	63.764(e)(2), 63.774(d)(2)
Records of glycol dehydration unit baseline operations (alternative standards)	63.771(e)(1), 63.774(b) (10)

<b>Recordkeeping</b>	
Records of conditions for which glycol dehydration unit baseline operations shall be modified to achieve 95% HAP emission reduction (alternative standards)	63.771(e)(2), 63.774(b)(11)
Records to demonstrate that glycol dehydration unit operates under conditions for HAP reduction (alternative standards)	63.771(e)(3), 63.774(b)(11)
Documentation of control device design analysis	63.769(c), 63.772(e)(4)
Records relating to startup, shutdown, and malfunction periods; maintenance; compliance measurements; performance tests and evaluation; calibrations and adjustments	63.10(b)(2), 63.774(b)(2)
Records of periods when monitoring systems are not operating (breakdowns, repairs, startup, shutdown, malfunctions, etc.)	63.10(c), 63.774(b)(3)
Records of control device operating parameters – continuous and daily average (except flares)	63.774(b)(4)(i-ii)
Records of flare design, visible emissions, heat content, flow-rate, exit velocity, pilot flame outages (flares only)	63.774(b)(4)(i-ii), 63.774(e)
Records of 365 days rolling average condenser efficiency (condensers only)	63.774(b)(4)(ii)(B)
Records of flow indicator operation, flow detection, vent stream diversions	63.774(b)(4)(iii)
Records of inspections of seals or closure mechanisms, records of broken/changed/checked out seals/valves/locks	63.774(b)(4)(iv)
Records of unsafe-to-inspect parts	73.773(c)(7), 63.774(b)(5)
Records of difficult-to-inspect parts	63.773(c)(7), 63.774(b)(6)
Records of leak or defect detection and repair	63.769(c), 61.246, 63.773(c)(7), 63.774(b)(7)
Records of inspections during which no leaks or defects were detected	63.773(c)(7), 63.774(b)(8)
Records of compliance with benzene emission limit (alternative standards)	63.774(c)
Site-specific performance evaluation test plan	63.7(c)(2), 63.8(d)(2), 63.8(e)(3)(i)
Records of results of performance test	63.7(g)(3)
Continuous monitoring system quality control program	63.8(d)
Records of continuous monitoring system performance	63.10(c)

### Electronic Reporting

Some of the respondents are using monitoring equipment that automatically records parameter data. Although personnel at the affected facility must still evaluate the data, internal automation has significantly reduced the burden associated with monitoring and recordkeeping at

a plant site.

Also, regulatory agencies in cooperation with the respondents continue to create reporting systems to transmit data electronically. However, electronic reporting systems are not widely used. At this time, it is estimated that 10 percent of the respondents use electronic reporting.

**(ii) Respondent Activities**

<b>Respondent Activities</b>
Read instructions.
Gather relevant information.
Perform initial performance test and repeat performance tests if necessary.
Write the notifications and reports listed above.
Enter information required to be recorded above.
Submit the required reports developing, acquiring, installing, and utilizing technology and systems for the purpose of collecting, validating, and verifying information.
Develop, acquire, install, and utilize technology and systems for the purpose of processing and maintaining information.
Develop, acquire, install, and utilize technology and systems for the purpose of disclosing and providing information.
Adjust the existing ways to comply with any previously applicable instructions and requirements.
Train personnel to be able to respond to a collection of information.
Transmit, or otherwise disclose the information.

Currently, sources are using monitoring equipment that provides parameter data in an automated way (e.g., continuous parameter monitoring system). Although personnel at the source still need to evaluate the data, this type of monitoring equipment has significantly reduced the burden associated with monitoring and recordkeeping.

**5. The Information Collected: Agency Activities, Collection Methodology, and Information Management**

**5(a) Agency Activities**

EPA conducts the following activities in connection with the acquisition, analysis, storage, and distribution of the required information.

<b>Agency Activities</b>
Observe initial performance tests and repeat performance tests if necessary.
Review notifications and reports, including performance test reports, excess emissions reports, required to be submitted by industry.
Audit facility records.



<b>Agency Activities</b>
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Input, analyze, and maintain data in the OTIS.
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### **5(b) Collection Methodology and Management**

Following notification of startup, the reviewing authority might inspect the source to determine whether the pollution control devices are properly installed and operational. Performance test reports are used by the Agency to discern a source's initial capability to comply with the emission standard, and note the operating conditions under which compliance was achieved. Data and records maintained by the respondents are tabulated and published for use in compliance and enforcement programs.

Information contained in the reports is entered into OTIS which is operated and maintained by the EPA Office of Compliance. OTIS is the EPA database for the collection, maintenance, and retrieval of compliance data for approximately 125,000 industrial and government-owned facilities. EPA uses OTIS for tracking air pollution compliance and enforcement by local and state regulatory agencies, EPA regional offices, and EPA headquarters. EPA edit, store, retrieve and analyze the data.

The records required by this regulation must be retained by the owner or operator for five years.

### **5(c) Small Entity Flexibility**

The majority of the respondents are large entities (i.e., large businesses). However, the impact on small entities (i.e., small businesses) was taken into consideration during the development of the regulation. Due to technical considerations involving the process operations and the types of control equipment employed, the recordkeeping and reporting requirements are the same for both small and large entities. The Agency considers these to be the minimum requirements needed to ensure compliance and, therefore, cannot reduce them further for small entities. To the extent that larger businesses can use economies of scale to reduce their burden, the overall burden will be reduced.

### **5(d) Collection Schedule**

The specific frequency for each information collection activity within this request is shown below in Table 1: Annual Respondent Burden - NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal).

## **6. Estimating the Burden and Cost of the Collection**

Table 1 documents the computation of individual burdens for the recordkeeping and reporting requirements applicable to the industry for the subpart included in this ICR. The individual burdens are expressed under standardized headings believed to be consistent with the concept of burden under the Paperwork Reduction Act. Wherever appropriate, specific tasks and major assumptions have been identified. Responses to this information collection are mandatory.

The Agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number.

### 6(a) Estimating Respondent Burden

The average annual burden to industry over the next three years from these recordkeeping and reporting requirements is estimated to be 178,974 (Total Labor Hours from Table 1). These hours are based on Agency studies and background documents from the development of the regulation, Agency knowledge and experience with the NESHAP program, the previously approved ICR, and any comments received.

### 6(b) Estimating Respondent Costs

#### (i) Estimating Labor Costs

Managerial	\$113.19 (\$53.90 + 110%)
Technical	\$96.73 (\$46.06 + 110%)
Clerical	\$45.93 (\$21.87 + 110%)

These rates are from the United States Department of Labor, Bureau of Labor Statistics, September 2008, ATable 2. Civilian Workers, by occupational and industry group. @ The rates are from column 1, ATotal compensation. @ The rates have been increased by 110% to account for the benefit packages available to those employed by private industry.

#### (ii) Estimating Capital/Startup and Operation and Maintenance Costs

The type of industry costs associated with the information collection activities in the subject standard are labor costs which are addressed elsewhere in this ICR and the costs associated with continuous monitoring. The capital/startup costs are one-time costs when a facility becomes subject to the regulation. The annual operation and maintenance costs are the ongoing costs to maintain the monitor and other costs such as photocopying and postage.

#### (iii) Capital/Startup vs. Operation and Maintenance (O&M) Costs

Capital/Startup vs. Operation and Maintenance (O&M) Costs						
(A) Continuous Monitoring Device	(B) Capital/ Startup Cost for One Respondent	(C) Number of New Respondents	(D) Total Capital/ Startup Cost (B X C)	(E) Annual O&M Costs for One Respondent	(F) Number of Respondents with O&M	(G) Total O&M, (E X F)
THC analyzer (major source)	\$10,200	2	\$20,400	\$1,020	472	\$481,440
Monitoring equipment (CMS)	\$1,015	3	\$3,045	\$134	532	\$71,288
Cost of postage				\$7.63	2,363	\$18,030

<b>Capital/Startup vs. Operation and Maintenance (O&amp;M) Costs</b>						
(A) Continuous Monitoring Device	(B) Capital/ Startup Cost for One Respondent	(C) Number of New Respondents	(D) Total Capital/ Startup Cost (B X C)	(E) Annual O&M Costs for One Respondent	(F) Number of Respondents with O&M	(G) Total O&M, (E X F)
			\$23,445			\$570,758

The total capital/startup costs for this ICR are \$23,445. This is the total of column D in the above table.

The total operation and maintenance (O&M) costs for this ICR are \$570,758. This is the total of column G.

The average annual cost for capital/startup and operation and maintenance costs to industry over the next three years of the ICR is estimated to be \$594,203.

### **6(c) Estimating Agency Burden and Cost**

The only costs to the Agency are those costs associated with analysis of the reported information. The EPA compliance and enforcement program includes activities such as: the examination of records maintained by the respondents; periodic inspection of sources of emissions; and the publication and distribution of collected information.

The average annual Agency cost during the three years of the ICR is estimated to be \$241,782.

This cost is based on the average hourly labor rate as follows:

Managerial	\$61.36 (GS-13, Step 5, \$38.35 + 60%)
Technical	\$45.52 (GS-12, Step 1, \$28.45 + 60%)
Clerical	\$24.64 (GS-6, Step 3, \$15.40 + 60%)

These rates are from the Office of Personnel Management (OPM) 2009 General Schedule,

which excludes locality rates of pay. The rates have been increased by 60 percent to account for the benefit packages available to government employees. Details upon which this estimate is based appear below in Table 2: Average Annual EPA Burden - NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal).

### **6(d) Estimating the Respondent Universe and Total Burden and Costs**

Based on our research for this ICR, on average over the next three years, approximately 132,527 respondents will be subject to the standard. The number of respondents is derived from information in EPA ICR number 1788.06, section 6(d) and EPA ICR number 1788.08, section 4 (b) (ii).

The number of respondents is calculated using the following table which addresses the three years covered by this ICR.

NUMBER OF RESPONDENTS								
YEAR	(A) Number of New Respondents <sup>1 &amp; 2</sup>			(B) Number of Existing Respondents <sup>3</sup>		(C) Number of Existing Respondents That Keep Records But do Not Submit Reports <sup>4</sup>	(D) Number of Existing Respondents That Are Also New Respondents	(E) Number of Respondents (E=A+B+C-D)
	Major	Area	Only Keep Records	Major	Area			
1	2	141	598	470	2,645	127,930	0	131,786
2	2	141	598	472	2,786	128,528	0	132,527
3	2	141	598	474	2,927	129,126	0	133,268
Average	2	141	598	472	2,786	128,528	0	132,527

<sup>1</sup> New respondents include sources with constructed or reconstructed affected facilities.

<sup>2</sup> We assume that there are 141 new area sources and two new major sources for a total of 143.

<sup>3</sup> We assume that 2,786 are existing area sources and 470 are existing major sources.

<sup>4</sup> We assume that 127,930 existing facilities are subject only to recordkeeping requirements, with an additional 598 facilities per year over the next three years. The average numbers of facilities that will only maintain records are 128,528.

To avoid double-counting respondents, column D is subtracted. As shown above, the average Number of Respondents over the three-year period of this ICR is 132,527.

The total number of annual responses per year is calculated using the following table:

<b>Total Annual Responses</b>				
(A) Information Collection Activity	(B) Number of Respondents	(C) Number of Responses	(D) Number of Existing Respondents That Keep Records But Do Not Submit Reports	(E) Total Annual Responses $E=(B \times C)+D$
Major sources				
Notification of construction/reconstruction	2	1	0	2
Notification of actual startup	2	1	0	2
Notification of date of CMS performance evaluation	2	1	0	2
Notification of date of performance test	2	1	0	2
Notification of compliance status report	2	1	0	2
Startup, shutdown, malfunction reports	472	2	0	944
Semiannual periodic report	472	2	0	944
Area sources				
Notification of intent to construct	141	1	0	141
Notification of actual startup date	141	1	0	141
Notification of intent to conduct performance test	28	1	0	28
Notification of date of CMS performance evaluation	28	1	0	28
Notification of compliance status	28	1	0	28
First periodic report	3	1	0	3
Subsequent periodic reports	12	1	0	12
Startup, shutdown, malfunction reports	12	10	0	120
Total Number of Annual Responses			Total	2,399

The number of Total Annual Responses is 2,399.

The total annual labor costs are \$16,649,703. Details regarding these estimates may be found below in Table 1: Annual Respondent Burden and Cost - NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal).

### **6(e) Bottom Line Burden Hours Burden Hours and Cost Tables**

The detailed bottom line burden hours and cost calculations for the respondents and the Agency are shown in Tables 1 and 2, respectively, and summarized below.

#### **(i) Respondent Tally**

The total annual labor hours are 178,974. Details regarding these estimates may be found below in Table 1. Annual Respondent Burden and Cost - NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal).

Furthermore, the annual public reporting and recordkeeping burden for this collection of information is estimated to average 75 hours (rounded) per response.

The total annual capital/startup and Operation and Maintenance (O&M) costs to the regulated entity are \$594,203.

### **(ii) The Agency Tally**

The average annual Agency burden and cost over next three years is estimated to be 5,446 labor hours at a cost of \$241,782. See below Table 2: Annual Agency Burden and Cost – NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal).

#### **6(f) Reasons for Change in Burden**

There is a decrease in the labor hours in this ICR as compared to the previous one. This ICR combines two ICRs covering major sources and area sources. The new area source standard required initial notification by a large number of respondents. In this ICR such notifications are not required therefore; the number of labor hours is reduced. It should be noted that this ICR includes a large number of sources that are subject only to the recordkeeping requirements of this regulation and do not report to the agency.

This ICR addresses capital/startup and O&M costs for both major sources, and area sources. Therefore, the capital/startup and O&M costs are higher.

#### **6(g) Burden Statement**

The annual public reporting and recordkeeping burden for this collection of information is estimated to average 75 hours per response. Burden means the total time, effort, or financial resources expended by persons to generate, maintain, retain, disclose or provide information to or for a Federal agency. This includes the time needed to review instructions; to develop, acquire, install, and utilize technology and systems for the purposes of collecting, validating, and verifying information, processing and maintaining information, and disclosing and providing information; to adjust the existing ways to comply with any previously applicable instructions and requirements; to train personnel to be able to respond to a collection of information; to search data sources; to complete and review the collection of information; and to transmit or otherwise disclose the information.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB Control Number. The OMB Control Numbers for EPA's regulations are listed at 40 CFR part 9 and 48 CFR chapter 15.

To comment on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including the

use of automated collection techniques, EPA has established a public docket for this ICR under Docket ID Number EPA-HQ-OECA-2009-0388. An electronic version of the public docket is available at <http://www.regulations.gov/> which may be used to obtain a copy of the draft collection of information, submit or view public comments, access the index listing of the content of the docket, and to access those documents in the public docket that are available electronically. When in the system, select “search” than key in the docket ID number identified in this document. The documents are also available for public viewing at the Enforcement and Compliance Docket and Information Center in the EPA Docket Center (EPA/DC), EPA West, Room 3334, 1301 Constitution Avenue, N.W., Washington, DC. The EPA Docket Center Public Reading Room is open from 8:30 a.m. to 4:30 p.m., Monday through Friday, excluding legal holidays. The telephone number for the Reading Room is (202) 566-1744, and the telephone number for the Enforcement and Compliance Docket and Information Center Docket is (202) 566-1752. Also, you can send comments to the Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, N.W., Washington, DC 20503, Attention: Desk Officer for EPA. Please include the EPA Docket ID Number EPA-HQ-OECA-2009-0388 and OMB Control Number 2060-0417 in any correspondence.

### **Part B of the Supporting Statement**

This part is not applicable because no statistical methods were used in collecting this information.

**Table 1: Annual Respondent Burden and Cost – NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal)**

Burden item	(A) Person hours per occurrence	(B) No. of occurrences per respondent per year	(C) Person hours per respondent per year (C=AxB)	(D) Respondents per year <sup>a</sup>	(E) Technical person- hours per year (E=CxD)	(F) Management person hours per year (Ex0.05)	(G) Clerical person hours per year (Ex0.1)	(H) Total Cost Per year <sup>b</sup>
1. Applications	N/A							
2. Surveys and studies	N/A							
3. Reporting requirements								
a. Read rule and instructions <sup>c</sup>	4	1	4	143	572	28.6	57.2	\$61,193.99
b. Required activities	N/A							
c. Create information	N/A							
d. Gather existing information <sup>c</sup>	8	1	8	143	1,144	57.2	114.4	\$122,387.98
e. Write report								
Major sources								
i. Notification of construction/reconstruction <sup>c</sup>	2	1	2	2	4	0.2	0.4	\$427.93
ii. Notification of actual startup <sup>c</sup>	2	1	2	2	4	0.2	0.4	\$427.93
iii. Notification of date of CMS performance evaluation <sup>c</sup>	2	1	2	2	4	0.2	0.4	\$427.93
iv. Notification of date of performance test <sup>c</sup>	2	1	2	2	4	0.2	0.4	\$427.93
v. Notification of compliance status report <sup>c</sup>	4	1	4	2	8	0.4	0.8	\$855.86
vi. Startup, shutdown, malfunction reports <sup>d</sup>	2	2	4	472	1,888	94.4	188.8	\$201,992.96
vii. Semiannual periodic report	2	2	4	472	1,888	94.4	188.8	\$201,992.96
Area sources								
i. Notification of intent to construct <sup>c</sup>	2	1	2	141	282	14.1	28.2	\$30,166.07
ii. Notification of actual startup date <sup>c</sup>	1	1	1	141	141	7.05	14.1	\$15,084.53
iii. Notification of intent to conduct performance test <sup>c,e</sup>	2	1	2	28	56	2.8	5.6	\$5,991.02
iv. Notification of date of CMS performance evaluation <sup>c,e</sup>	2	1	2	28	56	2.8	5.6	\$5,991.02
v. Notification of compliance status	10	1	10	28	56	2.8	5.6	\$5,991.02
vi. First periodic report <sup>c,e</sup>	4	1	4	3	12	0.6	1.2	\$1,283.79
vii. Subsequent periodic reports <sup>e</sup>	2	1	2	12	24	1.2	2.4	\$2,567.58
viii. Startup, shutdown, malfunction reports <sup>e,f</sup>	2	10	20	12	240	12	24	\$25,675.80



Burden item	(A) Person hours per occurrence	(B) No. of occurrences per respondent per year	(C) Person hours per respondent per year (C=AxB)	(D) Respondents per year <sup>a</sup>	(E) Technical person- hours per year (E=CxD)	(F) Management person hours per year (Ex0.05)	(G) Clerical person hours per year (Ex0.1)	(H) Total Cost Per year <sup>b</sup>
Subtotal for Reporting Requirements					7,340.45			
4 Recordkeeping requirements								
a. Read instructions								
- Major source <sup>g</sup>	4	1	4	2	8	0.4	0.8	\$855.86
- Area source <sup>g</sup>	4	1	4	141	564	28.2	56.4	\$60,338.13
b. Plan activities								
- Major source	16	1	16	2	32	1.6	3.2	\$3,423.44
- Area source	16							
i. Sources required to operate add-on controls	16	1	16	28	448	22.4	44.8	\$47,928.16
ii. Sources required to implement MP	4	1	4	138	552	27.6	55.2	\$59,054.34
c. Implement activities								
- Major source	N/A							
- Area source								
i. Performance test	35	1	35	3	105	5.25	10.5	\$11,233.16
ii. Design analysis	12	1	12	25	300	15	30	\$32,094.75
iii. Control equipment leak monitoring <sup>h</sup>	3	2	6	62	372	18.6	37.2	\$39,797.49
iv. Operate and maintain CMS <sup>h,i</sup>	2	12	24	62	1,488	74.4	148.8	\$159,189.96
d. Develop record system								
- Major source								
i. Control equipment	8	1	8	2	16	0.8	1.6	\$1,711.72
ii. LDAR program	13	1	13	2	26	1.3	2.6	\$2,781.55
- Area source								
i. Startup, shutdown, malfunction plan	20	1	20	25	500	25	50	\$53,491.25
ii. Control equipment	8	1	8	28	224	11.2	22.4	\$23,964.08
e. Time to enter information								
- Major source								
i. Control equipment monitoring <sup>j, k</sup>	1	2	2	472	944	47.2	94.4	\$100,991.48
ii. Control device CMS <sup>j, k, l</sup>	1	12	12	472	5,664	283.2	566.4	\$605,948.88
iii. LDAR program <sup>j, k, l</sup>	1	12	12	472	5,664	283.2	566.4	\$605,948.88
- Area source								
i. Control equipment leak monitoring <sup>h, m</sup>	1	2	2	62	124	6.2	12.4	\$13,265.83
ii. CMS measurements <sup>h</sup>	1	12	12	62	744	37.2	74.4	\$79,594.98

Burden item	(A) Person hours per occurrence	(B) No. of occurrences per respondent per year	(C) Person hours per respondent per year (C=AxB)	(D) Respondents per year <sup>a</sup>	(E) Technical person- hours per year (E=CxD)	(F) Management person hours per year (Ex0.05)	(G) Clerical person hours per year (Ex0.1)	(H) Total Cost Per year <sup>b</sup>
f. Time to train personnel								
- Major source	8	1	8	2	16	0.8	1.6	\$1,711.72
- Area source <sup>n</sup>	16	1	16	28	448	22.4	44.8	\$47,928.16
g. Maintain records (area source) <sup>h,o</sup>	20	1	20	62	1,240	62	124	\$132,658.30
h. Retain records of emission <sup>p</sup>	1	1	1	128,528	128,528	6,426.4	12,852.8	\$13,750,246.76
i. Retrieve records/reports <sup>q</sup>	20	1	20	62	1,240	62	124	\$132,658.30
Subtotal for Recordkeeping Requirements						171,634.05		
					155,630	7,781.5	15,563	\$16,649,703.48
<b>TOTAL LABOR BURDEN AND COST (rounded)</b>						178,974.5 178,974 (rounded)		\$16,649,703

**Assumptions:**

<sup>a</sup> We have assumed that the average number of reporting respondents that will be subject to this rule will be 2,829, which consists of 2,926 existing area sources, 472 existing major sources and an additional 143 new sources. These additional sources are 141 area sources, and 2 major sources, each year over the three-year period of this ICR. In addition, there are 128,528 respondents that are subject only to the recordkeeping requirement of this regulation over the three years of this ICR.

<sup>b</sup> This ICR uses the following labor rates: \$103.19 per hour for Executive, Administrative, and Managerial labor; \$96.73 per hour for Technical labor, and \$45.93 per hour for Clerical labor. These rates are from the United States Department of Labor, Bureau of Labor Statistics, September, 2008, Table 2. Civilian Workers, by occupational and industry group. The rates are from column 1, Total Compensation. The rates have been increased by 110 percent to account for the benefit packages available to those employed by private industry.

<sup>c</sup> This is a one-time only activity for each new facility, which comprised of 25 existing area sources plus 3 new area sources (Total = 28).

<sup>d</sup> We have assumed that startup, shutdown, malfunction reports may be included as part of the semiannual periodic reports.

<sup>e</sup> We have assumed that the requirements does not apply to sources located outside of an urbanized area (UA)/urban cluster (UC) plus offset boundary.

<sup>f</sup> We have assumed that this report is only required if actions taken during startup, shutdown, or malfunction (SSM) does not follow the SSM plan.

<sup>g</sup> We have assumed that it will take each of the respondents four hours to read instructions.

<sup>h</sup> We have assumed that 50 existing area sources, and 12 new area sources will complete this activity.

<sup>i</sup> We have assumed that it will take each respondent two hours twelve times per year to implement this activity.

<sup>j</sup> We have assumed that it will take each of the respondents one hour to enter information.

<sup>k</sup> We assume that all of the major sources will each take one hour to enter information.

<sup>l</sup> We have assumed that each respondent will be required to enter information twelve times per year.

<sup>m</sup> We have assumed that each respondent will be required to enter information two times per year.

<sup>n</sup> We have assumed that twenty-eight (3 new and 25 existing) respondents will each take sixteen hour to train personnel..

- ° We have assumed that it will take 20 hours for each respondent to maintain records.
- ° We have assumed that all of the respondents that are subject only to the recordkeeping requirements will take one hour each year to process records of emissions.
- ° We have assumed that each respondent will take twenty hours once per year to retrieve records/reports.

**Table 2: Average Annual EPA Burden - NESHAP for Oil and Natural Gas Production (40 CFR Part 63, Subpart HH) (Renewal)**

Activity	(A) EPA person- hours per occurrence	(B) No. of occurrences per plant per year	(C) EPA person- hours per plant per year (C=AxB)	(D) Plants per year <sup>a</sup>	(E) Technical person- hours per year (E=CxD)	(F) Management person-hours per year (Ex0.05)	(G) Clerical person- hours per year (Ex0.1)	(H) Cost, \$ <sup>b</sup>
Major source								
Initial notification <sup>c</sup>	2	1	2	2	4	0.2	0.4	\$204.21
Preconstruction review application <sup>c</sup>	4	1	4	2	8	0.4	0.8	\$408.41
Performance test notification <sup>c</sup>	2	1	2	2	4	0.2	0.4	\$204.21
Compliance status notification <sup>c</sup>	4	1	4	2	8	0.4	0.8	\$408.41
Startup, shutdown, malfunction reports <sup>d</sup>	2	2	4	472	1,888	94.4	188.8	\$96,386.17
Semiannual periodic reports <sup>e</sup>	2	2	4	472	1,888	94.4	188.8	\$96,386.17
Area sources								
Notification of intent to construct	2	1	2	141	282	14.1	28.2	\$14,396.67
Notification of actual startup date	2	1	2	141	282	14.1	28.2	\$14,396.67
Notification of intent to conduct performance test <sup>f</sup>	2	1	2	28	56	2.8	5.6	\$2,858.91
Notification of date of CMS performance evaluation	2	1	2	28	56	2.8	5.6	\$2,858.91
Notification of compliance status	4	1	4	28	112	5.6	11.2	\$5,717.83
Periodic reports – new source <sup>g</sup>	2	1	2	12	24	1.2	2.4	\$1,225.25
Startup, shutdown, malfunction reports <sup>g, h</sup>	2	1	2	62	124	6.2	12.4	\$6,330.45
Subtotals Labor Burden and cost					4,736	236.8	473.6	\$241,782.27
<b>TOTAL ANNUAL BURDEN AND COST (rounded)</b>						5,446.4 5,446 (rounded)		\$241,782

**Assumptions:**

<sup>a</sup> We have assumed that the average number of reporting respondents that will be subject to this rule will be 2,829, which consists of 2,926 existing area sources, 472 existing major sources and an additional 143 new sources. These additional sources are 141 area sources, and 2 major sources, each year over the three-year period of this ICR. In addition, there are 128,528 respondents that are subject only to the recordkeeping requirement of this regulation over the three years of this ICR.

<sup>b</sup> This cost is based on the following labor rates which incorporates a 1.6 benefits multiplication factor to account for government overhead expenses: \$61.36

Managerial rate (GS-13, Step 5, \$38.35 x 1.6), \$45.52 Technical rate (GS-12, Step 1, \$28.45 x 1.6), and \$24.64 Clerical rate (GS-6, Step 3, \$15.40 x 1.6). These rates are from the Office of Personnel Management (OPM) 2009 General Schedule which excludes locality rates of pay.

<sup>c</sup> We have assumed that this is a one-time only activity for each facility.

<sup>d</sup> We have assumed that startup, shutdown, malfunction reports may be included as part of the semiannual periodic reports.

<sup>e</sup> We have assumed that each respondent will take two hours two times per year to complete the semiannual periodic reports.

<sup>f</sup> We have assumed that each of the respondents will take two hours once per year to complete requirements.

<sup>g</sup> We have assumed that the requirements does not apply to sources located outside of an urbanized area (UA)/urban cluster (UC) plus offset boundary.

<sup>h</sup> We have assumed that each respondent will take two hours once per year to review reports.