

Supporting Statement A

Oil and Gas Facility Site Security

OMB Control Number 1004-XXXX

Terms of Clearance: None. This is a new collection of information.

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.

The Bureau of Land Management (BLM) is proposing a rule that would replace Onshore Oil and Gas Order No. 3, Site Security (Order 3), with new regulations that would be codified in the Code of Federal Regulations (CFR). The proposed rule would apply to Federal and Indian (except Osage Tribe) oil and gas leases. It would adopt recommendations made by the Government Accountability Office (GAO) with respect to the BLM’s production verification efforts. The proposed rule would facilitate accurate measurement of oil and gas, production accountability, payment of royalties that are due, and prevention of theft and loss.

The proposed information collection activities would address Facility Measurement Points (FMPs), site facility diagrams, the use of seals, bypasses around meters, documentation, recordkeeping, commingling, off-lease measurement, and the reporting of incidents of unauthorized removal or mishandling of oil and condensate.

In addition, the proposed rule includes a regulation authorizing requests for variances from the proposed regulations. This regulation is part upcoming proposed rules on oil measurement and gas measurement, as well as this proposed rule. The burdens associated with all requests for variances will be accounted for in the information collection request for this proposed rule.

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.

Some of the proposed regulations would add new uses and burdens for BLM Form 3160-5, Sundry Notices and Reports on Wells. Form 3160-5 has been approved by OMB for uses enumerated at 43 CFR 3162.3-2, and is one of 17 information collection activities that are included in control number 1004-0137, Onshore Oil and Gas Operations (43 CFR part 3160) (expiration date January 31, 2018). After promulgating a final rule and receiving approval (in the form of a new control number) from the OMB, the BLM intends to ask OMB to combine the activities associated with the new control number with existing Control Number 1004-0137.

I. New Uses of Sundry Notices (Form 3160-5)

A. Variance Requests

This proposed rule, as well as upcoming proposed rules for oil measurement, gas measurement, and venting and flaring, includes a new section 3170.6, which would authorize any party subject to the regulations in 43 CFR part 3170 to request a variance from any of the regulations in part 3170. While proposed section 3170.6 states that a request for a variance should be filed using the BLM's electronic system, it also allows the use of Sundry Notices. Thus, section 3170.6 represents a new use of Form 3160-5, Sundry Notices and Reports on Wells.

B. Information Collection Activities Listed in Proposed Section 3173.10

Proposed section 3173.10 would list additional information collection requirements that would be new uses of Sundry Notices. These requirements would apply to all parties involved in Federal and Indian (except Osage Tribe) oil and gas production. As discussed below, other proposed regulations provide detail on these requirements.

1. Submission of Site Facility Diagrams for Existing Facilities

Proposed section 3173.11(d) would apply to facilities in service before the effective date of the final rule. Section 3170.3 of the proposed rule defines "facility" as a site and associated equipment used to:

- Process, treat, store, or measure oil or gas from a federal or Indian lease, unit, or communitized area (CA) that is located upstream of the approved point of royalty measurement; or
- Store, measure, or dispose of produced water that is located on a lease, unit, or CA.

Operators of each facility that is within the scope of paragraph (d) would be required to submit a

new site facility diagram within 30 days after the BLM assigns an FMP number. The diagram would be required to comply with the requirements of paragraphs (a) through (c) of section 3173.11. Those requirements are described in detail below.

Proposed section 3173.11(e) would apply to facilities in service before the effective date of the final rule, for which the BLM will not assign an FMP (e.g., facilities that dispose of produced water). Operators of each such facility would be required to submit a new site facility diagram within 60 days after the effective date of the final rule.

2. Site Facility Diagrams on New or Modified Facilities

Proposed section 3173.11 would require a site facility diagram for all facilities. Site facility diagrams would be one of the BLM's primary mechanisms for monitoring operators' compliance with measurement regulations and policy. This information collection activity would also allow the BLM, for the first time, to verify royalty-free-use volumes reported by the operator on Oil and Gas Operations Reports.

This requirement enhances production accountability and responds to key recommendations made by the GAO. Requiring this information to be reported on a detailed facility diagram would save time in the long term because it would eliminate the need for the BLM to obtain the information in connection with a production accountability review.

Each site facility diagram would be required to:

- Be submitted electronically to the BLM with a completed Sundry Notice for each lease, unit PA, or CA through the BLM's Well Information System (WIS) or other system identified by the BLM;
- Be submitted within 30 days of completion of construction of a new facility, when existing facilities are modified, or when a non-Federal facility located on a Federal lease or federally approved unit or CA is constructed or modified;
- Reflect the position of the production and water recovery equipment, piping for oil, gas, and water, and metering or other measuring systems in relation to each other, but need not be to scale;
- Commencing with the header, identify all of the equipment, including, but not limited to, the header, wellhead, piping, tanks, and metering systems located on the site, and include the appropriate valves and any other equipment used in the handling, conditioning, or disposal of production and water, and indicate the direction of flow;
- Identify by API number the wells flowing into headers;
- Indicate which valve(s) must be sealed and in what position during the production and sales phases and during the conduct of other production activities (e.g., circulating tanks or drawing off water), which may be shown by an attachment, if necessary;
- Clearly identify the lease, unit PA, or CA to which the diagram applies and the land description of the facility, and the name of the company submitting the diagram, with co-located facilities being identified for each lease, unit PA, or CA;

- Clearly identify on the diagram, or an attachment, all meters and measurement equipment. Specifically identify all approved and assigned FMPs; and
- Contain a signature block certifying “I (print company representative’s name) representing (print company name) certify the accuracy and completeness of the information contained within this site facility diagram. (signature of company representative) on (date signed) (printed name of company representative).” The person certifying must have the authority to act on behalf of the operator or lessee and possess knowledge of the accuracy and completeness of the information presented in the diagram.

If another operator operates a co-located facility, the site facility diagram would be required to depict the co-located facilities or list them as an attachment and identify them by company name, facility name(s), lease, unit PA, or communitization agreement number, and FMP number(s).

When describing co-located facilities operated by one operator, the site facility diagram would be required to include a skeleton diagram of the co-located facility, showing equipment only. For storage facilities common to co-located facilities operated by one operator, one diagram would be sufficient.

If the operator claims royalty-free use, the site facility diagram would be required to clearly identify on the diagram or as an attachment, the equipment for which the operator claims royalty-free use.

3. Initial Request for a Facility Measurement Point (FMP)

Proposed 3173.12 would require operators to obtain BLM approval of FMPs for all measurement points used to determine royalties. In section 3170.3 of the proposed rule, an FMP is defined as a BLM-approved point where oil or gas produced from a Federal or Indian lease, unit, or CA is measured and the measurement affects the calculation of the volume or quality of production on which royalty is owed.

This information collection activity would provide the BLM with a formal nationwide process for designating and approving the point at which oil or gas must be measured for the purpose of determining royalty. This activity would assist the BLM in verifying production. Upon receiving an initial request for an FMP, the BLM would approve it, providing that it meets the requirements of this proposed rule, and assign each FMP a unique identifying number, which the operator, transporter, or purchaser would then use when reporting production results to the Office of Natural Resources Revenue (ONRR).

All requests for an FMP would be required to include the following:

- A complete Sundry Notice;
- The applicable Measurement Type Code specified in the BLM’s Well Information System (WIS) or any successor electronic system;

- For gas and oil, a list of the measurement component names and the manufacturer, model, and serial number of each component;
- For gas, the gas sampling method (i.e., spot, composite, or on-line gas chromatograph); and
- Where production from more than one well will flow to the requested FMP, a list of the API well numbers associated with the FMP.

4. Request for a New FMP

Proposed section 3173.12(d) would require operators to request a new FMP for new measurement facilities before any production leaves the facility. Each request would be required to meet the requirements listed above.

5. Request to Amend an FMP

Proposed section 3173.13(d)(1) would require operators with an approved FMP to submit a Sundry Notice that details any modifications to the FMP within 20 business days after the change. These details would include, but would not be limited to, the old and new meter manufacturer, serial number(s), owner's name, tank number(s), and wells or facilities using the FMP. The Sundry Notice would be required to specify what was changed, why the change was made, the effective date, and include, if appropriate, an amended site facility diagram.

6. Request for New Commingling and Allocation Approval (CAA)

Proposed section 3173.15 would require the following information:

- A completed Sundry Notice seeking approval of commingling and allocation, and of off-lease measurement, if any of the proposed FMPs are outside the boundaries of any of the leases, units, or CAs whose production would be commingled;
- A proposed allocation agreement and a proposed allocation schedule (including allocation of produced water) signed by each operator of each of the leases, unit PAs, or CAs whose production would be included in the CAA;
- A list of all Federal or Indian lease, unit PA, or communitization agreement numbers in the proposed CAA, specifying the type of production (i.e., oil, gas, or both) for which commingling is requested;
- A map or maps showing the boundaries of all the leases, units, unit PAs, or CAs whose production is proposed to be commingled; the proposed location by land description for the FMP used to measure the commingled production; and a map or diagram of existing or planned facilities that shows the location of all wellheads, production facilities, flow lines (including water flow lines), and FMPs existing or proposed to be installed to the extent known or anticipated;
- Documentation demonstrating that each of the leases, unit PAs, or CAs proposed for inclusion in the CAA is producing in paying quantities (or, in the case of Federal leases, is capable of production in paying quantities) pending approval of the CAA; and

- All gas analyses, including Btu content (if the CAA request includes gas) and all oil gravities (if the CAA request includes oil) for previous periods of production from the leases, units, unit PAs, or CAs proposed for inclusion in the CAA, up to 6 years before the date of the application for approval of the CAA.

For existing facilities, site facility diagrams clearly showing any proposed change to current site facility diagrams would be required. For all new proposed facilities (including water handling facilities), the application for approval of a CAA would be required to include a schematic or engineering drawing showing the relative location of pipes, tanks, meters, separators, dehydrators, compressors, and other equipment.

If new surface disturbance is proposed on one or more of the leases, units, or CAs and the surface is managed by the BLM, the application would be required to include a proposal approval of the proposed surface disturbance.

If new surface disturbance is proposed on BLM-managed land outside any of the leases, units, or CAs whose production would be commingled, the application would be required to include a right-of-way grant application, under 43 CFR part 2880 if the FMP is on a pipeline, or under 43 CFR part 2800, if the FMP is a storage tank. Applications for right-of-way are authorized under control number 0596-0082.

If new surface disturbance is proposed on Federal land managed by an agency other than the BLM, the application would be required to include written approval from the appropriate surface-management agency.

7. Response to Notice of Insufficient CAA

Proposed section 3173.16 would provide that upon receipt of a request for an FMP number for a facility associated with a CAA, the BLM would review the existing CAA for consistency with proposed section 3173.14. The BLM would then notify the operator of any inconsistencies or deficiencies. The operator would be obligated to correct the identified flaws, or provide additional information, within 20 business days of receiving the notice.

8. Request to Modify a CAA

Proposed section 3173.18 would provide that a CAA may be modified at the request of all the operators who are parties to the CAA. The following information would be required in a request to modify a CAA:

- A completed Sundry Notice describing the modification requested;
- A new allocation schedule, if appropriate; and
- Certification by each operator that it agrees to the CAA modification.

9. Request for New Approval of Off-Lease Measurement

Proposed section 3173.23(a) through (j) would require the following information in an application for approval of off-lease measurement:

- A completed Sundry Notice;
- Justification for off-lease measurement;
- A topographic map of appropriate scale showing the following the boundary of the lease(s), unit(s), or CA(s) from which the production originates; the location by land description of all wells, pipelines, facilities, and FMPs associated with the proposal, with equipment identified as existing or proposed; and the surface ownership of all land on which equipment is, or is proposed to be, located;
- A schematic or engineering drawing for all new proposed facilities showing the relative location of pipes, tanks, meters, separators, dehydrators, compressors, and other equipment; and
- A statement that indicates whether the proposal includes all, or only a portion of, the production from the lease, unit, or CA and if the proposal includes only a portion of the production, the application would be required to identify the FMP(s) where the remainder of the production from the lease, unit, or CA is measured or is proposed to be measured.

For existing facilities, the application would be required to include site facility diagrams clearly showing any proposed change to current site facility diagrams.

If any of the proposed off-lease measurement facilities are located on non-federally owned surface, the application would be required to include a written concurrence signed by the owner(s) of the surface and the owner(s) of the measurement facilities, including each owner(s)' name, address, and telephone number, granting the BLM unrestricted access to the off-lease measurement facility and the surface on which it is located, for the purpose of inspecting any production, measurement, water handling, or transportation equipment located on the non-Federal surface up to and including the FMP, and for otherwise verifying production accountability.

If the proposed off-lease FMP consists of storage tank or is on a pipeline, a right-of-way grant application would be required. Applications for rights-of-way are authorized under control number 0596-0082.

If the operator proposes to use production from the lease, unit or CA as fuel at the off-lease measurement facility without payment of royalty, the application would be required to include an application for approval of off-lease royalty-free use under applicable rules. The BLM is developing the applicable rules and will seek OMB clearance for the information collection activities in those rules.

10. Response to Notice of Insufficient Off-Lease Measurement Approval

Proposed section 3173.25 provides that upon receipt of an operator's request for assignment of an FMP number to a facility associated with an off-lease measure approval existing on the effect date of the final rule, the BLM would review the existing approval for consistency with the requirements under proposed section 3173.22. The BLM would notify the operator of any inconsistencies or deficiencies. The operator would be obligated to correct any of the identified flaws within 20 business days of receiving the notice.

11. Request to Amend Approval of Off-Lease Measurement

Proposed section 3173.23(k) provides that to apply for an amendment of an existing approval of off-lease measurement, the operator must provide the information listed at paragraphs (a) through (j) of proposed section 3173.23 to the extent the previously submitted information has changed.

II. Other Proposed Information Collection Activities

A. Required Recordkeeping, Records Retention, and Records Submission

Proposed section 3170.7(h) would apply to lessees, operators, purchasers, transporters, and any other person directly involved in producing, transporting, purchasing, selling, or measuring oil or gas through the point of royalty measurement or the point of first sale, whichever is later.

Proposed section 3170.7(h) would require operators, purchasers, and transporters to submit all records, including source records, that are relevant to determining the quality, quantity, disposition, and verification of production attributable to Federal or Indian leases upon request, in accordance with a regulation, written order, Onshore Order, NTL, or COA.

B. Water-Draining Records

Proposed section 3173.6 would require submission of information when water is drained from a production storage tank. The information would be required from the operator, purchaser, or transporter, as appropriate. The following information would be required:

- Federal or Indian lease, unit PA, or CA number(s);
- FMP number associated with the tank;
- The tank location by land description;
- The unique tank number and nominal capacity;
- Date and time for opening gauge;
- Opening gauge and color cut measurements;
- Name of the person and company draining the tank;
- Unique identifying number of each seal removed;
- Time of the closing gauge;
- Closing gauge measurement; and
- Unique identifying number of each seal installed.

C. Hot Oiling, Clean-up, and Completion Records

Proposed section 3173.7 would require the submission of information during hot oil, clean-up, or completion operations, or any other situation where the operator removes oil from storage, temporarily uses it for operational purposes, and then returns it to storage on the same lease, unit PA, or CA. The following information would be required:

- Federal or Indian lease, unit PA, or communitization agreement number(s);
- FMP number associated with the tank or group of tanks;
- The tank location by land description;
- The unique tank number and nominal capacity;
- Date and time of the opening gauge;
- Opening gauge measurement;
- Name of the person and company removing production from the tank;
- Unique identifying number of each seal removed;
- Time of the closing gauge;
- Closing gauge measurement;
- Unique identifying number of each seal installed;
- How the oil was used; and
- Where the oil was used (i.e., well or facility name and number).

D. Report of Theft or Mishandling of Production

Proposed 3173.8 would require operators, purchasers, or purchasers to submit a report no later than the next business day after discovery of an incident of apparent theft or mishandling of production. All oral reports would be required to be followed up with a written incident report within 10 business days of the oral report. The incident report would be required to include the following information:

- Company name and name of the person reporting the incident;
- Lease, unit PA, or communitization agreement number, well or facility name and number, and FMP number, as appropriate;
- Land description of the facility location where the incident occurred;
- The estimated volume of production removed;
- The manner in which access was obtained to the production or how the mishandling occurred;
- The name of the person who discovered the incident; and
- The date and time of the discovery of the incident.

E. Required Recordkeeping for Inventory and Seal Records

Proposed section 3173.9 would require operators to measure and record at the end of each calendar month an inventory consisting of total observed volume in storage.

For each seal, the operator would be required to maintain a record that includes the unique identifying number of each seal and the valve or meter component on which the seal is or was used; the date of installation or removal of each seal; for valves, the position (open or closed) in which it was sealed; and the reason the seal was removed.

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.

Proposed section 3173.10 would require operators to submit Form 3160-5 (Sundry Notices) electronically when submitting for the record or requesting approval for site facility diagrams, FMP numbers, FMP amendments, off-lease measurement, or CAAs. The Office of Natural Resources Revenue (ONRR) already requires operators producing oil and gas from onshore Federal and Indian leases onshore to file their monthly Oil and Gas Operations Reports (OGORs) electronically, and thus this requirement is expected to result in minimal burdens for respondents.

In addition, section 3170.6 of the proposed rule states that a request for a variance should be filed using the BLM's electronic system but if electronic filing is not possible or practical, the operator may submit a request for variance on the Form 3160-5, Sundry Notices and Reports on Wells to the BLM Field Office having jurisdiction.

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 on the information collection activities in the proposed rule. The requested information is nonrecurring, occasional, and unique to each respondent and is not available from any other data source.

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

Proposed section 3173.10(b) would provide an exemption for small businesses without access to the Internet from the general requirement to submit Sundry Notices using the BLM's Well Information System (WIS) or other electronic system designated by the BLM.

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, or collected it less frequently, oil and gas leasing activities and operations could not occur on Federal or Indian leases in compliance with pertinent statutes and policies.

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.

The preamble to the proposed rule solicits public comments on the information collection.

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

We would 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.

The proposed rule would provide no assurance of confidentiality to respondents.

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 would not require respondents to answer 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.**

The following table shows the BLM's estimate of the hourly cost burdens for respondents. The mean hourly wages were 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 at <http://www.bls.gov/news.r/ecec.nr0.htm>.

**Table 12-1
Estimated Weighted Average Hourly Costs**

A. Position	B. Mean Hourly Pay Rate	C. Hourly Rate with Benefits (Column B x 1.4)	D. Percent of Collection Time	E. Weighted Average Hourly Cost (Column C x Column D)
General Office Clerk (43-9061)	\$14.82	\$20.75	10%	\$2.08
Engineer (17-2199)	\$46.32	\$64.85	80%	\$51.88
Engineering Manager (11-9041)	\$66.69	\$93.37	10%	\$9.34
Totals			100%	\$63.30

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 frequency of response for each of the information collections is “on occasion.”

Table 12-2 itemizes the estimated hour and cost burdens for proposed information collection activities that would be new uses of Form 3160-5, Sundry Notices and Reports on Wells.

Table 12-3 itemizes the estimated hour and cost burdens for the rest of the proposed information collection activities (ICs).

Table 12-2
Estimates of Hour and Cost Burdens for Proposed New Uses of Sundry Notices

A. Type of Response	B. Number of Responses	C. Hours per Response	D. Total Hours (Column B x Column C)	E. Total Wage Cost (Column D x \$63.30)
Variance Requests (43 CFR 3170.6)	100	8	800	\$50,640
Submission of Site Facility Diagrams for Existing Facilities (43 CFR 3173.11(d) and (e))	42,000	8	336,000	\$21,268,800
Site Facility Diagrams for New or Modified Facilities (43 CFR 3173.11(c)(2))	5,000	8	40,000	\$2,532,000
Application for Approval of an FMP for Existing Measurement Facilities (43 CFR 3173.12)	73,500	4	294,000	\$18,610,200
Request for Approval of an FMP for a New Measurement Facility (43 CFR 3173.12(d))	2,000	4	8,000	\$506,400
Modifications to an FMP (43 CFR 3173.13(d)(1))	2,000	4	8,000	\$506,400
Request for Approval of a CAA (43 CFR 3173.15)	1,000	40	40,000	\$2,532,000
Response to Notice of Insufficient CAA (43 CFR 3173.16)	118	40	4,720	\$298,776
Request to Modify a CAA (43 CFR 3173.18)	1,000	40	40,000	\$2,532,000
Request for Approval of Off- Lease Measurement (43 CFR 3173.23(a) through (j))	1,100	10	11,000	\$696,300

A. Type of Response	B. Number of Responses	C. Hours per Response	D. Total Hours (Column B x Column C)	E. Total Wage Cost (Column D x \$63.30)
Response to Notice of Insufficient Off-Lease Measurement Approval (43 CFR 3173.25)	33	4	132	\$8,356
Request to Amend Approval of Off-Lease Measurement (43 CFR 3173.23(k))	25	10	250	\$15,825
Totals	127,876	—	782,902	\$49,577,697

**Table 12-3
Estimates of Hour and Cost Burdens for Other Proposed ICs**

A. Type of Response	B. Number of Responses	C. Hours Per Response	D. Total Hours (Column B x Column C)	E. Total Wage Cost (Column D. x \$63.30)
Records Submission Requirements (43 CFR 3170.7 (h))	4,300	5	21,500	\$1,360,950
Water-Draining Records (43 CFR 3173.6)	5,000	2	10,000	\$633,000
Hot Oiling, Clean-Up, and Completion Records (43 CFR 3173.7)	5,000	2	10,000	\$633,000
Report of Theft or Mishandling of Production (43 CFR 3173.8)	5	10	50	\$3,165
Required Recordkeeping for Inventory and Seal Records (43 CFR 3173.9)	5,000	5	25,000	\$1,582,500
Totals	19,305		66,550	\$4,212,615

The proposed rule would remove 43 CFR 3162.7-5, which would result in the removal of three information collection activities from control number 1004-0137, as shown in Table 12-4:

Table 12-4
Effects of Proposed Removal of Section 3162.7-5

A. Type of Response	B. Number of Responses Authorized Annually	C. Hours Per Response Authorized Annually	D. Total Hours (Column B x Column C)
Schematic / Facility Diagrams (43 CFR 3162.4-1(a) and 3162.7-5(d)(1)) ¹	1,000	8	8,000
Records for Seals (43 CFR 3162.7-5(b))	90,000	0.75	67,500
Site Security (43 CFR 3162.7-5(c))	2,500	8	20,000
Totals	93,500		95,500

The proposed rule would result in the following program changes to 1004-0137 due to the removal of 43 CFR 3162.75, and due to the addition of new requirements.

1. The total estimated burdens would be 147,181 responses, 849,452 hours, and \$53,770,312 in wage costs. Of those totals, 127,876 responses, 782,902 hours, and \$49,557,697 in wage costs would be due to new uses of Sundry Notices.
2. The proposed rule would remove 43 CFR 3162.7-5, which would result in the removal of three information collection activities from control number 1004-0137 that represent a total of 93,500 estimated responses and 95,500 burden hours.
3. The net estimated burdens for the proposed rule would be 53,681 responses and 753,952 hours. Multiplied by an estimated hourly wage cost of \$63.30, the net estimated wage cost of the paperwork aspects of the proposed rule would be \$47,725,162.

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**

¹ Section 3162.4-1 is merely descriptive. Section 3162.7-5 is prescriptive.

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.

No filing fees are associated with the proposed rule. Respondents would incur no annual capital or start-up costs to prepare for or respond to the proposed information collection activities. Respondents would not need to purchase any computer software or hardware to comply with this information collection. Any party subject to the regulations in 43 CFR part 3170 would be able to seek a variance under proposed section 3170.6. In addition, proposed section 3173.10(b) would provide an exemption for small businesses without access to the Internet from the general requirement to submit Sundry Notices using the BLM's Well Information System (WIS) or other electronic system designated by the BLM.

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.

The following table shows the BLM's estimate of the hourly cost burdens to the Federal government. The hourly cost to the Federal Government is based on the U.S. Office of Personnel Management Salary Table 2015-RUS at http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/15Tables/html/RUS_h.aspx. The benefits multiplier of 1.5 is implied by information at <http://www.bls.gov/news.release/ecec.nr0.htm>.

**Table 14-1
Estimated Federal Hourly Cost**

A. Position	B. Pay Grade	C. Hourly Pay Rate (\$/hour)	D. Hourly Rate with Benefits (Column C x 1.5)	E. Percent of the Information Collection Completed by Each Occupation	F. Weighted Avg. (\$/hour) (Column D x Column E)
Clerical	GS-5, step 5	\$17.35	\$26.03	10%	\$2.60
Professional	GS-9, step 5	\$26.28	\$39.42	80%	\$31.54
Managerial	GS-13, step 5	\$45.33	\$68.00	10%	\$6.80
Weighted Average Hourly Pay Rate (\$/hour): \$40.94					

Table 14-2, below, shows the estimated Federal hours and costs for each component of this information collection.

**Table 14-2
Estimated Annual Cost to the Government**

A. Type of Response	B. Number of Responses	C. Hours per Response	D. Total Hours (Column B x Column C)	E. Total Wage Cost (Column D x \$40.94)
Variance Requests (43 CFR 3170.6)	100	2	200	\$8,188
Submission of Site Facility Diagrams for Existing Facilities (43 CFR 3173.11(d) and (e))	42,000	3	126,000	\$5,158,440
Site Facility Diagrams for New or Modified Facilities (43 CFR 3173.11(c)(2))	5,000	3	15,000	\$614,100
Application for Approval of an FMP for Existing Measurement Facilities (43 CFR 3173.12(e))	73,500	1.5	110,250	\$4,513,635
Request for Approval of an FMP for a New Measurement Facility (43 CFR 3173.12(d))	2,000	4	8,000	\$327,520

A. Type of Response	B. Number of Responses	C. Hours per Response	D. Total Hours (Column B x Column C)	E. Total Wage Cost (Column D x \$40.94)
Modifications to an FMP (43 CFR 3173.13(d)(1))	2,000	1	2,000	\$81,800
Request for Approval of a CAA (43 CFR 3173.15)	1,000	16	16,000	\$655,040
Response to Notice of Insufficient CAA (43 CFR 3173.16)	118	16	1,888	\$77,294
Request to Modify a CAA (43 CFR 3173.18)	1,000	5	5,000	\$204,700
Request for Approval of Off- Lease Measurement (43 CFR 3173.23(a) through (j))	1,100	4	4,400	\$180,136
Response to Notice of Insufficient Off-Lease Measurement Approval (43 CFR 3173.25)	33	4	132	\$5,404
Request to Amend Approval of Off-Lease Measurement (43 CFR 3173.23(k))	25	4	100	\$4,094
Records Submission Requirements (43 CFR 3170.7 (h))	4,300	3	12,900	\$528,126
Water-Draining Records (43 CFR 3173.6)	5,000	1	5,000	\$204,700
Hot Oiling, Clean-Up, and Completion Records (43 CFR 3173.7)	5,000	1	5,000	\$204,700
Report of Theft or Mishandling of Production (43 CFR 3173.8)	5	5	25	\$1,024
Required Recordkeeping for Inventory and Seal Records (43 CFR 3173.9)	5,000	2	10,000	\$409,400
Totals	147,181		321,895	\$13,178,301

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

The proposed rule would result in program changes to 1004-0137 due to the removal of 43 CFR 3162.75, and due to the addition of new requirements. The program changes are necessary to update production accountability, payment of royalties that are due, and prevention of theft and loss.

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 would 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.

The BLM would display the expiration date of the OMB approval on the forms included in this information collection.

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.