

**Supporting Statement for Paperwork Reduction Act Submissions  
(Final Rulemaking)  
30 CFR Part 250, Subpart S, Safety and Environmental Management Systems for Outer  
Continental Shelf Oil and Gas and Sulphur Operations  
Form MMS-131, Performance Measures Data  
OMB Control Number: NEW  
Expiration Date: NEW**

**Terms of Clearance:** Terms of the previous clearance remain in effect. In accordance with 5 CFR 1320, the Office of Management and Budget (OMB) is withholding approval at this time. Prior to publication of the final rule, the agency must submit to OMB a summary of all comments related to the information collection contained in the proposed rule and the agency response. The agency should clearly indicate any changes made to the information collection (IC) as a result of these comments.  
**Response:** Changes made to the IC are addressed in A.8.

### **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 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.), authorizes the Secretary of the Interior (Secretary) to prescribe rules and regulations to administer leasing of the OCS. Such rules and regulations will apply to all operations conducted under a lease. 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. These responsibilities are among those delegated to the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE).

On May 22, 2006, the former Minerals Management Service published an Advance Notice of Proposed Rulemaking (71 FR 29277), and then on June 17, 2009, BOEMRE (formerly MMS) published a Notice of Proposed Rulemaking in the Federal Register entitled "Safety and Environmental Management Systems for Outer Continental Shelf Oil and Gas Operations" (74 FR 28639). The comment period for that proposed rule closed on September 15, 2009. In response to several requests, BOEMRE issued a

National Notice to Lessees and Operators (NTL No. 2009-N05) on August 12, 2009, announcing a public meeting on September 2, 2009, in New Orleans, Louisiana, to discuss the proposed rule.

The ANPR discussed several options for implementing a SEMS program. One of these options was a comprehensive safety and environmental management approach by addressing all elements of API RP 75, consisting of 13 sections. The NPR regulatory text focused on 4 of the critical elements of API RP 75 (hazards analysis, management of change, operating procedures, and mechanical integrity).

This final rulemaking however, includes all 13 sections of the API RP 75 document. Due to the blowout of the BP Macondo well and the resulting explosion on the Deepwater Horizon, which resulted in the deaths of 11 workers, an oil spill of national significance, and the loss of the Deepwater Horizon, and due to comments received on the proposed rule, we are now incorporating API RP 75 in its entirety.

The final rule will therefore require the operator (a lessee, the owner or holder of operating rights, or the designated operator) to integrate a comprehensive SEMS program into the management of their OCS operations, thereby providing for the prevention of waste and conservation of natural resources of the Outer Continental Shelf. It is the intent of this rule to hold the operator accountable for the overall safety of the offshore facility, including ensuring that all contractors and subcontractors have safety policies and procedures in place that support the implementation of the operator's SEMS program and align with the principles of managing safety set forth in API RP 75.

The BOEMRE generally issues regulations to ensure that operations in the OCS will meet statutory requirements; provide for safety and protect the environment; and result in diligent exploration, development, and production of OCS leases. In addition, beginning in 1991, BOEMRE has promoted, on a voluntary basis, the implementation of a comprehensive Safety and Environmental Management Program (SEMP) for the offshore oil and gas industry as a complement to current regulatory efforts to protect people and the environment during oil and gas exploration and production activities of the OCS. From the start, BOEMRE, the industry as a whole, and individual companies realized that at some point they would want to gauge the relative effect of SEMP plans on the safety and environmental management results of energy production companies operating on the OCS. The natural consequence of this interest was the establishment of the OCS Performance Measures project.

This IC request concerns the paperwork burden in a final rulemaking that establishes a new subpart S in 30 CFR 250, requiring operators to develop and implement a Safety and Environmental Management System (SEMS) Program by incorporating American Petroleum Institute's Recommended Practice 75 (API RP 75), along with additional requirements for recordkeeping and documentation, relevant audit information, implementation and evaluation documentation, and job safety analysis (JSA) for activities identified or discussed in their SEMS. In addition, it would expand and make mandatory OMB approved Form MMS-131 (1010-0112, expiration 03/31/2011). Respondents will submit Form MMS-131 annually during the first quarter of each calendar year. Once this rulemaking becomes effective, we will submit a request to discontinue 1010-0112.

***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.]***

We consider the information to be critical for us to monitor industry's operations record of safety and environmental management of the OCS. Due to the Deepwater Horizon event, it is the intent of this rule to hold the operator accountable for the overall safety of the offshore facility, including ensuring that all contractors and subcontractors have safety policies and procedures in place that support the implementation of the operator's SEMS program and align with the principles of managing safety set forth in API RP 75; therefore, we are incorporating all of the API RP 75. The BOEMRE proposes to require each offshore lessee/operator to develop, implement, maintain, and operate under a SEMS program following the recommended practices of API RP 75 along with additional regulatory requirements. Each SEMS program would be tailored to the scale and complexity of the company's operation, and structured to include the elements of API RP 75, which also includes contractors and subcontractors. The SEMS program will describe management commitment to safety and the environment, as well as policies and procedures to assure safety and environmental protection while conducting OCS operations (including those operations conducted by contractor and subcontractor personnel). The BOEMRE will use the information obtained by submittals and observed via SEMS audits to ensure that operations (e.g., drilling, production, well workover, well completions, material handling) on the OCS are conducted safely, as they pertain to both human and environmental factors, and in accordance with the BOEMRE regulations, as well as the industry practices of API RP 75. JSA recordkeeping will be reviewed diligently by BOEMRE during inspections/audits, etc., to ensure that industry is correctly implementing the documentation and that the requirements in the JSA's are being followed properly.

Information on Form MMS-131 includes company identification, number of company/contractor injuries and/or illnesses suffered, company/contractor hours worked, EPA National Pollutant Discharge Elimination System (NPDES) permit noncompliances, and oil spill volumes for spills less than 1 barrel. All pieces of information are reported as collected during one calendar year and the information broken out quarterly. We use the information obtained from this form to develop industry average incident rates that help to describe how well the offshore oil and gas industry is performing. Using the produced data allows the BOEMRE to better focus our regulatory and research programs on areas where the performance measures indicate that operators are having difficulty meeting our expectations.

The BOEMRE will be more effective in leveraging resources by redirecting research efforts, promoting appropriate regulatory initiatives, and shifting inspection program emphasis based on performance results. We also use the information collected to work with industry representatives to identify and request "pacesetter" companies to make presentations at periodic workshops.

Operator companies also use the data to make individual comparisons and evaluate trends. Knowing how the offshore operators, as a group, are doing and where their own company ranks, provides company management with information to better focus their continuous improvement efforts. This leads to more cost-effective prevention actions and, therefore, better cost containment.

***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 anticipate that more than 50 percent of the information will be collected in electronic format. The

Form MMS-131 is available on the website and we suggest they submit it 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 Department of the Interior 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 generally effective in eliminating duplicate reporting and recordkeeping burdens. The requirements pertaining to an operator's SEMS plan do not affect other regulatory requirements outside of BOEMRE's jurisdiction. Nothing in the final rule will affect the U.S. Coast Guard's current authority and jurisdiction over vessels and offshore facilities. The Environmental Protection Agency collects exceedance information in the monthly Discharge Monitoring Reports. However, companies submit these reports on a quarterly and staggered basis and report by facility rather than company. The other information is not collected by any other Federal agency, nor is any similar information available.

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

This collection of information may have a significant economic effect on a substantial number of small entities. Any direct effects primarily impact the OCS lessees and operators. However, 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. Because of the Deepwater Horizon event, these regulations require operators to develop and implement a comprehensive safety management system. Therefore, the hour burden on any small entity subject to these regulations cannot be reduced to accommodate them.

**6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

The OCS Lands Act mandates that operations in the OCS be conducted in a safe and environmentally sound manner. Until recent years, we have depended on regulatory and inspection programs to ensure that this goal would be met. The safety record of the industry has been good overall; however, the Deepwater Horizon event highlights the importance of operators initiating and implementing a comprehensive safety management system. The information is collected on an annual basis. Less frequent reporting would not be practical. The importance of the resulting data is to show trends over time, thereby allowing focused responses by BOEMRE and the industry. Less frequent collection would allow the passage of too much time, so that corrections in operations, systems, and the like, would not be responsive to problems and issues. Furthermore, much of the industry's own collection of information for internal use is done on an annual basis.

**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.*

Document and retain all records pertaining to your SEMS audits for 6 years (at least 2 audit cycles (audits are at least once every 3 years)) to allow BOEMRE to have the necessary information when requested, and to allow BOEMRE to properly evaluate the SEMS program.

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

Not applicable in this collection.

*(f) requiring the use of statistical data classification that has not been reviewed and approved by OMB.*

Not applicable in this collection.

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

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 1320.11, BOEMRE provided the 60-day review and comment process in the preamble of the proposed rule (74 FR 28639). We received, in response to the proposed rule, 61 sets of comments, of which 57 were from individual entities (companies, industry organizations, or private citizens). Some of the 61 comments were duplicates, not related to the proposed rule, or the same company submitted more than one comment. Almost all of these commenters said that the paperwork requirements were too burdensome and that the rule was too prescriptive and should follow API RP 75. In response to these comments and to the Deepwater Horizon event, BOEMRE has incorporated the entire API RP 75 document by reference into this final rulemaking. The majority of the prescriptive requirements in the proposed rule were replaced with API RP 75 requirements. Although commenters stated that the requirements were too burdensome, incorporating all 13 elements of API 75 has increased the burdens on respondents. This burden increase is needed to ensure that a comprehensive, industry-standard safety management program is developed and implemented by each operator on the OCS.

All of the commenters also remarked that the hour burden estimates in the proposed rule were too low. As a result, BOEMRE re-evaluated the burdens on industry, as they pertained to operator activity. We interviewed parties experienced in the development of SEMS programs, vendors that submit information for operators, and operators with designated personnel who work on SEMS issues. Based on the information obtained from these parties, we increased our estimated burdens for high, moderate, and low activity operators. In the future, these estimates will be re-evaluated based on actual experience and consultation with respondents. All comments received are addressed in the preamble of the final rule.

The resulting changes between the proposed and final rule are:

- (a) In §§ 250.1900-250.1929 under Operator Activity in the proposed rule, the burden hours were increased.
  - (1) High Activity operator burden is increased from the proposed rule due to incorporating API RP 75 in its entirety, which will increase the hour burden (+217,204 hours).
  - (2) Moderate Activity operator burden is increased from the proposed rule due to incorporating API RP 75 in its entirety, which will increase the hour burden and non-hour costs (+64,042 hours; \$2,580,000).
  - (3) Low Activity operator burden is increased from the proposed rule due to incorporating API RP 75 in its entirety, which will increase the hour burden and non-hour costs (+44,384 hours; \$5,472,000).
- (b) In § 250.1911(b), the designated person in charge of the activity, must have approval to conduct a JSA. This requirement will help determine that all physical requirements, environmental conditions, personal protective equipment, and safety factors relating to a specific job or task have been identified properly (+47,450 hours).
- (c) In § 250.1914(d), a contractor employee injury/illness log must be kept in the operation area. This requirement is needed to assist in filling out Form MMS-131; therefore, we consider this burden as part of the form burden; (current OMB approved burden per form is 8 hours; this rulemaking increases the burden per form by an additional 2 hours per form (+260 hours)).
- (d) In § 250.1924(b), BOEMRE has added necessary requirements pertaining to verification of the accuracy of industry's SEMS documentation (+260 burden hours).
- (e) In § 250.1925(a) there is a new non-hour cost burden that will require an operator to pay for all costs associated with an BOEMRE directed audit. This cost is based on a potential of 26 BOEMRE directed audits a year (+\$291,000).
- (f) For clarity purposes, we placed the majority of all the recordkeeping and documentation

requirements in one regulatory requirement, § 250.1928. This will help respondents determine their requirements at a glance (+650 hours).

The respondents who submitted comments pertaining to the IC were: Anglo-Suisse Offshore Partners, LLC; Arena Energy; Badger Oil Corporation; Baker Energy; Betsy Cleland; BP America Inc.; California Independent Petroleum Association; Century Exploration New Orleans, Inc.; Chevron; Clay Wilkins; Cobalt International Energy, L.P.; Community Environmental Council; County of Santa Barbara; Devon; Dynamic Offshore Resources NS, LLC; El Paso Exploration & Production; Energy Partner, LTD.; Energy XXI; Eni Petroleum Co, Inc.; Enterprise Field Services, LLC.; EOG Resources, Inc.; ExxonMobil Production Company; Flextrend Development Company, LLC.; Hercules OffShore; High Island Offshore System, LLC.; International Association of Drilling Contractors (July); International Association of Drilling Contractors (September); InterMoor, Inc.; Island Operating Company, Inc.; Manta Ray Gathering Company, LLC.; Marathon Oil Company; Marine Mammal Commission; Mariner Energy, Inc.; Marlin Energy; Nabors Offshore Corporation; Newfield Exploration Company; Nexen Petroleum U.S.A. Inc.; National Ocean Industries Association; OOC Allen Verret; OOC/API Attachments 1-4; OOC/API Comment Letter; Parker Drilling; Petrobras America; Pisces Energy; Plains Exploration & Production Company; Poseidon Oil Pipeline Company, LLC.; Probe Resources; Production Services Network; RAAM Global Energy Company; Rene Williams; Rowan Companies, Inc.; Shell Exploration & Production Company; SPN Resources; Stone Energy; Taylor Energy Company, LLC.; Technical Resource Services; W & T Offshore; Western States Petroleum Association; Wild Well Control; Woodside Energy; XTO Energy. We have attached, in ROCIS, three responses that represent a random sampling of all the comments submitted to BOEMRE.

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

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

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

We protect proprietary information according to the Freedom of Information Act (5 U.S.C. 552) and its implementing regulations (43 CFR 2), and 30 CFR 250.197, "Data and information to be made available to the public or for limited inspection." We release the data collected on Form MMS-131 only in a summary format that is not company specific.

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

The collection does not include sensitive or private questions.

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

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

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

Potential respondents are Federal OCS lessees, operators, and/or third party personnel. It should be noted that not all of the potential respondents will submit information in any given year and some may submit multiple times. The burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The frequency of response varies by section, but is primarily on occasion and responses are mandatory. We estimate the annual burden is 465,099 reporting and recordkeeping hours.

**Burden Table**

Citation 30 CFR 250 subpart S	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
		Non-Hour Cost Burdens		
1900-1929	High Activity Operator: Have a SEMS program, and maintain all documentation and records pertaining to your SEMS program, according to API RP 75 in its entirety. Make your SEMS available to BOEMRE upon request. As part of your SEMS, you must also develop and implement written JSAs for each OCS activity identified or discussed in your SEMS. <i>NOTE:</i> Based on previous information, High Activity Operators already have a SEMS in place.	18,708	13 operators.	243,204
1900-1929	Moderate Activity Operator: Have a SEMS program, and maintain all documentation and records pertaining to your SEMS program, according to API RP 75 in its entirety. Make your SEMS available to BOEMRE upon request. As part of your SEMS, you must also develop and implement written JSAs for each OCS activity identified or discussed in your SEMS.	2,528	41 operators.	103,648
	Moderate Activity Operator Implementation. (One time cost to implement SEMS).	\$375,000 per moderate activity implementation x 12 operators = \$4,500,000.		
1900-1929	Low Activity Operator: Have a SEMS program, and maintain all documentation and records pertaining to your SEMS program, according to API RP 75 in its entirety. Make your SEMS available to BOEMRE upon request. As part of your SEMS, you must also	899	76 operators.	68,324



Citation 30 CFR 250 subpart S	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
		Non-Hour Cost Burdens		
	develop and implement written JSAs for each OCS activity identified or discussed in your SEMS.			
	Low Activity Operator Implementation. (One time cost to implement SEMS).	\$154,000 per low activity implementation x 48 operators = \$7,392,000.		
1900	Develop and implement a SEMS program (One time implementation cost of SEMS template).	\$2,500 per implementation x 60 operators = \$150,000.		
1900	In-house modification (one time implementation cost) of the generic SEMS program to meet needs of specific company.	\$10,000 per implementation x 60 operators = \$600,000.		
1900(b); 1914(d); 1928(d), (e); 1929	Submit Form MMS-131. Maintain a contractor employee injury/illness log in the operation area, retain for 2 years, and make available to BOEMRE upon request (this requirement is included in the form burden). Inform contractors of hazards.	10	130 operators.	1,300
1911(b)	Supervisor approval to conduct a JSA.	10 mins.	130 operators x 365 days x 6=284,700*	47,450
1920	Notify BOEMRE with audit schedule 30 days prior to conducting your audit.	1	130 operators /once every 3 years = 43	43 (rounded)
1920(c); 1925(a), (c)	Submit to BOEMRE after completed audit, report of findings and conclusions, including deficiencies and required supporting information/documentation.	3	44 operators	132
1920(d)	Submit a copy of your plan that will address deficiencies identified in audit, including a correction schedule with appropriate supporting information.	4	10 submissions.	40
1924(b)	Make available to BOEMRE upon request, evaluation documentation and supporting information relating to your SEMS.	2	130 operators	260
1924(c)	Explain and demonstrate your SEMS during site visit if required; provide evidence supporting your SEMS implementation.	8	6 explanations	48
1925(a)	Pay for all costs associated with BOEMRE directed audit approximately 20 percent per operator per category: 3 required audits for high operator (\$20,000 per audit x 3 audits = \$60,000); 8 required audits for moderate operator (\$12,000 per audit x 8 audits = \$96,000; and 15 required audits for low operator (\$9,000 per audit per 15 audits = \$135,000) = 26 required audits per year at a total yearly combined cost of \$291,000.	26 BOEMRE directed audits – for a total of = \$291,000		
1928	(1) Document and keep all SEMS audits for 6 years (at least 2 full audit cycles) at an onshore location,	5	130 operators.	650

Citation 30 CFR 250 subpart S	Reporting and Recordkeeping Requirement	Hour Burden	Average No. of Annual Responses	Annual Burden Hours
		Non-Hour Cost Burdens		
	and make available to BOEMRE upon request. (2) JSAs must have documented results in writing and kept onsite for 30 days; retain records for 2 years and make available upon request to BOEMRE. (3) All MOC records (API RP Sec 4) must be documented, dated, and retained for 2 years and make available to BOEMRE upon request.			
<b>TOTAL BURDEN</b>			<b>285,469 Responses</b>	<b>465,099 Hours</b>
			<b>\$12,933,000 Non-Hour Cost Burdens</b>	

\*We calculated operators conducting six JSAs a day (3 JSAs for each 12 hour shift). Some contractors may perform none for a particular day, whereas others may conduct more than six per day. This estimate is an average.

*(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 \$89/hour. This cost is broken out in the below table using the Bureau of Labor Statistics data for the Houston, TX area. See BLS website: <http://www.bls.gov/bls/wages.htm>.

Position	Level	Hourly Pay rate (\$/hour estimate)*	Hourly rate including benefits (1.4 x \$/hour)**	Percent of time spent on collection	Weighted Average (\$/hour)
Secretary/Clerical	6	\$21	\$29	13%	\$4
Petroleum Engineer	13	\$69	\$97	72%	\$70
Supv. Petroleum Engineer	15	\$69	\$97	15%	\$15
<b>Weighted Average (\$/hour)</b>					<b>\$89</b>

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

\*\* A multiplier of 1.4 (as implied by BLS news release USDL 10-0774, June 9, 2010, (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

Based on a cost factor of \$89 per hour, we estimate the total annual cost to industry is \$41,393,811 (\$89 x 465,099 = \$41,393,811).

**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 five non-hour cost burdens and they are as follows:

- § 250.1900 - Moderate Activity Operator Implementation (one time cost to implement SEMS).
- § 250.1900 - Low Activity Operator Implementation (one time cost to implement SEMS).
- § 250.1900 - Development and implement a SEMS program (one time implementation cost of SEMS template).
- § 250.1900 - In-house modification (one time implementation cost) of the generic SEMS program to meet needs of specific company.
- § 250.1925(c) – Pay for all costs associated with an BOEMRE directed audit due to deficiencies.

We estimate a total reporting non-hour cost burden of \$12,933,000 for this collection of information. Refer to the chart in Section A.12 of this supporting statement for a breakdown of the burden.

***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 \$65/hour (rounded). This cost is broken out in the below table using the Office of Personnel Management pay schedule for the REST OF UNITED STATES (Consisting of the portions of the lower 48 United States not located within another locality pay 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	\$21	\$32	10%	\$3

Petroleum Engineer	GS-13/5	\$44	\$66	80%	\$53
Supv. Petroleum Engineer	GS-15/5	\$62	\$93	10%	\$9
<b>Weighted Average (\$/hour)</b>					<b>\$65</b>

\*A multiplier of 1.5 (as implied by BLS news release USDL 10-0774, June 9 10, 2010, (see <http://www.bls.gov/news.release/ecec.nr0.htm>)) was added for benefits.

To analyze and review the information submitted, we estimate the Government will spend an average of 1/12 hour for each hour spent by the respondents for a total of 38,758 (rounded) hours ( $\frac{1}{12}$  hour x 465,099 hours = 38,758.25). Based on a cost factor of \$65 per hour, the total estimated annualized cost to the Government is \$2,519,270 (465,099 hours x  $\frac{1}{12}$  hours = 38,758 (rounded) hours x \$65 = \$2,519,270).

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

As this is a new collection for a rulemaking, we request a program change of 465,099 burden hours, and \$12,933,000 for non-hour cost burdens.

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

The BOEMRE will require the submittal of Form MMS-131 from respondents in the time schedule as follows:

- Operators have between January 1 and March 31 to submit the previous calendar's year data on Form MMS-131;
- BOEMRE will analyze the data between April and May;
- BOEMRE will make available the aggregate industry-wide data on the BOEMRE internet web site with updates by June 1.

**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 BOEMRE will display the OMB approval expiration date on Form MMS-131.

**18. Explain each exception to the certification statement identified.**

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."