

SUPPORTING STATEMENT A

OIL AND GAS LEASING: NATIONAL PETROLEUM RESERVE – ALASKA (43 CFR PART 3130)

OMB CONTROL NUMBER 1004-0196

Terms of Clearance: None

General Instructions

A completed Supporting Statement A must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified below. If an item is not applicable, provide a brief explanation. When the question “Does this ICR contain surveys, censuses, or employ statistical methods?” is checked “Yes,” then a Supporting Statement B must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.

This control number covers paperwork requirements for operators and operating rights owners in the National Petroleum Reserve – Alaska (NPRA). In accordance with the Naval Petroleum Reserves Production Act (42 U.S.C. 6501 - 6508) and regulations at 43 CFR part 3130 (subparts 3130, 3133, 3135, 3137, and 3138), a respondent may apply to the Bureau of Land Management (BLM) for designation of an NPRA unit agreement and, if the BLM authorizes such an agreement, the respondent may operate under a unit agreement within the NPRA. The BLM uses the information to meet its responsibilities under the relevant legal provisions.

The history of the NPRA dates back to 1923, when President Harding issued an Executive Order establishing Naval Petroleum Reserve No. 4 as an emergency oil supply for the U.S. Navy. The Naval Reserve consisted of approximately 23 million acres on the Alaska North Slope.

In 1976, Congress enacted the Naval Petroleum Reserves Production Act, which redesignated the Naval Reserve as the National Petroleum Reserve in Alaska. The Production Act also transferred responsibilities for managing the Reserve to the Secretary of the Interior. The Secretary delegated those responsibilities to the BLM, which refers to the area as the National Petroleum Reserve – Alaska (NPRA).

In 2010, the U.S. Geological Survey (USGS) estimated that the amount of oil yet to be discovered in the NPRA is only about 10 percent of what was believed to be there in the previous assessment, which was completed in 2002. This revised estimate resulted from exploratory drilling which showed that many areas formerly believed to hold oil actually hold natural gas. The estimates of the amount of undiscovered natural gas in the region also fell. A press release summarizing the USGS estimates is at <http://www.usgs.gov/newsroom/article.asp?ID=2622>. There was no drilling activity in the NPRA in fiscal year 2010, and the BLM anticipates none in fiscal year 2011. Consequently, there has been no recent collection of information under this control number. Notwithstanding these recent developments, the BLM seeks renewal of this control number because of the possibility of future operations.

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

The information required under 43 CFR part 3130 covers a range of activities, and a specific operator is not necessarily required to obtain or provide each item. The frequency of collection is “on occasion.” Many of the requirements are one-time filings used to seek approval to operate under a unit agreement or to apply for reduction of royalty, suspension of operations or production, or a subsurface storage agreement. Others are routine data submissions that are used to document drilling and production and ensure compliance with a unit agreement, lease terms, regulations, Onshore Oil and Gas Orders, Notices to Lessees, lease stipulations, or conditions of approval. This collection comprises nonform information.

43 CFR	Requirement
3133.4	Royalty reduction
3135.3	Suspension of operations and production
3135.6	Notification of operations
3137.21 and 3137.23	Unit designation
3137.25	Notification of unit approval
3137.52	Certification for modification
3137.60	Acceptable bonding
3137.61	Change of unit operator
3137.70	Certification of unit obligation
3137.71	Certification of continuing development
3137.84	Productivity for a participating area
3137.87	Unleased tracts
3137.88	Notification of productivity
3137.91	Notification of productivity for non-unit well
3137.92	Production information
3137.111	Lease extension

3137.112	Inability to conduct operations activities
3137.130	Unit termination
3137.135	Impact mitigation
3138.11	Storage agreement

43 CFR 3133.4. Waiver, suspension, or reduction of rental, royalty or minimum royalty

An application for waiver, suspension, or reduction of rental, royalty, or minimum royalty must include:

- (1) A description of the requested relief;
- (2) The lease serial number;
- (3) The number, location, and status of each well drilled;
- (4) A statement that shows the aggregate amount of oil or gas subject to royalty for each month covering a period of at least 6 months immediately before the filing date of the application;
- (5) The number of wells counted as producing each month and the average production per well per day;
- (6) A detailed statement of expenses and costs of operating the entire lease, including the amount of any overriding royalty and payments out of production or similar interests applicable to the lease;
- (7) All facts that demonstrate the waiver, suspension, or reduction of the rental or minimum royalty, or the reduction of the royalty rate encourages the greatest ultimate recovery of oil or gas or it is in the interest of conservation;
- (8) All facts that demonstrate why the applicant cannot successfully operate the lease under the terms of the lease; and
- (9) Any other information the BLM requires.

The application must be signed by all record title holders of the lease, or by the operator on behalf of all record title holders.

The information and data provide the basis and evidence to BLM that the lease cannot be operated under its terms without the royalty help and that the applicant meets the standards of the regulations; the benefit is granted if it would encourage the greatest ultimate recovery of oil and gas, or the waiver, suspension, etc., is in the interest of conservation of natural resources.

3135.3. Suspension of operations and production

An application for suspension of lease operations and production must include a description of the circumstances that are beyond reasonable control that prevent operation of, or production on, the entire lease.

The information is required to determine if the applicant qualifies for a lease suspension if such suspension is in the interest of conservation of oil and gas or other natural resources, the lease cannot be operated for reasons beyond the control of the operator, and the lessee is complying with the other requirements of the regulations.

3135.6. Notification of operations

After BLM terminates a suspension of operations or production, the operator must notify BLM before resuming operations or production.

Notification ensures proper monitoring by BLM of operations activities. Because leases and the laws under which they are issued require operations to be conducted and production to occur, the information is required so that proposed operations may be approved, it is necessary for lease maintenance, and it allows operations to continue.

3137.21 and 3137.23. Unit designation

An application for NPRA unitization must include a unit agreement in compliance with 43 CFR 3137.21 and a unitization application in compliance with 43 CFR 3137.23. The elements of the agreement and the application are as follows:

The proposed agreement must include:

- A description of the unit area and the geologic and engineering factors on which the area is based;
- Initial and continuing development obligations;
- Anticipated participating area size and well locations;
- A provision that acknowledges the BLM's authority to set or modify the quantity, rate, and location of development and production;
- A provision that acknowledges the BLM consulted with and provided opportunities for participation in the creation of the unit and a provision that acknowledges that the BLM will consult with and provide opportunities for participation in the expansion of the unit by:
 - (A) The regional corporation, if the unit acreage contains the regional corporation's mineral estate; or

- (B) The State of Alaska, if the unit acreage contains the state's mineral estate;
- Any optional terms which are authorized in 43 CFR 3137.50 that the applicant chooses to include in the unit agreement; and
- Any additional terms and conditions that result from consultation with the BLM. After the applicant's initial application, the BLM may request additional supporting documentation.

The application must include:

- The proposed unit agreement;
- A map showing the proposed unit area;
- A list of committed tracts including, for each tract, the —
 - (A) Legal land description and acreage;
 - (B) Names of persons holding record title interest;
 - (C) Names of persons owning operating rights; and
 - (D) Name of the unit operator.
- A statement certifying —
 - (A) That the applicant invited all owners of oil and gas rights (leased or unleased) and lease interests (record title and operating rights) within the external boundary of the unit area described in the application to join the unit;
 - (B) That there are sufficient tracts committed to the unit agreement to reasonably operate and develop the unit area;
 - (C) The commitment status of all tracts within the area proposed for unitization; and
 - (D) That the applicant accepts unit obligations under 43 CFR 3137.60;
- Evidence of acceptable bonding;
- A discussion of reasonably foreseeable and significantly adverse effects on the surface resources of NPRA and how unit operations may reduce impacts compared to individual lease operations;
- A discussion of the proposed methodology for allocating production among the committed tracts. If the unit includes non-Federal oil and gas mineral estate, the

applicant must explain how the methodology takes into account reservoir heterogeneity and area variation in reservoir producibility; and

- Other documentation the BLM may request. The BLM may require additional copies of maps, plats, and other similar exhibits.

3137.25. Notification of unit approval

We require the operator to notify in writing all parties to the unit agreement that BLM approved the unit.

3137.52. Certification for modification

An application for modification of a unit agreement must include certification that:

- (1) All parties to the agreement consent to the modification; or
- (2) The operator meets the modification provision in the agreement, which identifies which parties and what percentage of those parties consent to each type of modification.

BLM requires certification by the operator to ensure that the terms of the unit agreement previously approved are met.

3137.60. Acceptable bonding

The operator must provide evidence to BLM of acceptable bonding.

Because bonding is required under the regulations to ensure compliance with the terms of the lease, BLM requires evidence of such bonding.

3137.61. Change of unit operator

To change unit operators, and when there is a change of unit operator, the new unit operator must provide, for BLM's approval:

- (1) A statement that it accepts unit obligations;
- (2) A statement of the percentage of interest owners required by the unit agreement consenting to a change of unit operator; and
- (3) Evidence of acceptable bonding.

Statements of unit obligation acceptance and percentage of interest owners consenting to the change are required so that unit requirements and the terms of the previously-approved unit agreement continue to be met, and that the unit may remain in effect.

Evidence of acceptable bonding is necessary because bonding is required under the regulations and the terms of the lease, and so that BLM can determine that operations under the unit agreement are continued to be covered by a bond sufficient to protect public lands and resources.

3137.70. Certification of unit obligation

The respondent must submit certification that the initial unit obligation was met. Certification is required to document that the initial unit obligation, as required in the unit agreement, was timely met so that the unit may remain in effect.

3137.71. Certification of continuing development

The respondent must submit certification of continuing development.

(1) The operator must provide a plan describing how continuing development obligations will be met. The plan must include a description of the activities to fully develop the oil and gas field and to further conduct actual or constructive drilling operations.

BLM requires the information to determine if the plan would actually comply with the unit terms of continuing development.

(2) The respondent must submit certification, and supporting documentation if requested, that continuing development obligations were met.

BLM requires such certification documents on continuing development obligations, as required in the unit agreement, are timely met to ensure compliance with unit terms.

3137.84. Productivity for a PA

The respondent must submit economic, geologic, and engineering data; a map; and a production allocation schedule to establish or revise a participating area (PA).

The requested information is necessary for the BLM to determine whether the unit meets the requirements to form a PA and to determine that the unit is productive.

3137.87. Unleased tracts

If there are unleased Federal tracts in a participating area, the operator must provide revised maps, a list of committed leases, and production allocation schedules.

The information enables the BLM to monitor the terms of the participating area and that royalty revenue is properly allocated and reported.

The information required would take a respondent about 3 hours to prepare and provide. We estimate one respondent, for a total burden of 3 hours.

3137.88. Notification of productivity

The respondent is required to provide notification to BLM that a well does not meet productivity criteria.

This information is necessary for the BLM to determine whether to approve the well for non-unit operations and to ensure proper allocation of production.

3137.91. Notification of productivity for non-unit well

The respondent is required to notify BLM when a non-unit well meets productivity criteria, which is then used to revise or establish a PA.

BLM uses the required information determine whether the unit meets the requirements to revise or establish a PA and to determine that the revised or newly established unit is productive.

3137.92. Production information

The respondent must provide restoration or new production information, or sufficient production information, and well completion information after BLM notification of insufficient production.

Response to the BLM notification is necessary for BLM to determine whether to keep a PA in effect.

3137.111. Lease extension

The operator must provide information that shows actual well production meets productivity criteria or that there is actual or constructive drilling or reworking operations in order to request an extension of the primary term of all leases committed to a unit agreement.

BLM needs verification that the operator has met the requirements for obtaining the benefit of a lease extension.

3137.112. Inability to conduct operations activities

The operator is required to demonstrate that it cannot start actual or constructive drilling or reworking activities because of reasons beyond the operator's control.

BLM requires the information to determine the validity of the operator's inability to conduct drilling or reworking activities, as required under the terms of the lease.

3137.130. Unit termination

If a unit operator requests approval for voluntary termination of the unit, and production is insufficient to establish a participating area, the operator must certify that at least 75 percent of the interest owners in the agreement agree to the voluntary termination.

Certification is required for BLM to approve termination of the unit based on production data and consent of the interest owners under the terms of the agreement.

3137.135. Impact mitigation

The respondent must submit a plan for mitigating the impacts from unit operations after termination of the unit.

The information is necessary for BLM approval of mitigation plans to timely, properly, and efficiently manage the surface impacts resulting from unit operations.

3138.11. Storage agreement

An application for a subsurface storage agreement must include:

- (1) The reason for forming the agreement;
- (2) Descriptions of the area that is to be included and the formation;
- (3) The proposed storage fees or rentals;
- (4) Royalty for oil or gas present in the formation before injection and produced when stored oil or gas is withdrawn;
- (5) A description of fees and payments renegotiations;
- (6) The proposed effective date and term of the agreement;
- (7) Certification that all owners of leased or unleased minerals rights and lease interests have committed or consented to the commitment of their interest in writing;
- (8) An ownership schedule showing lease or land status;
- (9) A schedule showing the participation factor for all parties to the agreement; and
- (10) Geologic maps and other data that demonstrate storage capability of the reservoir.

The information is necessary so that BLM can determine whether the proposed agreement is technically feasible and is necessary to avoid waste, and that it will be conducted in a manner that promotes conservation of natural resources.

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

Since this information collection calls for nonrecurring information, it would not be feasible to use computer-generated responses because the BLM has no forms in this collection. Currently, we allow operators to fax the information that they must submit to us, as the fax contains a proper signature.

With regard to the Government Paperwork Elimination Act (GPEA), the BLM does not have any forms in this collection to make available electronically. This is a nonform information collection.

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

No duplication of information occurs in the information we collect. The information is unique, and is collected whenever activity or the situation requires. It is not available from any other data source, and there is no similar information already available or able to be modified because the information is specific to each unitization agreement. The information can be supplied only by the entity proposing to begin or modify a unit agreement or to continue operations. The information is required to obtain or maintain a benefit.

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

The collection will not have a significant impact on small businesses or other small entities, which are unlikely to undertake the activities involving this information collection. The information we require is the minimum necessary to comply with provisions of the applicable laws.

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

Failure to collect the information would prevent the BLM from deciding whether or not to approve proposed unit agreements, from monitoring compliance with unit agreements, and from deciding whether or not to allow operations to continue.

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

- * requiring respondents to report information to the agency more often than quarterly;
- * requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- * requiring respondents to submit more than an original and two copies of any document;
- * requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;
- * in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- * requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
- * that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- * requiring respondents to submit proprietary trade secrets, or other confidential information, unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

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

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

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

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 of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

As required in 5 CFR 1320.8(d), the BLM published a 60-day notice in the *Federal Register* on August 17, 2010 (75 FR 50775), soliciting comments from the public and other interested parties. The comment period closed on October 18, 2010. The BLM received one comment from the public in response to this notice. The comment was a general invective about the

Federal government, the Department of the Interior, and the BLM. It did not address, and was not germane to, this information collection. Therefore, we have not changed the collection in response to the comment.

There has been no drilling activity in the NPRA during fiscal year 2010, and none is anticipated for 2011. However, we seek renewal of this control number because of the possibility of future operations. Given the lack of activity, consulting members of the oil and gas industry as to burden estimates and costs would not provide any further or different information that is not already on record with our previous request for approval.

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

We do not provide payments or gifts to the respondents.

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

We protect the respondent's confidentiality to the extent consistent with the Freedom of Information Act (5 U.S.C. 552). The BLM has firewalls to protect web site access, strong security and password protection of the information in the data base, 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, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

We do not ask questions of a sensitive nature.

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

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

- * **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included under “Annual Cost to Federal Government.”**

This information collection covers a range of activities, and a specific operator is not necessarily required to obtain or provide each item. Many of the requirements are one-time filings used to gain approval to operate under a unit agreement or to apply for reduction of royalty, suspension of operations or production, or a subsurface storage agreement. Others are routine data submissions that are used to monitor drilling and production and ensure compliance with the unit agreement, lease terms, regulations, Orders, Notices to Lessees, lease stipulations, and conditions of approval.

As shown at Table 12-1, below, the weighted average respondent hourly cost is \$58.92. The mean hourly wage for Table 12-1 was determined using national Bureau of Labor Statistics data at: http://www.bls.gov/oes/current/oes_nat.htm. The benefits multiplier of 1.4 is supported by information in Table A of Bureau of Labor Statistics News Release USDL 11-0304, Employer Costs for Employee Compensation (March 9, 2011), at <http://www.bls.gov/news.release/ecec.nr0.htm>.

Table 12-1 — Estimated Weighted Average Hourly Costs

A. Position	B. Mean Hourly Pay Rate	C. Hourly Rate with Benefits (B x 1.4)	D. Percent of Collection Time	E. Weighted Average Hourly Cost (C x D)
General Office Clerk (43-9061)	\$13.32	\$18.65	10%	\$1.87
Engineer (17-2199)	\$43.56	\$60.98	80%	\$48.78
Engineering Manager (11-9041)	\$59.04	\$82.66	10%	\$8.27
Totals			100%	\$58.92

Hour and cost burdens to respondents include time spent for researching, preparing, and submitting information. The weighted average hourly wage associated with these information collections is shown at Table 12-1, above. The estimated costs are rounded off to the nearest dollar.

The frequency of responses for each aspect of the information collection is “on occasion.” As shown at Table 12-2, below, the total number of responses is 21, the total hour burden is 217.5 hours, and the dollar equivalent of the hour burden is \$12,831.

Note: The total hour burden on ROCIS is 220 because ROCIS automatically rounds up 30 or 45 minutes to 1 hour. This rounding up affects the estimates for Acceptable bonding, Change of unit operator, Notification of productivity, and Notification of productivity for non-unit well (43 CFR 3137.60, 3137.61, 3137.88, and 3137.91, respectively). In addition, ROCIS automatically rounded the one 15-minute item, Notification of operations (43 CFR 3135.6), down to 0 hours, so we added a second respondent for that item to prevent a misleadingly low estimate.

Table 12-2 — Estimated Hour and Cost Burdens

A. Type of Response	B. Number of Responses	C. Time Per Response	D. Total Time (B x C)	E. Total Wage Cost (D x \$58.92)
Royalty reduction (43 CFR 3133.4)	1	16 hours	16 hours	\$943
Suspension of operations (43 CFR 3135.3)	1	4 hours	4 hours	\$236
Notification of operations (43 CFR 3135.6)	2	15 minutes	30 minutes	\$29
Unit designation (43 CFR 3137.21 and 3137.23)	1	80 hours	80 hours	\$4,714
Notification of unit approval (43 CFR 3137.25)	1	1 hour	1 hour	\$59
Certification for modification (43 CFR 3137.52)	1	4 hours	4 hours	\$236
Acceptable bonding (43 CFR 3137.60)	1	30 minutes	30 minutes	\$29
Change of unit operator (43 CFR 3137.61)	1	45 minutes	45 minutes	\$44
Certification of unit obligation (43 CFR 3137.70)	1	2 hours	2 hours	\$118
Certification of continuing development (43 CFR 3137.71)	1	2 hours	2 hours	\$118
Productivity for a participating area (43 CFR 3137.84)	1	12 hours	12 hours	\$707
Unleased tracts	1	3 hours	3 hours	\$177

(43 CFR 3137.87)				
Notification of productivity (43 CFR 3137.88)	1	30 minutes	30 minutes	\$29
Notification of productivity for non-unit well (43 CFR 3137.91)	1	30 minutes	30 minutes	\$29
Production information (43 CFR 3137.92)	1	1 hour	1 hour	\$59
Lease extension (43 CFR 3137.111)	1	3 hours	3 hours	\$177
Inability to conduct operations activities (43 CFR 3137.112)	1	2 hours	2 hours	\$118
Unit termination (43 CFR 3137.130)	1	1 hour	1 hour	\$59
Impact mitigation (43 CFR 3137.135)	1	4 hours	4 hours	\$236
Storage agreement (43 CFR 3138.11)	1	80 hours	80 hours	\$4,714
TOTALS	21		217.75 hours	\$12,831

13. Provide an estimate of the total annual non-hour cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected in item 12.)

- * The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life) and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information (including filing fees paid for form processing). Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.
- * If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public

comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

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

Respondents are not required to purchase additional computer hardware or software to comply with these information requirements. There is no filing fees associated with this information collection. There are no capital or start-up costs involved with this information collection.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information.

We estimate that the Federal Government spends 127.5 hours annually and \$6,609, to process the responses for this information collection. The hourly cost to the Federal Government shown at Table 14-1, below, is based on the U.S. Office of Personnel Management Salary Table 2011-RUS located at: http://www.opm.gov/oca/11tables/html/gs_h.asp. The benefits multiplier of 1.5 is implied by information in Table A of Bureau of Labor Statistics News Release USDL 11-0304 (March 9, 2011), at <http://www.bls.gov/news.release/ecec.nr0.htm>.

Table 14 -1 — Hourly Cost Calculations

A. Position	B. Grade	C. Hourly pay rate	D. Hourly rate including benefits (1.5 x C)	E. Percent of the Information Collection Completed by Each Occupation	F. Weighted average (\$/hr) (D x E)
Manager	GS-14, Step 1	\$40.58	\$60.87	20	\$12.17
Supervisor	GS-13, Step 1	\$34.34	\$51.51	20	\$10.30
Skilled technical (Petroleum Engineer; Geologist)	GS-13, Step 1	\$34.34	\$51.51	40	\$20.60
Land Law Examiner	GS-12, Step 1	\$28.88	\$43.32	20	\$8.66

Total					\$51.73
--------------	--	--	--	--	----------------

Table 14-2, below, shows the estimated Federal hours and costs for each component of this information collection. The estimated time spent to process the information collections is based on the BLM's experience. The estimated costs are rounded off to the nearest dollar. The hourly wage is shown at Table 14-1, above.

Table 14-2 — Estimated Annual Cost to the Government

A. Type of Response	B. Number of Responses	C. Time Per Response	D. Total Hours (B x C)	E. Total Wage Cost (D x \$51.73)
Royalty reduction (43 CFR 3133.4)	1	16 hours	16 hours	\$828
Suspension of operations (43 CFR 3135.3)	1	4 hours	4 hours	\$207
Notification of operations (43 CFR 3135.6)	2	15 minutes	30 minutes	\$26
Unit designation (43 CFR 3137.21 and 3137.23)	1	40 hours	40 hours	\$2,069
Notification of unit approval (43 CFR 3137.25)	1	1 hour	1 hour	\$52
Certification for modification (43 CFR 3137.52)	1	4 hours	4 hours	\$207
Acceptable bonding (43 CFR 3137.60)	1	30 minutes	30 minutes	\$26
Change of unit operator (43 CFR 3137.61)	1	45 minutes	45 minutes	\$39
Certification of unit obligation (43 CFR 3137.70)	1	1 hour	1 hour	\$52
Certification of continuing development (43 CFR 3137.71)	1	1 hour	1 hour	\$52
Productivity for a participating area (43 CFR 3137.84)	1	6 hours	6 hours	\$310
Unleased tracts (43 CFR 3137.87)	1	2 hours	2 hours	\$103
Notification of productivity (43 CFR 3137.88)	1	30 minutes	30 minutes	\$26
Notification of productivity for non-unit well	1	30 minutes	30 minutes	\$26

(43 CFR 3137.91)				
Production information (43 CFR 3137.92)	1	1 hour	1 hour	\$52
Lease extension (43 CFR 3137.111)	1	2 hours	2 hours	\$103
Inability to conduct operations activities (43 CFR 3137.112)	1	2 hours	2 hours	\$103
Unit termination (43 CFR 3137.130)	1	1 hour	1 hour	\$52
Impact mitigation (43 CFR 3137.135)	1	4 hours	4 hours	\$207
Storage agreement (43 CFR 3138.11)	1	40 hours	40 hours	\$2,069
TOTALS	21		127.75	\$6609

15. Explain the reasons for any program changes or adjustments in hour or cost burden.

There are no program changes, and there are the following adjustments: The number of annual responses for Notification of Operations (43 CFR 3135.6) has been adjusted from 1 to 2, so that ROCIS rounds the total response time up to 1 hour instead of 0 hours, thereby increasing the burden hours from 219 to 220 in ROCIS.

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

The BLM will not publish the results of this collection.

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.

Because this is a nonform collection, display of the expiration date is not applicable.

18. Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions."

There are no exceptions to the certification statement.