

Supporting Statement for Paperwork Reduction Act Submissions
30 CFR 250, Subpart E, Oil and Gas Well-Completion Operations
OMB Control Number 1010-0067
Current Expiration Date: 31 December 2010

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 information collection request (ICR) contain surveys, censuses, or employ statistical methods?" is checked "Yes," then a Supporting Statement B 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.

The Outer Continental Shelf (OCS) Lands Act, 43 U.S.C. 1331 et seq. and 43 U.S.C. 1801 et seq., requires the Secretary of the Interior to preserve, protect, and develop oil and gas resources in the OCS 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; balance orderly energy resources development with protection of the human, marine, and coastal environment; ensure the public a fair and equitable return on OCS resources; and preserve and maintain free enterprise competition. Section 1332(6) of the OCS Lands Act (43 U.S.C. 1332) requires that "operations in the [O]uter Continental Shelf 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." This authority and responsibility are among those delegated to the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE). To carry out these responsibilities, BOEMRE issues regulations governing oil and gas and sulphur operations in the OCS.

This information collection request addresses 30 CFR 250, subpart E, Oil and Gas Well-Completion 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.

BOEMRE analyzes and evaluates the information and data collected to ensure that planned well-completion operations will protect personnel and natural resources. They use the analysis and evaluation results in the decision to approve, disapprove, or require modification to the proposed well-completion operations. Specifically, BOEMRE uses the information to ensure: (a) compliance with personnel safety training requirements; (b) crown block safety device is operating and can be expected to function to avoid accidents; (c) proposed operation of the annular preventer is technically correct and provides adequate protection for personnel, property, and natural resources; (d) well-completion operations are conducted on well casings that are structurally competent; and (e) sustained casing pressures are within acceptable limits.

Subpart E was revised by rulemaking that became effective June 3, 2010 (75 FR 23582). This rulemaking replaced references to NTLs and LTLs with specific cites to the CFR. Their associated burden hours were already approved by OMB so the rule did not add any new burdens. These requirements address the procedures and requirements necessary to monitor, report, and ameliorate sustained casing pressure (SCP) conditions. BOEMRE uses the information to determine whether production from wells with SCP continues to afford the greatest possible degree of safety under these conditions and to require corrective action in specified cases that pose an ongoing safety hazard.

Due to the revised regulations, the burden table now resembles the regulatory requirements as they are written, thus replacing the previously listed NTL/LTLs with actual citations. Also, for better clarity, the requirements are broken out.

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, 25 percent of the 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 to a specific well-completion operation and does not duplicate any other available information. The information is site specific, and similar information is not available from other sources.

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 number of small entities. Any direct effects primarily impact the OCS lessees and operators. Approximately 70 percent of these OCS lessees and operators have less than 500 employees and are considered small businesses as defined by the Small Business Administration. Regulations require safe work practices and protection of environmental resources; therefore, the hour burden on any small entity subject to these regulations and associated collections of information cannot be reduced to accommodate them.

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 under subpart E, BOEMRE personnel could not verify that equipment is properly tested or that safety procedures are properly reviewed during well-completion operations. The information is necessary to carry out the mandate of the OCS Lands Act. Information is collected only once for each particular well-completion operation and is initiated by respondents' activity.

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.

In both §§ 250.525 and 250.529(b), BOEMRE requires submittal of information within 14 days. This information pertains to SCP testing so that we can determine and ameliorate the deficiency quickly and effectively while making sure industry takes safe action to resolve the situation.

(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 not been reviewed and approved by OMB.

Not applicable in this collection.

(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; or .

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.

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 April 12, 2010 (75 FR 18545). Also, 30 CFR 250.199 explains that BOEMRE will accept comments at any time on the information collection burden of our 30 CFR 250 regulations and forms. We display the OMB control numbers and provide the address for sending comments to BOEMRE. We received no comments in response to the Federal Register notice or unsolicited comments from respondents covered under these regulations.

During the comment period, BOEMRE regional offices consulted with several respondents on the burden of collecting this information. These respondents did not have any input regarding the availability of data, frequency of collection, clarity of instructions, and elements being collected. However, the burden estimates in Section A.12 reflect adjustments based on information received from the following:

Shell E & P Company, Richard J. Zaunbrecher, GOM Regulatory Team Lead,
(504) 728-8873, One Shell Square, P.O. Box 61933, New Orleans, LA 70161-1933

Anadarko Petroleum Corporation, Gaylene Reier, Regulatory Specialist,
(832) 636-1000, 1201 Lake Robbins Drive, The Woodlands, TX 77380

Apache Corporation, Trisha Hackett, Regulatory Specialist,
(713) 296-6811, 2000 Post Oak Boulevard, Suite 100, Houston, TX 77056

BHP Billiton Petroleum (Americas), Inc., Susan Wilson, Regulatory Specialist,
(713) 599-6349, 1360 Post Oak Boulevard, Suite 150, Houston, TX 77056-3030

DCOR, LLC, Mike Finch, Regulatory Manager,
290 Maple Court, Suite 290, Venture, CA 93003

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

BOEMRE 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 will 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.

Potential respondents include Federal OCS oil, gas, and sulphur lessees and operators. 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. Responses are mandatory. We estimate the total annual burden is 41,879 hours. Refer to the table for a breakdown of the burdens.

| Citation 30 CFR 250 Subpart E | Reporting and Recordkeeping Requirements | Hour Burden | Average No. of Annual Responses | Annual Burden Hours |
|--|--|------------------------|--|------------------------------------|
| Requests | | | | |
| 502 | Request an exception to shutting in producible wells before moving a well-completion rig or related equipment. | 5 | 100 exceptions | 500 |
| 512 | Request establishment, amendment, or cancellation of well-completion field rules. | 10 | 3 field rules | 30 |
| 500-530 | General departure and alternative compliance requests not specifically covered elsewhere in Subpart E regulations. | 2 | 15 requests | 30 |
| Subtotal | | | 118 responses | 560 hours |
| Records | | | | |
| 506 | Record dates and times of well-completion operations safety meetings. | ½ | 647 completions x 4 meetings = 2,588 | 1,294 |

| | | | | |
|--------------------------|---|----------------------------------|--|---------------------|
| 511 | Record results of traveling-block safety device in operations log. | 1 | 647 completions x 2 recordings = 1,294 | 1,294 |
| 516(c)(1) | Record all your BOP test pressures. | $\frac{3}{4}$ | 647 completions x 4 recordings = 2,588 | 1,941 |
| 516(e) | Record reason for postponing BOP test in driller's report. | $\frac{1}{2}$ | 54 recordings | 27 |
| 516(i) | Record time, date, and results of all pressure tests, crew drills, actuations, and inspections in driller's report. | 5 | 647 completions x 4 recordings = 2,588 | 12,940 |
| 516(i)(1) | Record BOP test pressure on pressure charts. | 2 | 647 completions x 4 recordings = 2,588 | 5,176 |
| Subtotal | | | 11,700 responses | 22,672 hours |
| Submittals | | | | |
| 513; 515(a); 525 | Submit Forms MMS-123, MMS-123S, MMS-124, and MMS-125 and all accompanying information to conduct well-completion operations. | Burden included under 1010-0141. | | 0 |
| 517(b) | Submit results of casing pressure testing, calliperings, and other evaluations. | 4 | 82 results | 328 |
| 525(a); 526 | Submit notification of corrective action. | $1\frac{1}{2}$ | 66 actions | 99 |
| 525(a); 529(a) | Submit a corrective action plan. | 11 | 130 plans | 1,430 |
| 525(b); 527 | Submit a casing pressure request. | 9 | 1,235 requests | 11,115 |
| 529(b) | Submit the casing pressure diagnostic test data. | 1 | 65 submittals | 65 |
| Subtotal | | | 1,578 responses | 13,037 hours |
| Post/Retain | | | | |
| 514(c) | Post the number of stands of drill pipe/collars that may be pulled and equivalent well-control fluid volume. | $\frac{1}{2}$ | 639 postings | 320 (rounded) |
| 516(i)(6) | Retain all records including pressure charts, driller's report, referenced documents pertaining to BOP tests, actuations, and inspections at the facility for duration of the activity. | $1\frac{1}{2}$ | 647 records | 971 (rounded) |
| 516(i)(7) | After completion of well, retain all records for 2 two years at location conveniently available to BOEMRE. | 2 | 647 records | 1,294 |
| 523 | Retain records of casing pressure and diagnostic tests for 2 years or until the well is abandoned. | 1 | 3,025 records | 3,025 |
| Subtotal | | | 4,958 responses | 5,610 hours |
| Total Hour Burden | | | 18,354 Responses | 41,879 Hours |

(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 under "Annual Cost burden to Federal Government."

The average respondent cost is \$80/hour. 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 | 25% | \$7 |
| Petroleum Engineers, Geologists | All workers | \$69 | \$97 | 65% | \$63 |
| Supv. Engineer | 15 | \$69 | \$97 | 10% | \$10 |
| Weighted Average (\$/hour) | | | | | \$80 |

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

** A multiplier of 1.4 (as implied by BLS news release USDL 10-1241, September 8, 2010, (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$80 per hour, we estimate the total annual cost to industry is \$3,350,320 (\$80 x 41,879 = \$3,350,320).

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.)

(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 non-hour cost burdens associated with 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.

To analyze and review the information respondents submit, we estimate the Government will spend an average of ¼ hour for each hour spent by respondents for a total of 10,470 (rounded) hours.

The average government cost is \$54/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 | 15% | \$4 |
| Technician | GS-11/5 | \$31 | \$47 | 35% | \$16 |
| Engineer | GS-13/5 | \$44 | \$66 | 40% | \$26 |
| Supervisory | GS-14/5 | \$53 | \$80 | 10% | \$8 |
| Weighted Average (\$/hour) | | | | | \$54 |

*A multiplier of 1.5 (as implied by BLS news release USDL 10-1241, September 8, 2010 (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$54 per hour, the cost to the government would be \$565,380 (41,879 hours x 0.25 = 10,469.75 hours; rounded to 10,470 hours x \$54 = \$565,380).

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

The current OMB inventory includes 18,756 burden hours for this collection of information. This submission requests 41,879 burden hours. The adjustment increase of 23,123 hours is due to re-estimating the average annual responses and the amount of time required to respond based on consultations.

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.

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 topics of the certification statement identified in, "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."

