

Supporting Statement for Paperwork Reduction Act Submissions
30 CFR 250, Subpart H, Oil and Gas Production Safety Systems
OMB Control Number 1010-0059
Current Expiration Date: February 28, 2009

Terms of Clearance: None

General Instructions

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

Specific Instructions

A. Justification

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

The Outer Continental Shelf (OCS) Lands Act, as amended (43 U.S.C. 1331 *et seq.* and 43 U.S.C. 1801 *et seq.*), authorizes the Secretary of the Interior (Secretary) to prescribe rules and regulations to manage the mineral resources of the OCS. Such rules and regulations will apply to all operations conducted under a lease, right-of-use and easement, and pipeline right-of-way. Operations on the OCS must preserve, protect, and develop oil and natural gas resources in a manner that is consistent with the need to make such resources available to meet the Nation's energy needs as rapidly as possible; to balance orderly energy resource development with protection of human, marine, and coastal environments; to ensure the public a fair and equitable return on the resources of the OCS; and to preserve and maintain free enterprise competition. Section 1332(6) states that "operations in the [O]uter Continental Shelf should be conducted in a safe manner by well trained personnel using technology, precautions, and other techniques sufficient to prevent or minimize the likelihood of blowouts, loss of well control, fires, spillages, physical obstructions to other users of the waters or subsoil and seabed, or other occurrences which may cause damage to the environment or to property or endanger life or health."

The Independent Offices Appropriations Act (31 U.S.C. 9701), the Omnibus Appropriations Bill (P. L. 104-133, 110 Stat. 1321, April 26, 1996), and Office of Management and Budget (OMB) Circular A-25, authorize Federal agencies to recover the full cost of services that confer special benefits. Under the Department of the Interior's (DOI) implementing policy, the Minerals Management Service (MMS) is required to charge the full cost for services that provide special benefits or privileges to an identifiable non-Federal recipient above and beyond those which accrue to the public at large. Facility Production Safety System Applications are subject to cost recovery, and MMS regulations specify filing fees for these applications.

This information collection (IC) request is a routine renewal of the OMB approval of the IC burdens required in the regulations at 30 CFR 250, subpart H, Oil and Gas Production Safety Systems. It also covers the related Notices to Lessees and Operators (NTLs) that the Minerals Management Service (MMS) issues to clarify and provide additional guidance on some aspects of the regulations. The only notable adjustments to the routine renewal are the increased non-hour cost burden “cost recovery fees.” These fee adjustments are the result of a recent final rulemaking as explained in section A.15.

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 uses the information collected under subpart H to evaluate equipment and/or procedures that lessees and/or operators propose to use during production operations, including evaluation of requests for departures or use of alternative procedures. Information is also used to verify that production operations are safe and protect the human, marine, and coastal environment. The MMS inspectors review the records maintained to verify compliance with testing and minimum safety requirements.

The Gulf of Mexico OCS Region (GOMR) has a policy regarding approval of requests to use a chemical-only fire prevention and control system in lieu of a water system. The MMS may require additional information be submitted to maintain approval. The information is used to determine if the chemical-only system provides the equivalent protection of a water system for the egress of personnel should a fire occur.

In the Pacific, lessees are required to file Emergency Action Plans (EAPs) with their local air quality agencies in response to California air quality laws to protect public health during exceptional air pollution episodes. The MMS authorizes pre-approval to postpone certain testing during air pollution emergency episodes provided respondents submit to MMS a copy of their EAP when submitted to the local air agencies. We review these EAPs prior to the event of an air pollution episode to ensure that abatement measures described therein do not jeopardize safe platform operations.

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

Currently, 5 percent of all information is submitted electronically.

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

The MMS and the U.S. Coast Guard have Memoranda of Understanding that define the responsibilities of their agencies with respect to activities on the OCS. These are effective in avoiding duplication of regulations and most reporting and recordkeeping requirements. The information collected is unique to the site, well, and operation, and is not available from other sources.

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

This collection of information does not have a significant economic effect on a substantial number of small entities. Approximately, 70 percent of the OCS lessees and operators have less than 500 employees and are considered small businesses as defined by the Small Business Administration. The hour burden on any small entity subject to these regulations cannot be reduced to accommodate them without jeopardizing safety and protection of the environment.

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 MMS did not collect the information, we could not carry out the mandate of the OCS Lands Act to ensure safe operations in the OCS. Specifically, MMS could not:

- review safety system designs prior to installation to ensure that minimum safety standards will be met;
- review records of erosion control to ensure that erosion control programs are effective;
- review plans to ensure safety of operations when more than one activity is being conducted simultaneously on a production facility;
- review records of safety devices to ensure proper maintenance during the useful life of that equipment; and
- verify proper performance of safety and pollution prevention equipment (SPPE).

With one exception, there is no set frequency for collecting the information; it is collected on occasion. Submissions are made on the basis of each well completion, requiring the use of subsurface and/or surface SPPE. There is an annual requirement to verify that an injection well is incapable of flowing, which is the minimum frequency that we consider safe to waive the requirement for installation of a surface-controlled subsurface safety or injection valve to prevent backflow of a well.

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.

The collection of information is on occasion since MMS needs to evaluate designs, records, plans, and/or procedures that lessees and/or operators propose to use during production operations, including evaluation of requests for departures or use of alternative procedures.

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

Not applicable in this collection.

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

Not applicable in this collection.

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

Not applicable in this collection.

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

Not applicable in this collection.

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

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

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

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

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

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

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

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. [Please list the names, titles, addresses, and phone numbers of persons contacted.] Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

As required in 5 CFR 1320.8(d), MMS published a 60-day review and comment notice in the Federal Register on June 18, 2008 (73 FR 34787). Also, 30 CFR 250.199 explains that MMS will accept comments at any time on the information collection burden of our 30 CFR 250 regulations. We display the OMB control numbers and provide the address for sending comments to MMS. We received no comments in response to the notice or unsolicited comments from respondents covered under these regulations.

During the comment period, we consulted with the following respondents to verify the accuracy of our burden estimates. Their input is reflected in the estimates provided in item A.12.

Apache Corporation, David Broussard, Regulatory Foreman

(337) 354-8003, 2014 W. Pinhook Road, Suite 800, Lafayette, LA 70508

Shell Exploration & Production Company, Tracey P. Burger, Regulatory Affairs Specialist
(504) 728-0207, PO Box 61933, New Orleans, LA 70161-1933

BP Exploration & Production Inc., Bekki Winfree
(281) 366 8372, 501 Westlake Park Boulevard, Houston TX 77079

PXP/Arguello Inc., Tom Goeres, Operations Manager,
(805) 934-8221, 17100 Calle Mariposa Reia, Goleta, CA 93117

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

The MMS will not provide payment or gifts to respondents in this collection.

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

We protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and its implementing regulations (43 CFR 2), 30 CFR part 252, OCS Oil and Gas Information Program, and 30 CFR 250.197, Data and information to be made available to the public or for limited inspection.

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

The collection does not include sensitive or private questions.

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

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

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

There are approximately 130 respondents (Federal oil and gas OCS lessees). The frequency of responses submitted to MMS are usually on occasion and are mandatory. We estimate the total annual burden is 47,021 hours.

Burden Table

Citation 30 CFR 250 subpart H and NTL(s)	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
			Non-Hour Cost Burdens	
Submittals				
800; 801; 802; 803	Submit application for a production safety system with > 125 components.	8	2	16
			\$5,030 per submission x 2 = \$10,060	
			\$13,238 per offshore visit x 2 = \$26,476	
			\$6,884 per shipyard visit x 1 = \$6,884	
	25 – 125 components.	7	21	147
			\$1,218 per submission x 21 = \$25,578	
			\$8,313 per offshore visit x 8 = \$66,504	
			\$4,766 per shipyard visit x 1 = \$4,766	
	< 25 components.	6	76	456
			\$604 per submission x 76 = \$45,904	
	Submit modification to application for production safety system with > 125 components.	4	324	1,296
			\$561 per submission x 324 = \$181,764	
	25 – 125 components.	3.5	188	658
			\$201 per submission x 188 = \$37,788	
	< 25 components.	3	901	2,703
			\$85 per submission x 901 = \$76,585	
801(a)	Submit application for a determination that a well is incapable of natural flow.	3	50	150
803(b)(2)	Submit required documentation for unbonded flexible pipe.	Burden is covered by the application requirement in § 250.802(e).		0
803(b)(8); related NTLs	Request approval to use chemical only fire prevention and control system in lieu of a water system.	8	150	1,200
804; related NTL	Submit copy of state-required Emergency Action Plan (EAP) containing test abatement plans (Pacific OCS Region).	1	7	7
		Subtotal	1,719 responses	6,633 hours
				\$482,309
General				
801(h)(2); 803(c)	Identify well with sign on wellhead that subsurface safety device is removed; flag safety devices that are out of service.	Usual/customary safety procedure for removing or identifying out-of-service safety devices.		0
803(b)(8)(iv); (v)	Post diagram of firefighting system; furnish evidence firefighting system suitable for operations in subfreezing climates.	2	95	190
804(a)(12); 800	Notify MMS prior to production when ready to conduct pre-production test and upon commencement for a complete inspection.	¾	208	156
806(c)	Request evaluation and approval of other quality assurance programs covering manufacture of SPPE.	2	1	2
		Subtotal	304 responses	348 hours
Recordkeeping				
801(h)(2); 802(e); 804(b)	Maintain records on subsurface and surface safety devices to include approved design & installation features, testing, repair, removal, etc.	20	770	15,400
803(b)(1)(iii), (2)(i)	Maintain pressure-recorder charts.	17	770	13,090
803(b)(4)(iii)	Maintain schematic of the emergency shutdown (ESD) which indicates the control functions of all safety devices.	9	770	6,930
803(b)(11)	Maintain records of wells that have erosion-control programs and results for 2 years; make available to MMS upon request.	6	770	4,620
		Subtotal	3,080 responses	40,040 hours
Total Burden Hours			5,103 responses	47,021 hours

Citation 30 CFR 250 subpart H and NTL(s)	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
			Non-Hour Cost Burdens	\$482,309 non-hour burden costs

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

The average respondent cost is \$71/hour (rounded). This cost is broken out in the below table using the Bureau of Labor Statistics data for the Houston, TX area*. See BLS website:

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

Position	Level	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.4*** x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour)
Secretary/Administrative	7	\$20	\$28	15%	\$4
Regulatory**	13	\$55	\$77	60%	\$46
Engineer, Geologist **	14	\$61	\$85	20%	\$17
Supervisory Engineer, etc	15	\$61	\$85	5%	\$4
Weighted Average (\$/hour)					\$71

* Note that this BLS source reflects their last update from July 2004.

** Professional Occupation, n.e.c. (not elsewhere classified)

***A multiplier of 1.4 (as implied by BLS news release USDL 07-1883, December 11, 2007) was added for benefits.

We estimate the total annual burden is 47,021 burden hours. Based on a cost factor of \$71 per hour, we estimate the total annual cost to industry is \$3,338,491 (\$71 x 47,021 hours = \$3,338,491).

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.

This IC request includes 10 non-hour cost burdens, all of which are the cost recovery fees required under § 250.802(e). However, note that the actual fee amounts are specified in 30 CFR 250.125, which provides a consolidated table of all of the fees required under the 30 CFR 250 regulations. The total of the non-hour cost burden (cost recovery fees) in this IC request is an estimated \$482,309.

The non-hour cost burdens required in 30 CFR 250, subpart H (and respective cost-recovery fee amount per transaction) are required as follows:

- Submit application for a production safety system with > 125 components - \$5,030 per submission; \$13,238 per offshore visit; and \$6,884 per shipyard visit.
- Submit application for a production safety system with 25 – 125 components - \$1,218 per submission; \$8,313 per offshore visit; and \$4,766 per shipyard visit.
- Submit application for a production safety system with < 25 components - \$604 per submission.
- Submit modification to application for production safety system with > 125 components - \$561 per submission.
- Submit modification to application for production safety system with 25 – 125 components - \$201 per submission.
- Submit modification to application for production safety system with < 25 components - \$85 per submission.

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

The average cost to the Federal government is \$56/hour. This cost is broken out in the below table using the Office of Personnel Management pay schedule for the New Orleans, LA area.

Position	Grade	Hourly Pay rate (\$/hour estimate)	Hourly rate including benefits (1.5* x \$/hour)	Percent of time spent on collection	Weighted Average (\$/hour)
Clerical	GS-7/5	\$18	\$27	15%	\$4
Petroleum Engineer	GS-13/5	\$37	\$56	65%	\$36
Supv. Petroleum Engineer	GS-15/5	\$52	\$78	18%	\$14
Executive	SES (\$140K)	\$68	\$102	2%	\$2
Weighted Average (\$/hour)					\$56

*A multiplier of 1.5 (as implied by BLS news release USDL 07-1883, December 11, 2007) was added for benefits.

To analyze and review the information required by subpart H, we estimate the Government will spend an average of approximately ½ hour for each hour spent by the respondents for a total of 23,511 (rounded) hours. Based on a cost factor of \$56 per hour, the cost to the Government is \$1,316,616 (47,021 hours x ½ hour = 23,511 x \$56 = \$1,316,616).

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

- (1) The current OMB inventory is 17,598 burden hours for this collection of information. This submission requests 47,021 burden hours. The difference of +29,423 hours is mostly due to the increased number of annual responses for recordkeeping requirements times the hour burden.
- (2) The current OMB non-hour cost burden inventory is \$544,877. This submission requests \$482,309. There are two reasons for the adjustment in the non-hour cost burdens. (i) On August 25, 2008, MMS published a final rule (1010-AD43, 73 FR 49943) which increased the cost recovery fees in 30 CFR 250.125. These revised fee amounts became effective on September 24, 2008. The Burden Table in section A.12 details the annual number of fees and dollar amount totals estimated for these non-hour cost burdens. The MMS based these estimates on the actual number of cost recovery fees collected in FY 2007 and then adjusted the estimates to reflect the increased fee amounts put into effect by 1010-AD43. (ii) However, we re-estimated the number of annual responses that have cost recovery fees and determined that there was a significant decrease in the annual number of responses. Therefore, even though we increased the individual amount of the cost recovery fees, the decrease in annual number of responses resulted in an adjustment decrease of -\$62,568.

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 tabulate or publish the data.

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

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

18. Explain each exception to the certification statement, “Certification for Paperwork Reduction Act 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.”