

**Supporting Statement for Paperwork Reduction Act Submissions
30 CFR Parts 202, 206, and 207, Indian Oil and Gas Valuation
OMB Control Number 1010-0103
Forms MMS-4109, Gas Processing Allowance Summary Report;
MMS-4110, Oil Transportation Allowance Report;
MMS-4295, Gas Transportation Allowance Report;
MMS-4410, Accounting for Comparison [Dual Accounting]; and
MMS-4411, Safety Net Report
(Expiration Date: June 30, 2009)**

Terms of Clearance: None.

General Instructions

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

Specific Instructions

A. Justification

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

The Secretary of the U.S. Department of the Interior is responsible for mineral resource development on Federal and Indian lands and the Outer Continental Shelf (OCS). The Secretary is required by various laws to manage mineral resource production on Federal and Indian lands and the OCS, collect the royalties and other mineral revenues due, and distribute the funds in accordance with those laws.

The Secretary also has a trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. The Minerals Management Service (MMS) performs the minerals revenue management functions and assists the Secretary in carrying out the Department's trust responsibility for Indian lands.

When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal or Indian lands, that company or individual agrees to pay the lessor a share in an amount or value of production from the leased lands. The lessee is required to report

various kinds of information to the lessor relative to the disposition of the leased minerals. Such information is generally available within the records of the lessee or others involved in developing, transporting, processing, purchasing, or selling of such minerals. We collect this information to ensure that royalties are accurately valued and appropriately paid.

Indian tribes and individual Indian mineral owners receive all royalties generated from their lands. Determining product value is essential to ensure that Indian tribes and individual Indian mineral owners receive payment on the full value of the minerals removed from their lands. Failure to collect the data described in this information collection could result in the undervaluation of leased minerals on Indian lands. All data reported is subject to subsequent audit and adjustment.

Applicable laws pertaining to mineral leases on Indian lands include 25 U.S.C. 396d (Chapter 12—Lease, Sale, or Surrender of Allotted or Unallotted Lands); 25 U.S.C. 2103 (Indian Mineral Development Act of 1982); and Pub. L. 97-451—Jan. 12, 1983 (Federal Oil and Gas Royalty Management Act of 1982 [FOGRMA]). Laws pertaining to mineral leases on Federal and Indian lands are posted on our Web site at http://www.mrm.mms.gov/Laws_R_D/PublicLawsAMR.htm.

This information collection request (ICR) covers information collections (ICs) under 30 CFR part 202, subparts C and J, which pertain to royalties; part 206, subparts B and E, which govern the valuation of oil and gas produced from leases on Indian lands; and part 207, which pertains to recordkeeping.

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 MMS is requesting OMB's approval to continue to collect the information described below. Not collecting this information would limit the Secretary's ability to discharge his/her duties and may also result in loss of royalty payments to Indian tribes and individual Indian mineral owners. All data collected is necessary to perform the MMS regulatory functions as discussed in detail below.

Indian Oil

Regulations at 30 CFR part 206, subpart B, govern the valuation for royalty purposes of all oil produced from Indian oil and gas leases (tribal and allotted), except leases on the Osage Indian Reservation, and must be consistent with mineral leasing laws, other applicable laws, and lease terms. Generally, the regulations provide that lessees determine the value of oil based upon the higher of (1) the gross proceeds under an arm's-length contract; or (2) major portion analysis. These oil valuation methods are eligible for applicable transportation allowances.

Form MMS-4110, Oil Transportation Allowance Report
(submitted on occasion)

Under certain circumstances, the regulations authorize lessees to deduct from royalty payments the reasonable actual costs of transporting the royalty portion of produced minerals from the lease to a sales point not in the immediate lease area. The regulations establish a limit on transportation allowances for oil at 50 percent of the value of the oil at the point of sale. From information collected on Form MMS-4110, MMS (1) verifies transportation allowances to determine if the lessee reported and paid the proper royalty amount; and (2) MMS and tribal personnel evaluate whether the transportation allowances reported and claimed by lessees are within regulatory allowance limitations and are calculated in accordance with applicable regulations. Form MMS-4110 is used for both arm's-length and non-arm's-length contracts.

To receive an oil transportation allowance, lessees must submit Form MMS-4110 before or in the same month that they report the transportation allowance on Form MMS-2014, Report of Sales and Royalty Remittance (OMB Control Number 1010-0140, expires November 30, 2009). After the initial reporting period and for succeeding reporting periods, lessees must submit page one of Form MMS-4110 (and Schedule 1) within 3 months after the end of the calendar year, or after the applicable contract or rate terminates or is modified or amended, whichever is earlier, unless MMS approves a longer period. Lessees summarize actual operating, maintenance, and overhead costs, as well as depreciation and undepreciated capital investment costs, on Form MMS-4110 and applicable schedules.

Indian Gas

Regulations at 30 CFR part 206, subpart E, govern the valuation for royalty purposes of natural gas produced from Indian oil and gas leases (tribal and allotted). The regulations apply to all gas production from Indian oil and gas leases, except leases on the Osage Indian Reservation.

Form MMS-4410, Accounting for Comparison [Dual Accounting]
(submitted on occasion)

Most Indian leases contain the requirement to perform accounting for comparison (dual accounting) for gas produced from the lease. Lessees must elect to perform actual dual accounting as defined in 30 CFR 206.176 or alternative dual accounting as defined in 30 CFR 206.173.

According to 30 CFR 206.176, dual accounting is defined as the greater of the following two values:

- (1) The value of gas prior to processing, less any applicable allowances, or
- (2) The combined value of residue gas and gas plant products resulting from processing the gas, less any applicable allowances, plus any drip condensate associated with the processed gas recovered downstream of the point of royalty settlement, without resorting to processing, less applicable allowances.

Lessees use Form MMS-4410 to certify that dual accounting is not required on an Indian lease or to make an election for actual or alternative dual accounting for Indian leases.

Form MMS-4410 (Part A), Certification for Not Performing Dual Accounting, requires lessees to identify the MMS-designated areas where the leases are located and provide specific justification for not performing dual accounting. Part A is a one-time notification, until any changes occur in gas disposition. Part A lists the following acceptable reasons for not performing dual accounting: (1) the lease terms do not require dual accounting; (2) none of the gas from the lease is ever processed; (3) gas has a Btu content of 1,000 Btu's per cubic foot or less at lease's facility measurement point(s); (4) none of the gas from the lease is processed until after gas flows into a pipeline with an index located in an index zone; and (5) none of the gas from the lease is processed until after gas flows into a mainline pipeline not located in an index zone.

Form MMS-4410 (Part B), Election to Perform Actual Dual Accounting or Alternative Dual Accounting, allows MMS to collect the lessee's elections to perform actual dual accounting or alternative dual accounting. A lessee makes an election by checking either the actual or alternative dual accounting box for each MMS-designated area where its leases are located. Part B also includes the lessee's lease prefixes within each MMS-designated area to assist lessees in making the appropriate election. The election to perform actual or alternative dual accounting applies to all of a lessee's Indian leases in each MMS-designated area. The first election to use the alternative dual accounting is effective from the time of election through the end of the following calendar year. Thereafter, each election to use the alternative dual accounting methodology must remain in effect for 2 calendar years. However, lessees may return to the actual dual accounting methodology only at the beginning of the next election period or with written approval from MMS and the tribal lessors for tribal leases, and from MMS for Indian allotted leases in the MMS-designated area (30 CFR 206.173(a)).

Form MMS-4411, Safety Net Report
(submitted annually)

The safety net calculation establishes the minimum value, for royalty purposes, of natural gas production from Indian oil and gas leases. This reporting requirement ensures that Indian lessors receive all royalties due and aids MMS compliance efforts.

The regulations require lessees to submit Form MMS-4411 when gas production from an Indian oil or gas lease is sold beyond the first index pricing point. The lessee submits safety net prices, for the previous calendar year, to MMS annually (by June 30) using this form.

Form MMS-4295, Gas Transportation Allowance Report
(submitted annually)

Under certain circumstances, the regulations authorize lessees to deduct from royalty payments the reasonable actual costs of transporting the royalty portion of produced minerals from the lease to a processing or sales point not in the immediate lease area. The regulations establish a limit on transportation allowance deductions for gas at 50 percent of the value of the gas at the

point of sale. From information collected on Form MMS-4295, MMS (1) verifies transportation allowances to determine if the lessee reported and paid the proper royalty amount; and (2) MMS and tribal personnel evaluate whether the transportation allowances reported and claimed by lessees are within regulatory allowance limitations and are calculated in accordance with applicable regulations. To take a non-arm's-length or no contract transportation deduction, a lessee must submit Form MMS-4295 within 3 months after the end of the 12-month period to which the allowance applies.

Form MMS-4109, Gas Processing Allowance Summary Report
(submitted annually)

When gas is processed for the recovery of gas plant products, lessees may claim a processing allowance. The regulations establish a limit of 66⅔ percent of the value of each gas plant product as an allowable gas processing deduction.

The MMS normally accepts the cost as stated in the lessee's arm's-length processing contract as being representative of the cost of the processing allowance. In those instances where gas is being processed through a lessee-owned plant, the lessee must base processing costs on the actual plant operating and maintenance expenses, depreciation, and a reasonable return on investment. The allowance is expressed as a cost per unit of individual gas plant products. Lessees may take processing allowances as a deduction from royalty payments.

From information collected on Form MMS-4109, MMS (1) verifies processing allowances to determine if the lessee reported and paid the proper royalty amount; and (2) MMS and tribal personnel evaluate whether the processing allowances reported and claimed by lessees are within regulatory allowance limitations and are calculated in accordance with applicable regulations. To take a non-arm's-length or no contract processing deduction, lessees must submit Form MMS-4109 within 3 months after the end of the 12-month period to which the allowance applies.

Indian Oil and Gas

Form MMS-4393, Request to Exceed Regulatory Allowance Limitation
(submitted on occasion)

Form MMS-4393 is used for both Federal and Indian leases. Most of the burden hours are incurred on Federal leases; therefore, the form is approved under OMB Control Number 1010-0136 (expires June 30, 2009). Burden hours for Indian leases using this form are included in this ICR.

Upon receiving proper application from the lessee, MMS may approve an oil or gas transportation allowance in excess of 50 percent (Federal or Indian) or a gas processing allowance in excess of 66⅔ percent (Federal only). To request permission to exceed a regulatory allowance limit, lessees must submit a letter to MMS explaining why a higher allowance limit is necessary and provide supporting documentation, including a completed Form

MMS-4393. This form provides MMS with the data necessary to make a decision whether to approve or deny the request and track deductions on royalty reports.

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].

We offer electronic copies of Forms MMS-4109, MMS-4110, MMS-4295, MMS-4410, and MMS-4411 on our Internet Web site for respondents to print and complete. We have a reasonable expectation that 5 percent may use an e-mail option in the future.

Further information technology enhancements are not applicable for this information collection at this time because we receive very few submissions per year. Most of the information collected applies to exceptions to standard procedures, which are relatively few, infrequent, and non-standard and, therefore, not conducive to electronic submission. It is not cost effective to enhance the current computer system design to process a minimum number of forms.

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 other Federal or state agency collects the same or similar information. The primary information necessary for the evaluation of specific transportation and/or processing proposals is available only within the records of the applicant, and the use of such data is unique to our mission. No other Federal agency collects similar information that can be modified for this collection. The information is not available from any other source.

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

Small organizations are among the potential respondents. The MMS has carefully analyzed its requirements to ensure that the information requested is the minimum necessary and places the least possible burden on industry. There are no special reporting provisions or significant economic impacts on small businesses or other small entities. We provide toll-free telephone assistance and schedule annual training free of charge in various geographic areas to assist reporters in complying with valuation and reporting requirements.

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.

By delegation of the Secretary's trust responsibilities under Indian lease terms, MMS is responsible for ensuring the proper valuation of production from Indian leases. Not collecting

the information may result in loss of royalty payments to the Indian lessor due to royalties not being collected properly.

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.

In accordance with 30 U.S.C. 1713(b), Indian oil and gas records must be maintained for 6 years after the records are generated unless the Secretary notifies the record holder that such records must be maintained for a longer period due to an ongoing audit or investigation.

(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), MMS published a 60-day notice in the *Federal Register* on August 1, 2008 (73 FR 45055). (The *Federal Register* printed an additional notice on August 8, 2008, correcting the submission date for comments (73 FR 46367).) We did not receive any comments in response to the *Federal Register* notice. We also contacted the companies listed below by e-mail but received no comments on our burden hour estimates or any other aspect of this collection.

Maritta Perkins
ConocoPhillips
maritta.a.perkins@conocophillips.com

Marvinette Ponder
Devon Energy
Marvinette.Ponder@dvn.com

Susan Martinez
El Paso Corporation
susan.martinez@elpaso.com

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

We will not provide any payment or gift 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.

Commercial or financial information provided to MMS, relative to minerals removed from Federal and Indian leases, may be proprietary. Trade secrets and proprietary and other information are protected in accordance with standards established by FOGRMA, as amended (30 U.S.C. 1733), and the Freedom of Information Act (5 U.S.C. 552(b)(4)) and its implementing regulations (43 CFR 2).

In addition, the Indian Mineral Development Act of 1982 (25 U.S.C. 2103) provides that all information related to any Indian minerals agreement covered by the Act in the possession of the Department shall be held as privileged proprietary information. Storage of proprietary information and access to it are controlled by strict security measures.

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.

There are approximately 302 potential Indian oil and gas lessees who may submit the required information annually and on occasion (see charts below for breakout of data by form and by information collection). Based on current data, we estimate the average number of annual responses is 140, and the annual reporting burden is 1,074 hours. The burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. We have not included in our estimates certain requirements performed in the normal course of business and considered usual and customary.

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

Reference 30 CFR	Form Number	Hour Burden per Response	Annual Response s	Annual Burden Hours
206.180(b)(1)(ii)	MMS-4109	20	5	100
206.57(c)(1)(i) and (iii) 206.57(c)(2)(i) and (iii)	MMS-4110 Arm's-length contract (AL) Non-arm's length contract (NAL)	4 6	8 4	56 (32 AL + 24 NAL)
206.178(b)(1)(ii)	MMS-4295	15	3	45
206.56(b)(2)	MMS-4393 ¹	4	1	4
206.172(b)(1)(ii)	MMS-4410	4	25	100
206.172(e)(6)(i) and (iii)	MMS-4411	3	10	30

¹Form MMS-4393 is used for both Federal and Indian leases and is approved under ICR 1010-0136 for Federal leases, where most of the burden hours for this form are incurred. Form MMS-4393 citations and burden hours for Indian leases were previously included in ICR 1010-0136, but now are listed in this ICR in the estimated burden hours chart under §206.56(b)(2).

(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.

Reference 30 CFR	Information Collections (IC)	Requirement to Respond	Frequency of Response	Number of Responses	Annual Burden Hours	Annual Cost (\$45/hr) ¹
206.180 cites ² and 206.181(c)	1. Indian Gas Processing Allowance (Form MMS-4109 and any other required documentation)	Obtain a benefit	Annually	25	255	11,475
206.57 cites ²	2. Indian Oil Transportation Allowance (Form MMS-4110 and any other required documentation)	Obtain a benefit	On occasion	20	256	11,520
206.178 cites ²	3. Indian Gas Transportation Allowance (Form MMS-4295 and any other required documentation)	Obtain a benefit	Annually	35	270	12,150
206.56 (b)(2); 206.177 (c)(2) and (c)(3)	4. Exceed Transportation Allowance (Oil and Gas) (Form MMS-4393 and any other required documentation)	Obtain a benefit	On occasion	1	4	180
206.172 (b)(1)(ii); 206.173 (a)(1)	5. Indian Gas Valuation (No Dual Accounting, Actual Dual Accounting, or Alternative Method) (Form MMS-4410 and any other required documentation)	Mandatory	On occasion	44	138	6,210
206.172 (e)(6)(i) and (iii)	6. Indian Gas Valuation (Safety Net Reporting) (Form MMS-4411 and any other required documentation)	Mandatory	Annually	10	30	1,350
206.59	7. Indian Oil Valuation (Required documentation; no form)	Obtain a benefit	On occasion	1	20	900
206.172 (f)(1)(ii), (f)(2), and (f)(3)	8. Indian Gas Valuation (Exclusion or Termination of Exclusion from Valuation) (Required documentation; no form)	Obtain a benefit	On occasion	1	40	1,800
206.174(f)	9. Indian Gas Valuation Guidance (Required documentation; no form)	Obtain a benefit	On occasion	1	40	1,800
202.551 (c); 206.175 (d)(4)	10. Indian Gas Production (Request to Report Entitlements or Request Different Allocation of Gas) (Required documentation; no form)	Obtain a benefit	On occasion	2	21	945
TOTAL				140	1,074	\$48,330

¹Cost estimates are based on the expectation that all requirements will be performed by an accountant. See calculations for hourly costs for industry accountants below.

²See chart below for complete listing of citations for this IC.

We estimate the total annual reporting burden is 1,074 hours. The total cost to industry is

\$48,330, based on Bureau of Labor Statistics (BLS) May 2007 National Occupational Employment and Wage Estimates (<http://www.bls.gov/bls/wages.htm>) for industry accountants in a metropolitan area. The estimated hourly labor cost is \$45 (\$32.43 hourly mean wage x 1.4 benefit cost factor = \$45.4, rounded to \$45). Note: A multiplier of 1.4 (based on BLS news release USDL 07-1883, December 11, 2007) was added for benefits. Based on a cost factor of \$45 per hour for industry accountants, we estimate the total annual cost to industry is \$48,330 (\$45 x 1,074 hours = \$48,330).

There are no additional recordkeeping costs. The following chart shows the estimated burden hours by CFR section and paragraph:

Respondents' Estimated Annual Burden Hours

30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
202—ROYALTIES				
Subpart C—Federal and Indian Oil				
202.101	Standards for reporting and paying royalties. Oil volumes are to be reported in barrels of clean oil of 42 standard U.S. gallons (231 cubic inches each) at 60 °F. . . .	Burden covered under OMB Control Number 1010-0140 (expires 11/30/2009). Burden covered under §210.52.		
Subpart J—Gas Production From Indian Leases				
202.551 (b)	How do I determine the volume of production for which I must pay royalty if my lease is not in an approved Federal unit or communitization agreement (AFA)? (b) You and all other persons paying royalties on the lease must report and pay royalties based on your takes. . . .	Burden covered under OMB Control Number 1010-0140. Burden covered under §210.52.		
202.551 (c)	(c) You and all other persons paying royalties on the lease may ask MMS for permission to report entitlements	1	1	1
202.558 (a) and (b)	What standards do I use to report and pay royalties on gas? (a) You must report gas volumes as follows: (b) You must report residue gas and gas plant product volumes as follows:	Burden covered under OMB Control Number 1010-0140. Burden covered under §210.52.		

30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206—PRODUCT VALUATION Subpart B—Indian Oil				
206.56 (b)(2)	Transportation allowances—general. (b)(2) Upon request of a lessee, MMS may approve a transportation allowance deduction in excess of the limitation prescribed by paragraph (b)(1) of this section. . . . An application for exception (using Form MMS-4393, Request to Exceed Regulatory Allowance Limitation) must contain all relevant and supporting documentation necessary for MMS to make a determination. . . .	4	1	4
206.57 (a)(1)(i)	Determination of transportation allowances. (a) <i>Arm's-length transportation contracts.</i> (1)(i) . . . The lessee shall have the burden of demonstrating that its contract is arm's-length.	AUDIT PROCESS. See note.		
206.57 (a)(1)(i)	(a) <i>Arm's-length transportation contracts.</i> (1)(i) . . . Before any deduction may be taken, the lessee must submit a completed page one of Form MMS-4110 (and Schedule 1), Oil Transportation Allowance Report . . .	Burden covered under §206.57(c)(1)(i) and (iii).		
206.57 (a)(1)(iii)	(a) <i>Arm's-length transportation contracts.</i> (1)(iii) . . . When MMS determines that the value of the transportation may be unreasonable, MMS will notify the lessee and give the lessee an opportunity to provide written information justifying the lessee's transportation costs.	AUDIT PROCESS. See note.		
206.57 (a)(2)(i)	(a) <i>Arm's-length transportation contracts.</i> (2)(i) . . . Except as provided in this paragraph, no allowance may be taken for the costs of transporting lease production which is not royalty-bearing without MMS approval.	Burden covered under §206.57(a)(3).		
206.57 (a)(2)(ii)	(a) <i>Arm's-length transportation contracts.</i> (2)(ii) Notwithstanding the requirements of paragraph (i), the lessee may propose to MMS a cost allocation method on the basis of the values of the products transported. . . .	20	1	20

30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206.57 (a)(3)	(a) <i>Arm's-length transportation contracts.</i> (3) If an arm's-length transportation contract includes both gaseous and liquid products, and the transportation costs attributable to each product cannot be determined from the contract, the lessee shall propose an allocation procedure to MMS. . . . The lessee shall submit all available data to support its proposal. . . .	40	1	40
206.57 (b)(1)	(b) <i>Non-arm's-length or no contract.</i> (1) . . . A transportation allowance may be claimed retroactively for a period of not more than 3 months prior to the first day of the month that Form MMS-4110 is filed with MMS, unless MMS approves a longer period upon a showing of good cause by the lessee. . . .	Burden covered under §206.57(c) (2)(i) and (iii).		
206.57 (b)(1)	(b) <i>Non-arm's-length or no contract.</i> (1) . . . When necessary or appropriate, MMS may direct a lessee to modify its actual transportation allowance deduction.	Burden covered under OMB Control Number 1010-0140. Burden covered under §210.52.		
206.57 (b)(2)(iv)	(b) <i>Non-arm's-length or no contract.</i> (2)(iv) . . . After a lessee has elected to use either method for a transportation system, the lessee may not later elect to change to the other alternative without approval of MMS.	20	1	20
206.57 (b)(2)(iv) (A)	(b) <i>Non-arm's-length or no contract.</i> (2) (iv)(A) . . . After an election is made, the lessee may not change methods without MMS approval. . . .	20	1	20
206.57 (b)(3)(i)	(b) <i>Non-arm's-length or no contract.</i> (3)(i) . . . Except as provided in this paragraph, the lessee may not take an allowance for transporting lease production which is not royalty bearing without MMS approval.	40	1	40
206.57 (b)(3)(ii)	(b) <i>Non-arm's-length or no contract.</i> (3)(ii) Notwithstanding the requirements of paragraph (i), the lessee may propose to MMS a cost allocation method on the basis of the values of the products transported. . . .	20	1	20
206.57 (b)(4)	(b) <i>Non-arm's-length or no contract.</i> (4) Where both gaseous and liquid products are transported through the same transportation system, the lessee shall propose a cost allocation procedure to MMS. . . . The lessee shall submit all available data to support its proposal. . . .	20	1	20

30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206.57 (b)(5)	(b) <i>Non-arm's-length or no contract.</i> (5) A lessee may apply to MMS for an exception from the requirement that it compute actual costs in accordance with paragraphs (b)(1) through (b)(4) of this section. . . .	20	1	20
206.57 (c)(1)(i)	(c) <i>Reporting requirements.</i> (1) <i>Arm's-length contracts.</i> (i) With the exception of those transportation allowances specified in paragraphs (c)(1)(v) and (c)(1)(vi) of this section, the lessee shall submit page one of the initial Form MMS-4110 (and Schedule 1), Oil Transportation Allowance Report, prior to, or at the same time as, the transportation allowance determined, under an arm's-length contract, is reported on Form MMS-2014, Report of Sales and Royalty Remittance. . . .	4	4	16
206.57 (c)(1)(iii)	(c) <i>Reporting requirements.</i> (1) <i>Arm's-length contracts.</i> (iii) After the initial reporting period and for succeeding reporting periods, lessees must submit page one of Form MMS-4110 (and Schedule 1) within 3 months after the end of the calendar year, or after the applicable contract or rate terminates or is modified or amended, whichever is earlier, unless MMS approves a longer period (during which period the lessee shall continue to use the allowance from the previous reporting period).	4	4	16
206.57 (c)(1)(iv)	(c) <i>Reporting requirements.</i> (1) <i>Arm's-length contracts.</i> (iv) MMS may require that a lessee submit arm's-length transportation contracts, production agreements, operating agreements, and related documents. Documents shall be submitted within a reasonable time, as determined by MMS.	AUDIT PROCESS. See note.		

30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206.57 (c)(2)(i)	(c) <i>Reporting requirements.</i> (2) <i>Non-arm's-length or no contract.</i> (i) With the exception of those transportation allowances specified in paragraphs (c)(2)(v), (c)(2)(vii) and (c)(2)(viii) of this section, the lessee shall submit an initial Form MMS-4110 prior to, or at the same time as, the transportation allowance determined under a non-arm's-length contract or no-contract situation is reported on Form MMS-2014. . . . The initial report may be based upon estimated costs.	6	1	6
206.57 (c)(2)(iii)	(c) <i>Reporting requirements.</i> (2) <i>Non-arm's-length or no contract.</i> (iii) For calendar-year reporting periods succeeding the initial reporting period, the lessee shall submit a completed Form MMS-4110 containing the actual costs for the previous reporting period. If oil transportation is continuing, the lessee shall include on Form MMS-4110 its estimated costs for the next calendar year. . . . MMS must receive the Form MMS-4110 within 3 months after the end of the previous reporting period, unless MMS approves a longer period (during which period the lessee shall continue to use the allowance from the previous reporting period).	6	3	18
206.57 (c)(2)(iv)	(c) <i>Reporting requirements.</i> (2) <i>Non-arm's-length or no contract.</i> (iv) For new transportation facilities or arrangements, the lessee's initial Form MMS-4110 shall include estimates of the allowable oil transportation costs for the applicable period. . . .	Burden covered under §206.57(c)(2)(i).		
206.57 (c)(2)(v)	(c) <i>Reporting requirements.</i> (2) <i>Non-arm's-length or no contract.</i> (v) . . . only those allowances that have been approved by MMS in writing . . .	Burden covered under §206.57(c)(2)(i).		
206.57 (c)(2)(vi)	(c) <i>Reporting requirements.</i> (2) <i>Non-arm's-length or no contract.</i> (vi) Upon request by MMS, the lessee shall submit all data used to prepare its Form MMS-4110. The data shall be provided within a reasonable period of time, as determined by MMS.	AUDIT PROCESS. See note.		

30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206.57 (c)(4) and (e)(2)	(c) <i>Reporting requirements.</i> (4) Transportation allowances must be reported as a separate line item on Form MMS-2014, . . . (e) <i>Adjustments.</i> (2) For lessees transporting production from Indian leases, the lessee must submit a corrected Form MMS-2014 to reflect actual costs, . . .	Burden covered under OMB Control Number 1010-0140. Burden covered under §210.52.		
206.59	May I ask MMS for valuation guidance? You may ask MMS for guidance in determining value. You may propose a value method to MMS. Submit all available data related to your proposal and any additional information MMS deems necessary. . . .	20	1	20
206.61 (a) and (b)	What records must I keep and produce? (a) On request, you must make available sales, volume, and transportation data for production you sold, purchased, or obtained from the field or area. You must make this data available to MMS, Indian representatives, or other authorized persons. (b) You must retain all data relevant to the determination of royalty value. . . .	AUDIT PROCESS. See note.		
206—PRODUCT VALUATION Subpart E—Indian Gas				
206.172 (b)(1)(ii)	How do I value gas produced from leases in an index zone? (b) <i>Valuing residue gas and gas before processing.</i> (1)(ii) Gas production that you certify on Form MMS-4410, . . . is not processed before it flows into a pipeline with an index but which may be processed later; . . .	4	25	100
206.172 (e)(6)(i) and (iii)	(e) <i>Determining the minimum value for royalty purposes of gas sold beyond the first index pricing point.</i> (6)(i) You must report the safety net price for each index zone to MMS on Form MMS-4411, Safety Net Report, no later than June 30 following each calendar year; . . . (iii) MMS may order you to amend your safety net price within one year from the date your Form MMS-4411 is due or is filed, whichever is later. . . .	3	10	30

30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206.172 (e)(6)(ii)	(e) <i>Determining the minimum value for royalty purposes of gas sold beyond the first index pricing point.</i> (6)(ii) You must pay and report on Form MMS-2014 additional royalties due no later than June 30 following each calendar year; . . .	Burden covered under OMB Control Number 1010-0140. Burden covered under §210.52.		
206.172 (f)(1)(ii), (f)(2), and (f)(3)	(f) <i>Excluding some or all tribal leases from valuation under this section.</i> (1) An Indian tribe may ask MMS to exclude some or all of its leases from valuation under this section. . . . (ii) If an Indian tribe requests exclusion from an index zone for less than all of its leases, MMS will approve the request only if the excluded leases may be segregated into one or more groups based on separate fields within the reservation. (2) An Indian tribe may ask MMS to terminate exclusion of its leases from valuation under this section. . . . (3) The Indian tribe's request to MMS under either paragraph (f)(1) or (2) of this section must be in the form of a tribal resolution. . . .	40	1	40
206.173 (a)(1)	How do I calculate the alternative methodology for dual accounting? (a) <i>Electing a dual accounting method.</i> (1) . . . You may elect to perform the dual accounting calculation according to either §206.176(a) (called actual dual accounting), or paragraph (b) of this section (called the alternative methodology for dual accounting).	2	19	38
206.173 (a)(2)	(a) <i>Electing a dual accounting method.</i> (2) You must make a separate election to use the alternative methodology for dual accounting for your Indian leases in each MMS-designated area. . . .	Burden covered under §206.173(a)(1).		
206.174 (a)(4)(ii)	How do I value gas production when an index-based method cannot be used? (a) <i>Situations in which an index-based method cannot be used.</i> (4)(ii) If the major portion value is higher, you must submit an amended Form MMS-2014 to MMS by the due date specified in the written notice from MMS of the major portion value. . . .	Burden covered under OMB Control Number 1010-0140. Burden covered under §210.52.		

30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206.174 (b)(1)(i) and (iii); (b)(2); (d)(2)	<p>(b) <i>Arm's-length contracts.</i></p> <p>(1)(i) You have the burden of demonstrating that your contract is arm's-length. . . .</p> <p>(iii) . . . In these circumstances, MMS will notify you and give you an opportunity to provide written information justifying your value. . . .</p> <p>(2) MMS may require you to certify that your arm's-length contract provisions include all of the consideration the buyer pays, either directly or indirectly, for the gas, residue gas, or gas plant product.</p> <p>(d) <i>Supporting data.</i></p> <p>(2) You must make all such data available upon request to the authorized MMS or Indian representatives, to the Office of the Inspector General of the Department, or other authorized persons. . . .</p>	AUDIT PROCESS. See note.		
206.174 (d)	(d) <i>Supporting data.</i> If you determine the value of production under paragraph (c) of this section, you must retain all data relevant to determination of royalty value.	Burden covered under OMB Control Number 1010-0140.		
206.174 (f)	(f) <i>Value guidance.</i> You may ask MMS for guidance in determining value. You may propose a valuation method to MMS. Submit all available data related to your proposal and any additional information MMS deems necessary. . . .	40	1	40
206.175 (d)(4)	<p>How do I determine quantities and qualities of production for computing royalties?</p> <p>(d)(4) You may request MMS approval of other methods for determining the quantity of residue gas and gas plant products allocable to each lease. . . .</p>	20	1	20
206.176 (b)	<p>How do I perform accounting for comparison?</p> <p>(b) If you are required to account for comparison, you may elect to use the alternative dual accounting methodology provided for in §206.173 instead of the provisions in paragraph (a) of this section.</p>	Burden covered under §206.173(a)(1).		
206.176 (c)	(c) . . . If you do not perform dual accounting, you must certify to MMS that gas flows into such a pipeline before it is processed.	Burden covered under §206.172(b)(1)(ii).		

30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
TRANSPORTATION ALLOWANCES				
206.177 (c)(2) and (c)(3)	<p>What general requirements regarding transportation allowances apply to me?</p> <p>(c)(2) If you ask MMS, MMS may approve a transportation allowance deduction in excess of the limitation in paragraph (c)(1) of this section. . . .</p> <p>(3) Your application for exception (using Form MMS-4393, Request to Exceed Regulatory Allowance Limitation) must contain all relevant and supporting documentation necessary for MMS to make a determination.</p>	Burden covered under §206.56(b)(2).		
206.178 (a)(1)(i)	<p>How do I determine a transportation allowance?</p> <p>(a) <i>Determining a transportation allowance under an arm's-length contract.</i></p> <p>(1)(i) . . . You are required to submit to MMS a copy of your arm's-length transportation contract(s) and all subsequent amendments to the contract(s) within 2 months of the date MMS receives your report which claims the allowance on the Form MMS-2014.</p>	1	25	25
206.178 (a)(1)(iii)	<p>(a) <i>Determining a transportation allowance under an arm's-length contract.</i></p> <p>(1)(iii) If MMS determines that the consideration paid under an arm's-length transportation contract does not reflect the value of the transportation because of misconduct by or between the contracting parties . . . In these circumstances, MMS will notify you and give you an opportunity to provide written information justifying your transportation costs.</p>	AUDIT PROCESS. See note.		
206.178 (a)(2)(i) and (ii)	<p>(a) <i>Determining a transportation allowance under an arm's-length contract.</i></p> <p>(2)(i) . . . you cannot take an allowance for the costs of transporting lease production that is not royalty bearing without MMS approval, or without lessor approval on tribal leases.</p> <p>(ii) As an alternative to paragraph (a)(2)(i) of this section, you may propose to MMS a cost allocation method based on the values of the products transported. . . .</p>	20	1	20

30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206.178 (a)(3)(i) and (ii)	(a) <i>Determining a transportation allowance under an arm's-length contract.</i> (3)(i) If your arm's-length transportation contract includes both gaseous and liquid products and the transportation costs attributable to each cannot be determined from the contract, you must propose an allocation procedure to MMS. . . . (ii) You are required to submit all relevant data to support your allocation proposal. . . .	40	1	40
206.178 (b)(1)(ii)	(b) <i>Determining a transportation allowance under a non-arm's-length contract or no contract.</i> (1)(ii) . . . You must submit the actual cost information to support the allowance to MMS on Form MMS-4295, Gas Transportation Allowance Report, within 3 months after the end of the 12-month period to which the allowance applies. . . .	15	3	45
206.178 (b)(2)(iv)	(b) <i>Determining a transportation allowance under a non-arm's-length contract or no contract.</i> (2)(iv) You may use either depreciation with a return on undepreciated capital investment or a return on depreciable capital investment. . . . you may not later elect to change to the other alternative without MMS approval.	20	1	20
206.178 (b)(2)(iv) (A)	(b) <i>Determining a transportation allowance under a non-arm's-length contract or no contract.</i> (2)(iv)(A) . . . Once you make an election, you may not change methods without MMS approval. . . .	20	1	20
206.178 (b)(3)(i)	(b) <i>Determining a transportation allowance under a non-arm's-length contract or no contract.</i> (3)(i) . . . Except as provided in this paragraph, you may not take an allowance for transporting a product that is not royalty bearing without MMS approval.	40	1	40
206.178 (b)(3)(ii)	(b) <i>Determining a transportation allowance under a non-arm's-length contract or no contract.</i> (3)(ii) As an alternative to the requirements of paragraph (b)(3)(i) of this section, you may propose to MMS a cost allocation method based on the values of the products transported. . . .	20	1	20

30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206.178 (b)(5)	(b) <i>Determining a transportation allowance under a non-arm's-length contract or no contract.</i> (5) If you transport both gaseous and liquid products through the same transportation system, you must propose a cost allocation procedure to MMS. . . . You are required to submit all relevant data to support your proposal. . . .	40	1	40
206.178 (d)(1)	(d) <i>Reporting your transportation allowance.</i> (1) If MMS requests, you must submit all data used to determine your transportation allowance . . .	AUDIT PROCESS. See note.		
206.178 (d)(2), (e), and (f)(1)	(d) <i>Reporting your transportation allowance.</i> (2) You must report transportation allowances as a separate entry on Form MMS-2014. . . . (e) <i>Adjusting incorrect allowances.</i> If for any month the transportation allowance you are entitled to is less than the amount you took on Form MMS-2014, you are required to report and pay additional royalties due, plus interest computed under 30 CFR 218.54 from the first day of the first month you deducted the improper transportation allowance until the date you pay the royalties due. . . . (f) <i>Determining allowable costs for transportation allowances.</i> . . . (1) <i>Firm demand charges paid to pipelines.</i> . . . You must modify the Form MMS-2014 by the amount received or credited for the affected reporting period.	Burden covered under OMB Control Number 1010-0140. Burden covered under §210.52.		
PROCESSING ALLOWANCES				
206.180 (a)(1)(i)	How do I determine an actual processing allowance? (a) <i>Determining a processing allowance if you have an arm's-length processing contract.</i> (1)(i) . . . You have the burden of demonstrating that your contract is arm's-length. You are required to submit to MMS a copy of your arm's-length contract(s) and all subsequent amendments to the contract(s) within 2 months of the date MMS receives your first report that deducts the allowance on the Form MMS-2014.	1	15	15

30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206.180 (a)(1)(iii)	(a) <i>Determining a processing allowance if you have an arm's-length processing contract.</i> (1)(iii) If MMS determines that the consideration paid under an arm's-length processing contract does not reflect the value of the processing because of misconduct by or between the contracting parties . . . In these circumstances, MMS will notify you and give you an opportunity to provide written information justifying your processing costs.	AUDIT PROCESS. See note.		
206.180 (a)(3)	(a) <i>Determining a processing allowance if you have an arm's-length processing contract.</i> (3) If your arm's-length processing contract includes more than one gas plant product and the processing costs attributable to each product cannot be determined from the contract, you must propose an allocation procedure to MMS. . . . You are required to submit all relevant data to support your proposal. . . .	40	1	40
206.180 (b)(1)(ii)	(b) <i>Determining a processing allowance if you have a non-arm's-length contract or no contract.</i> (1)(ii) . . . You must submit the actual cost information to support the allowance to MMS on Form MMS-4109, Gas Processing Allowance Summary Report, within 3 months after the end of the 12-month period for which the allowance applies. . . .	20	5	100
206.180 (b)(2)(iv)	(b) <i>Determining a processing allowance if you have a non-arm's-length contract or no contract.</i> (2)(iv) You may use either depreciation with a return on undepreciable capital investment or a return on depreciable capital investment. . . . you may not later elect to change to the other alternative without MMS approval.	20	1	20
206.180 (b)(2)(iv) (A)	(b) <i>Determining a processing allowance if you have a non-arm's-length contract or no contract.</i> (2)(iv)(A) . . . Once you make an election, you may not change methods without MMS approval. . . .	20	1	20

30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206.180 (b)(3)	(b) <i>Determining a processing allowance if you have a non-arm's-length contract or no contract.</i> (3) Your processing allowance under this paragraph (b) must be determined based upon a calendar year or other period if you and MMS agree to an alternative.	20	1	20
206.180 (c)(1)	(c) <i>Reporting your processing allowance.</i> (1) If MMS requests, you must submit all data used to determine your processing allowance. . . .	AUDIT PROCESS. See note.		
206.180 (c)(2) and (d)	(c) <i>Reporting your processing allowance.</i> (2) You must report gas processing allowances as a separate entry on the Form MMS-2014. . . . (d) <i>Adjusting incorrect processing allowances.</i> If for any month the gas processing allowance you are entitled to is less than the amount you took on Form MMS-2014, you are required to pay additional royalties, plus interest computed under 30 CFR 218.54 from the first day of the first month you deducted a processing allowance until the date you pay the royalties due. . . .	Burden covered under OMB Control Number 1010-0140. Burden covered under §210.52.		
206.181 (c)	How do I establish processing costs for dual accounting purposes when I do not process the gas? (c) A proposed comparable processing fee submitted to either the tribe and MMS (for tribal leases) or MMS (for allotted leases) with your supporting documentation submitted to MMS. If MMS does not take action on your proposal within 120 days, the proposal will be deemed to be denied and subject to appeal to the MMS Director under 30 CFR part 290.	40	1	40
207—SALES AGREEMENTS OR CONTRACTS GOVERNING THE DISPOSAL OF LEASE PRODUCTS Subpart A—General Provisions				
207.4(b)	Contracts made pursuant to old form leases. (b) The stipulation, the substance of which must be included in the contract, or be made the subject matter of a separate instrument properly identifying the leases affected thereby, is as follows . . .	AUDIT PROCESS. See note.		

30 CFR	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
207.5	<p>Contract and sales agreement retention. Copies of all sales contracts, posted price bulletins, etc., and copies of all agreements, other contracts, or other documents which are relevant to the valuation of production are to be maintained by the lessee and made available upon request during normal working hours to authorized MMS, State or Indian representatives, other MMS or BLM officials, auditors of the General Accounting Office, or other persons authorized to receive such documents, or shall be submitted to MMS within a reasonable period of time, as determined by MMS. Any oral sales arrangement negotiated by the lessee must be placed in written form and retained by the lessee. Records shall be retained in accordance with 30 CFR part 212.</p>	AUDIT PROCESS. See note.		
TOTAL BURDEN			140	1,074

Note: AUDIT PROCESS—The Office of Regulatory Affairs determined that the audit process is exempt from the Paperwork Reduction Act of 1995 because MMS staff asks non-standard questions to resolve exceptions.

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 “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.

We estimate the total annual reporting burden for industry is 1,074 hours, and we estimate the Federal Government will require 1 hour of a Government accountant’s time for each burden hour for industry. Based on the United States 2008 General Schedule, Grade 12/Step 5 pay scale for the average Government accountant in the Denver, Colorado, area, our estimated hourly labor cost is \$57 (\$37.93 per hour x 1.5 benefit cost factor = \$56.90, rounded to \$57). Based on a cost factor of \$57 per hour for Government accountants, we estimate the total annual cost to the Government is \$61,218 (\$57 per hour x 1,074 hours = \$61,218).

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

The currently approved OMB inventory is 1,276 annual burden hours. We are decreasing the inventory to 1,074 hours. The decrease of 202 burden hours is an adjustment primarily due to a decrease in the number of annual responses.

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 MMS will not 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 to this collection.

18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submission.”

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.”