

Supporting Statement for Paperwork Reduction Act Submissions
30 CFR 250, Subpart Q, Decommissioning Activities
OMB Control Number 1010-0142
Current Expiration Date: November 30, 2010

Terms of Clearance: None

General Instructions

A Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i)(iv) and its actual or estimated date of publication in the Federal Register, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When statistical methods are used, Section B of the Supporting Statement must be completed. The Office of Management and Budget (OMB) reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The Outer Continental Shelf (OCS) Lands Act, as amended (43 U.S.C. 1331 et seq. and 43 U.S.C. 1801 et seq.), authorizes the Secretary of the Interior (Secretary) to prescribe rules and regulations to manage the mineral resources of the OCS. Such rules and regulations will apply to all operations conducted under a lease. Operations on the OCS must preserve, protect, and develop oil and natural gas resources in a manner that is consistent with the need to make such resources available to meet the Nation's energy needs as rapidly as possible; to balance orderly energy resource development with protection of human, marine, and coastal environments; to ensure the public a fair and equitable return on the resources of the OCS; and to preserve and maintain free enterprise competition.

Section 1332(6) states that "operations in the [O]uter Continental Shelf should be conducted in a safe manner by well trained personnel using technology, precautions, and other techniques sufficient to prevent or minimize the likelihood of blowouts, loss of well control, fires, spillages, physical obstructions to other users of the waters or subsoil and seabed, or other occurrences which may cause damage to the environment or to property or endanger life or health."

The Independent Offices Appropriations Act (31 U.S.C. 9701), the Omnibus Appropriations Bill (P. L. 104-133, 110 Stat. 1321, April 26, 1996), and OMB Circular A-25, authorize Federal agencies to recover the full cost of services that confer special benefits. Under the Department of the Interior's (DOI) implementing policy, the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) is required to charge fees for services that provide special benefits or privileges to an identifiable non-Federal recipient above and beyond those which accrue to the public at large. Applications to remove/decommission a platform are subject to cost recovery, and BOEMRE regulations specify cost recovery fees for these requests.

This authority and responsibility are among those delegated to BOEMRE. The regulations at 30 CFR 250, subpart Q, concern decommissioning of platforms, wells, and pipelines, as well as site clearance and platform removal and are the subject of this collection. This request also covers the related Notices to Lessees and Operators (NTLs) that BOEMRE issues to clarify, supplement, or provide additional guidance on some aspects of our regulations.

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

The BOEMRE uses the information collected under subpart Q primarily for the following reasons:

- To determine the necessity for allowing a well to be temporarily abandoned, the lessee/operator must demonstrate that there is a reason for not permanently plugging the well, and the temporary abandonment will not interfere with fishing, navigation, or other uses of the OCS. We use the information and documentation to verify that the lessee/operator is diligently pursuing the final disposition of the well and has performed the temporary plugging of the wellbore.
- The information submitted in initial decommissioning plans in the Alaska and Pacific OCS Regions will permit BOEMRE to become involved on the ground floor planning of platform removals anticipated to occur in these OCS regions.
- Site clearance and platform or pipeline removal information ensures that all objects (wellheads, platforms, etc.) installed on the OCS are properly removed using procedures that will protect marine life and the environment during removal operations, and the site cleared so as not to conflict with or harm other uses of the OCS.
- Information regarding decommissioning a pipeline in place is needed to ensure that it will not constitute a hazard to navigation and commercial fishing operations, unduly interfere with other uses of the OCS, or have adverse environmental effects.
- The information is necessary to verify that decommissioning activities comply with approved applications and procedures and are satisfactorily completed.

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

Currently, 60 percent of information is submitted electronically.

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

The information collected is unique and specific to an operator, lease, or location; similar information is not readily available from other sources and is not collected by any other agency.

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

This collection of information may have an economic effect on a substantial number of small entities. Any direct effects primarily impact the OCS lessees/operators and holders of pipeline rights-of-way. In general, companies need large technical and financial resources and experience to conduct offshore activities safely. However, 70 percent of the OCS lessees and operators have less than 500 employees and are considered small businesses as defined by the Small Business Administration (SBA); while 20 percent of pipeline rights-of-way holders are considered a small entity by SBA if it is a liquid pipeline company with fewer than 1,500 employees, or a natural gas pipeline company with gross annual receipts of \$25 million or less. The hour burden on any small entity subject to these regulations cannot be reduced to accommodate them. With respect to the requirements for site clearance of abandoned wells, if these activities were not performed, it is more likely that other users of the OCS would be adversely affected, many of which are small businesses.

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

If we did not collect the information, we could not ascertain: (a) the intent of the lessee/operator; (b) if respondents are diligently pursuing the final disposition of a well, platform, or pipeline; (c) any deviations from the approved Exploration or Development and Production Plan (Pacific and Alaska Regions only); (d) if the lessee/operator has documented the temporary plugging of the well and has marked the location; or (e) that site clearance and removal operations are performed in an environmentally safe and effective manner.

Information is collected on occasion or varies by section depending on the requirement, except for annual reporting on temporary abandonment of wells until the lessee/operator re-enters to complete or to permanently plug the well. The annual report is the minimum frequency necessary to ensure the diligent pursuit of the final well disposition.

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

a) requiring respondents to report information to the agency more often than quarterly.

- § 250.1722(c). The BOEMRE requires notification within 5 days in the event a trawl hangs up on (or damages) a protective device (dome) over a subsea wellhead or casing stub in order to ensure that repairs are initiated as soon as possible in order to eliminate or minimize the possibility that shrimp boats will hang up on the obstruction and cause damage to their nets. It allows BOEMRE to notify other users of the OCS of the obstruction in a timely manner, thereby reducing the risk to their equipment.
- § 250.1713. The BOEMRE requires notification within 48 hours before beginning well plugging and abandonment operations in order to have the option of scheduling BOEMRE personnel to observe operations on site to ensure they are conducted in accordance with applicable regulations and approved procedures.

- § 250.1725. The BOEMRE requires notification within 48 hours before beginning platform removal operations in order to have the option of scheduling BOEMRE personnel to observe removal operations on site in the field to ensure that they are conducted in accordance with applicable regulations and approved procedures for the use of explosives, removal of platform piling to 15 feet below the seafloor, proper site clearance, etc.

(b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

Not applicable in this collection.

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

Not applicable in this collection.

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

Not applicable in this collection.

(e) in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.

Not applicable in this collection.

(f) requiring the use of statistical data classification that has been reviewed and approved by OMB.

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(v) through (viii), as the collection is not a statistical survey and does not use statistical data classification.

(g) that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

This collection does not include a pledge of confidentiality not supported by statute or regulation.

(h) requiring respondents to submit proprietary trade secrets or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

This collection does not require proprietary, trade secret, or other confidential information not protected by agency procedures.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice [and in response to the PRA statement associated with the collection over the past 3 years] and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. [Please list the names, titles, addresses, and phone numbers of persons contacted.] Consultation with representatives of those

from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

As required in 5 CFR 1320.8(d), BOEMRE provided a 60-day notice in the Federal Register on March 22, 2010 (75 FR 13568). In addition, 30 CFR 250.199 explains that BOEMRE will accept comments at any time on the information collection requirements and burdens of our 30 CFR 250 regulations. We display the OMB control number and provide the address for sending comments to BOEMRE. We received one comment in response to the Federal Register notice and the comment was not germane to the collection of information.

During the comment period, BOEMRE regional offices requested input from several lessees on the input to the availability of data, frequency of collection, clarity of instructions, and elements being collected. The burden estimates in A.12 reflect their input. The following respondents that commented were:

Shell Offshore, Inc., William Terrebonne, Regulatory Affairs,
(504) 728-7281, PO Box 61933, New Orleans, Louisiana 70161-1933

Devon Energy Production Company, L.P., Patricia Bruce, Senior Regulatory Specialist,
(713) 286-5861, 1200 Smith Street, Houston, Texas 77002

W & T Offshore, Inc., Bea Stong, Senior Regulatory Specialist,
(713) 624-7338, Nine Greenway Plaza, Suite 300, Houston, Texas 77046

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

The BOEMRE will not provide payments or gifts to respondents in this collection.

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

We protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and its implementing regulations (43 CFR 2), and 30 CFR 250.197, Data and information to be made available to the public or for limited inspection.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The collection does not include questions of a sensitive nature.

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

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

(b) If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens.

Potential respondents include Federal OCS oil, gas, and sulphur lessees and holders of pipeline rights-of-way. It should be noted that not all of the potential respondents will submit information in any given year and some may submit multiple times. The burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. We estimate the total annual burden is 15,716 hours. Refer to the following table for a breakdown of the burdens.

L/T = Lease Term **Burden Breakdown** ROW = Right of Way

Citation 30 CFR 250 Subpart Q	Reporting Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (Rounded)
		Non-Hour Cost Burdens		
General				
1700 thru 1754	General departure and alternative compliance requests not specifically covered elsewhere in subpart Q regulations.	3	50 requests	150
1703; 1704	Request approval for decommissioning.	Burden included below.		0
1704(g); 1712; 1716; 1717; 1721(a), (d), (f), (g); 1722(a), (b), (d); 1723(b); 1743(a)	Submit form MMS-124 to plug wells; provide subsequent report; request alternate depth departure; request procedure to protect obstructions above seafloor; report within 30 days, results of trawling; certify area cleared of obstructions; remove casing stub or mud line suspension equipment and subsea protective covering; or other departures.	Burden covered under 1010-0141.		0
Subtotal		50 responses		150 hours
Permanently Plugging Wells				
1711	Required data if permanently plugging a well.	Requirement not considered Information Collection under 5 CFR 1320.3(h)(9).		0
1713	Notify BOEMRE 48 hours before beginning operations to permanently plug a well.	.5	995 notices	498
Subtotal		995 responses		498 hours
Temporary Abandoned Wells				

Citation 30 CFR 250 Subpart Q	Reporting Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (Rounded)
		Non-Hour Cost Burdens		
1721(e); 1722(e), (h) (1); 1741(c)	Identify and report subsea wellheads, casing stubs, or other obstructions; mark wells protected by a dome; mark location to be cleared as navigation hazard.	U.S. Coast Guard requirements.		0
1722(c), (g) (2)	Notify BOEMRE within 5 days if trawl does not pass over protective device or causes damages to it; or if inspection reveals casing stub or mud line suspension is no longer protected.	1	10 notices	10
1722(f), (g) (3)	Submit annual report on plans for re-entry to complete or permanently abandon the well and inspection report.	2.5	92 reports	230
1722(h)	Request waiver of trawling test.	2	5 requests	10
Subtotal		107 responses		250 hours
Removing Platforms and Other Facilities				
1726; 1704(a)	Submit initial decommissioning application in the Pacific and Alaska OCS Regions.	20	2 applications	40
1725; 1727; 1728; 1730; 1704(b)	Submit final application and appropriate data to remove platform or other subsea facility structures (including alternate depth departure) or approval to maintain, to conduct other operations, or to convert to artificial reef.	22	252 applications	5,544
		\$4,342 fee x 252 = \$1,094,184*		
1725(e)	Notify BOEMRE 48 hours before beginning removal of platform and other facilities.	.5	214 notices	107
1729; 1704(c)	Submit post platform or other facility removal report; supporting documentation; signed statements, etc.	9	214 reports	1,926
1731(c)	Request deferral of facility removal subject to RUE issued under 30 CFR 285.	1	1 request.	1
Subtotal		683 responses		7,618 hours
		\$1,094,184 non-hour cost burdens		
Site Clearance for Wells, Platforms, and Other Facilities				
1740;	Request approval to use alternative methods of well site, platform, or other facility clearance.	15	75 requests	1,125
1743(b); 1704(f)	Verify permanently plugged well, platform, or other facility removal site cleared of obstructions; supporting documentation; and submit certification letter.	5	189 verifications	945
Subtotal		264 responses		2,070 hours
Pipeline Decommissioning				
1750; 1751; 1752; 1754; 1704(d)	Submit application to decommission pipeline in place or remove pipeline (L/T or ROW).	10	399 applications	3,990
		\$1,059 L/T decommission fee x 230 = \$243,570*		
		\$2,012 ROW decommission fee x 169 = \$340,028*		

Citation 30 CFR 250 Subpart Q	Reporting Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours (Rounded)
		Non-Hour Cost Burdens		
1753; 1704(e)	Submit post pipeline decommissioning report.	3	380 reports	1,140
Subtotal		779 responses		5,130 hours
		\$583,598 non-hour cost burdens		
Total Burden			2,878 Responses	15,716 Hours
			\$1,677,782 Non-Hour Cost Burdens	

* Cost recovery monies collected are based on actual submittals through Pay.gov for FY 2009.

(c) Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.

The average respondent cost is \$87*/hour (rounded). This cost is broken out in the below table using the Bureau of Labor Statistics data for the Houston, TX area. See BLS website:

<http://www.bls.gov/bls/wages.htm>.

Position	Level	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.4** x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour)
Secretaries and Administrative assistants	6	\$21	29	15%	\$4
Petroleum Engineers, Geologists	All Workers	\$69	97	70%	\$68
Supv. Engineer	15	\$69	97	15%	\$15
Weighted Average (\$/hour)					\$87

* Note that this BLS source reflects their last update from December 2008.

** A multiplier of 1.4 (as implied by BLS news release USDL 10-0774, June 9, 2010 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$87 per hour, we estimate the total annual cost to industry is \$1,367,292 (\$87 x 15,716 hours = \$1,367,292).

13. Provide an estimate of the total annual [non-hour] cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

(a) The cost estimate should be split into two components: (1) a total capital and start-up cost component (annualized over its expected useful life) and (2) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information [including filing fees paid]. Include descriptions of methods used to estimate major cost factors including system and technology

acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

(b) If cost estimates are expected to vary widely, agencies should present ranges of cost burden and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

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

We have identified three non-hour paperwork cost burdens for this collection. Respondents pay cost recovery fees when removing a platform or other facility under § 250.1727 for \$4,342, or for decommissioning a pipeline under § 250.1751(a) – L/T for \$1,059 or a ROW for \$2,012. The fees are required to recover the Federal Government's processing costs, and we have not identified any others. We estimate a total reporting non-hour cost burden of \$1,677,782 for this collection. Refer to the table in Section A.12 of this supporting statement for the specific non-hour paperwork cost burden breakdown.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

To analyze and review the information, the Government spends an average of 1.2 hours for each hour spent by respondents. The total estimated Government time is 18,859 (rounded) hours.

The average government cost is \$61/hour. This cost is broken out in the below table using the current Office of Personnel Management salary data for the REST OF THE UNITED STATES (<http://www.opm.gov/oca/10tables/>).

Position	Grade	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.5* x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour)
Clerical	GS-5/5	\$17	\$26	4%	\$1
Technician(s)	GS-11/5	\$31	\$47	25%	\$12
Engineer(s)	GS-13/5	\$44	\$66	65%	\$43
Supervisory	GS-14/5	\$53	\$80	6%	\$5
Weighted Average (\$/hour)					\$61

* A multiplier of 1.5 (as implied by BLS news release USDL 10-0774, June 9, 2010 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$61 per hour, the total annual estimated burden on the Government is \$1,150,399 (15,716 hours x 1.2 hours = 18,859 hours x \$61 = \$1,150,399).

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

(a) The currently OMB approved annual hour burden is 17,991 burden hours for this collection of information. This submission requests 15,716 burden hours. The adjustment decrease of 2,275 hours is due to re-estimating the average annual responses and the amount of time required to respond based on consultations.

(b) The currently OMB approved annual reporting and recordkeeping non-hour cost burden is \$1,152,700 for this collection of information. This submission requests \$1,677,782. The adjustment increase of \$525,082 is due to re-estimating the average number of annual responses that have associated cost recovery fees.

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 BOEMRE will not tabulate or publish the data.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

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

18. Explain each exception to the certification statement, "Certification for Paperwork Reduction Act Submissions."

To the extent that the topics apply to this collection of information, we are not making any exceptions to the "Certification for Paperwork Reduction Act Submissions."