

Supporting Statement for Paperwork Reduction Act Submissions
30 CFR 250, Subpart P, Sulphur Operations
OMB Control Number 1010-0086
Expiration Date: December 31, 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. If statistical methods are employed, then 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.

A. Justification

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, right-of-use and easement, and pipeline right-of-way. Operations on the OCS must preserve, protect, and develop mineral 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 5(a) of the OCS Lands Act requires the Secretary to prescribe rules and regulations "to provide for the prevention of waste, and conservation of the natural resources of the Outer Continental Shelf, and the protection of correlative rights therein" and to include provisions "for the prompt and efficient exploration and development of a lease area." These authorities and responsibilities are among those delegated to the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) to ensure that operations in the OCS will meet statutory requirements; provide for safety and protection of the environment; and result in diligent exploration, development, and production of OCS leases. This information collection (IC) request addresses the regulations at 30 CFR 250, subpart P, Sulphur Operations, and any associated supplementary Notices to Lessees and Operators (NTLs) intended to provide clarification, description, or explanation of these regulations.

Currently, BOEMRE regulates one sulphur lease on the OCS, but it is not active. Therefore, this IC request and its relevant hours represent one respondent.

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 to ascertain the condition of drilling sites for the purpose of preventing hazards inherent in sulphur drilling and production operations and to evaluate the adequacy of equipment and/or procedures to be used during the conduct of drilling, well-completion, well-workover, and production operations. The BOEMRE uses the information to:

- Ascertain that a discovered sulphur deposit can be classified as capable of production in paying quantities.
- Ensure accurate and complete measurement of production to determine the amount of sulphur royalty payments due the United States; and that the sale locations are secure, production has been measured accurately, and appropriate follow-up actions are initiated.
- Review expected oceanographic and meteorological conditions to ensure the integrity of the drilling unit (this information is submitted only if it is not otherwise available).
- Review hazard survey data to ensure that the lessee or operator will not encounter geological conditions that present a hazard to operations.
- Ensure the adequacy and safety of firefighting plans; the drilling unit is fit for the intended purpose; and the adequacy of casing for anticipated conditions.
- Review log entries of crew meetings to verify that crew members are properly trained.
- Review drilling, well-completion, well-workover diagrams and procedures, as well as production operation procedures to ensure the safety of the proposed sulphur drilling, well-completion, well-workover and proposed production operations.
- Monitor environmental data during sulphur operations in offshore areas where such data are not already available to provide a valuable source of information to evaluate the performance of drilling rigs under various weather and ocean conditions. This information is necessary to make reasonable determinations regarding safety of operations and environmental protection.

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, none of the information is submitted using electronic technology due to the fact that there are no active sulphur operations on the OCS. With an active lease, we would expect 50 percent to be submitted electronically.

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

The information collected is unique to site operations and does not duplicate any other available information. The Department of the Interior and other government agencies has Memoranda of Understanding that define the responsibilities of their agencies with respect to activities in the OCS. These are effective in avoiding duplication of regulations and reporting requirements.

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

This collection of information will not have an economic effect on a number of small entities. In general, companies need large technical and financial resources and experience to conduct offshore activities safely. The one company that currently has a sulphur lease is large by the Small Business Administration definition. Therefore there are no small entities subject to these regulations.

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 BOEMRE did not collect the information, we could not carry out the mandate of the OCS Lands Act, as amended, that specifies that “operations in the OCS should be conducted in a safe manner by well-trained personnel using technology, precautions, and techniques sufficient to prevent or minimize the likelihood of blowouts, loss of well control, fires, spillages, physical obstruction 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 information concerning drilling, well-completion, and well-workover operations and production is collected only once for each particular activity. The frequency of the IC is determined by the frequency of those operations and not by any specific date.

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

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

Not applicable in this collection.

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

Not applicable in this collection.

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

Not applicable in this collection.

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

Respondents are required in 30 CFR 250.1628(b) and (d) to maintain information concerning approved design and installation features for sulphur production facilities, as well as, safety-system design and installation features for fuel gas systems, for the life of each system. These records must be available for reference when inspections are being conducted to ascertain that the equipment in use is approved and meets the standards for safe production operations.

(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 published a 60-day review and comment notice in the Federal Register on March 30, 2010 (75 FR 15718). Also, 30 CFR 250.199 explains that the BOEMRE will accept comments at any time on the IC requirements and burdens of our 30 CFR 250 regulations and associated forms. We display the OMB control numbers and provide the address for sending comments to BOEMRE. We received no comments in response to either of the Federal Register notice or unsolicited comments from respondents covered under these regulations.

Currently there are no active sulphur operations being conducted offshore. Consequently, there were no respondents to consult with during the comment period. Before we submitted this collection for the last renewal, the BOEMRE Gulf of Mexico Region had contacted the only respondent at that time to verify the accuracy of the burden estimates for this IC. The estimates in section A.12. continue to reflect input we received previously.

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

We will not provide payment 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 sensitive or private questions.

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.

Currently there are no active OCS sulphur lease operations. Our estimates are based on expected responses for one potential respondent. The frequency of response is occasional and varies by section. We estimate the annual burden is 903 burden hours. Refer to the burden table for a breakdown of the burden.

BURDEN TABLE

Citation 30 CFR 250	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
Submittals/Notifications				
1600; 1617	Submit exploration or development and production plan.	Burden covered under (1010-0151).	0	0
1617; 1618; 1619(b); 1622	Submit forms MMS-123 (Application for Permit to Drill), MMS-124 (Application for Permit to Modify), Form MMS-125 (End of Operations Report).	Burden covered under (1010-0141).	0	0
1605(b)(3)	Submit and/or resubmit data and information on fitness of drilling unit.	4	1 submission	4
1605(d)	Submit results of additional surveys and soil borings upon request.*	1	1 submission	1
1605(f)	Submit application for installation of fixed drilling platforms or structures.	Burden covered under (1010-0149).	0	0
1608	Submit well casing and cementing plan or modification.	5	1 plan	5
1619(c), (d), (e)	Submit copies of records, logs, reports, charts, etc., upon request.	1	8 submissions	8
1628(b), (d)	Submit application for design and installation features of sulphur production facilities and fuel gas safety system; certify new installation conforms to approved design.	4	1 application	4
1630(a)(6)	Notify BOEMRE of pre-production test and inspection of safety system and commencement of production.	½	2 notifications	1
1633(b)	Submit application for method of production measurement.	2	1 application	2
Subtotal			15 responses	25
Requests				
1603(a)	Request determination whether sulphur deposit can produce in paying quantities.	1	1 request	1
1605(e)(5)	Request copy of directional survey (by holder of adjoining lease).*	1	1 request	1
1607	Request establishment, amendment, or cancellation of field rules for drilling, well-completion, or well-workover.	8	2 requests	16
1610(d)(7+8)	Request exception to ram-type blowout preventer (BOP) system components rated working pressure.	1	1 request	1
1611(b); 1625(b)	Request exception to water-rated working pressure to test ram-type and annular BOPs and choke manifold.	1	1 request	1
1611(f); 1625(f)	Request exception to recording pressure conditions during BOP tests on pressure charts.*	1	1 request	1
1612	Request exception to §§ 250.408/250.462 requirements for well-control drills.*	1	1 request	1
1615	Request exception to blind-shear ram or pipe rams and inside BOP to secure wells.	1	1 request	1
1629(b)(3)	Request approval of firefighting systems; post firefighting system diagram.	4	1 request	4
1600 thru 1634	General departure and/or alternative compliance requests not specifically covered elsewhere in subpart P.	2	1 request	2
Subtotal			11 responses	29
Record/Retain				
1604(f)	Check traveling-block safety device for proper operation weekly and after each drill-line slipping; enter results in log.	1/4	1 lessee x 52 wks x 2 rigs = 104	26
1605(c)	Report oceanographic, meteorological, and drilling unit performance data upon request.*	1	1 report	1

Citation 30 CFR 250	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
1609(a)	Pressure test casing; record time, conditions of testing, and test results in log.	2	1 lease x 60 tests/ records = 60	120
1611(d)(3); 1625(d)(3)	Record in driller's report the date, time, and reason for postponing pressure testings.	10 minutes	1 lessee x 6 recordings = 6	1
1611(f), (g); 1625(f), (g)	Conduct tests, actuations, inspections, maintenance, and crew drills of BOP systems at least weekly; record results in driller's report; retain records for 2 years following completion of drilling activity.	6	1 lessee x 52 weeks = 52	312
1613(d)	Pressure test diverter sealing element/valves weekly; actuate diverter sealing element/valves/ control system every 24 hours; test diverter line for flow every 24 hours; record test times and results in driller's report.	2	1 lessee (daily/ weekly during drilling) x 2 rigs x 52 weeks = 104	208
1616(c)	Retain training records for lessee and drilling contractor personnel.		Burden covered under 1010-0128.	0
1619(a); 1623(c)	Retain records for each well and all well operations for 2 years; calculate well-control fluid volume and post near operators' station.	12	1 lessee	12
1621	Conduct safety meetings prior to well-completion or well-workover operations; record date and time.	1	1 lessee x 50 meetings/ records = 50	50
1628(b), (d)	Maintain information on approved design and installation features for the life of the facility.	1	1 lessee	1
1629(b)(1)(ii)	Retain pressure-recording charts used to determine operating pressure ranges for 2 years.	12	1 lessee	12
1630(b)	Maintain records for each safety device installed for 2 years; make available for review.	1	1 lessee	1
1631	Conduct safety device training prior to production operations and periodically thereafter; record date and time.	1	1 lessee x 52 train/ records x 2 rigs = 104	104
1634(b)	Report evidence of mishandling of produced sulphur or tampering or falsifying any measurement of production.	1	1 report	1
Subtotal		486 responses	849	
Total Burden		512 responses	903 Hours	

* We included a minimal burden, but it has not been necessary to request these data and/or no submissions received for many years.

(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.

Currently there are no active OCS sulphur lease operations. Our estimates are based on expected responses for one potential respondent. The frequency of response varies by section. We estimate the annual burden is 903 burden hours. The costs are broken out 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)
Office + Administrative Support	6	\$21	\$29	20%	\$6
Petroleum Engineer	All workers	\$69	\$97	65%	\$63
Supv. Petroleum Engineer		\$69	\$97	15%	\$15
Weighted Average (\$/hour)					\$84

** 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 \$84 per hour, we estimate the total annual cost to industry is \$75,852 (\$84 x 903 = \$75,852).

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 no reporting and recordkeeping non-hour cost burdens for this collection of information.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have

been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The average Federal cost is \$67/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-7/5	\$21	\$32	5%	\$2
Petroleum Engineer	GS-13/5	\$44	\$66	80%	\$53
Supv. Petroleum Engineer	GS-14/5	\$53	\$80	15%	\$12
Weighted Average (\$/hour)					\$67

*A multiplier of 1.5 (as implied by BLS news release USDL 10-0774, June 9, 2010) was added for benefits.

To analyze and review the information, the Government spends an average of 1 hour for each hour spent by respondents. The total estimated Government time is 903 hours. Based on a cost factor of \$67 per hour, the total annual estimated burden on the Government is \$60,501 (903 hours x 1 hours = 903 hours x \$67 = \$60,501).

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

The current OMB inventory includes 903 burden hours for this collection of information. This submission requests 903 burden hours. As there are no active respondents, we estimated the annual number of respondents to be one potential respondent.

There are no non-hour cost burdens associated with this collection.

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.

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.”